Annual Financial Report

London Borough of Camden • 2025/26

Camden

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1. Narrative Report

Narrative Report

I am pleased to present the Council's 2025/26 Annual Financial Report. This foreword provides a guide to the most significant matters reported in the Council's accounts. Camden's financial statements for 2025/26 have been prepared in accordance with the standard format for local authority accounts as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) for the Statement of Accounts in 2025/26 as prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, which, in turn, is based on International Financial Reporting Standards.

To aid interpretation of the Council's accounts, the foreword provides:

- Introduction to Camden and We Make Camden, which sets out the Council's key priorities
- Overview of the financial context the Council operates in and summary of the Council's Medium-Term Financial Strategy
- Commentary and review of the Council's key achievements during 2025/26
- Summary of financial performance for various elements of the council's financial structure – General Fund, Capital, Housing Revenue Account, Collection Fund and Pension Fund
- Trend in staffing numbers over recent years
- Explanation of the key financial statements

Daniel Omisore
Director of Finance and Chief Financial Officer

Introduction to Camden

We Make Camden

In Camden, our politics, our people, and our resources are what make us different. In March 2022, we published We Make Camden – our refreshed vision for the future of Camden. It sets out what we want to collectively achieve and lead together, and was developed following conversations with residents, partners and community leaders. We Make Camden is our shared vision for the future of the borough. This sets out a desire where;

We want to make Camden a better borough - By working together, some amazing things have been achieved by people across Camden, and we want to build on this approach to make Camden a better, fairer place. Everyone has the power to make a difference, and even a small action can make a big difference.

In Camden, child poverty is high with two in five children living in poverty after housing costs, and the gap in healthy life expectancy between the poorest and richest parts of the borough is wide – poorer citizens are expected to die almost 13.5 years earlier for men and 9.6 years early for women than those who are better off. We also face challenges with access to jobs, the availability of affordable high-quality homes, keeping citizens safe and the impact of the climate emergency.

Camden has one of the most dynamic economies in the UK and is home to global businesses and academic and public institutions that can help us tackle these challenges. A key action for us will be to bring the collective creativity of these organisations together to make sure all citizens can access and take advantage of the wealth and opportunity they bring to the borough. We need to continue to work with partner organisations, citizens, members and our workforce, with the drive and pace needed to make positive change happen.

Camden has adopted a 'Missions' approach to service delivery. **Camden Missions** are the long-term goals for the future of our borough that were developed in collaboration with people across Camden. Camden has identified ten big issues facing the borough, which include four Camden Missions and six Camden Challenges.

The four missions have been created through conversations and collaborative work across the borough, they are;

Diversity: By 2030, those holding positions of power in Camden are as diverse as our community – and the next generation is ready to follow.

Young People: By 2025, every young person has access to economic opportunity that enables them to be safe and secure.

Food: By 2030, everyone eats well every day with nutritious, affordable, sustainable food.

Estates: By 2030, Camden's estates and their neighbourhoods are healthy, sustainable and unlock creativity.

Diversity Mission

In Camden, we take pride in the diversity of our borough. However, we understand that the outcomes for a good life are unequal for the diverse residents of Camden. The inequality is systemic and goes beyond just access to jobs or money. It's also about power. Some people have more say than others, and that's not right. We want to change that.

Our goal is to make sure everyone in Camden has a real opportunity to influence decisions that affect their lives. This means making sure the people in charge of local organisations, including Camden Council, reflect the diversity of our community.

The core purpose of the mission focuses on 4 key outcomes:

Food Mission

The fundamental aim of our food mission is to be a borough where everyone has access to healthy, nutritious, and sustainable food. Where food is grown locally, connects our diverse communities, and nourishes us to lead long, healthy, and happy lives, all while caring for the planet.

By 2030, we want to make this vision a reality. We want everyone in Camden to eat well every day, with nutritious, affordable, and sustainable food. To do this, we have broken down our mission into the following outcomes:

- Residents are food secure and no longer need to rely on crisis food provision.
- Residents eat a healthy and balanced diet
- Food is a foundation of children's and young people's flourishing lives

Youth Mission

Camden is striving to be a place where every young person, regardless of background, can access opportunities that promote their safety, security, and long-term success.

At the heart of this is a partnership built on the belief that meaningful change requires collective action. This approach is about co-production, where young people, businesses, educational institutions, public services, and voluntary sector organisations work together as equal partners across three broad Mission outcomes:

- Camden should be a place where young people can easily find good jobs and training opportunities.
- Young people should have a say in creating opportunities in the borough.
- Camden should have welcoming spaces where young people can get support, find information, or feel inspired.

To address this, the mission will remain flexible and responsive, testing and learning through interventions designed to support these priority cohorts to find long-term solutions.

We've continued to develop our core offer of support for young people – including our Camden Young Talent Guarantee and Camden STEAM. We've also been working in new ways with young people, our communities, partners and local businesses to introduce new initiatives.

Estates Mission

We know that there is a big difference in health between our neighbourhoods, and residents on our estates are particularly likely to have worse health outcomes than others. We want to reduce that gap, so that by 2030, residents on our estates have the same levels of health and wellbeing as others in the borough.

At the heart of this year's approach are inclusive community events led by Ward Councillors and supported by council officers. These sessions brought together a wide range of local partners, Voluntary and Community organisations, faith groups, residents, schools, and public services to share insights on local needs, identify opportunities for collaboration and co-develop ideas for funding and joint working.

As part of our mission to support residents to live healthy lives and create opportunities for young people, we've been working with Arsenal and the NW5 Project to refurbish the sports pitch on Peckwater Estate in Kentish Town.

Thanks to generous funding from Arsenal, adidas, and the Kentish Town District Management Committee, we've been able to transform the pitch – making sure it continues to be a safe space where residents can be active, connect and have fun.

More information is available at: [We Make Camden]

Financial Support

The Council Tax Support Scheme plays a crucial role in Camden's response to the ongoing cost-of-living crisis, providing essential financial relief to low-income households. The scheme ensures that council tax remains affordable for vulnerable residents, directly contributing to reduced arrears and supporting household budgets during challenging economic times. Currently, approximately 22,000 residents benefit from the Council Tax Support Scheme, with around 16,000 of them, including c5,450 pension-age claimants, receiving 100% discounts. This significant level of support ensures that the scheme remains a vital lifeline for many within Camden's diverse community.

Climate Emergency

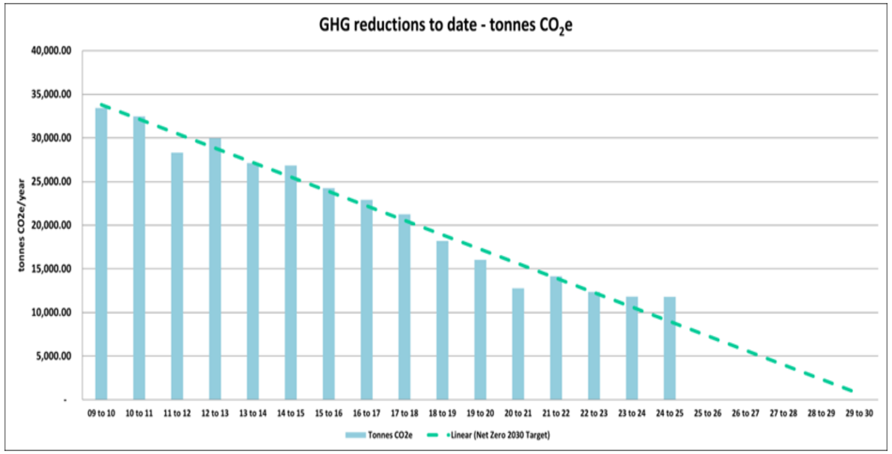
Tackling the climate emergency remains a key priority for Camden. This year, we published our third "Climate Budget" describing the Council's investment in improving the energy efficiency of our estate as well as the scale of the financial challenge to fully decarbonise our buildings.

In 2025 the Council was also awarded £6.4m in grant funding to undertake decarbonisation works at Swiss Cottage Leisure Centre and Kentish Town Sports Centre. The projects will replace the fossil fuel heating systems with heat pumps and include the installation of solar and energy efficiency measures. The total combined project cost is £7.6m and will save 870 tonnes of CO_2e per annum.

Energy efficiency improvement works have now taken place at 55% of Camden's libraries, representing a significant step forward in reducing emissions from the Council's cultural and community estate. This includes major upgrade works at a number of libraries, improving energy efficiency, reducing carbon emissions and supporting the Council's wider decarbonisation objectives. At Highgate Library, the works have resulted in an overall reduction in energy costs of approximately 48%.

Across our corporate and schools estate, carbon dioxide emissions are now 64.5% below 2010 levels.

The Chart below shows the planned and actual CO_2 reduction across our schools and corporate estate as well as fleet (excluding Council homes).



Financial context

Like the rest of local government and the wider public sector, the Council is currently facing an unprecedented crisis following the lasting impact of the global coronavirus pandemic, high inflation and the Cost of Living crisis that have affected the lives of so many people. Camden, along with other local authorities, is in the frontline of supporting households and businesses through what is now widely acknowledged as a cost-of-living crisis.

Before the challenges from Covid, high inflation and the Cost of Living Crisis, the Council was already addressing the challenge of cumulative annual real term cuts to Government funding that has significantly reduced our funding levels while we have seen significant growth in demand for our services, particularly in health, social care and homelessness provisions.

As a result, we will have had to make savings of c £220m between 2010 and 2024/25. The cumulative impact of those savings should not be underestimated.

From April 2026 the Government have recently issued the first multi-year financial settlement for local government in ten years. This is welcome and provides the Council with a more stable platform from which to plan and invest for the future through its next Medium Term Financial Strategy.

In January 2023, the Cabinet agreed a Medium-Term Financial Strategy (MTFS) that sought to provide the financial framework for the three years from 2023/24 to 2025/26. The programme, developed through an outcome-based budgeted approach, was developed to address a projected deficit of c£40m by 2025/26. The significant inflationary and demographic pressures facing the Council, our MTFS was developed in line with the principles and values set out in We Make Camden and The Way We Work. Opportunities and business cases have been identified and developed across three broad categories:

• Outcome Focused Change – building on our ambitions set out in We Make Camden to focus our resources and investment in areas that are important to our communities and create the most impact on the challenges that face us.

• Creating a Council for the Future – ensuring our services are as resilient and sustainable as possible, and our organisational structures are aligned with our priorities and values.

• Best Value and Best Services – making savings in ways that seek to create the most efficient and effective services for our communities

The Medium Term Finance Strategy (MTFS) is a key element of the Council's work to remain financially resilient and to ensure resources are in place to deliver the outcomes of We Make Camden. 2025/26 was the third year of the current MTFS and the Council continues to work to deliver the agreed savings.

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The Council is currently developing its next MTFS which will run from 2027-30. This will be a vital element of the Council's overall financial strategy and support the Council to remain financial resilient over the medium term.

Summary of Financial Performance

General Fund

The General Fund is the main revenue fund from which the Cost of Services is met. It is separate from the Housing Revenue Account, Pension Fund and Collection Fund.

Historically, the Council has managed its General Fund budgets well, and a key element of the Council's financial sustainability has been delivering services within its General Fund budget. Since 2024/25 the Council has seen significant additional costs across services due to inflationary and demographic pressures, with particularly acute pressures facing Adult's and Children's social care and homelessness services. This has resulted in a significant overspend of £14m in 2025/26. The Council has a statutory duty to provide many of these services and increasing costs and demand pressures have resulted in significant budget overspends in the General Fund. While these pressures are being faced across London and more generally in local authorities across the country, they do represent a challenge to the Council's financial sustainability and resilience. The Council is taking steps to reduce overspends in future years by enacting more cost controls and by increasing contingencies and reserves earmarked to support areas at high risk.

The Council's actual spend compared with its updated budget for 2025/26 is set out in the following table:

	Net Budget £m	Outturn £m	Variance to Budget £m
Directorates:			
Corporate Services	93.9	94.2	0.3
Investment, Place & Opportunity	75.5	68.4	(7.1)
Homes and Communities	44.9	60.3	15.5
Adults and Health	158.3	167.6	9.3
Children and Learning	87.4	90.7	3.3
Cross-Cutting Budgets:			
Government Grant	(108.7)	(108.7)	0.0
Pensions	12.4	12.5	0.1
Financing and Interest	(13.7)	(15.3)	(1.6)
Housing Benefit	0.0	0.9	0.9
Other Items and Adjustments	(8.3)	(15.0)	(6.7)
Total	**341.7**	**355.7**	**14.0**

The Council had a net revenue budget of £341.7m in 2025/26 and delivered a final outturn overspend after agreed transfer to and from reserves of £14m

The net movement from earmarked reserves is mainly driven by the £14m overspend in the General Fund and a series of budgeted reserve movements in year, resulting in a £13.620m net drawdown from earmarked reserves for 2025-26.

Housing Revenue Account

The Housing Revenue Account (HRA) is a ring-fenced landlord account for the running of the Council's housing stock. The Council is the main provider of social rented accommodation in Camden, with 23,038 units as of 31 March 2026. In 2025/26, average council rents (excluding service charges) were £141.64 per week.

In 2025/26, the HRA had a net deficit of £2.8m, this includes a £4m planned contribution to reserves as part of the policy to increase the level of financial stability to the Housing Revenue Account, resulting in £28.7m being carried forward as at 31 March 2026

The HRA continues to face a challenging position with high inflation and increasing regulatory demands on services. In addition, high interest rates are putting pressure on the HRA's debt payments and reducing the Council's ability to borrow to drive regeneration and house building.

The cost pressures that the Council has been experiencing are likely to remain over the medium term as inflation remains high. The expected inflationary impacts on budgets were factored into the Council's Medium Term Financial Strategy and help to inform the level of savings needed in both the General Fund and the Housing Revenue Account in order to close the expected medium term budget gap.

Capital

The Council has a large capital programme with planned expenditure running through to 2030. The programme consists of a number of major initiatives to enhance or replace assets alongside large programmes to deal with backlog maintenance. The funding for the programme comes from a variety of sources, but remains heavily dependent on capital receipts from the sale of fixed assets. Actual capital spend in the year was £299.7m. The main areas of investment were as follows:

- Property Management spent £109.7m making improvements to the council's existing buildings, a large proportion of the spend relates to the Better Homes programme, fire safety works and making improvements to existing schools.

- Development spent £106.2m on the Community Investment Programme and Estate Regeneration projects, which are helping to provide improved housing and school facilities for residents of Camden.

- Environment & Sustainability division spent £50.4m helping to improve transportation links across the borough with numerous traffic flow improvement schemes, and major investments for sustainability improvements relating to our energy use, and our public spaces.

The total capital spend of £299.7m in 2025/26 was financed from a number of sources, including:

- £67.2m from capital receipts
- £19.6m from Section 106, Community Infrastructure Levy and other contributions
- £106.1m from capital grants
- £56.3m from General Fund prudential borrowing
- £47.5m from HRA reserves; and
- £2.4m from HRA prudential borrowing

Community Investment Programme

The Community Investment Programme (CIP) is an ambitious plan to invest in homes, schools and community facilities in Camden. In a challenging environment the CIP programme has continued delivering new homes and has a strong pipeline to help realise the full ambition of completing 4,850 homes, including 1,800 social rented homes. Over the last 15 years, it has evolved significantly, ensuring that Camden's communities' needs are put at the forefront of CIP objectives and adapting as needs change.

Over the last year we have made significant progress on the design and development of a number of major development projects.
In West Kentish Town, our largest project in CIP, we reached a significant milestone, with planning consent approved in December 2025. With a third of families on the estate currently living in overcrowded conditions, the decision will ensure that we build and deliver the safer and larger homes residents need.
The Camley Street redevelopment project and two New Homes for Small Sites projects at Highgate Road and Raglan Street also went to planning committee in Spring 2026. Together, these three sites will deliver 226 affordable homes, over 2,000 sqm of affordable creative maker space, over 28,000 sqm of science and technology employment space, with significant improvements to the estates where the homes will be delivered along with homes for private sale.

The last year has also been a time to celebrate the successes of the programme. In May 2025 we celebrated the opening of Highgate Newtown Community Centre, which completed the redevelopment of site after delivering 36 affordable homes as well as the state-of-the-art community centre. In November, Liddell Place workspace opened – the opening represented the completion of the area master plan, which over the years has seen investment and expansion in the nearby Kingsgate Primary school, the delivery of homes and the Council's first workspace.

Works are progressing well on two new temporary accommodation residences. These new buildings will provide 89 temporary homes for families together with ancillary services, staff rooms and amenity spaces for the new residents.

Collection Fund

The Collection Fund accounts for all transactions on council tax and business rates and the redistribution of some of that money to the Greater London Authority (GLA) and central government.

Local taxation through council tax and business rates are two of the most important sources of General Fund funding besides grants from the government. The impact of the Covid pandemic had a significant impact on the Collection of local taxes with many residents and businesses struggling to meet their tax liabilities due to the economic consequences of the pandemic.

In 2025/26, we collected £195.07m from council tax, with a collection rate of 93.07% by the end of the financial year. In 2025/26, Camden's element of band D council tax was £1,615.98.

The amount of business rates Camden collects is one of the highest in the country. The amount collected by the 31 March 2026 in relation to 2025/26 was £658.46m, with a collection rate of 95.8%. The total amount collectable, less certain reliefs and deductions, is distributed between the Government, Greater London Authority and the Council. Between 2018/19 and 2020/21 Camden participated in a London-wide pilot scheme to pool and retain any growth over and above the business rates baseline across the capital. Given the current level of uncertainty regarding both the valuation of businesses and the tax base for business rates the Leaders Committee of London Councils took the decision to request a pause in the participation in the pilot scheme in 2021/22.

The Collection Fund closing position attributable to the Council was a £33.3m deficit – made up of £37.8m business rate deficit and £4.5m council tax surplus.

Pension Fund

The Pension Fund Account reports the contributions received, payments to pensioners and the value of net assets invested in the Local Government Pension Scheme on behalf of Council employees. All employees become contributors on appointment with Camden or a scheduled or admitted body. The Fund's income is derived from employee and employer contributions, transfer values inand income from investments.

In 2025/26 total contributions paid in were £90.3m, of which

- employers contributed £71.8m and
- employees contributed £18.5m.

Total Benefits paid out were £79.8m, this comprised of

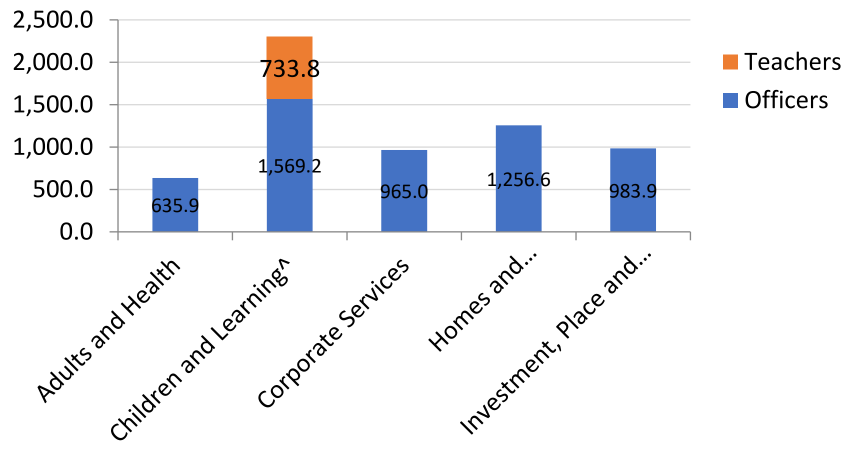
- £67.4m monthly pension payments,
- £11.7m of lump sum retirement grants and
- £0.7m in death grants

The value of Fund assets increased by 11% in the 2025/26 financial year to £2.41bn, as set out in the accounts. The Fund is assessed to be 136% funded as at the date of the actuarial valuation on 31 March 2025. Camden is one of the largest of the London Borough funds in terms of assets, and has nearly 24,000 members, and 19 admitted bodies and 6 scheduled bodies.

Staffing trends over recent years

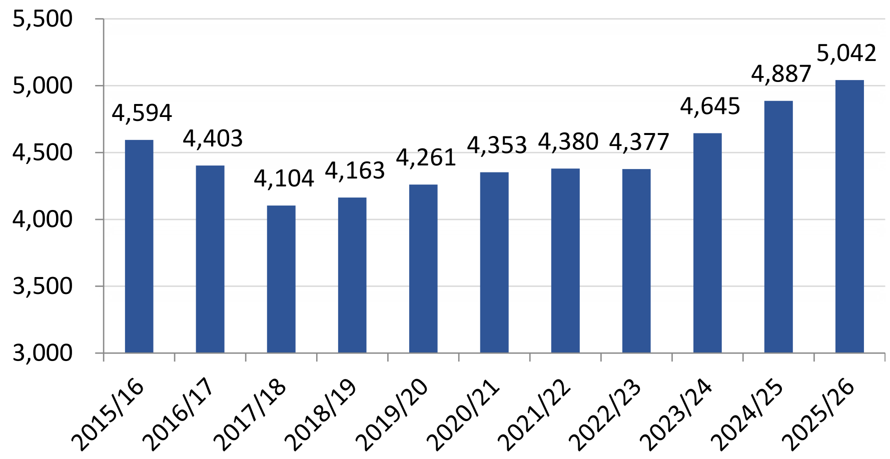
The graph below shows Camden's staff numbers in 2025/26 for each directorate, expressed in terms of the number of full-time equivalents in post in each category of employment at 31 March 2026. The figures include staff providing services to housing tenants and include community schools but exclude voluntary aided schools.

In response to the financial pressures facing the Council in 2025/26 additional recruitment controls have been put into place to increase scrutiny on recruitment decisions and control costs.



The graph below shows how Camden staff numbers (excluding teachers and voluntary aided schools' teachers and staff) have changed over recent years. Total staffing has increased by 448 (10%) over the period 2015/16 to 2025/26.

Camden



Outlook

The current economic situation, including the cost of living crisis and the impact of inflation on both the Council and on local residents and business is a major risk to the Council's ability to control its costs and collect income from local taxes and fees & charges. Pressures across Council services, most notably temporary accommodation and adults and children's social care have put significant pressure on the Council in 2025/26 with a general fund overspend of £14m. In response the Council has taken steps to increase in-house provision in both services, investing in temporary accommodation and agreeing capital funding of £11.1m to increase the provision of children's placements in the future. The Council has also increased its revenue budgets in these areas for 2026/27 to help mitigate the volatility in demand for and cost of temporary accommodation and children's social care.

Part of the Council's response to the more challenging medium term outlook that the Council is facing is to look to increase the general reserve balances held. In support of the Council's financial resilience Members agreed to increase the Council's general reserve balance by £1.5m a year over the medium term.

The Council has implemented and continues to develop a range of mitigations and controls to manage this overspend, including recruitment controls. Nonetheless, the budgetary pressures facing the Council across social care and homelessness are expected to be permanent and weaken the Council's ability to invest resources elsewhere in the organisation.

Explanation of the key financial statements

The Statement of Accounts presents the Council's income and expenditure for the year, and its financial position at 31 March 2026. It shows the core statement as well as notes to the statements. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, which in turn is underpinned by International Financial Reporting Standards.

Movement in Reserves Statement - This Statement, as set out on page 22, shows the movement in the year on the different reserves held by Camden, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other reserves. The 'Surplus or (deficit) on the provision of services' line shows the true economic cost of providing Camden's services, more details of which are shown in the Comprehensive Income and Expenditure Summary (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes.

The 'Net increase/decrease before transfers to Earmarked Reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by Camden.

The holding of reserves is a key element of the Council's Financial Strategy and supports the Council's financial resilience.

In accordance with CIPFA guidance, we have a number of both general balances and earmarked reserves. General balances are held as a wider financial contingency against unexpected financial shocks while the latter are held for several specific purposes. This includes, but is not limited to, the support to the delivery of our key strategic outcomes within Our Camden Plan, to contribute to our Capital Programme, to mitigate future known financial risks (such as insurance liability or a decline in business rates) and to provide investment and pump prime initiatives that will deliver future financial benefit and longer-term savings as we head into the next round of our three-year savings plan. In managing our reserves over the medium term, we have recognised that they are a one-off resource and not a sustainable solution to the financial challenges that we face over the medium term.

As shown on page 22 of the accounts at the end of the financial year our General Fund general balance stands at £19.86m or roughly 5.9% of our net budgeted expenditure.

This is at the lower end of the acceptable range but has been increasing as part of the Council's current Medum Term Financial Strategy, but this historic approach has been based on the Council's confidence in our ability to deliver MTFS savings and strong track record of living within our means. The impact of the Cost-of-Living crisis and high inflation along with significant increases in demand for the Council's services, and uncertainty around government funding, means both of those things are now in doubt over the medium term and we will be operating with a substantial reduction in our financial flexibility. This position will need to be closely monitored moving forward to ensure that reserve levels remain at an appropriate level to provide a strong level of resilience and flexibility to respond to any emerging financial shocks.

In support of the Council's financial resilience Members agreed to increase the Council's general reserve balance by £1.5m a year over the medium term. This means that the general reserve balance is forecast to increase to £21.36m by 2027 which is estimated to be 6.5% of net service expenditure. The need to increase general reserve balances to support the Council's financial resilience has been driven by a number of compounding issues:

- As a sector, local government has seen significant cuts to its funding over the past fourteen years. This leads to additional pressure and if the Council doesn't build up resilience this could impact its ability to serve its residents and communities.
- The Council will need to develop a new Medium Term Financial Strategy for 2027-2030 to ensure it remains financially resilient. The recent local government financial settlement has given a level of certainty to council finances over the medium term, however the 'flat' settlement for Camden, where the combined elements of core government grants, Council Tax and retain Business Rates will not increase from 2025/26 levels for the next three years means that the Council will need to fund growth in costs, including inflationary growth by delivering savings to existing budgets.
- The long-term impact of Covid-19, Brexit and the war in Ukraine means the Council remain to experience an unprecedented level of uncertainty over the medium term.

Comprehensive Income and Expenditure Statement - This statement, as set out on page 20, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Balance Sheet - The Balance Sheet, as set out on pages 24-25, shows the value as at the Balance Sheet date of Camden's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement - The Cash Flow Statement as set out on page 26 shows the changes in cash and cash equivalents of Camden during the reporting period. The statement shows how Camden generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of Camden are funded by way of taxation and grant income or from the recipients of services provided by Camden. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to Camden's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Independent Auditor’s Report to Members of London Borough of Camden

To follow on completion of the audit

Statement of Responsibilities for the Statement of Accounts

The Council's responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers - the Chief Financial Officer - has the responsibility for the administration of those affairs. In this council, that officer is the Director of Finance.
- 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 Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Council Accounting in the United Kingdom ('the Code') and of its pension fund statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

In preparing this Statement of Accounts, the Chief Financial Officer has:

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

I confirm that the Statement of Accounts gives a true and fair view of the financial position of the Authority at 31 March 2026 and of its income and expenditure for the year then ended.

Daniel Omisore

Daniel Omisore, CPFA
Director of Finance and Chief Financial Officer

Committee Approval of the Statement of Accounts

To be approved following audit

Councillor Dan Corby
Chair, Audit and Corporate Governance Committee

2.
Primary Financial Statements

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) summarises the income the Council has generated during the year, such as from grants, fees and charges and taxation; the expenditure that the Council has incurred in providing services, and other gains and losses arising from changes in the value of assets and liabilities.

The Cost of Services is split according to the Council's hierarchical departmental structure and service area, with other operating income and expenditure not attributable to departments reported below.

2024/25							2025/26
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000			£'000	£'000	£'000
240,510	(74,182)	166,328	Adults and Health		255,845	(65,418)	190,427
211,059	(94,878)	116,181	Children & Learning		194,196	(71,508)	122,688
290,913	(325,014)	(34,101)	Corporate Services		158,839	(230,054)	(71,215)
1,996	(359)	1,637	Chief Executive		1,780	(21)	1,759
96,833	(45,917)	50,916	Homes and Communities*		100,385	(26,407)	73,978
254,019	(148,719)	105,300	Investment, Place and Opportunity*		251,376	(141,555)	109,821
450,906	(244,869)	206,037	Housing Revenue Account		235,014	(275,642)	(40,628)
193,514	(196,927)	(3,413)	Dedicated Schools Grant		209,293	(213,496)	(4,203)
1,739,750	**(1,130,865)**	**608,885**	**Cost Of Services**		**1,406,728**	**(1,024,101)**	**382,627**
		(17,412)	Other Operating Expenditure	9			(16,135)
		(11,387)	Financing and Investment Income and Expenditure	10			(26,451)
		(365,024)	Taxation and Non-Specific Grant Income	11			(457,061)
		215,062	**(Surplus) or Deficit on Provision of Services**				**(117,020)**
		84,349	(Surplus) or deficit on revaluation of Property, Plant and Equipment	12			5,985
		(3,257)	Remeasurements of the net defined benefit liability/asset	40			36,845
		81,092	**Other Comprehensive (Income) and Expenditure**				**42,830**
		296,154	**Total Comprehensive (Income) and Expenditure**				**(74,190)**

* Following restructure, the Supporting Communities directorate reported in 2024/25 accounts has been split into two new directorates Homes & Communities and Investment, Place & Opportunity.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into ‘usable reserves’, (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The surplus or deficit on the provision of services line shows the true economic cost of providing the Council’s services, more details of which are shown in the comprehensive income and expenditure statement.

These are different from the statutory amounts required to be charged to the general fund balance and the housing revenue account for council tax setting and dwellings rent setting purposes.

2025/26	General Fund Balance	Housing Revenue Account	Earmarked Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2025 brought forward	**(18,356)**	**(14,178)**	**(185,994)**	**(65,008)**	**(1,256)**	**(14,150)**	**(298,942)**	**(3,918,886)**	**(4,217,828)**
(Surplus)/Deficit on provision of services	21,698	(138,718)	0	0	0	0	(117,020)	0	(117,020)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	42,831	42,831
Total Comprehensive Income and Expenditure	**21,698**	**(138,718)**	**0**	**0**	**0**	**0**	**(117,020)**	**42,831**	**(74,189)**
Adjustments between accounting basis & funding under regulations (*Note 7*)	(6,524)	133,501	0	25,255	1,256	(1,613)	151,875	(151,875)	0
Net (increase)/decrease before Transfers to Earmarked Reserves	**15,174**	**(5,217)**	**0**	**25,255**	**1,256**	**(1,613)**	**34,855**	**(109,044)**	**(74,189)**
Transfer to or from Earmarked reserves	(16,683)	3,063	13,620	0	0	0	0	0	0
(Increase)/Decrease in Year	**(1,509)**	**(2,154)**	**13,620**	**25,255**	**1,256**	**(1,613)**	**34,855**	**(109,044)**	**(74,189)**
Balance at 31 March 2026 carried forward	**(19,865)**	**(16,332)**	**(172,374)**	**(39,753)**	**0**	**(15,763)**	**(264,087)**	**(4,027,930)**	**(4,292,017)**

2024/25	General Fund Balance	Housing Revenue Account	Earmarked Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2024 brought forward	**(16,858)**	**(13,387)**	**(225,746)**	**(92,020)**	**(8,214)**	**(20,237)**	**(376,462)**	**(4,137,519)**	**(4,513,981)**
(Surplus)/Deficit on provision of services	35,868	179,193	0	0	0	0	215,061		215,061
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	81,093	81,093
Total Comprehensive Income and Expenditure	**35,868**	**179,193**	**0**	**0**	**0**	**0**	**215,061**	**81,093**	**296,154**
Adjustments between accounting basis & funding under regulations (*Note 7*)	(4,662)	(172,936)	0	27,012	6,958	6,087	(137,541)	137,541	0
Net (increase)/decrease before Transfers to Earmarked Reserves	**31,206**	**6,257**	**0**	**27,012**	**6,958**	**6,087**	**77,520**	**218,634**	**296,154**
Transfer to or from Earmarked reserves	(32,704)	(7,048)	39,752	0	0	0	0	0	0
(Increase)/Decrease in Year	**(1,498)**	**(791)**	**39,752**	**27,012**	**6,958**	**6,087**	**77,520**	**218,634**	**296,154**
Balance at 31 March 2025 carried forward	**(18,356)**	**(14,178)**	**(185,994)**	**(65,008)**	**(1,256)**	**(14,150)**	**(298,942)**	**(3,918,885)**	**(4,217,827)**

Balance Sheet

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority.

		31-Mar-25	31-Mar-26
	Note	**£'000**	**£'000**
Property, Plant & Equipment	12	4,655,036	4,833,163
Heritage Assets	13	2,285	2,285
Investment Property	14	213,013	198,567
Intangible Assets	15	621	3,466
Long Term Investments	16	3,932	5,860
Long Term Debtors	16	8,095	12,206
Total Long-Term Assets		**4,882,982**	**5,055,547**
Short Term Investments	16	130,682	2,943
Assets Held for Sale	19	18,078	8,073
Inventories		481	389
Short Term Debtors	17	129,134	165,498
Cash and Cash Equivalents	18	79,692	40,695
Total Current Assets		**358,067**	**217,598**

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, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves are those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

		31-Mar-25	31-Mar-26
	Note	**£'000**	**£'000**
Short Term Borrowing	16	0	(12,410)
Short Term Creditors	20	(261,041)	(254,858)
Short Term Grants Received in Advance - Revenue	33	(516)	(2,500)
Short Term Grants Received in Advance - Capital	33	(54,256)	(46,392)
Short Term Provisions	21	(23,604)	(14,692)
Total Current Liabilities		**(339,417)**	**(330,852)**
Long Term Provisions	21	(12,899)	(13,949)
Long Term Borrowing	16	(294,281)	(281,871)
Other Long-Term Liabilities	16	(104,073)	(98,402)
Long Term Grants Receipts in Advance - Capital	33	(77,261)	(85,023)
Net Pensions Liability	40	(195,291)	(171,031)
Total Long-Term Liabilities		**(683,805)**	**(650,276)**
Net Assets		**4,217,827**	**4,292,017**
Usable Reserves	8	(298,942)	(264,087)
Unusable Reserves	22	(3,918,885)	(4,027,930)
Total Reserves		**(4,217,827)**	**(4,292,017)**

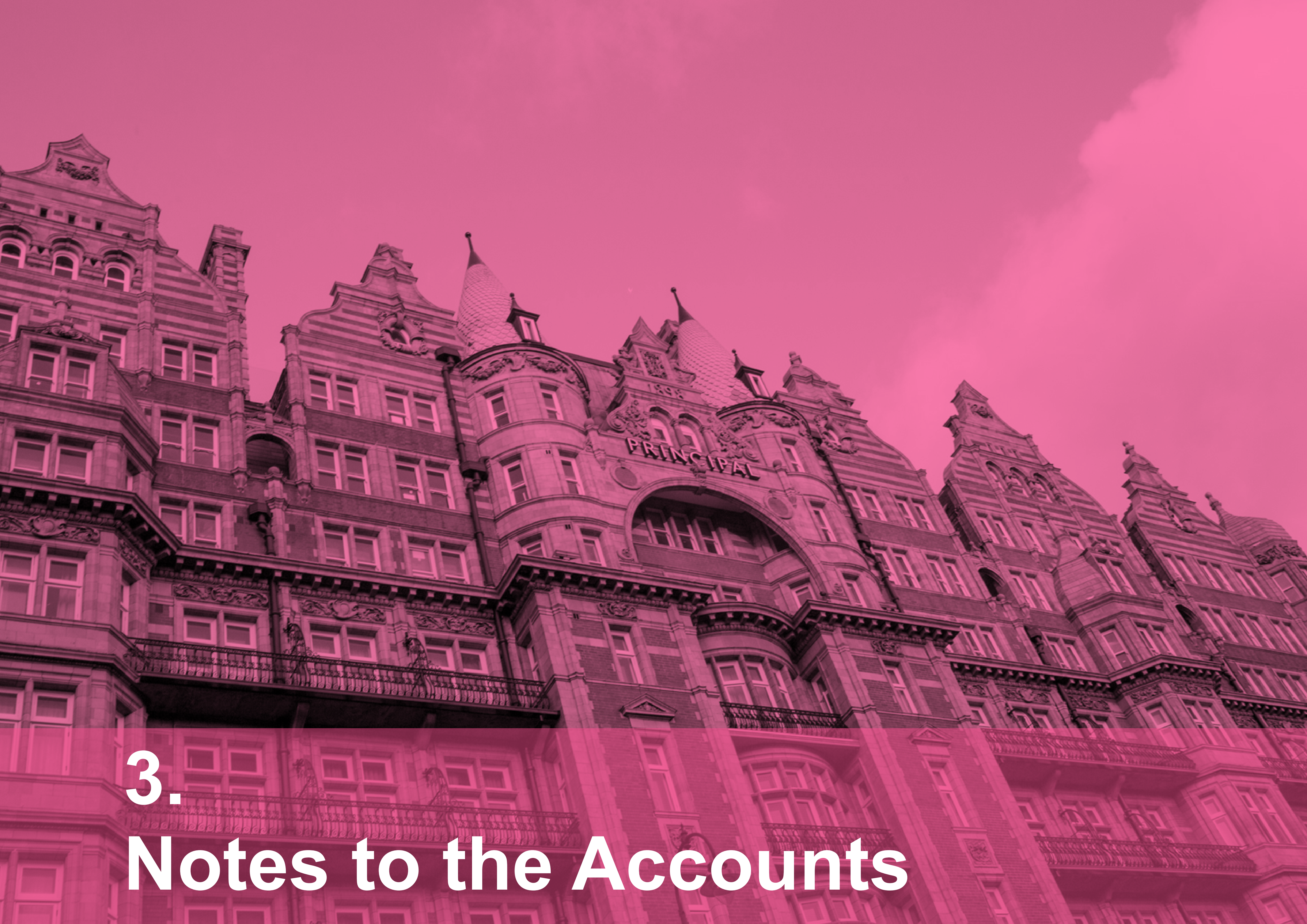
Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

	Note	2024/25	2025/26
		£'000	**£'000**
Net surplus or (deficit) on the provision of services		(215,061)	117,020
Adjustment to surplus or deficit on the provision of services for non-cash movements	24	398,177	19,922
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(106,113)	(185,565)
Net Cash flows from operating activities		**77,003**	**(48,623)**
Net Cash flows from Investing Activities	25	(37,414)	11,859
Net Cash flows from Financing Activities	26	(25,343)	(2,233)
Net increase or decrease in cash and cash equivalents		**14,246**	**(38,997)**
Cash and cash equivalents at the beginning of the reporting period		65,446	79,692
Cash and cash equivalents at the end of the reporting period	18	**79,692**	**40,695**



3.
Notes to the Accounts

Notes to the Accounts

Note 1 Accounting Policies

1. Concepts and Principles

1.1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year ending 31 March 2026. The Statement of Accounts has been prepared in accordance with the Accounts and Audit Regulations 2015. These regulations require the accounts to be prepared in accordance with 'proper accounting practice'. These practices are set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ('the Code'), based on International Financial Reporting Standards and statutory guidance.

The accounts are prepared on a going concern basis. The accounting convention adopted in the Statement of Accounts is principally historical costs, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2. Recognition of Income and Expenditure

In line with the Code, the accruals basis of accounting is used, meaning activity is accounted for in the year that it takes place rather than when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Goods and services are recorded as expenditure when they are consumed rather than purchased.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

1.3. Grants and Contributions

Grants and contributions shall be recognised when there is reasonable assurance that the Council will comply with the conditions attached to them, and that the grants or contributions will be received. If there are outstanding conditions the grants and contributions must be shown as liabilities on the balance sheet until the conditions are met. Once all conditions have been met, grants and contributions must be credited to the Comprehensive Income and Expenditure Statement and cannot be deferred.

1.4. Debtors and Creditors

Both debtors and creditors are recognised and measured at amortised cost.

The Authority recognises an allowance for expected credit losses on debtors, and the amounts of expected credit losses are updated at each reporting date to reflect changes in credit risk since initial recognition of the respective debtor.

1.5. Charges to Revenue for Non-Current Assets

Services are debited with the following charges 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 fixed assets attributable to the service.

The Council is not required to use Council Tax to fund depreciation, revaluation and impairment losses or amortisation of non-current assets. However, it is required to make an annual contribution from revenue towards provision for the reduction in its overall borrowing requirement calculated on a prudent basis as determined by the Council in accordance with statutory guidance.

1.6. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. There is no net charge against Council Tax for the expenditure.

The category of unusable reserves includes those reserves which are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement, and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant notes.

1.7. Council Tax and National Non-Domestic Rates (NNDR)

Billing authorities act as agents, collecting Council Tax and Non-Domestic Rates (NNDR) on behalf of the major preceptors (including government for NNDR) and, as principals, collecting Council Tax and NNDR for themselves. Billing authorities are required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of Council tax and NDR (i.e. the Collection Fund) and calculate a separate surplus and deficit on each. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of Council Tax or NNDR could be less or more than predicted.

Accounting for Council Tax and NNDR

The Council Tax and NNDR 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 NNDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of Council Tax and NNDR 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 (fixed or determinable) under the statutory arrangements will not be made, the asset is written down and a charge is made to the Financing and Investment 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.

1.8. Fair Value Measurement

Where applicable, the Council measures its assets and liabilities and provides disclosures in accordance with IFRS 13 Fair Value Measurement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The Council measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority 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.

1.9. Events After the Balance Sheet Date

These are events that occur between the end of the reporting period and the date when the Financial Statements are authorised for issue. Two types of event can be identified:

- Adjusting events – those which provide evidence of conditions that existed at the end of the reporting period. Where material, the financial statements and notes will be adjusted to include the impact within the figures in the accounts.
- Non-adjusting events – those that are indicative of conditions that arose at the end of the reporting period. The

accounts are not amended but if the event is material a disclosure is made in the notes to the accounts.

1.10. Cash and Cash Equivalents

Cash comprises cash in hand and demand deposits and cash equivalents which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

1.11. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, or other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting the opening balances and comparative amounts for the previous period as if the new policy had always been applied.

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

2. Non-Current Assets

2.1. Property, Plant & Equipment

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

All expenditure on the acquisition, creation or enhancement of PPE above the Council's de-minimis of £10,000 is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

PPE are initially measured and subsequently valued on the basis required by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS). PPE are classified in the groupings required by the Code of Practice.

2.1.1. Measurement after Recognition

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

- Infrastructure, community assets, intangible assets – depreciated historical cost
- Assets under construction – historic cost

- Dwellings – current value, determined using the basis of existing use value for social housing (existing use value for social housing – EUV-SH)
- All other assets except surplus assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- Surplus assets – fair value, in accordance with IFRS 13

Infrastructure assets include carriageways, footways, cycleways, structures such as bridges, street lighting, street furniture, traffic management systems, electric vehicle charging points and land which form as single integrated network of assets. They are measured at a modified form of historical cost basis. Opening balances for infrastructure assets are measured on a depreciated historical cost basis. The accounting rules that applied before 1 April 1994 mean that the carrying amount only reliably includes expenditure of acquisition and enhancement incurred after this date. Expenditure incurred before this date is only included to the extent that it had not been financed before the end of the 1993/94 financial year.

Under commercial accounting practice, depreciated historical cost would represent the amount of capital expenditure on infrastructure assets that has yet to be financed. For the Council, this is managed instead through the consolidated arrangements for reducing the Capital Financing Requirement through Minimum Revenue Provision.

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

Assets held at current value are revalued at least every five years. This is achieved through a rolling programme which means that a proportion of the asset portfolio is revalued every year. In the years where an individual asset is not subject to revaluation, the value is adjusted by the application of an appropriate index.

Indexation adjustments will be processed by applying the index to the carrying value of the asset on 31 March after other accounting adjustments have been made. Those adjustments will use the same accounting treatment as revaluations, and all references to the accounting treatment of revaluations in these accounting policies should be read to include indexation adjustments.

Where an appropriate index is not available for an asset, the asset will be revalued in full at least every five years, with a desktop revaluation three years after the previous revaluation.

Right of use assets held as Property, Plant and Equipment are held at depreciated historical cost unless it is deemed that this would be inappropriate as a proxy for the asset's current value, in which case the asset will be held at revaluation and revalued on the same basis as other assets in the same asset class.

2.1.2. Impairment

Impairment reviews on groups of assets are undertaken each year. Impairment is recognised where the asset's carrying value is greater than its net recoverable value in use or through sale, and the loss is specific to the asset, or group of assets. Losses not specific to the assets or group of assets, such as a general fall in the market prices will be treated as revaluation losses.

Impairment losses are recognised against historical cost and revalued net book value. Losses for revalued assets will be recognised against the revaluation reserve to the limit of the credit balance for that asset in the revaluation reserve, and thereafter in surplus or deficit on the provision of services in the CIES. Losses for assets which have not been revalued will be recognised in the surplus or deficit on provision of services in the CIES.

The impairment review includes an annual assessment of whether there is an indication that the recoverable value of any impaired assets has increased, reversing part or all of the impairment.

2.1.3. Depreciation and Amortisation

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

Depreciation is calculated on the following bases:

- Buildings – straight-line allocation over the useful life of the property as estimated by a qualified valuer.
- HRA dwellings are depreciated based on advice of our external valuation firm.
- Vehicles, plant, and equipment – allocation over 10-20 years unless otherwise advised by a responsible qualified officer.
- Information technology assets – allocation over 5 years unless otherwise advised by an appropriate person with knowledge of information technology.
- Infrastructure – straight-line allocation over 15 - 50 years, according to asset type.

Right of use assets held as Property, Plant and Equipment will be depreciated over the shorter of the lease term or the useful economic life.

Where an item of Property, Plant and Equipment asset whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Componentisation will not be applied retrospectively. Where Property, Plant or Equipment has been revalued or there has been significant enhancing expenditure it will be considered for componentisation where:

- The total cost of the component is significant both in terms of gross value and as a percentage of the overall value of the asset
- The pattern of depreciation or overall depreciable life of the component is significantly different to the useful economic life of the main asset.

The Council does not charge depreciation on assets it owns in the year of acquisition of an asset but does charge a full year’s depreciation in the year of disposal. Right of Use assets will be charged depreciation from the inception of the lease until the earlier of lease end date or when the asset has reached the end of its useful life, such that a proportionate amount of depreciation is charged in the first and last years.

Where assets are revalued the accumulated depreciation attributed to the asset immediately prior to revaluation is written out following by adjustments to the gross book value of the asset Amortisation is the measurement of the cost or revalued amount of the economic benefits of the intangible non-current assets that have been consumed during the financial year.

Consumption includes the wearing out, using up or other reduction in the useful economic life of a non-current asset, whether arising from use, passing of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

Infrastructure assets comprise a single network comprised of many components. The Council has determined that infrastructure components are replaced on average, at the end of their useful lives when they are fully depreciated. Therefore, no amounts are deducted from the carrying value of infrastructure for replacement of parts of the network.

Where infrastructure components are derecognised otherwise, the carrying amounts are not charged against Council Tax.

2.2. Lease and Lease Type Transactions

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset for a period of time and the Council will account for these arrangements in accordance with IFRS 16 as interpreted and adapted by the Code of Practice.

2.2.1. Right of Use Assets and Liabilities

Where the Council has deemed that it has a contractual arrangement that qualifies as a lease in which it is the lessee, it will recognise liability on the balance sheet, initially measured as the discounted amount of the future lease payments, matched with a right of use asset on the balance sheet whose cost is deemed to be the amount of the liability.

Arrangements which would otherwise qualify as a lease are exempt from recognition if either:

- The period of time for which the Council has the right to use the asset does not exceed 12 months – referred to as a short-term lease; or
- The value of the right of use asset is lower than the council’s capitalisation threshold of £10,000.

Where the Council is not readily able to determine the rate of interest implicit in a lease arrangement, the Council will use the Public Works Loans Board (PWLB) annuity rate at the date of the commencement of the lease as the incremental borrowing rate to be applied to the lease arrangement. The PWLB annuity rate may not be applied if it is deemed appropriate to apply an alternative rate given the circumstances of the lease and that to not use that alternative rate would have a significant impact on the Council’s accounts.

Lease payments are apportioned between:

- a charge for the acquisition of the right to use the property, plant or equipment

- which is applied to write down the lease liability, and
- a finance charge (i.e. Interest cost) which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. This will include valuation where the cost model does not provide a reliable proxy for the current value of the right-of-use asset, for instance investment property. All investment property held as right of use assets must be held at Fair Value and therefore require annual revaluation.

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Depreciation and revaluation and impairment losses is a non-cash expense which under accounting rules is reversed from service expenditure to a non-useable reserve known as the Capital Adjustment Account, which absorbs the timing difference between the financing of capital assets and their usage. This therefore does not create an additional financial impact.

Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements.

In the General Fund, the lease liability reduction is matched by a payment of Minimum Revenue Provision (MRP), which when added to the financing cost element of payments leads to no overall impact on the General Fund balance from the prior method of lease accounting.

For the Housing Revenue Account (HRA), MRP is not payable. Depreciation charges to the HRA are required to be matched by a payment to the Major Repairs Reserve (MRR), so the increase in assets will lead to a genuine charge to the HRA. However, the MRR can then be used to pay down the capital financing associated with the lease, which again should mean no meaningful impact on resources.

2.2.2. Lessor Arrangements

Where the Council has a contractual arrangement granting use of asset to another party it will determine whether substantially all the risk and rewards incidental to use of the asset are passed to the lessee or remain with the Council. Where the risks and rewards are substantially transferred, this is known as a finance lease. Where they remain with the Council, this shall be deemed an operating lease.

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 premia received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund 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 fixed 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.

Where the arrangement has been deemed an operating lease, the asset remains on the Council's balance sheet and the income is credited to the Comprehensive Income and Expenditure Statement on a straight-line basis over the duration of the lease.

2.2.3. Service Concession Arrangements

Service concession arrangements (such as Private Finance Initiative (PFI) and similar contracts) are contractual arrangements between the Council and an operator where responsibility for providing public services, using assets provided either by the operator or the Council, passes to the operator for a specified period of time. These arrangements are accounted for under IFRS 16, the Code of Practice and the additional provisions of IPSAS 32 Service Concession arrangements (grantor).

Where the PFI operator's right to third party income is recognised in deductions to the unitary payment, a proportion of the lease creditor is re-allocated to a deferred income balance based on the proportion of fixed payments from the Council and expected third party payments. The deferred income balance is amortised to the CIES on a straight-line basis over the life of the PFI scheme.

The Council's ongoing liabilities for these service concessions are recognised on the balance sheet. This has been done by recognising a lease creditor and writing it down accordingly. Where indexation is applied to future payments, the liability will be remeasured and adjusted in accordance with IFRS 16. Where a change in indexation or rate occurs the liability will be remeasured.

The assets acquired with these service concessions will be depreciated over the estimated useful life of the assets.

Lifecycle costs will be capitalised in line with the directions of the Code of Practice on capitalising expenditure for these service concessions.

2.3. Investment Properties

Investment properties are properties used solely to earn rentals or capital for appreciation or both. The Council evaluates the costs of an investment property when they are incurred, including acquisition costs and costs incurred to add to, replace part of, or service an investment property, but not including minor repairs and maintenance. Investment property is initially measured at cost, i.e. purchase price, transaction costs and directly attributable expenditure. After initial recognition the property is measured at fair value, and not depreciated. The fair value of investment property shall reflect market conditions at the end of the reporting period, i.e. open market value.

2.4. Intangible Assets

Expenditure on non-monetary assets without physical substance is capitalised when future economic benefits or service potential are created and expected to flow from the intangible asset to the Council. Intangible assets shall be measured initially at cost and held at historic cost. They are not revalued in a revaluation cycle.

Amortisation

The depreciable amount of an intangible asset is amortised over its useful life (5 years unless otherwise advised by a qualified professional), on a straight-line basis.

2.5. Revenue Expenditure Funded from Capital under Statute

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

2.6. Income from Sale of Property, Plant and Equipment

Proceeds from the disposal of PPE are capital receipts. Any income which has not been reserved and not been used to finance capital expenditure in the period is shown in the balance sheet as capital receipts unapplied.

The treatment of HRA capital receipts is determined by the Local Government Act 2003 as amended from 1 April 2012 in order to make new provision for the pooling of housing receipts by:

- The Local Authorities (Capital Finance and Accounting) (England)(Amendment)(No.2) Regulations 2012 (SI2012/711); and
- The Local Authorities (Capital Finance and Accounting)

(England)(Amendment)(No.3) Regulations 2013 (SI2013/476).

These amendments allow local authorities to retain the receipts generated by Right to Buy sales for replacement housing provided they can sign up to an agreement with the Government that they will limit the use of the net Right to Buy receipts to 40% of the cost of the replacement homes within a 5-year period from the point of receipt.

The written-off value of disposals is not a charge against Council Tax, as the cost of PPE is fully provided for under separate arrangements for capital financing.

Where the authority has sold and leased back an asset it will account for the proceeds in accordance with IFRS 16, reflecting in its accounts only the proportion of the asset sold once the value of the right of use asset created has been taken into account.

2.7. Heritage Assets

Heritage assets are defined as a tangible asset with historical, artistic, scientific, technological, geophysical, or environmental qualities that is held and maintained principally for their contribution to knowledge and culture; or an intangible asset with cultural, environmental, or historical significance. The Council's Heritage Assets which comprise mayoral regalia and silverware, art collections, public sculptures and on building are reported in the balance sheet at valuation rather than fair value, reflecting the fact that exchanges of heritage assets are uncommon.

The Council's valuations are based on a current insurance valuation (based on market values) supplemented by auctioneer's valuation where obtained. Revaluations are carried out as and when the insurance is updated. These values are not subject to indexation adjustments in years where there is no revaluation adjustment.

3. Employee Benefits

3.1. Benefits Payable During Employment

Benefits payable during employment include:

3.1.1. Short-term employee benefits

Those that are due to be settled within 12 months after the year-end in which the employee rendered the services, include:

- wages, salaries, and social security contributions.
- short-term compensated absences
- bonuses and similar payments
- non-monetary benefits

Wages and salaries will be based on actuals, other benefits will be estimated at cost to the Council.

3.1.2. Other long-term employee benefits

Those that do not fall due wholly within 12 months after the end of the period in which the employee rendered the services, include:

- long term compensated absences (long service or sabbatical leave)
- long-service benefits
- long-term disability benefits
- bonuses payable

- deferred compensation paid

All gains and losses and past service costs will be recognised in the Surplus or Deficit on the Provision of Services.

3.2. Termination Benefits

Termination benefits are amounts payable due to a decision made by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. Termination benefits are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of the benefits or when the Council recognises costs for a restructuring. Disclosures in respect of employee exit packages following termination are made in the year of notification, not the year of payment.

3.3. Post-Employment Benefits

Employees of the Council can belong to three separate pension schemes:

- The Teachers' Pension Scheme – administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE). The employer's pension cost charged to the accounts is fixed by the contribution rate set by the DfE on the basis of a notional fund. This is unchanged from last year.
- Ex-ILEA (Inner London Education Authority) – This is a funded scheme administered by the London Pensions Fund Authority (LPFA), part of the Local Government Pension Scheme. The amount paid to LPFA is fixed by the contribution rate set by their actuaries in accordance with the Local Government Pension Scheme.
- Other Employees – Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme. The amounts paid to the Camden Pension Fund are fixed by a rate set by the Council's actuary at the triennial valuation.

All schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified to the Council. The scheme is therefore accounted for as if it were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet and the education service revenue account is charged with the employer's contributions payable to Teachers' Pensions in the year.

3.4. The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme: the liabilities of the Camden pension scheme 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, using a range of financial assumptions as determined by the actuaries of the Camden Pension Fund and of the LPFA.

The assets of the Camden Pension Fund and the LPFA 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.

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

a) Service cost, comprising

- Current service cost - the increase in liabilities as a result of years of service earned this year and is allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
- Past service cost - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years. This is debited to the Cost of Services in the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined liability, i.e. net interest expense for the authority – 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 Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability 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.

b) Remeasurement

These are changes in the net pensions liability that arise through changes in asset values, updates to actuarial assumptions or other experience not reflected in assumptions at the last actuarial valuation. Any increase in the net liability is debited to the Pensions Reserve and any decrease is credited to the Pensions Reserve.

c) 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) and 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.

4. Financial Instruments

4.1. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. These are initially measured at fair value and are carried at their amortised cost, although it is a requirement of the Code of Practice to show the fair values in the Financial Instrument note.

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective 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 Council's borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

4.2. Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The Council may hold three main classes of financial assets measured at:

- Amortised cost, and
- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI)

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

4.3. Expected Credit Losses

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

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

5. Provisions and Contingent Liabilities

5.1. Provisions

The Code defines a provision as "a liability of uncertain timing or amount". A provision can only be established in the accounts if it meets the following criteria as listed in the Code:

- The authority has a present obligation as a result of a past event, i.e. an event has taken place that either binds the authority to transfer economic benefits as a result of legislation, a contract or other operation of law or creates a valid expectation by another party that the authority will transfer economic benefits as a result of it accepting certain responsibilities, arising from the Council's actions.
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and
- A reliable estimate can be made of the amount of the obligation.

If the above conditions are not met a provision must not be recognised in the financial statements. Provisions are charged to the relevant service account in the Comprehensive Income and Expenditure Statement in the year the Council becomes aware of the obligation. When the obligation is settled the costs are charged to the provision set up 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.

The provisions contained within the balance sheet are spilt between short (Current Liabilities) and long-term provisions (non-current liabilities).

5.2. Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. A contingent liability can also be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

5.3. Contingent Assets

A contingent asset is when there is a possible transfer of economic benefit to the Council from past events and their existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

If it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the financial statements of the year in which the change occurs. A material contingent asset should be disclosed in the narrative notes to the accounts if the inflow of economic benefits is probable.

6. Group Accounts

6.1. Interests in Companies and Other Entities

The Council has fully reviewed the various IFRS standards relating to group relationships and after consideration of all the criteria the Council has determined that the consolidation of all related organisations would not have a material effect on the Council’s financial position. Consequently, no group accounts have been prepared.

The Code confirms that the balance of control for local authority-maintained schools lies with the local authority. The Code also stipulates that those schools’ assets, liabilities, reserves, and cash flows are recognised in the local authority financial statements (and not in Group Accounts). Therefore, schools’ transactions, cash flows and balances are recognised in each of the financial statements of the authority as if they were the transactions, cash flows and balances of the authority.

The Council has one wholly owned subsidiary, Camden Living Group, and owns just under 20% of another company Camden Learning.

Note 2 Accounting Standards Issued but Not Yet Adopted

Under the Code of Practice on Local Authority Accounting there is a requirement to disclose the impact of accounting standards issued but not yet adopted. At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

- Amendments to the Classification and Measurement of Financial Instruments, specifically electronic payments (Amendments to IFRS 9 and IFRS 7))
- Contracts Referencing Nature-Dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS accounting standards – Volume 11
- Amendments to FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (Amendments relating to Heritage Assets)

These changes are not anticipated to have a material impact on the Council's financial performance or financial position.

Note 3 Critical Judgments in Applying Accounting Policies

Leases and Right of Use Assets

Critical judgment has been applied to the assessment of contracts to determine whether they contain an embedded lease arrangement as the council implements IFRS 16.

Accounting Standard IFRS 16 (Leases) describes five key tests to assess contractual arrangements between an organisation and its suppliers to determine if they contain a lease arrangement. The overriding considerations in these tests are that the party recognising it owns a "right of use asset" if they can show they have access to an identifiable asset that they control, and receive substantially all or the majority of economic benefits from it.

Right of Use assets are held at depreciated historical cost unless it is deemed that this would be inappropriate as a proxy for the asset's current value. The Council has a large number of Right of Use property assets held as Property, Plant and Equipment (PPE) where the associated leases are long-term, and payments are on peppercorn or below market terms, or payment terms are not reviewed sufficiently regularly to reflect market conditions, generally a rent review every five years. It has therefore judged that using the cost model as a proxy for current value for the related Right of Use assets would not be appropriate. Instead, the Council has adopted the revaluation model for those Right of Use assets, revaluing the assets on the same basis as if they were non-Right of Use assets in the same asset class. In circumstances where the cost model would otherwise be deemed appropriate, the Council has also judged that it will hold a Right of Use asset under the revaluation model where it has incurred significant capital expenditure on the asset.

Where an organisation leases an asset out, the standard identifies eight tests to assess whether the asset leased out should be treated as a finance lease or an operating lease out. This standard advises that accountants must use their professional judgement to assess the substance of the lease.

Leases have therefore been judged in the light of their terms and the effect on the council's ultimate ownership of the assets involved. Further details of the council's leasing arrangements can be found in the Leases Note 36.

Grants and Contributions

The appropriate accounting treatment of Grants and Contributions is a result of critical judgements made about whether any attached terms are deemed as restrictions or conditions and whether any conditions have been met, see Accounting Policy 1.3 Government Grants and Contributions.

If conditions are met, then the income must be shown in the Comprehensive Income and Expenditure Statement. Treatment is the same if there are no conditions or just restrictions. However, if there are conditions and they have not been met they must be shown in the Balance Sheet under Creditors. Details of grants recognised during the year can be found in Note 33.

Investment Properties
The council is required to judge whether or not it is holding property on an investment basis. The Code requires that, for an investment to be
present, the property should only be held:

a) for capital appreciation or
b) to produce rental income, and for no other reason e.g. other operational reasons. See Note 14 for details of the council's investment properties

Impairments of Property, Plant and Equipment

The Council has materially impaired the value of 5 Pancras Square, a building held within Property, Plant and Equipment. At year-end, the extent of the defects that have caused the Council to impair the building and the cost to remediate them were still being assessed by specialists. As a result, the Council has, in liaison with its external valuers, had to apply significant judgment in how to assess the value of the impairment. More details are provided in Note 12 Property, Plant and Equipment.

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

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

Item	Uncertainty	Affect if actual results differ from assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The total net liability arising from defined benefit obligations is £170.7m at 31 March 2026 (£195.3m at 31 March 2025). A firm of actuaries has been engaged to provide the Authority with expert advice about the assumptions to be applied for both the: London Borough of Camden Pension Fund, and London Borough of Camden pension element of the London Pension Fund Authority	See Note 40 for the details of the Pensions liability.
Valuation of Land and Buildings	The Council's external valuers provide valuations for a proportion of Land and Buildings each year on a rolling annual basis following an Impairment Review. Detail is provided in Note 12 Property, Plant & Equipment. The valuers use a combination of methodologies to value operational assets, including Right of Use assets, such as Depreciated Replacement Cost (DRC) and Existing Use Value (EUV). These methods carry estimation uncertainty due to the necessary use of indices and inputs, such as build costs, obsolescence, market prices, building industry specific indices and yields.	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. 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.

Item	Uncertainty	Affect if actual results differ from assumptions
Right-of-Use Assets and Liabilities under IFRS 16	Lease liabilities are typically based on projected fixed and variable payments over the life of the lease, including assumptions around rental payment figures including expected inflation adjustments, dilapidation costs and exit payments, and likelihood of lease breaks being triggered.	Reassessment of future lease costs, such as when conducting rent reviews, affect both the lease liability and the historic cost of right-of-use assets. Where assets are revalued, this can also influence revaluation gains and losses. See Note 36 – Leases for more information.

Note 5a Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

2024/25				2025/26		
Net Expenditure Chargeable to the General Fund and HRA	**Adjustments Between Funding and Accounting Basis**	**Net Expenditure in the Comprehensive Income and Expenditure Statement**		**Net Expenditure Chargeable to the General Fund and HRA**	**Adjustments Between Funding and Accounting Basis**	**Net Expenditure in the Comprehensive Income and Expenditure Statement**
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
164,298	2,030	166,328	Adults and Health	191,407	(980)	190,427
106,873	9,308	116,181	Children & Learning	121,111	1,577	122,688
(33,574)	(527)	(34,101)	Corporate Services	(53,256)	(17,959)	(71,215)
1,653	(16)	1,637	Chief Executive	1,786	(27)	1,759
48,107	2,809	50,916	Homes and Communities	66,054	7,924	73,978
57,881	47,419	105,300	Investment, Place and Opportunity	54,046	55,775	109,821
(63,749)	269,786	206,037	Housing Revenue Account	(30,354)	(10,274)	(40,628)
(3,413)	0	(3,413)	Dedicated Schools Grant	(4,203)	0	(4,203)
278,076	**330,809**	**608,885**	**Net Cost of Services**	**346,591**	**36,036**	**382,627**
(240,617)	(153,206)	(393,823)	**Other Income and Expenditure**	(336,634)	(163,013)	(499,647)
37,459	**177,603**	**215,062**	**(Surplus) or Deficit**	**9,957**	**(126,977)**	**(117,020)**
(255,991)			**Opening General Fund and HRA Balance**	**(218,532)**		
37,459			**Less/Plus (Surplus) or Deficit on General Fund and HRA Balance in Year**	**9,957**		
(218,532)			**Closing General Fund and HRA Balance at 31 March**	**(208,575)**		

Note 5b Expenditure and Income Analysed by Nature

The Authority income and expenditure is analysed as follows:

2024/25		2025/26
£'000	**Nature of Expenditure or Income**	**£'000**
101,481	Depreciation, amortisation, and impairment	99,048
519,752	Employee benefit expenses	559,533
(18,004)	(Gain) or loss on disposal on non-current assets	(16,958)
26,987	Interest payments and other financing charges	4,931
713,359	Other service expenses	734,532
0	Payments to Housing Capital Receipts Pool	0
809	Precepts and levies	838
252,815	Revaluation	15,311
1,597,199	**Expenditure Total**	**1,397,235**
(443,876)	Fees charges and other service income	(469,866)
(657,023)	Government grants and contributions	(762,282)
(242,864)	Income from council tax and non-domestic rates	(250,725)
(38,374)	Interest and investment income	(31,382)
0	Recharges to external Bodies	0
(1,382,137)	**Income Total**	**(1,514,255)**
215,062	**(Surplus) or deficit on provision of Services**	**(117,020)**

Note 5c Expenditure and Funding Analysis Reconciliation (EFA)

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

The income and expenditure of the Council's principal services recorded in the budget reports for the year is as follows:

2025/26						
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	**Adjustments for Capital Purposes**	**Net change for the Pensions Adjustments**	**Other Statutory Differences**	**Total of Capital, pension and Other Statutory Differences**	**Other Non-Statutory changes**	**Total Adjustments**
	(Note 1)	(Note 2)	(Note 3)			
	£'000	**£'000**	**£'000**	**£'000**		**£'000**
Adults and Health	1,429	(2,584)	175	(980)	0	(980)
Children & Learning	6,729	(6,705)	1,553	1,577	0	1,577
Corporate Services	(5,041)	(13,047)	129	(17,959)	0	(17,959)
Chief Executive	0	(27)	0	(27)	0	(27)
Homes and Communities	8,563	(1,055)	416	7,924	0	7,924
Investment, Place and Opportunity	60,382	(4,247)	(360)	55,775	0	55,775
Housing Revenue Account	(6,295)	(4,595)	616	(10,274)	0	(10,274)
Dedicated Schools Grant	0	0	0	0	0	0
Net Cost of Services	**65,767**	**(32,260)**	**2,529**	**36,036**	**0**	**36,036**
Other income and expenditure from the Expenditure and Funding Analysis	(164,955)	(28,845)	30,788	(163,012)	0	(163,012)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**(99,188)**	**(61,105)**	**33,317**	**(126,976)**	**0**	**(126,976)**

1) Adjustments for Capital Purposes
This column adds in depreciation and impairment and revaluation gains and losses in the services line, and other income and expenditure for below the line items.

2) Net Change for the Pensions Adjustments
Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

- For other income and expenditure — the net interest on the defined benefit liability is charged to the CIES.

3) Other Differences
Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For other income and expenditure, the other differences column recognises adjustments to the General Fund for the timing differences for premia and discounts and represents the 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.

2024/25						
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Statutory Differences	Total of Capital, pension and Other Statutory Differences	Other Non-Statutory changes	Total Adjustments
	(Note 1)	(Note 2)	(Note 3)			
	£'000	£'000	£'000	£'000		£'000
Adults and Health	3,380	(1,716)	366	2,030	0	2,030
Children & Learning	10,816	(4,461)	2,953	9,308	0	9,308
Corporate Services	6,974	(8,550)	1,049	(527)	0	(527)
Chief Executive	0	(16)	0	(16)	0	(16)
Homes and Communities	2,809	0	0	2,809	0	2,809
Investment, Place and Opportunity	49,600	(3,126)	945	47,419	0	47,419
Housing Revenue Account	271,602	(2,595)	779	269,786	0	269,786
Dedicated Schools Grant	0	0	0	0	0	0
Net Cost of Services	**345,181**	**(20,464)**	**6,092**	**330,809**	**0**	**330,809**
Other income and expenditure from the Expenditure and Funding Analysis	(129,729)	(7,917)	(15,560)	(153,206)	0	(153,206)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**215,452**	**(28,381)**	**(9,468)**	**177,603**	**0**	**177,603**

Note 6 Events After the Balance Sheet Date

The Annual Financial Report, incorporating the Statement of Accounts, was authorised for issue by the Executive Director Corporate Services on 30 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events have taken place prior to this date about conditions existing as of 31st March 2026, the figures in the financial statements and notes have been adjusted in all material aspects to reflect the impact of this information.

Note 7 Movement in Reserves Statement - Adjustments Between Accounting Basis and Funding Basis Under Regulation

2025/26	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves	Relevant Unusable Reserve
	£'000	£'000	£'000	£'000	£'000	£'000	
Reversal of items debited or credited to the CIES							
Depreciation, Amortisation and Impairments	(53,768)	(45,280)	0	0	0	**99,048**	**Capital Adjustment Account**
Revaluation gains on property, plant and equipment	(21,513)	6,208	0	0	0	**15,305**	
Movements in the market value of Investment Properties	3,070	1,395	0	0	0	**(4,465)**	
Revenue expenditure funded from capital under statute	(1,797)	(258)	0	0	0	**2,055**	
Non-current assets written out on disposal	(12,847)	(12,117)	0	0	0	**24,964**	
Grant income transferred to Capital Grants Unapplied	41,661	96,782	0	0	(138,443)	**0**	
Transfers between revenue and capital resources							
Transfer of sale proceeds from revenue to the Capital Receipts Reserve	10,964	31,070	(42,034)	0	0	**0**	**Capital Adjustment Account**
Administrative costs of non-current asset disposals	0	(111)	111	0	0	**0**	
Transfer to/from the major repairs reserve	0	0	0	0	0	**0**	
Minimum Revenue Provision	0	45,625	0	(45,625)	0	**0**	
Capital expenditure charged to revenue balances	8,006	0	0	0	0	**(8,006)**	

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Movement in Reserves Statement - Adjustments Between Accounting Basis and Funding Basis Under Regulation (Continued)

2025/26 Continued	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves	Relevant Unusable Reserve
	£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments to capital resources							
Use of Capital Receipts to finance capital expenditure	0	0	67,178	0	0	**(67,178)**	**Capital Adjustment Account**
Use of Major Repairs Reserve to finance capital expenditure	0	0	0	46,881	0	**(46,881)**	
Application of capital grants and other contributions to finance capital expenditure	0	2,100	0	0	136,831	**(138,931)**	
Adjustments between accounting and funding basis under regulations							
Statutory adjustments in respect of employers pension contributions	52,401	8,704	0	0	0	**(61,105)**	**Pensions Reserve**
Statutory adjustments in respect of financial instruments	89	0	0	0	0	**(89)**	**Financial Instrument Adjustment Account**
Council Tax and NNDR	(30,876)	0	0	0	0	**30,876**	**Collection Fund Adjustment Account**
Holiday Pay	(1,913)	(616)	0	0	0	**2,529**	**Accumulated Absences Account**
Total Adjustments	**(6,523)**	**133,502**	**25,255**	**1,256**	**(1,612)**	**(151,878)**	

Movement in Reserves Statement - Adjustments Between Accounting Basis and Funding Basis Under Regulation (Continued)

2024/25	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves	Relevant Unusable Reserve
	£'000	£'000	£'000	£'000	£'000	£'000	
Reversal of items debited or credited to the CIES							
Depreciation, Amortisation and Impairments	(53,351)	(48,130)	0	0	0	**101,481**	**Capital Adjustment Account**
Revaluation gains on property, plant and equipment	(26,376)	(226,438)	0	0	0	**252,814**	
Movements in the market value of Investment Properties	(2,835)	1,776	0	0	0	**1,059**	
Revenue expenditure funded from capital under statute	(2,248)	(66)	0	0	0	**2,314**	
Non-current assets written out on disposal	(4,299)	(27,119)	0	0	0	**31,418**	
Grant income transferred to Capital Grants Unapplied	2,405	0	0	0	(2,406)	**1**	
Transfers between revenue and capital resources							**Capital Adjustment Account**
Transfer of sale proceeds from revenue to the Capital Receipts Reserve	8,902	40,654	(49,556)	0	0	**0**	
Administrative costs of non-current asset disposals	0	(135)	135	0	0	**0**	
Transfer to/from the major repairs reserve	0	48,038	0	(48,038)	0	**0**	
Minimum Revenue Provision	8,435	0	0	0	0	**(8,435)**	
Capital expenditure charged to revenue balances	11,052	0	0	0	0	**(11,052)**	

Movement in Reserves Statement - Adjustments Between Accounting Basis and Funding Basis Under Regulation (Continued)

2024/25 Continued	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves	Relevant Unusable Reserve
	£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments to capital resources							
Use of Capital Receipts to finance capital expenditure	0	0	76,433	0	0	**(76,433)**	**Capital Adjustment Account**
Use of Major Repairs Reserve to finance capital expenditure	0	0	0	54,996	0	**(54,996)**	
Application of capital grants and other contributions to finance capital expenditure	18,624	35,664	0	0	8,493	**(62,781)**	
Adjustments between accounting and funding basis under regulations							
Statutory adjustments in respect of employers pension contributions	24,782	3,599	0	0	0	**(28,381)**	**Pensions Reserve**
Statutory adjustments in respect of financial instruments	79	0	0	0	0	**(79)**	**Financial Instrument Adjustment Account**
Council Tax and NNDR	15,481	0	0	0	0	**(15,481)**	**Collection Fund Adjustment Account**
Holiday Pay	(5,314)	(779)	0	0	0	**6,093**	**Accumulated Absences Account**
Total Adjustments	**(4,663)**	**(172,936)**	**27,012**	**6,958**	**6,087**	**137,542**	

Note 8 Movement in Reserves Statement – Usable Reserves and Transfers to/from Earmarked Reserves

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

	2024/25	2025/26
	£'000	£'000
General fund & HRA Reserves		
Earmarked Reserves	(185,994)	(172,374)
General Fund Balance	(18,357)	(19,862)
HRA Balance	(14,179)	(16,333)
Usable capital reserves	(80,413)	(55,516)
Total General Fund & HRA Reserves	**(298,943)**	**(264,085)**

	Balance at 31 March 2024	Net Movement In	Net Movement Out	Balance at 31 March 2025	Net Movement In	Net Movement Out	Balance at 31 March 2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Reserve Balances							
General Fund Balances	(16,858)	(1,499)	0	(18,357)	(1,505)	0	(19,862)
	(16,858)	**(1,499)**	**0**	**(18,357)**	**(1,505)**	**0**	**(19,862)**
Housing Revenue Account Balance	(13,387)	(4,006)	3,214	(14,179)	(2,154)	0	(16,333)
	(13,387)	**(4,006)**	**3,214**	**(14,179)**	**(2,154)**	**0**	**(16,333)**

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Earmarked Reserves	Balance at 31 March 2024 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31 March 2025 £'000	Transfers In £'000	Transfers Out £'000	Balance at 31 March 2026 £'000
Reserves to support on-going revenue activity							
Dedicated Schools Grant Reserve	**(22,345)**	(1,470)	4,884	**(18,931)**	0	4,203	**(14,728)**
Schools Budgets (delegated)	**(20,989)**	0	5,784	**(15,205)**	**0**	8,072	**(7,133)**
Multi Year Budget Reserve	**(76,440)**	(16,555)	26,828	**(66,167)**	(3,939)	16,077	**(54,029)**
Education Commission	**0**	0	0	**0**	**0**	**0**	**0**
Grant for various initiatives	**0**	0	0	**0**	**0**	**0**	**0**
	(119,774)	**(18,025)**	**37,496**	**(100,303)**	**(3,939)**	**28,352**	**(75,890)**
Reserves to support the council's service remodelling programme							
Workforce Remodelling/ Cost of Change	**(351)**	(1,556)	254	**(1,653)**	0	184	**(1,469)**
Camden Plan	**(3,039)**	(929)	2,126	**(1,842)**	0	1,150	**(692)**
	(3,390)	**(2,485)**	**2,380**	**(3,495)**	**0**	**1,334**	**(2,161)**
Reserves to support on-going capital activity and asset management							
Future Capital Schemes	**(11,051)**	(35,886)	39,753	**(7,184)**	(6,581)	9,948	**(3,817)**
Commercial and other property	**0**	0	0	**0**	0	0	**0**
Haverstock School PFI Reserve	**(849)**	(372)	130	**(1,091)**	(848)	980	**(959)**
Schools PFI Equalisation Reserve	**(4,674)**	(878)	0	**(5,552)**	(167)	1,900	**(3,819)**
Building Schools for the Future	**(100)**	0	0	**(100)**	0	0	**(100)**
Accommodation Strategy	**(7,073)**	0	1,459	**(5,614)**	0	1,920	**(3,694)**
	(23,747)	**(37,136)**	**41,342**	**(19,541)**	**(7,596)**	**14,748**	**(12,389)**

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	Balance at 31 March 2024	Transfers In	Transfers Out	Balance at 31 March 2025	Transfers In	Transfers Out	Balance at 31 March 2026
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
HRA Earmarked Reserves							
Future Cost Reserve HRA	**(10,389)**	0	7,342	**(3,047)**	(3,496)	0	**(6,543)**
HRA EMR DMC	**(445)**	(227)	173	**(499)**	(67)	249	**(317)**
HRA EMR Feasibility	**(1,187)**	0	316	**(871)**	0	226	**(645)**
HRA EMR Cost of Change	**(7)**	(350)	253	**(104)**	0	0	**(104)**
HRA EMR Lease Ends	**(1,300)**	(808)	0	**(2,108)**	0	0	**(2,108)**
HRA EMR Insurance	**(3,000)**	0	350	**(2,650)**	0	25	**(2,625)**
	(16,328)	**(1,385)**	**8,434**	**(9,279)**	**(3,563)**	**500**	**(12,342)**
Reserves to mitigate future service risk							
Self-Insurance Reserve	**(3,000)**	0	350	**(2,650)**	0	25	**(2,625)**
Business Rates Safety Net Reserve	**(44,485)**	(6,370)	39,088	**(11,767)**	(4,000)	1,299	**(14,469)**
BRR Reserve – Collection Fund		(88,547)	49,600	**(38,947)**	(13,955)	415	**(52,487)**
Future Cost Reserve GF	**(15,010)**	0	15,010	**0**	0	0	**0**
	(62,495)	**(94,917)**	**104,048**	**(53,364)**	**(17,955)**	**1,739**	**(69,580)**
Reserves to support charitable activity							
Mayor’s Charity Reserve	**(12)**	0	0	**(12)**	0	0	**(12)**
	(12)	**0**	**0**	**(12)**	0	0	**(12)**
Total Earmarked Reserves	**(225,746)**	**(153,948)**	**193,700**	**(185,994)**	**(33,053)**	**46,673**	**(172,374)**
Usable Capital Reserves							
Capital Receipts Reserve	**(92,020)**	(50,385)	77,397	**(65,008)**	(74,049)	99,304	**(39,753)**
Capital Grants Unapplied	**(20,237)**	(5,358)	11,445	**(14,150)**	(12,734)	11,121	**(15,763)**
Major Repairs Reserve	**(8,214)**	(94,983)	101,942	**(1,255)**	(95,470)	96,725	**0**
Total Usable Capital Reserves	**(120,471)**	**(150,726)**	**190,784**	**(80,413)**	**(182,253)**	**207,150**	**(55,516)**

Name of Reserve	Purpose of Reserves
Dedicated Schools Grant	To hold unspent Dedicated Schools Grant which is reserved for the schools budget and which may be carried forward over to future years.
Schools Budgets (delegated)	Reserve budgets held by the council on behalf of its schools.
Multi Year Budget Reserve	To fund allocations in future years as part of multi-year budgeting.
Education Commission	To provide funding to help implement proposals to guide education in the borough.
Grant for various initiatives	To hold various unspent grant monies that do not have conditions on their use.
Workforce Remodelling / Cost of Change	To fund costs that may arise from workforce remodelling and efficiency projects in order to address the budget deficit which has arisen as a result of the reduction in government funding.
Camden Plan	To provide funding to implement projects that support the plan's key priorities.
Future Capital Schemes	To provide funding to support the council's costs associated with various capital schemes.
Commercial and other property	To provide funding to meet the cost associated with dilapidations and other payments in respect of commercial and other property.
Haverstock School PFI Reserve	To hold the balance of funding in respect of the Haverstock School PFI project.
Schools PFI Equalisation Reserve	To equalise costs over the life of the PFI contract so the General Fund does not have to bear the deficit in latter years.
Building Schools for the Future	To provide funding for the preparatory work on the Building Schools for the Future Programme.
Accommodation Strategy	To provide funding to facilitate the Council's accommodation strategy.
Self-Insurance Reserve	To provide funding to cover insurance risks, which keeps insurance costs to a minimum.
Business Rates Safety Net	To provide funding to cover reduction in retained business rates.
BRR Reserve – Collection Fund	To provide funding to manage the risk of Collection Fund shortfalls
Future Costs Reserve GF	To provide funding to deal with future years cost pressures within the General Fund.
Mayors Charity Reserve	To hold donations to the Mayor's Charity.
Future Costs Reserve HRA	To provide funding to deal with future years cost pressures within the Housing Revenue Account (HRA).
Housing Revenue Account Earmarked (EMR) Reserves	To provide funding to support specific activities, depending on the name of the Earmarked Reserve within the ringfenced HRA account for the running of the Council's housing stock.

Note 9 Other Operating Expenditure

	2024/25	2025/26
	£'000	**£'000**
Levies	809	838
(Gains)/losses on the disposal of non-current assets	(18,004)	(16,958)
Other income	(217)	(14)
Total	**(17,412)**	**(16,134)**

Note 10 Financing and Investment Income and Expenditure

	2024/25	2025/26
	£'000	**£'000**
Interest payable and similar charges	34,904	32,574
Net interest on the defined benefit liability	(7,917)	(27,902)
Interest receivable and similar income	(32,870)	(20,493)
Income and expenditure in relation to investment properties and changes in their fair value	(5,504)	(10,631)
Total	**(11,387)**	**(26,452)**

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Note 11 Taxation and Non-Specific Grant Income

	2024/25	2025/26
	£'000	**£'000**
Council Tax Income (Precept & Prior Year Collection Fund (surplus)/deficit)	(160,590)	(153,083)
Non-Domestic Rates	(82,274)	(96,944)
Non-ring-fenced government grants	(65,468)	(63,503)
Capital grants and contributions	(56,692)	(143,531)
Total	**(365,024)**	**(457,061)**

Note 12 Property, Plant and Equipment

In accordance with the temporary relief offered by CIPFA's Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), gross cost and accumulated depreciation for infrastructure assets are not disclosed in this note. This is because historical reporting practices and resultant information deficits mean that these 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. Infrastructure balances are therefore disclosed separately to other Property, Plant and Equipment balances.

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

Property, Plant and Equipment Balances 2025/26

Cost or Valuation - Gross Book Value	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000	Total Private Finance Initiative £'000
At 1 April 2025	**2,891,612**	**1,369,349**	**34,494**	**44,979**	**0**	**97,383**	**4,437,817**	**62,241**
Additions	105,071	29,123	20,411	5,628	660	93,934	254,827	30
Accumulated depreciation / impairment written off on revaluation to gross book value	(42,758)	(60,979)	0	0	(202)	0	(103,939)	(6)
Revaluation increases/(decreases) recognised in the revaluation reserve	(72,886)	83,564	0	0	20,797	0	31,475	(1,054)
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	7,807	(6,260)	0	0	(16,912)	0	(15,365)	0
Derecognition (disposal)	(6,432)	(1,977)	(10,035)	0	0	0	(18,444)	0
Derecognition (other)	0	0	0	0	0	0	0	0
Assets reclassified (to)/from Held for Sale	(9)	(2,965)	0	0	(500)	(307)	(3,781)	0
Assets reclassified (to)/from Investment Property	0	0	0	0	25,406	0	25,406	0
Other movements in cost or valuation	(806)	(2,102)	(562)	721	1,478	1,272	1	0
At 31 March 2026	**2,881,599**	**1,407,753**	**44,308**	**51,328**	**30,727**	**192,282**	**4,607,997**	**61,211**

Accumulated Depreciation and Impairment	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000	Total Private Finance Initiative £'000
At 1 April 2025	**(2,977)**	**(14,815)**	**(21,484)**	**(5,345)**	**0**	**(404)**	**(45,025)**	**0**
Depreciation charge	(39,870)	(24,297)	(3,546)	(931)	(2)	0	(68,646)	(931)
Accumulated depreciation written off on revaluation to gross book value	42,758	23,090	0	0	69	0	65,917	6
Accumulated impairment written off on revaluation to gross book value	0	37,868	0	0	133	0	38,001	0
Impairment Loss	0	(37,857)	0	0	(133)	0	(37,990)	0
Derecognition (disposal)	80	257	6,806	0	0	0	7,143	0
Assets reclassified (to)/from Assets Held for Sale	0	396	0	0	(7)	0	389	0
Assets reclassified (to)/from Investment Property	0	0	0	0	0	0	0	0
Other movements in depreciation or impairment	9	164	379	0	(439)	(114)	(1)	0
At 31 March 2026	**0**	**(15,194)**	**(17,845)**	**(6,276)**	**(379)**	**(518)**	**(40,212)**	**(925)**

Net Book Value	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000	Total Private Finance Initiative £'000
At 1 April 2025	**2,888,635**	**1,354,534**	**13,010**	**39,634**	**0**	**96,979**	**4,392,792**	**62,241**
At 31 March 2026	**2,881,599**	**1,392,559**	**26,463**	**45,052**	**30,348**	**191,764**	**4,567,785**	**60,286**

Comparative Movement on Balances 2024/25

Cost or Valuation - Gross Book Value	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000	Total Private Finance Initiative £'000
At 1 April 2024	**3,034,359**	**1,371,075**	**32,887**	**40,306**	**0**	**134,492**	**4,613,119**	**55,655**
Adjusted 1 April balance on transition to IFRS 16	49,361	8,857	124	7	0	0	58,349	(168)
Additions	145,045	17,069	1483	4,746	14	62319	230,676	442
Accumulated depreciation / impairment written off on revaluation to gross book value	(42,347)	(73,698)	0	0	0	0	(116,045)	(3,262)
Revaluation increases/(decreases) recognised in the revaluation reserve	(106,104)	57,020	0	0	0	0	(49,084)	9,574
Revaluation increases/(decreases) recognised in the surplus/(deficit) on the provision of services	(221,783)	(19,051)	0	(80)	0	0	(240,914)	0
Derecognition (disposal)	(5,695)	(6,308)	0	0	0	0	(12,003)	0
Derecognition (other)	0	0	0	0	0	0	0	0
Assets reclassified (to)/from Held for Sale	(1,410)	(160)	0	0	(14)	(44,698)	(46,282)	0
Assets reclassified (to)/from Investment Property	0	1	0	0	0	0	1	0
Other movements in cost or valuation	40,186	14,544	0	0	0	(54,730)	0	0
At 31 March 2025	**2,891,612**	**1,369,349**	**34,494**	**44,979**	**0**	**97,383**	**4,437,817**	**62,241**

Accumulated Depreciation and Impairment	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000	Total Private Finance Initiative £'000
At 1 April 2024	**(2,701)**	**(27,097)**	**(17,743)**	**(4,459)**	**0**	**(404)**	**(52,404)**	**(1,636)**
Depreciation charge	(42,683)	(25,636)	(3,741)	(886)	0	0	(72,946)	(1,626)
Accumulated depreciation written off on revaluation to gross book value	42,347	37,268	0	0	0	0	79,615	3,262
Accumulated impairment written off on revaluation to gross book value	0	36,127	0	0	0	0	36,127	0
Impairment loss	0	(36,107)	0	0	0	0	(36,107)	0
Derecognition (disposal)	74	609	0	0	0	0	683	0
Assets reclassified (to)/from Assets Held for Sale	0	7	0	0	0	0	7	0
Assets reclassified (to)/from Investment Property	0	0	0	0	0	0	0	0
Other movements in depreciation or impairment	(14)	14	0	0	0	0	0	0
At 31 March 2025	**(2,977)**	**(14,815)**	**(21,484)**	**(5,345)**	**0**	**(404)**	**(45,025)**	**0**

Net Book Value	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total PPE except infrastructure £'000	Total Private Finance Initiative £'000
At 1 April 2024	**3,031,658**	**1,343,978**	**15,144**	**35,847**	**0**	**134,088**	**4,560,715**	**54,019**
At 31 March 2025	**2,888,635**	**1,354,534**	**13,010**	**39,634**	**0**	**96,979**	**4,392,792**	**62,241**

Infrastructure Assets

Modified Historical Cost	2024/25 £'000	2025/26 £'000
Net Book Value at 1 April	**267,880**	**262,244**
Additions	22,547	32,635
Derecognition	0	0
Depreciation	(28,183)	(29,501)
Impairment	0	0
Other Movements in Cost	0	0
Net Book Value at 31 March	**262,244**	**265,378**

The Council does not have any infrastructure assets held under Private Finance Initiative (PFI) or other service concession arrangements.

Total Property, Plant and Equipment

Net Book Value	31 March 2025 £'000	31 March 2026 £'000
Infrastructure assets	262,244	265,378
Other PPE assets	4,392,792	4,567,785
Total PPE assets	**4,655,036**	**4,833,163**

Depreciation

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

- Council Dwellings: 50 – 60 years
- Other Land and Buildings: 10 - 60 years
- Infrastructure: 15 - 50 years
- Vehicles, Plant and Equipment: 3 - 15 years

Impairments

The Council's external valuers, Lambert, Smith and Hampton (LSH), have advised that the values of some property assets should be impaired. During 2024/25, the Council identified some issues with the facade and glass panels at its corporate building at 5 Pancras Square, resulting in some water damage. The building, which comprises office space, a public library and a leisure centre, is held as Other Land and Buildings within Property, Plant and Equipment and remains safe and fully operational for staff and public use. LSH conducted an impairment assessment at 31 March 2025 leading to the value of the building being impaired.

At 31 March 2026, specialists were still being engaged to assess the defects and the actual value of damage and plans for repair. LSH were asked to conduct an updated impairment assessment based the information available at year-end. In forming this assessment and noting the limitations of the information available at the time the assessment was made, LSH determined that the appropriate approach was to undertake a reverse Depreciated Replacement Cost calculation, applying a prudent functional obsolescence of 25% to the building value to provide the new value in use. The recoverable amount of the asset was then reduced to that lower value, with a calculated £37m impairment loss charged to the Revaluation Reserve.

LSH have confirmed that in subsequent years they may choose to vary this approach as more information emerges, including any cost plan for remediation, which the impairment assessment should not be confused for.

Revaluations

The Council carries out a rolling programme of valuations that ensures that all property, plant and equipment held under the valuation model rather than historic cost is revalued at least every five years. In 2025/26 valuations were carried by Royal Institution of Chartered Surveyors (RICS) qualified valuers from an external firm, Lambert Smith Hampton (LSH).

The significant assumptions applied in estimating the valuations are:

- Operational Properties: valuations have been prepared on the basis of existing use value (EUV) in accordance with the RICS standards, unless there is insufficient market evidence in which case depreciated replacement cost (DRC) has been used.
- Non-Operational Properties: valuations have been prepared on the basis of fair value (FV) in accordance with the RICS standards.
- The valuations are based on the market conditions prevailing at the valuation date and relevant adjustments to values have been made following an Impairment Review. Any known structural issues are relayed to the valuer as part of that impairment review. No further adjustments have been made for any fall in value, which may have taken place since this date or for the prospects of future growth.
- No formal title investigations have been carried out as part of these valuations and it has been assumed that there are no onerous conditions or restrictions, which might adversely affect the valuations. No structural surveys have been undertaken or provided unless

indicated by impairment review, and assumption has been made as to the general condition of the properties. No investigation of contaminated land, use or presence of deleterious materials and construction techniques has been undertaken.

The following table sets out the Council's property, plant and equipment and which year it was last revalued (if not valued at historic cost) to the period ended 31 March 2026.

These values are stated at Gross Book Value (and do not include depreciation). Infrastructure assets are all held at depreciated historic cost and but are not included above in line with the Update to the Code of Practice regarding disclosures on Gross Book Value.

		Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community	Assets Under Construction	Surplus	Total PPE except Infrastructure
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost		0	4,975	44,216	50,954	192,282	562	**292,989**
Valued at current value as at 31 March	2026	2,742,127	275,905	0	0	0	30,165	**3,048,197**
	2025	88,166	935,910	92	258	0	0	**1,024,426**
	2024	312	75,677	0	0	0	0	**75,989**
	2023	27,903	75,930	0	116	0	0	**103,949**
	2022	23,091	39,356	0	0	0	0	**62,447**
	Total	**2,881,599**	**1,407,753**	**44,308**	**51,328**	**192,282**	**30,727**	**4,607,997**

Indexation of property values

The CIPFA Code of Practice for 2025/26 introduced a requirement to index the value of property, plant and equipment assets that are held at revaluation where an appropriate index exists. The Council was provided with relevant indices from its external valuers, LSH, who also provided recommendations on their application, including the types of asset where no appropriate index exists.

The Council has assessed the assets held at revaluation – generally Other Land and Buildings – that were not subject to full revaluation as at 31 March 2026 and applied relevant indices or determined that an index cannot be applied. Indices were applied by applying a percentage change to the Net Book Value at 31 March 2026 reflecting the index change from 31 March 2025.

The above table reflects the year when an asset was last subject to a full revaluation but reports the Gross Carrying Amount as at 31 March 2026, meaning the values include indexed values. This means the value of assets at 31 March 2026 that was subject to a full revaluation at 31 March 2026 was £3,048,197k. The value of assets not revalued at 31 March 2026 but held at valuation totalled £1,266,811k, and of these assets that were subject to indexation totalled £941,033k. Indexed values are not however considered a substitute for full valuations, with indexation serving as a method seeking to better align carrying value with current value without requiring a full revaluation.

Although indexation is not considered a revaluation, the movements in the accounts for indexation are reported as revaluation adjustments. Of the movements reported for revaluations in Note 12, a net total movement of -£20,243k on assets resulted from the application of indexation.

Property, Plant and Equipment - Operating Leases Out

The Council holds a number of properties as Property, Plant and Equipment that are leased out on operating lease terms. The following table provides details of those balances.

	2024/25			2025/26		
	Other Land and Buildings	Community Assets	Total	Other Land and Buildings	Community Assets	Total
Cost or Valuation Gross Book Value	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	**95,672**	**140**	**95,812**	**101,728**	**140**	**101,868**
Additions	830	0	830	1,122	0	1,122
Revaluations	(8,521)	0	(8,521)	5,098	0	5,098
Disposals	0	0	0	0	0	0
Reclassifications	13,747	0	13,747	(2,775)	0	(2,775)
At 31 March	**101,728**	**140**	**101,868**	**105,173**	**140**	**105,313**

	2024/25			2025/26		
	Other Land and Buildings	Community Assets	Total	Other Land and Buildings	Community Assets	Total
Accumulated Depreciation and Impairment	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	**(3,043)**	**0**	**(3,043)**	**(4,228)**	**0**	**(4,228)**
Depreciation	(2,391)	0	(2,391)	(2,496)	0	(2,496)
Revaluation	1,248	0	1,248	5,432	0	5,432
Impairment losses and reversals	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Reclassifications	(42)	0	(42)	383	0	383
At 31 March	**(4,228)**	**0**	**(4,228)**	**(909)**	**0**	**(909)**

	2024/25			2025/26		
	Other Land and Buildings	Community Assets	Total	Other Land and Buildings	Community Assets	Total
Net Book Value	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	**92,629**	**140**	**92,769**	**97,500**	**140**	**97,640**
At 31 March	**97,500**	**140**	**97,640**	**104,263**	**140**	**104,404**

Capital Commitments

At 31 March 2026, the Council has entered a number of contracts for the construction or enhancement of property, plant and equipment which will need to be paid in future years. The major commitments amounting to £1m or more are as follows:

Scheme	£'000
Agar Grove Redevelopment Phase 2	11,598
Abbey Road Estate Redevelopment Phase 3	5,571
Chester Road Hostel Accommodation Redevelopment	3,930
Parliament Hill Secondary School	3,062
Town Hall Accommodation Refurbishment	2,780
Acland Burghley Secondary School	2,415
Regents Park High Speed 2 Works	2,411
Camden Road Hostel Accommodation	2,389
Edith Neville Primary School Project	1,589
Highgate Newtown Redevelopment	1,288
Total	**37,033**

Note 13 Heritage Assets

There have been no additions, disposals or transfers to or from to the heritage assets portfolio during 2025/26. The mayoral regalia and silverware held by the Council was revalued by external valuers, Hawksworth Valuations Limited, in 2024/25.

Movement on Balances 2025/26					
Net Book Value	**Heritage Buildings**	**Mayoral Regalia and Silverware**	**Art Collection**	**Public Sculptures**	**Total Heritage Assets**
Historic Cost or Valuation	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
1 April 2025	**56**	**1,785**	**423**	**20**	**2,284**
Revaluations	-	-	-	-	-
31 March 2026	**56**	**1,785**	**423**	**20**	**2,284**

Comparative Movement on Balances 2024/25					
Net Book Value	**Heritage Buildings**	**Mayoral Regalia and Silverware**	**Art Collection**	**Public Sculptures**	**Total Heritage Assets**
Historic Cost or Valuation	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
1 April 2024	**56**	**382**	**423**	**20**	**881**
Revaluations	-	1,403	-	-	1,403
31 March 2025	**56**	**1,785**	**423**	**20**	**2,284**

Heritage Buildings

The only building that the Council owns that is classed as a heritage asset is the Toll Gate House, Hampstead. This is a Grade II listed building and marks the spot where the road entered the Bishop of London's estate; it has previously won a Civic Trust Award.

More details can be found at: https://historicengland.org.uk/advice/heritage-at-risk/search-register/list-entry/48100.

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Art Collection

The Council has an extensive art collection, but only parts of it are on display at any given time. The collection totals around 1,000 pieces and includes various paintings, drawings, prints, sculptures and other art objects. Further information can be found at: https://www.camden.gov.uk/public-art-camden

The collection has come together over many years, mainly from the amalgamation of the collections held by the predecessor councils which formed the London Borough of Camden or from donations. The collection includes a small number of substantial items.

The works were catalogued and valued by Sotheby's in 1986. A further valuation was undertaken by Sotheby's in October 2010 of 18 more valuable pieces, that gave a total valuation of £334,690. In March 2012 Bonham's carried out valuation of the collection which came to £423,499 – the minimum value achievable at auction. This valuation has been applied to the financial accounts. For illustrative purposes, detailed below are those items where their estimated value is over £10,000.

Title	Artist	Description of Asset	Value (£)
Yellow Movement	Sir Terry Frost	Oil on board; 1952	100,000
Head of a Greek Sailor	John Caxton	Oil on board; 1946	80,000
Black and While Ochre	Adrian Heath	Oil on canvas; 1951	50,000
Manhole I	Prunella Clough	Oil on board	50,000
Washbowl	John Bratby	Oil on board; 1965	25,000
Still Life with Cucumber	Robert MacBryde	Oil on canvas; 1969	25,000
Abstract	Sandra Blow	Oil on board; 1965	18,000
Composition	Sandra Blow	Oil	15,000

Mayoral Regalia and Silverware

The Council has a substantial collection of mayoral regalia and silverware. This collection has been accumulated from regalia held by the councils that, following the reorganisation of local government in the 1960s, came together to form the London Borough of Camden. This is in addition to other regalia and silverware that the Council has itself accumulated since then.

The regalia and silverware were reviewed and valued in 2024/25 for insurance purposes; the total valuation was £1.785m. Some of the collection is displayed in the Mayor's Parlour and is used occasionally in the performance of official ceremonies. The rest of the collection is kept in the mayor's vault.

Note 14 Investment Property

The following items of income and expense have been accounted for in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement:

	2024/25 £'000	2025/26 £'000
Rental income from investment property	(7,881)	(9,036)
Direct operating expenses arising from investment property	1,317	1,969
Net (surplus)/deficit	**(6,564)**	**(7,067)**

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The authority has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance, or enhancement.

The following table summarises the movement in fair value of investment properties during 2025/26 and 2024/25 for comparison.

	2024/25 £'000	2025/26 £'000
Balance at 1 April	**210,921**	**213,013**
Right of Use asset recognition at 1 April	2,241	0
Acquisitions	0	5,372
Enhancements and lease adjustments	911	1,989
Disposals	0	(264)
Net gains/(losses) from fair value adjustments	(1,059)	3,862
Transfers (to)/from Assets Held for Sale	0	0
Transfers (to)/from Property Plant and Equipment	(1)	(25,406)
Other movements	0	0
Balance at 31 March	**213,013**	**198,566**

Fair Value Measurement

There has been no change in the valuation techniques used by the Council’s external Royal Institution of Chartered Surveyors (RICS) qualified valuer, Lambert Smith Hampton, to assess the fair value of the Council's investment properties.

All investment properties have been categorised by the valuer as falling within Level 2 of the fair value hierarchy based on the valuation techniques used, as the measurement techniques use significant observable inputs from active markets such as sales prices and rental incomes for similar properties to determine the fair value measurements. There have been no transfers between levels of the fair value hierarchy.

For more information on valuation techniques, fair value measurement and the fair value hierarchy see Note 1, Accounting Policies.

Note 15 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical form and the only type of intangible asset the Council currently accounts for is software. Software may include purchased licences and internally developed software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. Intangible assets are amortised on a straight-line basis across their useful life except where the intangible asset is still under development.

The movement on carrying values for intangible assets are set out as follows with the prior year's values included for comparison.

No individual intangible assets are material to the authority's financial statements and there are no material contractual commitments for the acquisition of intangible assets.

	2024/25 £'000	2025/26 £'000
Balance at start of year		
Gross carrying amounts	1,393	1,754
Accumulated amortisation	(873)	(1,133)
Net carrying amount at start of year	**520**	**621**
Amortisation for the period	(260)	(292)
Additions	361	3,137
Net carrying amount at end of year	**621**	**3,466**
Balances at end of year		
Gross carrying amounts	1,754	4,891
Accumulated amortisation	(1,133)	(1,425)

Note 16 Financial Instruments

31-Mar-25			31-Mar-26	
Non Current	Current		Non Current	Current
£'000	**£'000**		**£'000**	**£'000**
		Financial assets at Amortised Cost		
3,932	130,682	Investments	5,860	2,943
8,095	0	Long term loans and receivables	12,206	0
0	79,692	Cash & Cash Equivalents	0	40,695
0	55,251	Short term Debtors*	0	76,882
12,027	**265,626**	**Total Financial Assets**	**18,066**	**120,520**
		Financial Liabilities at Amortised Cost		
(294,281)	0	Borrowing	(281,871)	(12,410)
(97,704)	(3,434)	PFI and lease liabilities	(95,572)	(2,907)
(6,369)	0	Other long term liabilities	(2,830)	0
0	(24,722)	Short term Creditors*	0	(37,637)
(398,355)	**(28,156)**	**Total Financial Liabilities**	**(380,273)**	**(52,954)**

* The value of short term debtors and creditors reported in the table above, carried at contract amount, are solely those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the balance sheet and Notes 17 and 20 also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

Income, Expense, Gains and Losses

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

2025/26	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Financial Assets: Available-for-sale assets	Assets and Liabilities at Fair value through P&L	Total
	£'000	£'000	£'000	£'000	£'000
Interest expense	(32,574)	0	0	0	(32,574)
Interest income	0	20,493	0	0	20,493
Gains on derecognition	0	0	0	0	0
Net gain/(loss) for the year	**(32,574)**	**20,493**	**0**	**0**	**(12,081)**

Comparative figures for 2024/25

2024/25	Financial Liabilities measured at amortised cost	Financial Assets: Loans and receivables	Financial Assets: Available-for-sale assets	Assets and Liabilities at Fair value through P&L	Total
	£'000	£'000	£'000	£'000	£'000
Interest expense	(35,947)	0	0	0	(35,947)
Interest income	0	32,870	0	0	32,870
Gains on derecognition	0	0	0	0	0
Net gain/(loss) for the year	**(35,947)**	**32,870**	**0**	**0**	**(3,077)**

Fair Value of Assets and Liabilities

Financial liabilities and financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost.

Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value Disclosures are required)

Except for the financial assets carried at fair value, all other financial liabilities and financial assets are represented by loans and receivables and long term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (Level 2), using the following assumptions:

- For PWLB loans payable, new borrowing rates from the PWLB have been applied to provide the fair value;
- For non-PWLB loans payable, prevailing market rates have been applied to provide the fair value;
- Since the carrying value included in the balance sheet includes accrued interest, this is also included in the fair value calculations;
- No early repayment or impairment is recognised.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.
- The fair values are calculated as follows:

31-Mar-25			31-Mar-26	
Carrying amount	Fair value		Carrying amount	Fair value
£’000	**£’000**		**£’000**	**£’000**
(169,281)	(145,808)	PWLB – maturity	(169,281)	(145,808)
(1,000)	(934)	Market Debt - maturity	(1,000)	(934)
(124,000)	(100,601)	LOBOs	(124,000)	(100,601)
(294,281)	**(247,343)**	**Borrowing**	**(294,281)**	**(247,343)**
(132,229)	(132,229)	Other Financial Liabilities	(138,946)	(138,946)
(426,510)	**(379,572)**	**Total Financial Liabilities**	**(433,227)**	**(386,289)**

The fair value of PWLB loans measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed to be the PWLB Certainty Rate. The difference between the carrying amount and the fair value measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

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The authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets. However, if the authority were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge based on premature repayment rates in addition to charging a premium for the additional interest that will not now be paid.

31-Mar-25^				31-Mar-26
Carrying amount	Fair value		Carrying amount	Fair value
£'000	**£'000**		**£'000**	**£'000**
134,614	134,614	Investments	8,803	8,803
7,963	7,963	Long term loans and receivables	12,206	12,206
79,692	79,692	Cash & Cash Equivalents	40,695	40,695
55,251	55,251	Debtors	76,882	76,882
277,520	**277,520**	**Total Financial Assets**	**138,586**	**138,586**

The fair value of the assets is the same as the carrying amount at the balance sheet date. Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

Note 17 Short-Term Debtors

	31-Mar-25	31-Mar-26
	£'000	£'000
Government and Public Bodies		
Central Government Bodies	27,456	35,198
Other Local Authorities	6,579	26,596
NHS Bodies	20,922	9,261
Government and Public Bodies Total	**54,957**	**71,055**
Other Entities and Individuals		
Rent Arrears	25,030	29,663
Council Taxpayers	26,654	31,040
NNDR Debtors	9,430	14,028
Other Entities and Individuals	98,329	112,480
Less Impairment Allowance	(91,177)	(99,631)
Other Entities and Individuals Total	**68,266**	**87,580**
Total Debtors	**123,223**	**158,635**
Payments in Advance	5,911	6,864
Total Short-Term Debtors	**129,134**	**165,499**

Council Tax Debtor				Aged Debtor Analysis
	2025/26	2024/25	2023/24 & Earlier	Total
	£'000	£'000	£'000	£'000
Camden share of Council Tax debtor	10,324	4,859	15,857	**31,040**
Council taxpayers impairment allowance	(7,238)	(3,872)	(14,821)	**(25,932)**
Council taxpayers debtors net of impairment allowance	**3,086**	**986**	**1,036**	**5,108**

NNDR Debtor				Aged Debtor Analysis
	2025/26	**2024/25**	**2023/24 & Earlier**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
NNDR Debtor	5,725	3,703	4,601	**14,028**
NNDR Impairment Allowance	(2,653)	(1,794)	(3,933)	**(8,380)**
NNDR Debtor net of impairment allowance	**3,071**	**1,909**	**668**	**5,648**

Note 18 Cash and Cash Equivalents

	31-Mar-25	31-Mar-26
	£'000	**£'000**
Cash held by the authority	19	19
Bank current accounts	24,686	19,100
Money Market Funds	54,988	21,576
Total cash and cash equivalents	**79,692**	**40,695**

Note 19 Assets Held for Sale

The authority's assets held for sale are all held as current assets on the basis they are all expected to be sold within 12 months from classification of being held for sale.

	31-Mar-25	31-Mar-26
	£'000	**£'000**
Balance outstanding at start of year	4,149	18,078
Newly classified / acquired	46,273	3,394
Revaluation gains/(losses)	(12,249)	0
Impairment losses	0	0
Declassified to investment properties	0	0
Assets sold	(20,095)	(13.399)
Other movements	0	0
Balance outstanding at year end	**18,078**	**8,073**

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Note 20 Creditors

	31-Mar-25	31-Mar-26
	£'000	**£'000**
Central Government Bodies	(44,983)	(29,239)
Other Local Authorities	(54,389)	(33,081)
NHS Bodies	(2,900)	(671)
Other Entities and Individuals	(158,769)	(191,867)
Total Creditors	**(261,041)**	**(254,858)**

Note 21 Provisions

	Short Term Provisions			Long Term Provisions		
	Legal claims	**Business Rates Appeals**	**Short-Term Provisions Total**	**Self-Insurance**	**Utilities**	**Long-Term Provisions Total**
Explanation:	(1)	(2)		(3)	(4)	
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Opening Balance 1 April 2025	2,583	21,020	**23,603**	9,199	3,700	**12,899**
Additional provisions made in 2025/26	2,506	3,227	**5,733**	1,050	0	**1,050**
	5,089	**24,247**	**29,336**	**10,249**	**3,700**	**13,949**
Amounts used in 2025/26	(2,353)	(12,291)	**(14,644)**	0	0	**0**
Unused amounts reversed in 2025/26	0	0	**0**	0	0	**0**
Balance at 31 March 2026	**2,736**	**11,956**	**14,692**	**10,249**	**3,700**	**13,949**

(1) Legal Claims

Provision has been made for settlement of claims relating to repair costs on two property sites. In addition, a provision has been made for settlements resulting from HRA repairs.

(2) Business Rate Appeals

Provision has been made to meet the estimated costs repayable to ratepayers as a result of reductions in total rateable values following deletions or successful appeals against valuation.

(3) Self-Insurance

Since 1993, the Council has been self-insuring various property, public liabilities and motor losses, with the current level of self-insurance at £0.5m for property & liability claims, £1M for tree root related subsidence claims and £0.1M for motor claims. Annual aggregate limits (maximum claim values funded by the council) are £1.65m, £5.0m, and £0.375m respectively.

Contributions in the form of internal premia charged to services, schools and the HRA are made to the provision. These cover the cost of external premia to insurers and an estimate of the annual amount for internally insuring. The balance of the provision, shown as at the 31 March 2026, represents an estimate of the Council's insurance fund exposure to risks on reported claims.
Since January 2010 the council has added tree root liability cover to its main liability insurance programme with an excess of £1.0m; prior to this the Council self-insured. Claims within the excess continue to be funded via the Council's insurance provision.

(4) Utilities

A provision has been made to meet the estimated costs of reclaims against historical Thames Water utility charges.

Note 22 Unusable Reserves

Unusable Reserves Summary

	2024/25	2025/26
	£'000	**£'000**
Revaluation Reserve	(695,035)	(677,758)
Capital Adjustment Account	(3,435,387)	(3,570,766)
Financial Instruments Adjustment Account	4,307	4,218
Pensions Reserve	195,292	171,032
Accumulated Absences Reserve	9,497	12,026
Collection Fund Adjustment Account	2,442	33,318
Total Unusable Reserves	**(3,918,883)**	**(4,027,930)**

Revaluation Reserve

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

	2024/25	2025/26
	£'000	**£'000**
Balance at 1st April	**(794,999)**	**(695,035)**
Upward revaluation of assets recognised in the Revaluation Reserve	(124,791)	(122,019)
Downward revaluation of assets and impairment losses charged to the Revaluation Reserve	209,140	128,007
Surplus or deficit on revaluation of on-current assets posted to the Revaluation Reserve	**84,349**	**5,988**
Difference between fair value depreciation and historical cost depreciation	11,054	9,184
Accumulated gains on assets sold or scrapped	4,561	2,105
Adjustments arising due to transfers between asset classes	0	0
Amount written off to the capital adjustment account	15,615	11,289
Closing Balance	**(695,035)**	**(677,758)**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction, or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction, and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that are yet to be consumed by the Authority. 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.

Note 7 provide detail of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2024/25	2025/26
	£'000	**£'000**
Balance at 1st April	**(3,595,164)**	**(3,435,387)**
Reversal of items relating to capital expenditure debited or credited to the comprehensive income and expenditure statement:		
Depreciation, Amortisation, and Impairments	101,481	99,048
Revaluation gains on property, plant, and equipment	252,815	15,305
Revenue expenditure funded from capital under statute	2,314	2,054
Non-current assets written out on disposal	31,416	24,965
Movements in the market value of Investment Properties	1,059	(4,465)
Adjusting amounts written out of the revaluation reserve	(15,615)	(11,289)
Net written out amount of the cost of non-current assets consumed in the year	**373,470**	**125,618**
Capital financing applied in the year:		
Use of Capital Receipts to finance capital expenditure	(76,432)	(67,178)
Use of Major Repairs Reserve to finance capital expenditure	(54,996)	(46,881)
Application of capital grants and other contributions to finance capital expenditure	(62,780)	(138,930)
Minimum Revenue Provision	(8,435)	(8,006)
Capital expenditure charged to revenue balances	(11,051)	0
Total Capital financing in year	**(213,694)**	**(260,996)**
Closing Balance	**(3,435,387)**	**(3,570,766)**

Financial Instruments Adjustment Account

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

	2024/25	2025/26
	£'000	**£'000**
Balance at 1st April	**4,386**	**4,307**
Opening Balance Adjustment		
Amount by which finance costs charged to the comprehensive income and expenditure statement are different from finance costs chargeable in the year in accordance with statutory requirements	(79)	(89)
Closing Balance	**4,307**	**4,218**

Accumulated Absences Reserve

The Accumulated Absences Reserve absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2024/25	2025/26
	£'000	**£'000**
Balance at 1st April	**3,405**	**9,497**
Opening Balance Adjustment		
Settlement or cancellation of accrual made at the end of the preceding year	(3,405)	(9,497)
Amounts accrued at the end of the current year	9,497	12,026
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	6,092	2,529
Closing Balance	**9,497**	**12,029**

Pensions 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 Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension’s funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority 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.

	2024/25	2025/26
	£’000	**£’000**
Balance at 1st April	**226,930**	**195,292**
Opening Balance Adjustment		
Remeasurement of the defined benefit liability	(307,877)	(91,281)
Impact of asset ceiling	304,620	128,126
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement	38,778	11,334
Employer's pensions contributions and direct payments to pensioners payable in the year	(67,159)	(72,439)
Closing Balance	**195,292**	**171,032**

Collection Fund Adjustment Account

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

	2024/25	2025/26
	£'000	**£'000**
Balance at 1st April	**17,923**	**2,442**
Opening Balance Adjustment		
Amount by which council tax and non-domestic rates income credited to the comprehensive income and expenditure statement is different from council tax income calculated for the year in accordance with statutory requirements	(15,481)	30,876
Closing Balance	**2,442**	**33,318**

Note 23 Cash Flows from Operating Activities

	2024/25	2025/26
	£'000	**£'000**
Interest received	32,870	20,493
Interest paid	(32,329)	(32,574)
Dividends received	0	0

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

	2024/25	2025/26
	£'000	**£'000**
Depreciation, Amortisation and impairment	101,481	99,050
Revaluations	253,873	10,840
Increase/(decrease) in expected credit loss	14,040	8,454
Increase/(decrease) in creditors	18,126	(12,656)
Increase/(decrease) in debtors	(1,067)	(43,269)
(Increase)/decrease in inventories	(71)	92
Movement in pension liability	(28,381)	(61,105)
Increase/(decrease) in provisions	7,068	(7,862)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	31,417	24,964
Other non-cash items charged to the net surplus or deficit on the provision of services	1,691	1,414
	398,177	**19,922**

Note 24 Cash Flows from Investing Activities

	2024/25	2025/26
	£’000	**£’000**
Purchase of property, plant and equipment, investment property and intangible assets	(256,809)	(299,415)
Purchase of short-term and long-term investments	(837,620)	(161,189)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	49,421	42,034
Proceeds from short-term and long-term investments	950,902	287,000
Other receipts from investing activities	56,692	143,429
Net cash flows from investing activities	**(37,414)**	**11,859**

Note 25 Cash Flows from Financing Activities

	2024/25	2025/26
	£’000	**£’000**
Cash receipts of short-term and long-term borrowings	0	0
Other receipts from financing activities	0	0
Cash payments for the reduction of outstanding liabilities relating to leases and on-Balance-Sheet PFI contracts	(2,311)	(2,233)
Repayments of short-term and long-term borrowing	(23,032)	0
Other payments for financing activities	0	0
Net cash flows from financing activities	**(25,343)**	**(2,233)**

Note 26 Reconciliation of Financial Liabilities from Financing Activities

	31-Mar-25	Financing Cash Flows	Other non-cash changes	31-Mar-26
	£'000	**£'000**	**£'000**	**£'000**
Long-term borrowings	(294,281)	0	12,410	(281,871)
Short term borrowings	0	0	(12,410)	(12,410)
Lease & PFI liabilities	(101,138)	2,233	426	(98,479)
Other Financial Liabilities	(31,091)	(6,469)	0	(37,356)
Net cash flows from investing activities	**(426,510)**	**(4,236)**	**426**	**(430,320)**

Comparator figures for previous year

	31-Mar-24	Financing Cash Flows	Other non-cash changes	31-Mar-25
	£'000	**£'000**	**£'000**	**£'000**
Long-term borrowings	(294,203)	(78)	0	(294,281)
Short term borrowings	(23,106)	23,106	0	0
Lease & PFI liabilities	(44,633)	6,608	(63,113)	(101,138)
Other Financial Liabilities	(137,520)	106,429	0	(31,091)
Net cash flows from investing activities	**(499,462)**	**136,065**	**(63,113)**	**(426,511)**

Note 27 Agency Services

Camden is the lead authority in the Warmer Homes London Consortium which has been set up to access government grant for retrofit measures to social housing stock. The consortium is made up of 27 London Local Authorities and Housing Associations. London Councils administers the scheme on Department for Energy Security and Net Zero (DESNZ). There are further agreements between Camden and Consortium members which make them responsible for making valid grant claims. For this reason, Camden is acting as an agent for consortium members when it claims grant. Warm Grant receipts totalled £22.6m in 2025/26 (nil in 2024/25). The creditor for government grants held as agent at 31 March 2026 was £20.4m (nil at 31 March 2025).

The Council provides agency services such as payroll on behalf of the North London Waste Authority (NLWA), the Association of Directors of Adult Social Services (ASASS), Camden Living and Camden Learning. These disclosures are made as part of Note 34 Related Parties.

No further material income has been derived or expenditure incurred in respect of providing agency services.

Note 28 Pooled Budgets

Better Care Fund (BCF) is the result of a s75 agreement between the Council and North Central London Integrated Commissioning Board (NCL ICB) to enable further integrated working between the Authority and the NHS. Under the 2025/26 s75 pooled budget agreement, the Council contributed £1.390m from the disabled facilities grant (DFG) and £15.882m revenue funds via the LA Better Care Grant.

The NCL ICB agreed to make a revenue contribution of a maximum of £27.719m; they also drew down £5m, an excess contribution from 24/25, which was earmarked for spend on district nursing.

The pooled budget agreement stipulates an arrangement for the management of surpluses and deficits in the pool.
In the event that the parties to the s75 agreement decide to dissolve the pool, then the first call on this reserve would be to fund existing costs, with any remaining resources being returned to NCLICB.

The Council has an agreement with Camden and Islington Mental Health Foundation Trust (CIFT) where the Council has delegated a budget to CIFT for the provision and management of some mental health services. CIFT is jointly funded by the Authority, Camden ICB, Islington ICB and Islington Council. This is not a formal pooled budget agreement

	2024/25	**2025/26**
Contributions to the Pool:	**£000**	**£000**
- The Authority	(17,181)	(17,272)
-NCL Clinical Commissioning Group	(31,230)	(27,719)
	(48,411)	**(44,991)**
Expenditure to be met from the Pool:		
- The Authority	28,251	31,052
-NCL Clinical Commissioning Group	15,016	19,364
	43,267	**50,416**
Net (Surplus)/Deficit arising on the pooled budget in year	**(5,144)**	**5,424**
Authority share of the (surplus) / deficit arising on the pooled budget	(160)	424
NCL CCG share of the (surplus) / deficit arising on the pooled budget	(4,983)	5,000

Note 29 Members' Allowances

During 2025/26, allowances were paid to Members of the authority (councillors and independent committee members) as follows:

	2024/25	2025/26
	£'000	**£'000**
Allowances	1,312	1,365
Expenses	4	2
Total	**1,316**	**1,367**

Payments were made to Members in accordance with the Members' Allowances Scheme for the same financial year.

Details of the Members' Allowances Scheme and of payments made to individual councillors in accordance with the Scheme can be found at: https://www.camden.gov.uk/councillors-allowances.

Note 30 Officers' Remuneration

a) Remuneration of Chief Officers

2025/26

Job Title [A]	Salary, fees and allowances	Variable pay [B]	Expenses allowances [C]	Loss of office payment [D]	Employer's pension contributions	Total
	£	£	£	£	£	£
Chief Executive (Jon Rowney)	220,345	9,218	-	-	48,462	278,025
Executive Director Children & Learning (Tim Aldridge)	191,125	9,090	-	-	40,443	240,658
Executive Director Adults & Health (Jess McGregor)	178,842	8,257	-	-	36,392	223,491
Executive Director, Investment, Place and Opportunity (Dave Burns)	169,346	7,531	-	-	35,729	212,606
Borough Solicitor (Andrew Maughan)	158,038	1,000	-	-	33,880	192,918
Chief Experience and Information Officer (Tariq Khan)	154,392	-	-	-	31,187	185,579
Director of Communities and Housing Support	149,135	3,879	-	-	30,909	183,923
Director of People & Inclusion	142,983	6,456	-	-	30,188	179,636
Executive Director Corporate Services Interim	143,705	3,491	-	-	29,734	176,930
Director of Finance	141,939		-	-	28,672	170,611
Director of Public Health	141,468	6,901	-	-	20,343	168,712
Executive Director Supporting Communities	117,270	9,218	-	-	25,551	152,039
Chief Executive	104,167	11,604	-	-	24,271	140,041
Executive Director, Homes and Communities	33,393		-	-	6,745	40,138

[A] Officers whose salary is £150,000 or more are also identified by name.
[B] One off non-consolidated payment based on performance.
[C] The total amount of sums paid by way of expenses and subject to income tax.
[D] The first £30,000 of the termination payment will be paid without deduction of income tax and national insurance as provided for under section 401 to 405 of the Income Tax (Earnings and Pension) Act 2003. The balance over £30,000 will be subject to tax. This excludes employer's pension contributions that are paid directly to the pension scheme.

The Chief Executive, Executive Director Corporate Services and Borough Solicitor receive an allowance for the provision of advice to North London Waste Authority. This is not included in the above tables as these are declared in the accounts of the NLWA.

In the financial year 2024/2025 we had the General Election (in July) and 2 by-elections (in May and September) for which payments were made to the Chief Executive for her role as Borough Returning Officer and payments made via her to other senior officers who acted as Deputy Returning Officer. Other staff both those who are employed by Camden and those who are not were paid various fees for roles in the elections. These payments were accounted for separately back to the election itself and pursuant to the separate from the Council legal status of the Returning Officer."

There were no other benefits received by the above officers otherwise than in cash not already included in the other categories.

2024/25

Job Title [A]	Salary, fees and allowances	Variable pay [B]	Expenses allowances [C]	Loss of office payment [D]	Employer's pension contributions	Total
	£	£	£	£	£	£
Chief Executive (Jenny Rowlands)	232,074	11,170	-	-	51,207	294,451
Executive Director Corporate Services (Jon Rowney)	186,948	8,873	-	-	41,549	237,370
Executive Director Supporting Communities (Gillian Marston)	186,948	8,873	-	-	39,556	235,377
Executive Director Adults & Health (Jess McGregor)	165,141	7,180	-	-	34,167	206,488
Executive Director Children & Learning (Tim Aldridge)	181,790	3,119	-	-	37,352	222,261
Borough Solicitor (Andrew Maughan)	154,183	-	-	-	32,856	187,039
Director of People & Inclusion	130,283	6,224	-	-	27,574	164,081
Director of Public Health	138,018	3,986	-	-	19,847	161,851

[A] Officers whose salary is £150,000 or more are also identified by name.
[B] One off non-consolidated payment based on performance.
[C] The total amount of sums paid by way of expenses and subject to income tax.
[D] The first £30,000 of the termination payment will be paid without deduction of income tax and national insurance as provided for under section 401 to 405 of the Income Tax (Earnings and Pension) Act 2003. The balance over £30,000 will be subject to tax. This excludes employer’s pension contributions that are paid directly to the pension scheme.

b) Remuneration of officers earning above £50,000

The number of staff receiving remuneration in the year in excess of £50,000 is shown below in bands, excluding those officers named in the earlier part of this note. These figures include staff in community schools.

An inflationary pay award of 3.2% was effective from 1 April 2025, placing a number of staff over the £50,000 threshold for disclosure for the first time.

Remuneration excludes employer’s pension contributions as these are paid directly to the pension scheme fund but includes benefits in kind, so far as they are chargeable to UK income tax. Also included are compensation payments for termination and other payments receivable on the termination of employment, even where these are not taxable. The numbers include staff that have left or joined part way through the year.

Pay band	2024/25			2025/26		
	Non-schools	Community Schools	Overall Total	Non-schools	Community Schools	Overall Total
£50,000 - £54,999	401	99	500	540	132	672
£55,000 - £59,999	301	119	420	453	86	539
£60,000 - £64,999	205	105	310	295	119	414
£65,000 - £69,999	88	71	159	154	96	250
£70,000 - £74,999	74	59	133	121	74	195
£75,000 - £79,999	44	25	69	53	49	102
£80,000 - £84,999	30	19	49	42	22	64
£85,000 - £89,999	21	18	39	29	17	46
£90,000 - £94,999	23	7	30	25	14	39
£95,000 - £99,999	20	2	22	26	10	36
£100,000 - £104,999	9	5	14	17	5	22
£105,000 - £109,999	9	4	13	14	4	18
£110,000 - £114,999	1	4	5	5	5	10
£115,000 - £119,999	1	0	1	2	2	4
£120,000 - £124,999	3	1	4	3	1	4
£125,000 - £129,999	0	1	1	1	2	3
£130,000 - £134,999	4	1	5	1	0	1
£135,000 - £139,999	3	0	3	2	0	2
£140,000 - £144,999	0	2	2	0	1	1
£145,000 - £149,999	2	2	4	1	1	2
£150,000 - £154,999	0	0	0	2	1	3
£155,000 - £159,999	0	0	0	0	1	1
£160,000 - £164,999	0	0	0	0	0	0
£165,000 - £169,999	1	0	1	0	0	0
£170,000 - £174,999	0	0	0	0	0	0
£175,000 - £179,999	0	0	0	0	0	0
£180,000 - £184,999	0	0	0	0	0	0
£185,000 - £189,999	0	0	0	1	0	1
Total	**1,240**	**544**	**1,784**	**1,787**	**642**	**2,429**

Note 31 External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors:

	2024/25	2025/26
	£'000	**£'000**
Fees payable to the external auditor regarding external audit services carried out by the appointed auditor for the year	448	460
Variation Fees payable to the external auditor for prior year audits*	(282)	82
Fees payable for the certification of grant claims and returns by external auditors during the year	33	91
Fees payable to the external auditor for non-audit services provided during the year	0	0
Total	**199**	**633**

* Due to the backlog in financial reporting and audit work, and the reduced audit work on prior years due to backstop arrangements, some audit fees accrued in prior years are no longer expected to be incurred.

Note 32 Dedicated Schools Grant

The council's expenditure on schools is funded primarily by grant monies provided by the Department for Education (DfE), the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2018. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable are as follows:

Central Expenditure 2024/25 £'000	ISB 2024/25 £'000	Total 2024/25 £'000		Central Expenditure 2025/26 £'000	ISB 2025/26 £'000	Total 2025/26 £'000
		210,079	**Final DSG for the financial year**			**227,715**
		(13,895)	Academy figures recouped			**(14,219)**
		(22,344)	Brought forward from the previous year			(18,931)
		22,344	Carry forward to next financial year agreed in advance			18,931
(29,582)	**(166,602)**	**(196,184)**	**Agreed budgeted distribution in the year**	**(51,215)**	**(162,173)**	**(213,388)**
0	(743)	(743)	In year adjustment	0	(108)	(108)
(29,582)	(167,345)	(196,927)	Final budget distribution for year	(51,215)	(162,281)	(213,496)
33,795	0	33,795	Actual central expenditure	55,702	0	55,702
0	166,545	166,545	Actual ISB deployed to schools	0	161,997	161,997
4,213	(800)	3,413	Carry forward to DSG in next financial year	4,487	(284)	4,203
(17,341)	(5,003)	(22,344)	(Carry forward)/Drawdown of DSG this year			(18,931)
(13,128)	**(5,803)**	**(18,931)**	**Total DSG carry forward**			**(14,728)**

Camden

Note 33 Grant Income

Credited to taxation and non-specific grant income	2024/25	2025/26
	£'000	£'000
New Homes Bonus	(105)	(94)
Revenue Support Grant	(28,222)	(28,763)
Levy Account Surplus Grant	(767)	0
Section 31 Grants	(38,435)	(33,948)
Total	**(67,529)**	**(62,805)**

Credited to Services (CIES)	2024/25	2025/26
	£'000	£'000
Dedicated Schools Grant (DSG)	(194,262)	(209,479)
Better Care Fund CCG Contributions	(31,229)	(45,187)
Housing Benefit Subsidy	(136,872)	(110,166)
Local Authority Better Care Grant	(15,882)	(15,882)
Market Sustainability and Improvement Fund	(5,625)	(5,625)
Adult Social Care Support Grant	(28,588)	(33,849)
Public Health Grant	(30,854)	(32,830)
Additional Education Grants (not DSG)	(34,616)	(33,008)
Pupil Premium Grant	(10,136)	(10,258)
Other Grants and Contributions	(20,073)	(31,740)
PFI Grants	(8,461)	(8,461)
Homelessness Prevention Grant	(3,704)	(5,706)
Household Support Grant	(4,014)	(3,537)
Rough Sleeping	(2,019)	(2,672)
Asylum Seeking Unaccompanied Children	(3,971)	(1,703)

Credited to Services (CIES)	2024/25	2025/26
	£'000	£'000
Afghan Resettlement and Schemes Grant	(1,107)	(1,253)
Homes for Ukraine	(1,987)	(1,175)
High Speed Two (HS2) Rehousing Scheme Funding	0	(1,728)
Mayor's Free School Meals Grant	0	(1,688)
Total	**(533,400)**	**(555,946)**

Capital Grants & Contributions Applied	2024/25	2025/26
	£'000	£'000
Greater London Authority Grants	(19,039)	(76,129)
Ministry of Housing, Communities and Local Government Capital Grants	(7,906)	(8,378)
Department for Education Capital Grants	(4,574)	(4,830)
Department for Environment, Food and Rural Affairs Grants	0	(528)
Department for Energy and Net Zero Grants	(1,463)	(940)
Transport for London Grants	(3,007)	(5,460)
Department for Transport Grant	0	(446)
Homes England Grants	0	(5,952)
High Speed 2 Grants	(2,693)	(876)
Non-Government Capital Grants and Contributions	(4,972)	(12,880)
Section 278 Highways Contributions	0	(809)
Section 106 Development Contributions	(10,036)	(14,458)
Community Infrastructure Levy	(2,405)	(9,746)
Total	**(56,094)**	**(141,431)**
Donated Assets	**0**	**(2,100)**
Total Capital Grants and Contributions Applied	**(56,094)**	**(143,531)**

Capital Grant Receipts in Advance	2024/25	2025/26
	£'000	£'000
Included in Short Term Liabilities	(3,062)	(1,690)
High Speed 2 (HS2) Capital Grants	(15,235)	(14,602)
Department for Education Capital Grants	(3,249)	0
Section 106 Development Contributions	(4,239)	(775)
Non-Governmental Capital Grants	(7,913)	(12,243)
Greater London Authority (GLA) Grants	(2,866)	(1,481)
Department of Energy and Net Zero Capital Grants	(13,474)	(3,264)
Ministry of Housing, Communities and Local Government Capital Grants	(1,200)	(78)
Homes England Capital Grants	(607)	(448)
Department of Environment, Food and Rural Affairs Capital Grants	(2,413)	(448)
Transport for London (TfL)	0	(286)
Department of Health & Social Care Capital Grants	0	(115)
Department for Transport Grant	0	(518)
Other Government Agencies and Other Public Bodies	0	(63)
Short Term Non-Government Grants	0	(10,828)
Total in Short Term Liabilities	**(54,256)**	**(46,392)**
Included in Long Term liabilities		
Section 106 Development Contributions	(77,261)	(81,327)
Leaseholder Contributions	0	(526)
Total In Long Term Liabilities	**(77,261)**	**(81,850)**
Total Capital Grants receipts in advance	**(131,517)**	**(128,242)**

Revenue Grants Receipt in Advance	2024/25	2025/26
	£'000	£'000
Ministry of Housing, Communities and Local Government Revenue Grants	0	(1,804,479)
Department for Environment, Food and Rural Affairs	0	(50,000)
GLA Grants	0	(469,465)
Emanual Vincent Harris Trust	(516)	(176)
Total	**(516)**	**(2,324,119)**

Note 34 Related Parties

The Council is required to disclose material transactions with related parties – those bodies or individuals that could control or influence or be controlled or influenced by the Council. Disclosing 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 effective control over the general operations of the Council; it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants, and prescribes the terms of many of the transactions that the Council has with other parties, for example on housing benefit payments. Details of key transactions with government departments are set out in other notes to the accounts, such as grants received.

Members

Members of the Council have direct control over the council's financial and operating policies.

Members are required by law and the Members' Code of Conduct to disclose the interests of themselves and their spouses or partners in other organisations.

The following table sets out, with regard to materiality, those organisations not referred to elsewhere in this note where a Member is judged to have significant influence or control over those other organisations, and the Council has transacted with them in 2025/26.

Payments made to other organisations include both non-discretionary amounts such as education funding and discretionary amounts such as grants and community infrastructure levy funding. Payments received from other bodies include rent from organisations who are tenants in Council properties or fees and charges for other services.

The register of Members' interests setting out all organisations which councillors have declared an interest in can be viewed via councillors' individual pages via www.camden.gov.uk/democracy or in person at Camden Town Hall during normal working hours.
The total amount of allowances paid to Members in 2025/26 is shown in Note 29.

Details of the related parties are as follows:

Organisation	Payments Made 2024/25 £000s	Payments Received 2024/25 £000s	Payments Made 2025/26 £000s	Payments Received 2025/26 £000s
Abacus Belsize Primary School	154	124	217	97
Camden Chinese Community Centre	231	-	267	-
Camden Disability Action (CDA)	-	417	561	439
Camden Giving	209	-	306	-
Camden Town Unlimited	687	17	619	14
Diorama Arts Centre*	140	0	-	-
Global Generation**	51	-	89	-
Harrington Scheme Ltd**	240	-	270	-
Kings Cross Academy**	436	-	578	-
Kings Cross Brunswick Neighbourhood Association**	163	20	-	-
Local Government Association*	44	81	-	-
London School of Economics	69	4	-	-
London School of Mosaic	-	50	-	-
Maiden Lane Community Centre*	211	-	-	
Peabody Trust**	7	-	79	26
Sidings Community Centre*	387	34	-	-
Swiss Cottage Community Association*	6	65	-	-
Voluntary Action Camden*	128	-	-	-
Young Camden Foundation**	958	48	1,134	50
Wac Arts**	538	0	574	0
Total	**4,660**	**813**	**4,696**	**626**

* Comparator from the previous year included for context; no longer a related party.
** Comparator for previous year included for context; new related party.

For the above related parties there are no debtor or creditor balances deemed material at 31 March 2026 (there was a debtor of £65K with London School of Mosaic at 31 March 2025).

Chief Officers

Chief Officers also have significant control and influence over the Council's financial and operating policies. One disclosure included in the table above relates to Chief Officers, as the Director of Finance is a trustee of the Young Camden Foundation. There was no direct involvement in the decision-making processes related to the allocation or approval of funding.

London Councils

London Councils is a collective body for all London boroughs and the City of London Corporation to allow for collaborative working and provision of some pan-London schemes including Freedom Passes, Taxicards and grants programmes. In 2025/26, the Council paid £3.84m to London Councils (£2.31m in 2024/25).

Greater London Authority

The Council works closely with the Greater London Authority and the Mayor of London and there are transactions between the two organisations. The Council collects the GLA precept part of Council Tax and receives grants from the GLA such as for public realm works or construction works. These are disclosed in the Collection Fund and Grants note in the accounts. The Council also had a debtor balance of £162K with the GLA at 31 March 2026 (£643K at 31 March 2025).

ADASS (Association of Directors of Adult Social Services)

ADASS is a charity organisation representing those working in adult social care across the country. The Executive Director of Adults and Health at Camden was also president of ADASS in 2025/26. The council made total payments of £3,728 to the national ADASS charity in 2024/25 (£3,539 in 2024/25).
In addition, Camden began to host the London arm of ADASS in 2023/24. Camden received an annual hosting charge of £53,456 in 2025/26 (£51,400 in 2024/25) and paid subscription of £10,000 to London ADASS (£15,000 in 2024/25 and nil in 2023/24). It held balance of funds of £0.6m on behalf of London ADASS as a creditor at 31 March 2026 (£0.1m at 31 March 2024).

NHS Local Trusts and Clinical Commissioning Groups

The Council received £45.06m from NHS bodies (£48.94m in 2024/25) - notably trusts and clinical commissioning groups - during the year for the provision of combined health and community care services.
One councillor is a Governor of Royal Free London NHS Foundation Trust. The Council paid the Trust £167K during 2025/26 for relevant services (£188K in 2024/25). There were receipts of £510K in 2025/26 (£694K in 2024/25). There was a debtor balance of £99K at 31 March 2026 (£70K at 31 March 2025) and creditor balance of Nil at 31st March 2026 (£69K at 31 March 2025). One councillor was a Governor of Tavistock and Portman NHS Foundation Trust. The Council paid the Trust £437K during 2025/26 for relevant services (£757K 2024/25). There were receipts of £112K for relevant services in 2025/26 (142K in 2024/25).

North London Waste Authority

The North London Waste Authority (NLWA) is a public body with powers to make arrangements for the disposal of waste produced in seven north London boroughs including Camden. Each borough appoints two councillors to sit on the NLWA. In 2025/26, Camden paid the NLWA £12.33m for waste disposal services (£7.6m in 2024/25).

Camden is the lead borough for the NLWA with the Council's Chief Executive acting as the NLWA’s Clerk, the Executive Director Corporate Services being the NLWA’s Financial Advisor, and the Borough Solicitor serving as the NLWA’s Legal Advisor. In 2025/26, Camden received £6.66m from the NLWA for provision of services (£5.31m in 2024/25).

Camden manages the funds of the NLWA as part of its Treasury Management function, holding short term investments and money market funds on behalf of the NLWA. At 31 March 2026, the Council held £211.5m of cash and cash equivalents on behalf of NLWA (£198.12m at 31 March 2025). This has been excluded from the Council's balance sheet.

Camden Living

Camden Living Group Limited is a wholly-owned Council company which rents out – via its subsidiary companies Camden Living Limited and Camden Living Housing Associated Ltd – housing in the borough at intermediate and private rents so as to provide a wider local housing offer.

In 2025/26, the Council entered into an agreement to dispose of 34 units to Camden Living on a 999-year lease for £6.4m and to enter into an agreement to loan the same amount to Camden Living to fund the disposal. This is in addition to 65 units previously acquired by Camden Living on long-term leases from the Council to be let at intermediate rents.

In addition, a further 92 residential units are leased to Camden Living through operating leases. 48 units are leased to the company until October 2026 on private rental terms. Under this arrangement, Camden Living leases the units at market rents and returns the rental income to the Council after deducting appropriate costs. The remaining 44 units were leased during 2025/26 under new 20-year leases on affordable housing terms, where the company leases the units at affordable rents to refugee families utilising funding provided by the Government for the purpose of doing so. Again, the rental income is returned to the Council after the company has deducted reasonable administration cost.

As at 31 March 2026, Camden Living has loans of £11.486m that have been provided by the council. The council also owns shares in Camden Living Limited, totalling £3.449m. At that date, other amounts owed to the Council by the company totalled £10K (£247K at March 2025). Amounts owed to the company by the Council for, for example management fees, totalled £0.389m. (£0.39m at 31 March 2025).

The Council's Chief Executive ceased to be a company director in 2023/24. During 2025/26, the Council's Executive Director Investment, Place and Opportunity and an interim Executive Director of Corporate Services also served on the boards of one of one of the Camden Living companies, though both had resigned before year-end. Other Council officers have been appointed to the board of Camden Living but are not chief officers within the meaning of this note.

Camden Learning

Camden Learning is an entity created as a partnership between Camden Council and schools in Camden to foster collaboration and provide services to schools with the aim of improving education outcomes in the borough.

The Cabinet Member with responsibility for schools sits on the board of Camden Learning as does the Executive Director Supporting People. The Council's membership of and voting rights on the board is limited under the articles of association to a maximum of 19.9% and do not trigger local authority associated person influenced status.

In 2025/26, the Council commissioned services from Camden Learning and made payments of £3.41m (£3.82m in 2024/25) and received £4.42m (£3.76m in 2024/25) for provision of seconded staff and other services. The Council has agreed to commission services from Camden Learning through to at least August 2026.The council had a debtor balance with Camden Learning of £764K at 31 March 2026 (£741K at 31 March 2025).

Note 35 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in this table (including the Right of Use leased assets under IFRS 16, and Private Finance Initiative (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 Council, 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.

	2024/25 £'000	2025/26 £'000
Opening Capital Financing Requirement	**656,751**	**760,621**
Right-of-Use asset recognition (IFRS 16)	60,926	0
Adjustment to Private Finance Initiative schemes on IFRS 16 transition	(168)	0
Adjusted Opening Balance	**717,509**	**760,621**
Capital investment		
Property, Plant and Equipment	253,223	287,463
Investment Properties	911	7,361
Intangible Assets	361	3,137
Revenue Expenditure Funded from Capital Under Statute	2,314	2,054
Total	**256,809**	**300,015**
Sources of finance		
Capital receipts	76,433	67,178
Government grants and other contributions	62,781	138,931
Direct revenue contributions	11,052	0
Major Repairs Reserve	54,996	46,881
Minimum Revenue Provision (MRP)	8,435	8,006
Total	**213,697**	**260,996**
Closing Capital Financing Requirement	**760,621**	**799,640**
Change in CFR	**103,870**	**39,019**

Explanation of movements in year	2024/25 £'000	2025/26 £'000
Increase in underlying need to borrowing (unsupported by government financial assistance)	112,305	47,025
Statutory provision for repayment of debt (Minimum Revenue Provision)	(8,435)	(8,006)
Increase/(decrease) in Capital Financing Requirement	**103,870**	**39,019**

Note 36 Leases

Authority as Lessee

Where the Council has entered into a contract that gives it the right to control an identified asset, through deriving substantially all the economic benefits or service potential from that asset and to direct its use, a lease exists. This includes arrangements for where there is nil consideration, peppercorn or nominal payment as per the adaptations to IFRS 16 set out in the CIFPA Code of Practice mandates.

Where a lease exists, the Council recognises a right-of-use asset on the Balance Sheet with a corresponding liability reflecting the value of the future payments - discounted to their present value - that the Council is obliged to make under the contractual arrangement. Initial direct costs and payments made prior to the commencement date of the lease are added to the carrying amount of the asset. The rate at which the future payments are discounted to their present value to calculate the liability is either the interest rate implicit in the lease or where this is not readily determinable, the Council's incremental borrowing rate.

The lease accounting provisions excluded short-term leases - where the arrangement is for 12 months or less - and where the value of the underlying asset is low value, which the Council has determined as meaning where the asset is less than £10,000. Payments associated with these arrangements are charged as service expenditure on the Comprehensive Income and Expenditure Statement.

Right of Use Assets

The majority of the Council's right of use assets by value are council dwellings, generally held on long term leases for the provision of social housing, and the Council's main offices, 5 Pancras Square, which is held on a 999 year lease at a peppercorn rent.

Right-of-use assets are generally accounted for using the policies applied to the relevant class of Property, Plant and Equipment asset in which the right-of-use asset falls. Depreciation is charged over the lower of the lease term and the asset's estimated useful life. Right-of use assets are held at valuation where the cost model does not provide a reliable proxy for the current value of the right-of-use asset. This is mandatory for investment properties.

Charges associated with these assets are not payable using Council Tax resources and are therefore reversed through the Movement in Reserves Statement to the Capital Adjustment Account. Lease payments are accounted for as financing expenditure on the Comprehensive Income and Expenditure Statement and for General Fund leases, Minimum Revenue Provision.

The changes in values of right-of-use assets during the financial year were as follows:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Assets Under Construction	Total Property, Plant and Equipment
	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 31 March 2025	**161,822**	**218,515**	**124**	**82**	**190**	**380,732**
Additions and lease remeasurements	1,045	3,184	881	0	1,987	7,096
Disposals	(501)	(1,620)	0	0	0	(2,121)
Revaluations	(16,264)	37,029	0	0	0	20,765
Depreciation and impairments	(3,457)	(42,087)	(215)	(0)	0	(45,760)
Transfers	0	0	0	0	0	0
Balance at 31 March 2026	**142,645**	**215,019**	**789**	**81**	**2,177**	**360,711**

	Investment Properties	Total Right of Use Assets
	£000's	£000's
Balance at 31 March 2025	**3,618**	**384,350**
Additions and lease remeasurements	(2,073)	5,023
Disposals	0	(2,121)
Revaluations	2,400	23,165
Depreciation and Impairments	0	(45,760)
Transfers	0	0
Balance at 31 March 2026	**3,945**	**364,656**

The comparator figures for the prior year were as follows:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Assets Under Construction	Total Property, Plant and Equipment
	£000's	£000's	£000's	£000's	£000's	£000's
Right of use assets recognised at 1 April 2024	**224,895**	**254,547**	**124**	**79**	**54**	**479,699**
Additions	3,328	1,531	49	4	135	5,048
Disposals	(103)	(106)	0	0	0	(209)
Revaluations	(62,630)	4,033	0	0	0	(58,597)
Depreciation and Impairments	(3,669)	(41,492)	(45)	(1)	0	(45,207)
Transfers	0	1	0	0	0	1
Balance at 31 March 2025	**161,822**	**218,515**	**128**	**82**	**189**	**380,736**

	Investment Properties	Assets Held for Sale	Total Right of Use Assets
	£000's	£000's	£000's
Right of use assets recognised at 1 April 2024	**5,409**	**483**	**485,590**
Additions	0	0	5,048
Disposals	0	(484)	(693)
Revaluations	(2,355)	0	(60,952)
Depreciation and Impairments	0	0	(45,207)
Transfers	(1)	2	2
Balance at 31 March 2025	**3,052**	**0**	**383,788**

Maturity analysis of lease liabilities

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

	31 March 2025 £000's	31 March 2026 £000's
Less than 1 year	3,350	4,919
1 to 5 years	15,776	14,851
More than 5 years	218,476	208,095
Total undiscounted liabilities	**237,602**	**227,865**

Authority as Lessor

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 and replaced by a long-term debtor in the Balance Sheet valued on the future income due under the finance lease. This value then reduces over time as principal repayments are made. In 2025/26, the authority had no finance leases where it was the lessor and material payments were receivable in the future; the same applied in 2024/25.

Operating Leases

The Council grants leases to other bodies where the risks and rewards associated with the asset remain substantially with the Council, generally because the length of the lease is relatively short. The Council broadly grants operating leases for three reasons:

- To allow providers to deliver certain services to the community such as nursery provision or sports facilities;
- For economic development purposes so local businesses and voluntary and community organisations have affordable accommodation;
- To generate investment income for the Council through charging market rents.

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

Maturity Analysis of Lease Receivables

The lease receivables arising from operating leases granted by the Council are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts).

	31 March 2025 £000's	31 March 2026 £000's
Less than 1 year	14,473	14,697
1 to 2 years	14,310	14,908
2 to 3 years	14,485	13,922
3 to 4 years	13,435	12,883
4 to 5 years	12,240	12,302
Greater than 5 years	148,894	143,139
Total	**217,837**	**211,850**

Note 37 Private Finance Initiatives and Similar Contracts

PFI contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment (PPE) needed to provide the services passes to the PFI contractor. As the council is deemed to control the services that are provided under its PFI schemes and as ownership of the PPE will pass to the council at the end of the contracts for no additional charge, the council carries the PPE used under the contracts on the Balance Sheet. The PPE recognised on the Balance Sheet is revalued and depreciated in the same way as PPE owned by the council, as shown in Note 12

Haverstock School PFI

In 2003/04 Camden signed a 27-year contract to rebuild the Haverstock School and then provide services to the school. The unitary charge is subject to indexation and performance deductions for service and availability failures. The land where the dwelling blocks are situated belongs to the Council and the Operator has been granted a licence to use the land for undertaking the works and services.

The original recognition of the PPE was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the PPE. For the Haverstock School PFI, the liability was written down by an initial capital contribution of £4.0m. Details of the payments due to be made under PFI arrangements (separated into repayments of liability, interest and service charges): Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the contractor for capital expenditure incurred is as follows:

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	2024/25	2025/26
	£'000	**£'000**
Balance Outstanding 1-April	(7,246)	(6,511)
Payments in year	673	804
IFRS 16 transitional adjustment	59	-
Lease liability remeasurement	3	(3)
Balance Outstanding 31-March	**(6,511)**	**(5,710)**

	Payment for Services	Repayment of liability	Interest	Total
	£'000	£'000	£'000	£'000
Payable in year 2026/27	1,454	1,038	481	2,973
Payable within 2 to 5 years	4,569	4,672	917	10,158
Payable within 6 to 10 years	-	-	-	-
Total	**6,023**	**5,710**	**1,397**	**13,131**

Swiss Cottage SEN School and UCL Academy PFI

In 2011/12 the Council signed a 25-year contract to build two new schools at Adelaide Road, Swiss Cottage SEN School and UCL Academy, and provide facilities management services excluding catering services.

The Council is required to pay an annual unitary charge to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The unitary charge is subject to indexation and performance deductions for service and availability failures. The council receives an annual PFI credit towards the unitary charge.

The schools each make annual contributions to meet the costs of the unitary charge not covered by the PFI credits and for the council to manage the PFI services and provide ICT facilities to the schools. Details of the payments due to be made under PFI arrangements (separated into repayments of liability, interest, and service charges).
Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed.

The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

	2024/25	2025/26
	£'000	**£'000**
Balance Outstanding 1-April	(35,501)	(33,745)
Payments in year	1,638	1,429
IFRS 16 transitional adjustment	110	-
Lease liability remeasurement	8	13
Balance Outstanding 31-March	**(33,745)**	**(32,303)**

	Payment for Services £'000	Repayment of liability £'000	Interest £'000	Total £'000
Payable in year 2026/27	3,656	1,570	3,081	8,307
Payable within 2 to 5 years	13,276	9,526	10,427	33,229
Payable within 6 to 10 years	18,949	15,087	7,501	41,536
Payable within 11 to 15 years	6,162	6,120	804	13,086
Total	**42,043**	**32,303**	**21,813**	**96,159**

Note 38 Termination Benefits

The Council continued to engage in salary savings activity in the financial year 2025-26, where it undertakes service transformation as part of its Medium-Term Financial Strategy. The following tables provide a summary of the exit packages associated with the required redundancies to achieve the Council's transformational goals.

For the year 2025-26, the Council has charged to the Comprehensive Income and Expenditure Account a total of £2.81m for the termination of contracts that have occurred during 2025-26. This is for the termination of 50 employee contracts spread across a range of Council services. The table below provides an analysis of the exit packages approved during 2025-26. This analysis discloses both the number of exit packages and the total cost of redundancies by the total cost band for each redundancy. With reference to the columns labelled:

- ‘compulsory redundancies’: this summarises the costs associated with the total number of compulsory redundancies in 2025-26.
- ‘other departures’: wherever possible, redundancies have been minimised through the use of a variety of measures including the use of voluntary redundancy in 2025-26.

	Number of compulsory redundancies		Number of other departures agreed		Total departures per band		Cost of compulsory redundancies		Cost of other departures agreed		Total cost of exit packages per band	
	2024/25	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**	**2024/25**	**2025/26**
							£’000	**£’000**	**£’000**	**£’000**	**£’000**	**£’000**
£0 - £20,000	3	10	2	7	5	17	26	73	32	67	58	140
£20,001 - £40,000	0	3	4	7	4	10	0	91	135	221	135	312
£40,001 - £60,000	5	0	3	5	8	5	247	0	138	266	385	266
£60,001 - £80,000	2	0	2	4	4	4	133	0	129	265	262	265
£80,001 - £100,000	1	1	1	2	2	3	98	91	94	182	192	273
£100,001 -£150,000	2	1	4	7	6	8	266	103	541	852	807	955
£150,001 -£200,000	0	0	2	2	2	2	0	0	341	356	341	356
£200,001 -£250,000	0	0	0	1	0	1	0	0	0	248	0	248
Total	**13**	**15**	**18**	**35**	**31**	**50**	**770**	**358**	**1,410**	**2,457**	**2,180**	**2,815**

Camden

Note 39 Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers' Pensions

Teachers employed by the Authority are members of the Teachers' Pension Scheme, administered by the Department for Education.

The Scheme provides teachers with specified benefits upon their retirement, and the authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is a defined benefit scheme. However, the Scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Authority is not able to identify its underlying share financial position and performance of the Scheme with sufficient reliability for accounting purposes.

For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2025/26 the Council paid £21.458m to Teachers' Pensions in respect of teachers' retirement benefits (£20.603m in 2024/25), representing 28.7% of pensionable pay (28.7% in 2024/25). As a proportion of the total contributions into the Teachers' Pension Scheme during the year ending 31 March 2026, the Council's own contributions equate to approximately 89%.

It is estimated that Teachers' Pensions contributions for 2026/27 would be £21.951m.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis, included in the current service cost.

Note 40 Defined Benefit Pension Schemes

Participation in Pension Schemes

Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council's employees primarily belong to three principal pension schemes, all of which are defined benefit schemes. These three schemes are:

- London Borough of Camden Pension Fund,
- London Pension Fund Authority
- Teachers' Pension Scheme

For the purposes of this Statement of Accounts, the Teachers' Pension Scheme is accounted for on the same basis as a defined contribution scheme and disclosed in the preceding Note 39.

The Local Government Pension Scheme's actuaries determine the employer's contribution rate based on triennial actuarial valuations. The valuation undertaken as at 31 March 2022, set the contribution rates from 2023/24 to 2025/26.

The triennial valuation to set contribution rates for 2026/27 to 2028/29 was undertaken as at 31 March 2026, with results provided in March 2026.
Under Pension Fund regulations applying from 2007/08, contribution rates are required to meet 100% of the overall liabilities of the Fund over an agreed period, and the contributions needed by the Council to meet this requirement will continue to be funded at the level recommended by the Fund's actuary

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

Scheme Funding Policy

The Council, on agreement with the actuary, decided to pay the 3 years past service deficit payments for 2026/27, 2027/28 and 2028/29 as a lump sum prepayment of £39.604m. This prepayment will be spread over 3 years with a monetary value of £13.940m in 2026/27, £13.188m in 2027/28 and £12.476m in 2028/29.

The total expected contributions for 2026/27 are £60.926m for the council's scheme and £0.0254m for the LPFA scheme as per the triennial valuation conducted as at 31 March 2025.

Weighted Average Duration

The discount rate should reflect the term of the benefit obligation. For this a weighted average duration of the benefit obligation has been calculated. This is defined as the weighted average time until payment of all expected future discounted cash flows, determined based on membership and the financial and demographic assumptions at a particular time. The shorter the duration the more 'mature' the employer. The weighted average duration of the defined benefit obligation for the council scheme members is 15 years and 9 years for LPFA scheme members.

Effect on Future Cash Flows in the Authority

One of the objectives of the scheme is to keep employers' contribution rates at as constant a rate as possible. The Council has agreed a strategy with the scheme's actuary to limit the impact of increases or reductions in the required employer contribution rate to 1% of pay per year. This stabilisation policy allows short term investment market volatility to be managed so as not to cause volatility in employer contribution rates, on the basis that a long term view can be taken on net cash inflow, investment returns and strength of employer covenant.

The latest triennial valuation was carried out as at 31 March 2025, with results and contribution rates to be implemented from 2026/27.

On the basis of extensive modelling carried out for the 2025 valuation exercise, the stabilised Council contributions for the next three years are as follows:

- ”future service” contributions expressed as a percentage of active Fund members' pensionable payroll, will remain at 18.7% for financial years up to 2028/29.
- “past service” deficit repair payments expressed in monetary terms to be paid via a £39.604m lump sum prepayment spread at a monetary value of £13.940m in 2026/27, £13.940m in 2027/28 and £12.476m in 2028/29
- The combined future and past service contributions broadly equate to annual increases of 2.81% of payroll projected into future years.

As set out below, the Council's share of the pension assets within the London Pension Fund Authority (LPFA) as at 31 March 2026 was £48.967m (31st March 2025 was £53.241m). Within the LPFA's pension assets are £21.996m of unquoted (level 3) investments (£21.642m at 31 March 2025).

Pensions Assets and Liabilities recognised in the Balance Sheet

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

Camden 2024/25	LPFA 2024/25	Total 2024/25	Pensions Assets and Liabilities recognised in the Balance Sheet	Camden 2025/26	LPFA 2025/26	Total 2025/26
£'000	£'000	£'000		£'000	£'000	£'000
(1,598,862)	(30,681)	(1,629,543)	Present Value of the defined benefit obligation	(1,687,271)	(29,903)	(1,717,174)
2,087,815	53,241	2,141,056	Fair value of plan assets	2,330,087	48,957	2,379,044
(663,703)	(22,517)	(686,220)	Impact of asset ceiling	(795,356)	(18,990)	(814,346)
(20,005)	(580)	(20,585)	Present Value of the unfunded liabilities	(18,163)	(393)	(18,556)
(194,755)	**(537)**	**(195,292)**	**Net liability arising from defined benefit obligation**	**(170,703)**	**(329)**	**(171,032)**

Camden 2024/25	LPFA 2024/25	Total 2024/25	Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets	Camden 2025/26	LPFA 2025/26	Total 2025/26
£'000	£'000	£'000		£'000	£'000	£'000
1,994,771	54,160	2,048,931	Opening Fair Value of Employer Assets	2,087,815	53,241	2,141,056
(268)	(16)	(284)	Administration Expenses	(217)	(49)	(266)
95,831	2,566	98,397	Interest Income	121,046	2,715	123,761
		0	**Remeasurement gain/(loss):**			
(8,812)	(919)	(9,731)	the return on plan assets, excluding the amount included in the net interest expense	105,524	(641)	104,883
67,061	98	67,159	Contributions from employer	72,370	69	72,439
0	0	0	Other	1,476	(1,117)	359
15,584	27	15,611	Contributions from employees into the scheme	18,068	16	18,084
(76,352)	(2,675)	(79,027)	Benefits Paid	(76,480)	(3,262)	(79,742)
0	0	0	Settlement prices Received/(paid)	0	(2,015)	(2,015)
2,087,815	**53,241**	**2,141,056**	**Closing Fair Value of Employer Assets**	**2,329,603**	**48,957**	**2,378,560**

Camden 2024/25	LPFA 2024/25	Total 2024/25	Reconciliation of Asset Ceiling	Camden 2025/26	LPFA 2025/26	Total 2025/26
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
361,854	19,746	381,600	Opening Impact of Asset Ceiling	663,703	22,517	686,220
284,480	1,956	286,436	Actuarial losses / (gains)	93,158	1,231	94,389
17,369	815	18,184	Interest on Asset Ceiling	38,495	(4,758)	33,737
663,703	**22,517**	**686,220**	**Closing Impact of Asset Ceiling**	**795,356**	**18,990**	**814,346**

The actuarial valuation of the Camden Pension fund and the LPFA Scheme asset/liability showed a surplus. The actuary has calculated an asset ceiling which is the difference between the accounting surplus attributable to the Employer and the surplus limit, to restrict the amount of net asset (relative to funding obligations) the Employer can disclose.

Camden 2024/25	LPFA 2024/25	Total 2024/25	Reconciliation of defined benefit	Camden 2025/26	LPFA 2025/26	Total 2025/26
£'000	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**
1,859,263	34,998	1,894,261	Opening Defined Benefit Obligation	1,618,867	31,261	1,650,128
44,349	85	44,434	Current Service Cost	35,897	41	35,938
88,846	1,634	90,480	Interest cost	93,326	1,590	94,916
15,584	27	15,611	Contributions from scheme participants	18,068	16	18,084
			Remeasurement (gains) and losses:			**0**
(3,245)	(87)	(3,332)	Actuarial gains and losses arising on changes in demographic assumptions	(43,423)	414	(43,009)
(292,366)	(2,627)	(294,993)	Actuarial gains and losses arising on changes in financial assumptions	(51,063)	(538)	(51,601)
(19,189)	(94)	(19,283)	Other	107,848	723	108,571
1,977	0	1,977	Past service cost	1,909	51	1,960
(76,352)	(2,675)	(79,027)	Estimated Benefits Paid	(76,480)	(3,262)	(79,742)
1,618,867	**31,261**	**1,650,128**	**Closing Defined Benefit Obligation**	**1,704,950**	**30,296**	**1,735,246**

IAS 19 Pensions Assets and Liabilities Adjustments recognised in the Comprehensive Income and Expenditure Statement

Camden 2024/25	LPFA 2024/25	Total 2024/25	Total Post employment Benefit Charged to Surplus and deficit in Provision of services	Camden 2025/26	LPFA 2025/26	Total 2025/26
£'000	£'000	£'000	Cost of services	£'000	£'000	£'000
44,349	85	44,434	Current Service Cost	35,897	41	35,938
1,977	0	1,977	Past service costs/(gains)	1,909	51	1,960
268	16	284	Administration expenses	217	49	266
		0	Financing and Investment Income and Expenditure			0
(6,985)	(932)	(7,917)	Net interest costs	(27,720)	(1,125)	(28,845)
39,609	**(831)**	**38,778**	**Total Post employment Benefit Charged to Surpluses and deficit in Provision of services**	**10,303**	**(984)**	**9,319**

Camden 2024/25	LPFA 2024/25	Total 2024/25	Other Post employment Benefit Charged to Other Comprehensive Income and Expenditure	Camden 2025/26	LPFA 2025/26	Total 2025/26
£'000	£'000	£'000	Revaluation of IAS 19 Pension liability due to	£'000	£'000	£'000
8,812	919	9,731	Return on plan assets (excluding the amount included in the net interest charge)	(105,524)	641	(104,883)
(3,245)	(87)	(3,332)	Actuarial gains and losses arising on changes in demographic assumptions	(43,423)	414	(43,009)
(292,366)	(2,627)	(294,993)	Actuarial gains and losses arising on changes in financial assumptions	(51,063)	(538)	(51,601)
(19,189)	(94)	(19,283)	Other	106,372	1,840	108,212
301,849	2,771	304,620	Impact of change in Valuation of Asset Ceiling	131,653	(3,527)	128,126
(4,139)	**882**	**(3,257)**	**Total Other Post employment Benefit Charged to Other Comprehensive Income and Expenditure**	**38,015**	**(1,170)**	**36,845**

Camden LGPS Scheme assets comprised of:

Asset Category	Quoted Prices in active markets 2024/25	Prices in inactive markets 2024/25	Total 2024/25	% of Total Assets 2024/25	Quoted Prices in active markets 2025/26	Prices in inactive markets 2025/26	Total 2025/26	% of Total Assets 2025/26
	£'000	£'000	£'000		£'000	£'000	£'000	
Real Estate:								
UK Property	0	0	0		0	0	0	0%
Overseas Property	0	0	0		0	0	0	0%
Investment Fund and Unit Trusts								
Equities	1,129,910	50,703	1,180,612	57%	1,260,864	56,579	1,317,442	56%
Bonds	411,828		411,828	20%	459,558		459,558	20%
Hedge Funds	0		0	0%	0		0.0	0%
Other	280,416	147968	428,384	21%	312,915	165,118	478,032	20%
Cash and Cash Equivalents								
All	67,258		67,258	3%	75,054		75,054	3%
Total Assets	**1,889,412**	**198,671**	**2,088,083**	100%	**2,108,391**	**221,696**	**2,330,087**	**100%**

LPFA Scheme assets comprised of:

Asset Category	Quoted Prices 2024/25	% of Total Assets 2024/25	Quoted Prices 2025/26	% of Total Assets 2025/26
	£'000		£'000	
Equities	31,402	59%	26,190	53%
Target return portfolio	9,669	18%	10,316	21%
Infrastructure	6,073	11%	5,752	12%
Property	4,852	9%	5,048	10%
Cash	1,245	2%	**1,651**	3%
Total Assets	**53,241**	**100%**	**48,957**	**100%**

Basis for Estimating Assets and Liabilities

Liabilities for the Council and LPFA schemes have been assessed by Hymans Robertson LLP and Barnett Waddingham, respectively. Both have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years, dependent on assumptions about mortality rates, salary levels, etc. The information is based on data relating to the latest full valuations as at March 31 2022, and rolled forward. The significant assumptions used by the actuary have been:

Mortality	Camden (Years) 2024/25	LPFA (Years) 2024/25^	Camden (Years) 2025/26	LPFA (Years) 2025/26
Average future life expectancies at age 65 for current pensioners				
Male	21.2	19.7	21.8	20.6
Female	24.0	23.7	24.5	24.4
Average future life expectancies at age 65 for future pensioners				
Male	22.5	21.7	22.9	22.6
Female	25.6	25.5	25.9	26.4

^LPFA prior year figures corrected from 2023/24

Financial Assumptions	Camden 2024/25	LPFA 2024/25	Camden 2025/26	LPFA 2025/26
Pension Increase Rate	2.80%	2.90%	3.00%	2.90%
Salary Increase Rate	3.30%	3.90%	3.50%	3.90%
Discount Rate	5.80%	5.65%	6.20%	5.65%

Sensitivity Analysis

The estimation of the defined benefit obligations 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 the analysis below assumes for each change that the assumption being analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, 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 are based on the membership profile at the latest actuarial valuation (31 March 2022).

LGPS Analysis:

Change in assumptions at 31 March 2025	Approximate % Increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	1%	24,569
1 year increase in member life expectancy	4%	68,217
0.1% increase in the Salary Increase Rate	0%	927
0.1% increase in the Pension Increase Rate (CPI)	1%	23,628

LPFA Analysis:

Analysis	£'000	£'000	£'000
Adjustment to Discount rate	**+0.10%**	**0.00%**	**-0.10%**
Present Value of Total Obligation	30,042	30,269	30,554
Projected Service Cost	41	41	42
Adjustment to Long Term salary increase	**+0.10%**	**0.00%**	**-0.10%**
Present Value of Total Obligation	30,299	20,296	30,294
Projected Service Cost	41	41	41
Adjustment to pension increases and deferred revaluation	**+0.10%**	**0.00%**	**-0.10%**
Present Value of Total Obligation	30,567	30,296	30,084
Projected Service Cost	42	41	40
Analysis	£'000	£'000	£'000
Adjustment to the mortality age rating assumption	**+1 year**	**None**	**-1 year**
Present Value of Total Obligation	32,104	30,296	28,957
Projected Service Cost	43	41	40

Note 41 Contingent Liabilities

The Council's contingent liabilities cover various on-going litigations and guarantees. There are no material contingent liabilities at 31 March 2026 (none material at 31 March 2025).

Note 42 Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks:

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

The Council's management of treasury risks actively works to minimise the Council's exposure to the effects of the unpredictability of financial markets and to protect the financial resources available to fund services.

Risk management is carried out by a central treasury team under policies approved by the Council in the annual treasury management strategy report. The Council provides written principles for overall risk management, as well as written policies (covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash).

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the council's customers. Customers for goods and services are assessed considering their financial position, past experience and other factors.

It is the policy of the Council to place deposits only with a limited number of high-quality banks whose credit rating is independently assessed as sufficiently secure by the credit rating agencies and the Council's treasury consultants to restrict lending to a prudent maximum amount for each institution.

This Council uses the creditworthiness service provided by MUFG (Mitsubishi UFJ Financial Group) Corporate Markets Treasury Limited (formerly known as Link Asset Services). This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, the Council does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- analysis of financial institutions' balance sheet and ability to withstand stress

The Council also has a policy of limiting deposits with institutions to a maximum of £40m for the very highest rated institutions such as local authorities, £300m with the UK government institutions such as DMADF and £150m with the very highest rated Money Market Funds. The Council has a limit of £135m with NatWest.

The Council credit criteria for selecting approved counterparties are published in the Treasury Management Strategy report, which is approved annually by the Council.

The Council's maximum exposure to credit risk in relation to its investments in banks cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of the Council not being able to recover its funds applies to all of the Council's deposits, but there was no evidence at the 31 March 2026 that this was likely to crystallise. The Council expects full repayment on the due date of deposits placed with its counterparties.

No counterparty limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Expected Credit Losses

The Council does not expect any losses arising from non-performance by its counterparties in relation to deposits and securities. The Expected Credit Loss (ECL) on investments, as calculated by the Council's treasury advisors, reflects the potential for future cash flows to be affected in the event of default. For 2025/26, the ECL on investments is nil (£18k March 2025).

Debtors are not subject to internal credit ratings, and expected credit losses are calculated where appropriate using historical data and estimated default risk. Impairments on receivables are disclosed in Note 17.

Camden Wealth Fund – Loan Exposure

In addition to treasury investments, the Council is exposed to credit risk through its investment in the Camden Wealth Fund. The Fund provides loans to higher risk borrowers, such as financially marginalised individuals and micro enterprises, to help improve their economic outcomes. As a result, it carries more credit risk than traditional treasury investments or trade receivables. The Council accepts this higher level of risk to support its socio-economic objectives.

The loan is assessed for expected credit losses (ECL) in accordance with IFRS 9. Credit risk is assessed at each reporting date to determine whether there has been a Significant increase In Credit Risk (SICR), based on a combination of quantitative and qualitative factors including payment performance, changes in borrower credit quality and forward-looking information.

At 31 March 2026, the loan was classified as Stage 1 (performing), with no indicators of significant increase in credit risk. No loans were credit-impaired (Stage 3), and no defaults were identified.

The portfolio consists of a single loan exposure of £107k, resulting in a concentration of credit risk in one counterparty. The associated 12-month expected credit loss has been assessed at £934.

The loan is unsecured and no collateral or credit enhancements are held.

Liquidity Risk

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

The Council has ready access to borrowing from the money markets to cover any day-to-day cash flow needs, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. All sums invested are due to be repaid in less than one year.

Refinancing and Maturity Risk

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

The Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates.

The maturity structure of financial liabilities is as follows (at nominal value).

	31-Mar-25 £'000	31-Mar-26 £'000
Public Works Loans Board	(169,281)	(169,281)
Market Debt	(125,000)	(125,000)
Total	**(294,281)**	**(294,281)**
Less than one year	0	(12,410)
Between:		
one and two years	(12,410)	(1,000)
two and five years	(1,000)	0
five and ten years	0	(42,410)
More than 10 years	(280,871)	(238,461)
	(294,281)	**(294,281)**

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

In the ‘more than 10 years’ category there are six LOBOs (market loans) amounting to £124m which have regular half yearly call dates and therefore may be called in the next 12 months.

Market Risk

There are two key types of market risk that Camden is exposed to – interest rate risk and foreign exchange rate risk.

The Council has no General Fund financial assets or liabilities denominated in foreign currencies and thus has no exposure to losses arising from movements in exchange rates.

Interest Rate Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowing and investments.

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

- borrowing at variable rates - the interest expense charged to the Surplus or Deficit on the Provision of Services will rise;
- borrowing at fixed rates - the fair value of the liabilities borrowings will fall;
- investments at variable rates - the interest income credited to the Surplus or Deficit on the Provision of Services will rise;
- investments at fixed rates - the fair value of the assets will fall.

Borrowing is not carried at fair value, so nominal gains and losses on fixed rate borrowing would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable on variable rate borrowing (including LOBO loans) and receivable on investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Annual Treasury Management Strategy draws together the Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy, treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, the drawing of longer-term fixed rates borrowing would be postponed.

According to this assessment strategy, at 31 March 2026, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

Impact of a 1% increase in interest rates	2024/25	2025/26
	£000	£000
Increase in interest payable on variable rate borrowing	1,240	1,240
Increase in interest receivable on variable-rate investments	0	0
Increase in government grant receivable for financing costs	0	0
Impact on Surplus or Deficit on the Provision of Services	1,240	1,240
Share of overall impact debited to the HRA	1,090	1,090
Decrease in fair value of fixed-rate investment assets	0	0
Impact on Other Comprehensive Income and Expenditure	0	0
Decrease in fair value of fixed rate borrowing liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(26,571)	(24,656)

* PWLB Loans are all purchased on a hold to maturity basis and therefore any temporary fluctuations in the market value of such products would have no impact on the Council's finances.

Note 43 Trust Funds and Other Accounts

The Authority administers a number of trust accounts. The balances on these funds are not included in the Balance Sheet.

	Balance at 01-Apr-25	Receipts and Valuation Gains	Payments	Balance at 31-Mar-26
	£	£	£	£
Education	(10,886)	(464)	0	(11,350)
Social Services	(44,544)	(1,900)	0	(46,444)
Other Funds	(193,866)	(8,283)	0	(202,149)
Waterlow Park	(1,041,525)	(6,291,746)	1,051,671	(6,281,600)
Lauderdale House Charity	(679,576)	(854,743)	59,320	(1,474,999)
Emmanuel Vincent Harris Trust	(4,010,693)	(171,101)	0	(4,181,794)
Neighbourhood Forum Funds	(3,761)	(450)	0	(4,211)
Total	**(5,984,851)**	**(7,328,687)**	**1,110,991**	**(12,202,547)**

Assets and liabilities on the funds as at 31 March 2025 were:

	2024/25	2025/26
	£	£
Property, Plant and Equipment	1,721,101	7,756,599
Investments	4,263,750	4,445,948
	5,984,851	**12,202,547**
Represented by Trust Funds	5,984,851	12,202,547

In addition, the authority administers funds of c.£8.7m in 2025/26 (c.£8.2m in 2024/25) on behalf of Adult Social Care service clients, including funds administered by officers as a Court appointee or receiver.

4. Housing Revenue Account

Housing Revenue Account

HRA Comprehensive Income and Expenditure Statement

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

		2024/25	2025/26
	Note	**£'000**	**£'000**
Expenditure			
Repairs and maintenance		95,378	96,464
Supervision and management		61,873	56,746
Rents, rates and other charges		14,585	16,339
Change in Expected Credit Loss		3,705	(2,251)
Depreciation, impairment and revaluation losses of non-current assets	6	274,568	39,121
Debt Management Costs		192	170
Total expenditure		**450,301**	**206,589**

Camden

HRA Comprehensive Income and Expenditure Statement (continued)

	Note	2024/25 £'000	2025/26 £'000
Income			
Dwelling rents	1,2	(162,28)	(167,257)
Non-dwelling rents		(16,138)	(16,611)
Charges for services and facilities		(39,528)	(34,287)
Contributions towards expenditure		(26,922)	(29,676)
Total Income		**(244,86)**	**(247,831)**
Net (Income)/Expenditure for HRA Services per whole Authority Comprehensive Income and Expenditure Statement		**205,433**	**(41,242)**
HRA services' share of Corporate and Democratic Core		604	614
Net (Income)/Expenditure for HRA Services per whole Authority Comprehensive Income and Expenditure Statement		**206,037**	**(40,628)**

HRA Share of the Operating Income and Expenditure included in the Comprehensive Income and Expenditure Statement

	Note	2024/25 £'000	2025/26 £'000
(Gain) or loss on sale of HRA non-current assets		(15,176)	(20,237)
Interest payable and similar charges	4	25,765	22,831
Interest and Investment Income	4	(1,769)	(1,802)
Capital Grants and Contributions Receivable		(35,664)	(98,882)
(Surplus) or deficit for the year on HRA services		**179,193**	**(138,718)**

Camden

Statement of Movement on the HRA Balance

	Note	2024/25 £'000	2025/26 £'000
Balance on HRA at the end of the previous year		**(13,389)**	**(14,180)**
(Surplus) or deficit for the year on the HRA Income and Expenditure Statement		179,193	138,718
Adjustments between accounting basis and funding basis under statute	6	(172,936)	(133,503)
HRA Balance		**6,257**	**(5,215)**
Transfer to / (from) Earmarked Reserves		(7,048)	3,063
(Increase) or decrease in year on the HRA		**(791)**	**(2,152)**
Balance on the HRA at the end of the current year after transfers to / (from) Earmarked Reserves		**(14,180)**	**(16,332)**

Note 1 Gross Rent Income

Gross rent income is the total rent income due for the year after allowance is made for vacant properties. During the year 4.64% of properties used for permanent accommodation were vacant (4.31 % in 2024/25). The average rent for all stock excluding service charges was £141.64 per week in 2025/26, an increase of 2.16% from the 2024/25 level of £138.65.

Note 2 Housing Stock

The Council was responsible at 31 March 2026 for managing self-contained and shared dwellings

Property type	31 March 2025 Number of units	31 March 2026 Number of units
Studio / 1 Bed accommodation	9,183	9,173
2 Bed accommodation	7,234	7,224
3 Bed accommodation	4,797	4,794
4 Bed + accommodation	1,392	1,384

Self-contained temporary accommodation	269	273
Shared units	188	188
Shared ownership units	2	2
Total	**23,065**	**23,038**

Movements in year	Number of units
Acquisitions	27
New builds	0
Demolitions	0
Right to Buy sales	(36)
Other sales	(17)
Conversions	(4)
Correction to March 2025	3
Total	**(27)**

The below table shows the movements on balances for fixed asset classes in the HRA. The following asset classes are not reported as the Council does not hold any assets in its HRA in those classes:

- Community
- Infrastructure

HRA Property, Plant and Equipment Balances 2025/26						
Net Book Value	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Surplus Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
1 April 2025	2,888,635	215,891	45	0	94,067	**3,198,638**
31 March 2026	2,881,599	220,826	40	2,011	180,236	**3,284,712**

Comparative Balances 2024/25						
Net Book Value	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Surplus Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000

1 April	3,031,658	208,918	50	0	110,641	**3,351,267**
31 March	2,888,637	215,892	45	0	94,067	**3,198,641**

The total vacant possession value of dwelling properties held in the HRA at 31 March 2026 was £10.3bn (£11.0bn at 31 March 2025).

The difference between the vacant possession and the balance sheet value represents the economic cost of providing social housing at less than open market rents and is calculated by discounting the vacant possession value down to 25% of the market value.

There was an impairment of £91K against one HRA asset in 2025/26 (£92k in 2024/25) and depreciation charges were as follows:

	2024/25	2025/26
	£'000	£'000
Council Dwellings	42,683	39,870
Other Land and Buildings	5,350	5,347
Vehicles, Plant and Equipment	5	5
Total	**48,038**	**45,222**

HRA Investment Properties

Opening and closing balances for investment properties held in the HRA were as follows:

	2024/25	2025/26
	£'000	£'000
1 April	27,048	28,824
31 March	28,824	30,219

Note 3 Rent Arrears

The arrears at 31 March 2026 were £19.723m (£22.822m 31 March 2025). Amounts written off during the year totalled £2.048m (£1.868m 31 March 2025) and a provision for bad debts at the year-end totalled £17.415m (£20.085m 31 March 2025).

Note 4 Interest Charges

Interest charges met by the Housing Revenue Account are charged by the General Fund in accordance with the Item 8 Credit and Item 8 Debit (General) determination made by the Secretary of State under part II of schedule 4 to the Local Government and Housing Act 1989.

Note 5 HRA Contributions to the Pension Reserve

Under IAS 19, the pension amount charged to each council service is the amount of pension benefit earned in the year, as determined by the actuary. This replaces the cash contributions made by services to the Pension Fund. This principle has been applied to the HRA.

In addition, the HRA has been charged with its share of the pension interest cost and the return on pension assets, and these, together with the change in service costs have been matched by an appropriation to or from the Pension Reserve such that the net outturn on the HRA is not altered by these accounting adjustments.

Note 6 Statement of Movement on the HRA Balance

Notes	2024/25	2025/26
	Net Expenditure	Net Expenditure
	£'000	£'000
Items included in the HRA Comprehensive Income and Expenditure Statement but excluded from the movement on the HRA Balance for the year		
Gain/loss on sales of HRA fixed assets	13,308	19,187
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0	0
Revenue Expenditure Funded from Capital Under Statute	(66)	(258)
Revaluation changes on non-current assets recognised in I&E	(224,662)	7,603
Adjustment to remuneration chargeable in the year in accordance with statutory requirements (employee leave accrual)	(779)	(616)
Net charges made for retirement benefits in accordance with IAS19	(4,653)	(1,088)
Total	**(216,852)**	**24,828**
Amounts not included in the HRA Comprehensive Income and Expenditure Statement but required to be included by statute when determining the Movement on the HRA Balance for the year		
Repayment of debt (transfer to the Capital Adjustment Account)	0	0
Employers contributions payable to the pension funds and retirement benefits payable direct to pensioners	8,252	9,792
Application of capital Grants to finance capital expenditure	35,664	98,882
Total	**43,916**	**108,674**
Net additional amount required by statute and non-statutory proper practices to be credited or debited to the HRA Balance for the year	**(172,936)**	**133,502**

Note 7 HRA Capital Programme

Total capital expenditure on land, houses and other assets within the HRA was £196.0m in 2025/26 (£198.7m in 2024/25).

Capital financing applied to HRA assets, so excluding REFCUS, was as follows. The difference is accounted for the application of capital grants to the Capital Adjustment Account to pay down capital expenditure incurred in prior financial years.

	2024/25	2025/26
	£'000	**£'000**
Capital receipts	71,715	57,066
Major Repairs Reserve	54,996	46,804
Capital grants and contributions	35,664	97,907
Revenue contributions	0	0
Borrowing	36,361	2,447
Total	**198,736**	**204,223**

Capital receipts received during the financial year and transferred to Capital Receipts Reserve were as follows:

	2024/25	2025/26
	£'000	**£'000**
Capital receipts received	40,654	31,070

No receipts were payable to the Government pool in 2024/25 or 2025/26 and so all receipts received are useable by the Council.

Camden

5.
Collection Fund Accounts

Collection Fund Accounts

The Collection Fund is an agent’s statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund.

The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates

Collection Fund Revenue Accounts

2024/25 Council Tax	NNDR	BRS	Total	Income and Expenditure Account	2025/26 Council Tax	NNDR	BRS	Total
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
				Income				
(186,888)	(618,767)	(20,135)	**(825,790)**	Income collectable from taxpayers	(208,116)	(644,023)	(19,333)	**(871,472)**
(160)			**(160)**	Discretionary reliefs	(225)			**(225)**
(187,048)	**(618,767)**	**(20,135)**	**(825,950)**	**Total Income**	**(208,341)**	**(644,023)**	**(19,333)**	**(871,697)**
				Expenditure				
				Precepts & Council demand				
141,131	185,466		**326,597**	LB Camden	154,792	196,373		**351,165**
43,216	228,741	18,673	**290,630**	Greater London Authority (GLA)	46,963	242,193	19,238	**308,395**
	204,012		**204,012**	Central Government		216,010		**216,010**
	(6,460)		**(6,460)**	Transitional protection payments to CLG		(3,115)		**(3,115)**
				Contribution for prior year's (Deficit)/Surplus:				
(2,138)	(16,986)		**(19,125)**	LB Camden	831	31,246		**32,077**
(633)	(20,950)	(303)	**(21,886)**	Greater London Authority	254	38,537	63	**38,855**
	(18,685)		**(18,685)**	Central Government		34,371		**34,371**
				Charges to the Fund				
	1,212	32	**1,244**	Cost of collection allowance		1,208	32	**1,240**
1,023	(7,038)		**(6,015)**	Allowance for impairment	8,808	12,056		**20,864**
	1,008		**1,008**	Write-offs		(185)		**(185)**
	28,414		**28,414**	Provision for appeals		(30,213)		**(30,213)**
182,598	**578,735**	**18,402**	**779,734**	**Total Expenditure**	**211,648**	**738,481**	**19,334**	**969,463**
(4,451)	**(40,032)**	**(1,733)**	**(46,216)**	**Deficit/(Surplus) In-year**	**3,307**	**94,458**	**1**	**97,766**

Collection Fund Revenue Accounts (continued)

2024/25								2025/26
Council Tax	**NNDR**	**BRS**	**Total**	**Income and Expenditure Account**	**Council Tax**	**NNDR**	**BRS**	**Total**
£'000	**£'000**	**£'000**	**£'000**		**£'000**	**£'000**	**£'000**	**£'000**
				Movement on Balances				
(4,702)	70,219	(867)	**64,650**	Deficit/(Surplus) at 1 April	(9,153)	30,187	(2,600)	**18,434**
(4,451)	(40,032)	(1,733)	**(46,216)**	Deficit/(Surplus) In-year	3,307	94,458	1	**97,766**
(9,153)	**30,187**	**(2,600)**	**18,434**	**Deficit/(Surplus) at 31 March**	**(5,845)**	**124,645**	**(2,599)**	**116,200**
				Deficit/(Surplus) allocation at 31 March				
(7,021)	9,463		**2,443**	London Borough of Camden	(4,481)	37,801		**33,319**
(2,132)	11,347	(2,600)	**6,614**	Greater London Authority	(1,364)	46,296	(2,599)	**42,333**
	9,377		**9,377**	Central Government		40,548		**40,548**
(9,153)	**30,187**	**(2,600)**	**18,434**	**Total Deficit/(Surplus) at 31 March**	**(5,845)**	**124,645**	**(2,599)**	**116,200**

Note 1 General

The Collection Fund was established on 1 April 1990 under the provisions of the Local Government Finance Act 1988. It accounts for all transactions on council tax, business rates and residual community charge. As an agency account it is kept separate from the Council's Comprehensive Income and Expenditure Statement, although Camden's shares of the income and balances are bought into the CIES and forms part of the Balance Sheet.

Note 2 Council Tax

The Council Tax is a property-based tax with a system of personal discounts, based upon the nature and degree of occupation of the property concerned. For the purpose of assessing the tax, all domestic properties were valued by the Valuation Office Agency and placed in one of eight bands (A to H), depending upon the estimated market value at 1 April 1991. The total value is known as the Tax Base and expressed as a Band D equivalent.

Note 3 Council Demand

The Council's demand on the Collection Fund for council tax represents the balance of spending for the year to be met from council tax, together with any deficit or surplus met in that year in respect of community charge.

Regulations prescribe that any surplus or deficit in respect of council tax items in the Collection Fund is to be split between the Council and major preceptors. These adjustments are determined at the time of tax setting and included in the precepts and Council demand.

Note 4 Council Tax Bands

Band	Fraction 2025/26	Tax base for tax setting
A	6/9	1,418
B	7/9	5,601
C	8/9	11,556
D	9/9	18,234
E	11/9	18,322
F	13/9	15,235
G	15/9	19,136
H	18/9	9,200
		98,702
Allowance for non-collection and Armed Forces		(2,933)
Tax Base		**95,769**

By law, the tax for each band is set as a fraction of the band D charge. The Band D Council Tax for 2025/26 for Camden and the GLA is:

	2024/25	2025/26
Preceptor	**£**	**£**
Camden	1,539.17	1,615.98
Greater London Authority	471.40	490.38
Total	**2,010.57**	**2,106.36**

Note 5 Council Tax – Uncollectable Amounts

The in-year collection rate was set at 95% for 2025/26 (95% for 2024/25). The actual amount collected by the 31 March 2026 was 93.1%, down from 94.9% for 2024/25. Outstanding debt will continue to be chased in future years. The provision to cover bad debts stood at £30.5m on 31 March 2026 (£22.3m at 31 March 2025). This represents 80% of the outstanding arrears (77% on 31 March 2025).

Note 6 Collection of National Non-Domestic Rates

Under the arrangements for National Non-Domestic Rates (NNDR) the Council collects business rates for its area, which are based on local rateable values and a multiplier set by the Government.

The non-domestic rating multiplier set by the Government for 2025/26 was 55.5p (54.6p in 2024/25) and 49.9p for small business (unchanged from 2024/25). Local businesses pay business rates calculated by multiplying their rateable value by these rates and subject to certain reliefs and deductions and the total amount collectable is distributed between the Government, Greater London Authority and the London Borough of Camden.

At 31 March 2026, the non-domestic rateable value of the borough was £1,530.4m (£1,552.8m, 31 March 2025). The actual in-year collection rate was 95.8%, down from 96.9% in 2024/25 and just below the target set at the beginning of the year of 97%. The level of provision held for non-collection of debt stands at £27.5m and represents 50% of all debt outstanding, an increase of £8.3m from 2024/25.

Income due from business ratepayers**:**

	2024/25	2025/26
	£’000	**£’000**
Non-domestic rate charge	809,779	808,175
Supplement & Reliefs	(188,867)	(162,183)
Income due from business ratepayers	**620,912**	**645,992**

Note 7 Business Rate Supplement

Since 2010/11, Camden has been collecting an additional levy from non-domestic business rate payers, under the statutory arrangements of the Business Rates Supplement Act 2009, on behalf of the Greater London Authority to fund the Crossrail project. The levy set for 2025/26 was 2p on non-domestic properties with a rateable value of over £75,000 in London.

6. Pension Fund Accounts

Pension Funds Accounts

Pension Fund Explanatory Forward

Introduction

Camden Council is the Administering Authority for the London Borough of Camden Pension Fund. The Fund, which is part of the Local Government Pension Scheme (LGPS), provides retirement pensions and other benefits for former employees of the Council and other admitted organisations.

The overall investment strategy of the Fund is delegated by the Council to its Pension Committee which is comprised of eight councillors supported by the Executive Director Corporate Services.

Pension Committee meetings are held quarterly and the details of the meetings, including agendas, minutes and regular reports on the Fund's performance can be found through the Pension Committee website: http://democracy.camden.gov.uk/ieListMeetings.aspx?CommitteeId=652

Investment management arrangements

The day-to-day management of the Fund's investments is carried out by professional fund managers appointed by the Council. As at 31 March 2026 there were 11 managers investing on behalf of the Fund:

- Aviva plc (via London LGPS CIV Ltd)
- Baillie Gifford & Co (via London LGPS CIV Ltd)
- CB Richard Ellis Global Investment Partners Ltd
- CQS (UK) LLP (via London LGPS CIV Ltd)
- HarbourVest Partners LLP
- Harris Associates LP
- Legal & General Investment Management Ltd
- Partners Group Management II S.A.R.L.
- PIMCO Europe Limited (via London LGPS CIV Ltd)
- Stepstone Group LP (via London LGPS CIV Ltd)
- Wellington Management (via London LGPS CIV Ltd)

The Council has placed some of the Pension Fund assets under management with London LGPS CIV Ltd (LCIV), the organisation set up in 2015 by London Local Authorities to run pooled LGPS investments in London.

The London LGPS CIV Ltd is authorised and regulated by the Financial Conduct Authority and represents the pooled investments of 32 Local Authority Pension Funds and Buckinghamshire Pension Fund. The London Borough of Camden Pension Fund holds investments in the LCIV Multi Asset Credit Fund (underlying managers CQS (UK) LLP and PIMCO Europe Limited), the LCIV Real Estate Long Income Fund (underlying manager Aviva plc), the LCIV Infrastructure Fund (underlying manager Stepstone Group LP), the LCIV Global Alpha Growth Paris-Aligned Fund (underlying manager Baillie Gifford) and, since April 2024, the LCIV UK Housing Fund. The Fund also held investments in the LCIV Diversified Growth Fund (underlying manager Baillie Gifford & Co), but this was disinvested in February 2026.

Each fund manager operates within mandated investment management agreements and targets determined by the Council's Pension Committee.

In 2025/26, the Pension Committee received advice from the Council's Executive Director Corporate Services, the Borough Solicitor and other Camden officers as well as the fund managers and the following professional consultants
:

- Hymans Robertson LLP (Actuarial & Benefit Services)
- Isio Group Limited (Investment Consultants)
- Karen Shackleton (Independent Investment Advisor)
- Pensions & Investment Research Consultants Limited (PIRC) (Corporate Governance Services)

LGPS Regulations require that the members of the Pension Committee and appointed fund managers should pay regard to the need to diversify investments and also to the suitability of particular investments. The Fund's Investment Strategy Statement and Funding Strategy Statement are contained in the Annual Report on the Pension Fund website.

The market value of the assets (including cash & income receivable) held by the fund managers, the custodian and the Council as at 31 March 2026 is as follows:

	2024/25	2025/26
	£'000	**£'000**
CB Richard Ellis Collective Investors Ltd		
- Property	94,589	101,238
- Cash	4,324	2,812
- Amounts payable for purchases	-	-
- Income receivable	74	-
	98,987	**104,050**
HarbourVest		
- Pooled investment vehicles - private equity	41,800	39,852
	41,800	**39,852**
Harris Associates L.P.		
- UK equities	7,260	-
- Overseas equities	95,317	-
- Derivative contracts: forward FX assets	-	
- Income receivable	2,533	2,743
- Cash	3,815	113,924
- Amounts receivable from sales	-	-
- Derivative contracts: forward FX liabilities	-	-
- Amounts payable for purchases	-	-
	108,925	**116,667**
Legal & General Assurance Ltd		
- Pooled investment vehicles - index linked securities	134,067	139,230
- Pooled investment vehicles - global equities	866,461	1,019,564
	1,000,528	**1,158,794**
London CIV Ltd (Global Equity Value)		
- Pooled investment vehicles - UK Equities	-	70,412
	-	**70,412**

	2024/25	2025/26
	£'000	**£'000**
London CIV Ltd (Baillie Gifford)		
- Pooled investment vehicles - diversified growth	97,378	**-**
- Pooled investment vehicles - global equities	155,984	170,100
	253,362	**170,100**
London CIV Ltd (UK Housing Fund)		
- Property	42,233	58,943
	42,233	**58,943**
London CIV Ltd (CQS & PIMCO)		
-Pooled investment vehicles - fixed interest	337,958	357,952
	337,958	**357,952**
London CIV Ltd (Stepstone)		
- Pooled investment vehicles - infrastructure	123,894	148,752
	123,894	**148,752**
London CIV Ltd (Aviva)		
- Pooled investment vehicles - property	68,525	68,146
	68,525	**68,146**
Partners Group (UK) Ltd		
- Pooled investment vehicles – global property	55,002	50,670
	55,002	**50,670**
JPM Custodian		
- Cash and cash equivalents	17,183	45,151
- Income receivable	1,195	1,357
	18,378	**46,508**
London Borough of Camden Council		
- UK unquoted equity	150	220
	150	**220**
Total Market Value	**2,149,742**	**2,391,066**

Investment returns

The diagram below provides a comparison between the performance of the Camden fund and that of the average of other funds participating in benchmarking exercised for each year over this period. It shows the time-weighted return on investments for each period relative to the average. The comparative information is provided by Pensions and Investment Research Consultants Ltd (PIRC).

In the latest year the investments of the Camden Pension Fund have delivered a return of 10.9%. The Fund has delivered a net return of 7.8% per annum over the last 10 years.

Pension Fund Account

	Notes	2024/25	2025/26
		£'000	**£'000**
Dealings with members, employers and others directly involved in the Fund			
Contributions	6	(83,929)	(90,295)
Individual transfers in from other pension funds		(8,403)	(12,110)
		(92,332)	**(102,405)**
Benefits	7	76,830	79,856
Payments in respect of tax		100	16
Payments to and on account of leavers	8	6,147	13,523
		83,077	**93,395**
Net (additions)/withdrawals from dealings with members		**(9,255)**	**(9,010)**
Management expenses	9	15,551	14,841
Net (additions)/withdrawals including fund management expenses		**6,296**	**5,831**
Returns on investments			
Investment income	10	(40,533)	(41,851)
Tax deducted from investment income		144	-
		(40,389)	**(41,851)**
Profit and loss on disposal of investments and changes in the market value of investments	13	(43,164)	(204,697)
Net returns on investments		**(83,553)**	**(246,548)**
Net (increase)/decrease in the net assets available for benefits during the year		**(77,257)**	**(240,717)**
Opening net assets of the Fund		**(2,093,854)**	**(2,171,111)**
Closing net assets of the Fund		**(2,171,111)**	**(2,411,828)**

Pension Fund Net Assets Statement

		31-Mar-25	31-Mar-26
	Notes	**£'000**	**£'000**
Total net Investments	**11,12**	**2,149,742**	**2,391,066**
Current assets	19	23,501	22,089
Current liabilities	20	(2,132)	(1,327)
Net assets of the fund available to fund benefits at the reporting period		**2,171,111**	**2,411,828**

Note 1 Description of the Fund

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

The following description of the Fund is a summary only. Further detail will be available in the London Borough of Camden Pension Fund Annual Report for 2025/26, which will be published in due course. The Annual Report will include comprehensive information of the Fund's activities, performance and governance, and will be made on the Pension Fund website once finalised.

General

The scheme is governed by the Public Service Pensions Act 2013 and 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 Amendments) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The London Borough of Camden Pension Fund operates as a contributory defined benefit scheme and provides retirement pensions and other benefits for former employees of the Council and other admitted organisations.

The overall investment strategy is the responsibility of the Council as the administering authority of the Fund. This responsibility is delegated to the Council's Pension Committee, taking account of the advice of the Executive Director Corporate Services. The Pension Committee meets quarterly. In line with the provisions of the Public Services Pensions Act 2013, the Council has also set up a Local Pension Board to assist the Council in its role as scheme manager of the Pension Fund. The Board meets on a quarterly basis and has its own terms of reference. Board members are independent of the Pension Committee.

The Executive Director Corporate Services is responsible for the preparation of the Pension Fund Statement of Accounts.

Membership

All employees automatically become members of the Fund on appointment with London Borough of Camden or a participating scheduled or admitted body. Membership of the LGPS is however voluntary and employees can choose whether to remain in the scheme or make their own personal arrangements outside the scheme.

Total membership of the Fund at 31 March 2026 was 23,998 (31 March 2025: 23,580):

	31-Mar-25	31-Mar-26
Active employees	6,128	6,367
Members with deferred benefits	7,002	6,942
Pensioners & dependents pensions	8,022	8,268
Leavers with benefit calculation pending	443	387
Frozen refunds	1,985	2,034
Total	**23,580**	**23,998**

Organisations participating in the Fund include:

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

The Admitted and Scheduled bodies which made contributions to the Fund in 2025/26 were as follows:

Admitted bodies	Scheduled bodies
Abbey Road Housing Co-operative	Abacus Belsize School
Agar Grove Housing Co-operative	Children's Hospital School
Age UK Camden	King's Cross Academy
Camden Citizens Advice Bureau	St Luke's School
Caterlink Limited	UCL Academy
CleanTEC Services Limited	The ArtsXchange
Coram Family and Childcare	
Greenwich Leisure Limited	
Home Connections Limited	
LGIU	
MiHomecare Limited	
MITIE PFI	
National Association for Local Councils	
NSL Limited	
Pendergate (Ridgecrest) Cleaning	
Veolia	
Voluntary Action Camden	
Westminster Society - Central	
Westminster Society - North	

Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the year ended 31 March 2026. Employers' contributions are set based on triennial actuarial funding valuations. The latest completed actuarial valuation of the Fund was carried out by Hymans Robertson LLP as at 31 March 2025. For the 2025/26 financial year, primary employer contribution rates ranged from 19.4% to 45.1% of pensionable pay and there were additional deficit recovery contributions where appropriate.

Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme and benefits payable are based on career average revalued pay and the number of years of eligible service. Pensions are increased annually in line with the Consumer Prices Index.

Pension benefits under the LGPS based on pensionable pay and length of service up until 31 March 2026 are summarised below:

	Pension	Lump Sum
Service Pre-1 April 2008	Each year worked is worth 1/80 x final pensionable salary.	Automatic lump sum of 3 x salary. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment (known as a commutation). A lump sum of £12 is paid for each £1 of pension given up.
Service Post 31 March 2008 – 31 March 2014	Each year worked is worth 1/60 x final pensionable salary.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment (known as a commutation). A lump sum of £12 is paid for each £1 of pension given up.
Service Post 31 March 2014	Each year worked is worth 1/49 x pensionable earnings of that year (career average). Benefits are held in a pension account and revalued each year in-line with inflation.	Members of the LGPS before April 2008 have built up benefits which will include an automatic lump sum. In the new scheme eligible members are still entitled to the aforementioned benefit but can also exchange some pension for a tax-free cash lump sum (known as a commutation). Every £1 of pension sacrificed is equivalent to £12 of tax-free lump sum (subject to HM Revenue & Customs limits).

There are a range of other benefits provided under the scheme including early retirement, disability pension and death benefits. For more details, please refer to https://www.lgpsmember.org/

Note 2 Basis of Preparation of Financial Statements

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

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year, 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 Fund has opted to disclose this information in note 18.

The Pension Fund's Statement of Accounts have been prepared on a going concern basis with the assumption that the functions of the Pension Fund will continue in operational existence for the foreseeable future.

Accounting Standards issued but not adopted

Under the Code, we must disclose new standards that are issued but not yet adopted. As at 31 March 2026, the following have been published but not yet applied and are not expected to have a material impact on the Fund's 2025/26 accounts:

a) Amendments to the Classification and Measurement of Financial Instruments, specifically electronic payments (Amendments to IFRS 9 and IFRS 7))
b) Contracts Referencing Nature-Dependent Electricity (Amendments to IFRS 9 and IFRS 7)
c) Annual improvements to IFRS accounting standards – Volume 11
d) Amendments to FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (Amendments relating to Heritage Assets)

Camden

Note 3 Summary of Significant Accounting Policies

Fund Account – Revenue Recognition

a) Contribution Income

Employer contributions are accounted for on an accruals basis in the payroll month to which they relate, using the rates specified in the actuarial valuation rates and adjustments certificate. Employee contributions are similarly accounted for on an accruals basis at centrally set rates in accordance with the LGPS Regulations.

Employer deficit recovery contributions are recognised on the due dates set in the actuary's schedule or earlier if received.
Pension strain and augmentation contributions are accounted for in the period in which the liability arises. Contributions due but unpaid at year-end are treated as current financial assets in the Net Assets Statement.

b) Transfers To and From Other Schemes

Transfer values for individual members are recognised when received or paid, as this reflects the point when liabilities are accepted or discharged. Bulk transfers are accounted for on an accruals basis in line with the terms of the transfer agreement.

c) Investment Income

Dividend income is recognised on the date stocks are quoted ex-dividend. Pooled fund distributions are recognised at the date of issue. Any amounts due but not received by year-end are reported as current financial assets.

Interest income is accrued using the effective interest rate method. Changes in market value of investments - both realised and unrealised - are recognised in the Fund Account as income or expenditure.

Fund Account – Expense Items

d) Benefits Payable

Benefits are accounted for on an accruals basis. Lump sum retirement grants are recognised on the retirement date. Where members opt to commute pension to a lump sum, this is also recognised from the date the option is exercised. Unpaid benefits are shown as current liabilities in the Net Assets Statement.

e) Taxation

The Fund is a registered public service scheme under the Finance Act 2004 and is exempt from UK income and capital gains tax. Withholding tax on overseas income is accounted for as it arises. VAT incurred on Fund activities is recoverable.
Where the Fund pays tax liabilities (e.g., annual or lifetime allowance charges) on behalf of members, these are accounted for as expenses in the Fund Account when paid.

f) Management Expenses

Management expenses are accounted for on an accruals basis. Fund manager and custodian fees are generally calculated as a percentage of the market value of investments. Where investment fees are deducted at source (e.g. within pooled vehicles), this is reflected in the change in market value of investments.

Expenses are disclosed in accordance with CIPFA's 2016 guidance Accounting for LGPS Management Expenses. Administration costs are charged to the Fund by both the administering authority (London Borough of Camden) and the Pensions Shared Service.

Net Assets Statement

g) Financial Assets

Financial assets are recognised on the date the Fund becomes party to the contractual provisions and are measured at fair value or amortised cost. Fair value is determined in accordance with IFRS 13. The Fund uses PRAG/IA 2016 guidelines for fair value hierarchy classification.

Valuations are sourced from the custodian (JP Morgan) at bid prices. Unquoted assets are valued using latest available manager reports adjusted for any material post-reporting date cash flows.

The Fund's equity holding in London CIV is measured at cost, which is used as a proxy for fair value, as there is no active market and the asset is not capable of reliable fair value measurement. This approach is in line with CIPFA guidance.

h) Foreign Currency Transactions

All transactions are recorded at spot exchange rates at transaction dates. Foreign currency balances at year-end are translated using closing rates. Exchange gains and losses are included in the change in market value.

i) Derivatives

Forward foreign exchange contracts used for currency risk management are valued by comparing contract rates with current forward prices to determine gain/loss. The Fund does not hold speculative derivatives.

j) Cash and Cash Equivalents

Cash includes demand deposits and manager-held cash. Equivalents are short-term, highly liquid investments subject to minimal risk of value changes.

k) Financial Liabilities

Financial liabilities are recognised when the Fund is obligated to settle and measured at fair value or amortised cost. Liabilities in foreign currencies are retranslated at year-end rates.

l) Actuarial Present Value of Promised Retirement Benefits

Assessed annually in accordance with IAS 19 by the Fund's actuary. The Fund discloses this value as a note (Note 18), not in the Net Assets Statement.

m) Additional Voluntary Contributions (AVCs)

AVCs are invested separately with Prudential and Phoenix Life. They are not included in the Fund accounts but are disclosed in Note 22, per Regulation 4(1)(b) of the LGPS (Management and Investment of Funds) Regulations 2016.

Note 4 Critical Judgements in Applying Accounting Policies

It has not been necessary to make any critical judgements in applying the accounting policies in 2025/26.

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

The preparation of the Statement of Accounts involves making judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date, as well as the income and expenditure during the year. These estimates are based on historical experience, current trends and other relevant factors, but actual outcomes may differ from these assumptions.

One area where a significant degree of estimation uncertainty exists is the valuation of Level 3 investments, which include private equity, property and infrastructure holdings. These assets are valued using techniques that rely on inputs that are not always directly observable in the market — such as projected cash flows, discount rates, long-term inflation assumptions, or assumptions about future market conditions. These valuations are usually based on net asset values (NAVs) provided by fund managers and are updated quarterly, often on an unaudited basis. At 31 March 2026, Level 3 assets totalled approximately £468 million, representing a material portion of the Fund's investment portfolio. While these valuations are considered reasonable and are reviewed for consistency, they remain inherently uncertain and may differ from actual realisable values, particularly during periods of market volatility.

There are no other items in the net asset statement for which there is a significant risk of material adjustment in the forthcoming financial year.

Note 6 Contributions Receivable

Employee contributions are calculated on a sliding scale based on a percentage of their pensionable pay. The Council and Scheduled and Admitted bodies are required to make contributions determined by the Fund's actuary to maintain the solvency of the Fund.

	2024/25	2025/26
	£'000	**£'000**
By category		
Employer contributions:		
Normal	(48,311)	(53,238)
Deficit recovery	(17,995)	(16,558)
Augmentation	(997)	(2,044)
	(67,303)	**(71,840)**
Employee contributions	(16,626)	(18,455)
Total	**(83,929)**	**(90,295)**

	2024/25	2025/26
	£'000	**£'000**
By type of employer		
Administering authority	(79,577)	(85,521)
Scheduled bodies	(3,400)	(3,579)
Admitted bodies	(952)	(1,195)
Total	**(83,929)**	**(90,295)**

Augmentations are pension strain contributions from employers to make up for funding shortfall following early retirement or ill health retirement.

Note 7 Benefits Payable

	2024/25	2025/26
	£'000	£'000
By category		
Pensions	65,018	67,382
Commutation of pensions and lump sum retirement benefits	10,630	11,737
Lump sum death benefits	1,182	737
Total	**76,830**	**79,856**

	2024/25	2025/26
	£'000	£'000
By type of employer		
Administering authority	71,352	74,162
Scheduled bodies	638	663
Admitted bodies	4,840	5,031
Total	**76,830**	**79,856**

Note 8 Payments to and on Account of Leavers

	2024/25	2025/26
	£'000	£'000
Refunds to members leaving service	225	252
Group transfers	-	-
Individual transfers	5,922	13,271
Total	**6,147**	**13,523**

Note 9a Management Expenses

	2024/25	2025/26
	£'000	**£'000**
Administrative costs	922	1,360
Oversight and governance costs	287	615
Investment management expenses	14,342	12,866
Total	**15,551**	**14,841**

Investment management expenses have been grossed up to include fees of £11.4m deducted from fund assets at source in line with the CIPFA guidance *Accounting for LGPS Management Expenses (2016)*. This adjustment has an equal impact on investment management expenses and the change in market value of investments. There is no impact on the overall net assets of the Fund.

Administrative and oversight and governance costs can be further broken down as follows:

Administrative Costs

	2024/25	2025/26
	£'000	**£'000**
Pensions administration fees	544	718
Systems management	-	414
Council officers' salaries recharge	378	228
Total	**922**	**1,360**

Oversight and Governance Costs

	2024/25	2025/26
	£'000	**£'000**
Actuarial advice	65	251
Investment consultancy	61	50
External audit fees	84	80
External audit fees – prior year	-	154
Corporate governance	68	45
Other	3	29
Performance measurement	6	6
Total	**287**	**615**

Regulations permit the Council to charge administrative costs to the scheme. A proportion of relevant Council officers' salaries, including on-costs, have been charged to the Fund on the basis of time estimated to have been spent on scheme administration and investment related business.

Included in oversight and governance costs is the external audit fee for 2025/26 of £80,197 (2024/25: £83,937).

Note 9b Investment Management Expenses

	2024/25	2025/26
	£'000	**£'000**
Management fees	5,841	5,652
Performance related fees	1,015	1,081
Investment administration fees	3,009	1,842
Transaction costs	2,208	2,023
Property expenses	966	966
Other costs	1,277	1,271
Custody fees	26	31
Total	**14,342**	**12,866**

Transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment financial asset or liability. An incremental cost is one that would not have been incurred if the Fund had not acquired or disposed of the financial instrument. Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, anti-dilution levies, levies by regulatory agencies and securities exchanges and transfer taxes and duties.

Note 10 Investment Income

	2024/25	2025/26
	£'000	**£'000**
Dividends from UK equities	(256)	(312)
Dividends from overseas equities	(1,896)	(2,002)
Income from directly held property investments	(2,985)	(2,852)
Income from pooled property investments	(3,524)	(3,436)
Income from other pooled investment vehicles	(29,905)	(32,471)
Income from cash deposits	(1,967)	(778)
Total income before taxes	**(40,533)**	**(41,851)**

Note 11 Investments

	31/03/2025	31/03/2026
	£'000	**£'000**
Pooled investment vehicles		
Public sector index linked	134,067	139,230
Fixed income	337,958	357,952
Diversified growth funds	97,378	-
Property	110,758	127,089
Infrastructure	123,894	148,752
Equities	1,022,445	1,260,076
	1,826,500	**2,033,099**
Directly Owned		
UK Equities Quoted	7,260	-
UK Equities Unquoted	150	220
Overseas Equities Quoted	95,316	-
Property	149,592	151,908
Private equity	41,801	39,852
	294,119	**191,980**

	31/03/2025	31/03/2026
	£'000	**£'000**
Other assets		
Forward currency contracts	-	-
Cash and cash equivalents	25,322	161,887
Investment income due	3,801	4,100
Amounts receivable from sales	-	-
	29,123	**165,987**
Total investment assets	**2,149,742**	**2,391,066**
Other liabilities		
Forward currency contracts	-	-
Amounts payable for purchases	-	-
Total investment liabilities	-	-
Net investment assets	**2,149,742**	**2,391,066**

Note 12 Fund Manager Valuations

Fund manager/custodian	31-Mar-25		31-Mar-26	
	£'000	%	£'000	%
Managed within LCIV regional asset pool:				
Baillie Gifford & Co (London CIV)	253,362	11.79%	170,100	7.11%
CQS & PIMCO (London CIV)	337,958	15.72%	357,952	14.97%
Stepstone (London CIV)	123,894	5.76%	148,752	6.22%
Aviva (London CIV)	68,525	3.19%	68,146	2.85%
London CIV (UK Housing Fund)	42,233	1.96%	58,943	2.47%
Legal & General	1,000,528	46.54%	1,158,794	48.46%
Wellington (London CIV)	-	-	70,412	2.94%
	1,826,500	**84.96%**	**2,033,099**	**85.03%**
Managed outside regional asset pool:				
Harris Associates	108,925	5.07%	116,667	4.88%
CBRE	98,987	4.60%	104,050	4.35%
Partners Group	55,002	2.56%	50,670	2.12%
HarbourVest	41,800	1.94%	39,852	1.67%
LCIV Shares	150	0.01%	220	0.01%
JP Morgan custodian cash account	18,378	0.85%	46,508	1.95%
	323,242	**15.04%**	**357,967**	**14.97%**
	2,149,742	**100%**	**2,391,066**	**100%**

Note 13 Reconciliation of Movements in Investments

	31-Mar-25	Purchases and derivative payments	Sales and derivative receipts	Realised gains and (losses)	Unrealised gains and (losses)	Change in Market Value	31-Mar-26
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Pooled investment vehicles:							
- Public sector index linked	134,067	-	-	-	5,164	5,164	139,231
- Fixed income	337,958	24,177	-	-	(4,183)	(4,183)	357,952
- Diversified growth funds	97,378	2,371	(109,491)	6,382	3,360	9,742	-
- Property	110,758	16,336	-	-	(6)	(6)	127,088
- Infrastructure	123,893	20,371	-	-	4,487	4,487	148,752
- Equities	1,022,445	778	-	-	166,441	166,441	1,189,664
	1,826,499	**64,033**	**(109,491)**	**6,382**	**175,263**	**181,645**	**1,962,687**
Directly owned assets:							
- UK equities	7,410	83,172	(17,701)	1,217	(3,466)	(2,249)	70,632
- Overseas equities	95,316	36,889	(144,812)	13,079	(472)	12,607	-
- Property	149,593	20,169	(15,498)	1,460	(3,815)	(2,355)	151,908
- Private equity	41,801	1,925	(5,066)	3,141	(1,949)	1,192	39,852
	294,120	**142,155**	**(183,077)**	**18,897**	**(9,702)**	**9,195**	**262,392**
Derivatives – forward currency contracts	-	35	(35)	-	-	-	-
Total	**2,120,619**	**206,223**	**(292,603)**	**25,279**	**165,561**	**190,840**	**2,225,079**
Cash and cash equivalents	25,322					3,705	161,887
Amounts receivable for sales of investments	-						-
Investment income due	3,801					(1,292)	4,100
Amounts payable for investment purchases						-	-
Gross up of fees deducted at source						11,444	
Net investment assets	**2,149,742**					**204,697**	**2,391,066**

Note 13 Reconciliation of Movements in Investments (24-25)

	31-Mar-24	Purchases and derivative payments	Sales and derivative receipts	Realised gains and (losses)	Unrealised gains and (losses)	Change in Market Value	31-Mar-25
Pooled investment vehicles:							
- Public sector index linked	149,709	-	-	-	(15,642)	(15,642)	134,067
- Fixed income	313,396	23,369	-	-	1,193	1,193	337,958
- Diversified growth funds	90,996	2,551	-	-	3,831	3,831	97,378
- Property	68,572	42,674	(867)	-	379	379	110,758
- Infrastructure	95,816	21,042	-		7,035	7,035	123,893
- Equities	982,541	682	-	-	39,222	39,222	1,022,445
	1,701,030	**90,318**	**(867)**	**-**	**36,018**	**36,018**	**1,826,499**
Directly owned assets:							
- UK equities	7,134	4,294	(825)	47	(3,240)	(3,193)	7,410
- Overseas equities	93,087	52,327	(54,415)	11,597	(7,280)	4,317	95,316
- Property	151,377	9,946	(4,446)	(622)	(6,662)	(7,284)	149,593
- Private equity	47,645	1,337	(7,649)	6,312	(5,844)	468	41,801
	299,243	**67,904**	**(67,335)**	**17,334**	**(23,026)**	**(5,692)**	**294,120**
Derivatives – forward currency contracts	-	6	-	(6)	-	(6)	-
Total	**2,000,273**	**158,228**	**(68,202)**	**17,328**	**12,992**	**30,320**	**2,120,619**
Cash and cash equivalents	93,824					(167)	25,322
Amounts receivable for sales of investments	3					21	-
Investment income due	3,749						3,801
Amounts payable for investment purchases	-					(13)	-
Gross up of fees deducted at source						13,003	
Net investment assets	**2,097,849**					**43,164**	**2,149,742**

Note 14a Fair Value – Basis of Valuation

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

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed interest securities and quoted index linked securities. Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available, for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value, and these techniques use inputs that are based significantly on observable market data. This includes NAV based pricing for units held in unquoted pooled funds.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument’s valuation is not based on observable market data. Such instruments would include unquoted equity investments and hedge fund of funds which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

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

Description of asset	**Valuation hierarchy**	**Basis of valuation**	**Observable and unobservable inputs**	**Key sensitivities affecting the valuations provided**
Market quoted investments-equities and bonds	Level 1	Published bid market price at end of the accounting period	Not required	Not required
Cash	Level 1	Carrying value is deemed to be fair value	Not required	Not required
Investment receivables and payables	Level 1	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required
Cash equivalents	Level 1	Carrying value is deemed to be fair value	NAV per share	Not required
Pooled funds – alternative assets and passive equities	Level 2	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
Pooled funds - private equity	Level 3	Most recent independent valuation, or based on financial models such as discounted cash flow (DCF) or internal rate of return (IRR), as applicable	Observable: NAV from fund managers (if available), comparable transactions in the market. Unobservable: Discount rates, projected cash flows, assumptions on exit multiples, fund-specific adjustments.	Changes in discount rates, exit assumptions, or projected cash flows can significantly affect valuation. Valuations are particularly sensitive to market volatility and timing of expected exits.
Pooled funds - property and infrastructure	Level 3	Valued based on independent third-party appraisals using income capitalisation, discounted cash flow models, or recent market transactions, adjusted for fund-level considerations	Observable: Market rental yields, transaction prices for similar properties/assets. Unobservable: Future cash flow projections, discount rates, asset-specific risk adjustments, long-term inflation assumptions.	Valuations are sensitive to changes in discount rates, rental income assumptions, occupancy levels, and future inflation expectations. Market conditions and asset-specific risks also materially influence fair value.

The following tables provide an analysis of the financial assets and liabilities of the Pension Fund as held at the custodian, grouped into Levels 1 to 3 based on the Level at which the fair value is observable.

The Pension Fund is a shareholder in London LGPS CIV Limited (the organisation set up to run pooled LGPS investments in London). This unquoted equity holding is carried in the net assets statement at £220,000 (revalued in 25-26 from cost of £150,000) and classified as Level 3 in the tables below.

Values at 31 March 2026	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Assets:				
Cash & currencies	116,742	-	-	116,742
Cash equivalents	45,145	-	-	45,145
Equities	-	-	220	220
Property	-	-	151,908	151,908
Private Equity	-	-	39,852	39,852
Pooled funds	-	1,757,258	275,840	2,033,098
Receivables	4,100	-	-	4,100
Current Assets	22,089	-	-	22,089
Total financial assets	**188,076**	**1,757,258**	**467,821**	**2,413,155**
Liabilities:				
Current Liabilities	(1,246)	-	-	(1,246)
Total financial liabilities	**(1,246)**	**-**		**(1,246)**
Grand total	**186,830**	**1,757,258**	**467,821**	**2,411,909**

Values at 31 March 2025	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Assets:				
Cash & currencies	11,343	-	-	11,343
Cash equivalents	13,979	-	-	13,979
Equities	102,576	-	150	102,726
Property	-	-	149,592	149,592
Private Equity	-	-	41,801	41,801
Pooled funds	-	1,591,848	234,652	1,826,500
Receivables	3,801	-	-	3,801
Current Assets	23,501	-	-	23,501
Total financial assets	**155,200**	**1,591,848**	**426,195**	**2,173,243**
Liabilities:				
Current Liabilities	(2,132)	-	-	(2,132)
Total financial liabilities	**(2,132)**	**-**	**-**	(2,132)
Grand total	**153,068**	**1,591,848**	**426,195**	**2,171,111**

The comparative Fair Value Hierarchy disclosures as at 31 March 2025 have been restated to better reflect the Fund's classification approach as defined above.

All Property assets (£149,592k) are now classified as level 3 to reflect the inherent uncertainty in the valuations of these assets as discussed in the valuation basis table above. In addition, a proportion of pooled funds investing in listed assets (£188,763) was reclassified as level 2 to acknowledge that the funds themselves are unquoted, but their prices are derived directly from the prices of the underlying traded assets.
As a result, the comparative hierarchy totals have changed as follows:

• Level 1 decreased by £188,763k (from £341,831k to £153,068k)
• Level 2 increased by £130,105k (from £1,461,743k to £1,591,848k)
• Level 3 increased by £58,658k (from £367,537k to £426,195k)

These adjustments relate solely to presentation and hierarchy classification and do not affect the total net assets of the Fund as at 31 March 2025 (£2,171,111k).

Level 3 Assets Sensitivity Analysis	Potential Variation in Fair Value (%)	Value as at 31 March 2026 £'000	Potential Value on increase £'000	Potential Value on decrease £'000
Pooled investment vehicles:				
- LCIV UK Housing Fund	15.9	58,943	68,315	49,571
- LCIV Inflation Plus Fund	15.9	68,146	78,981	57,311
- LCIV Infrastructure Fund	8.6	148,752	161,545	135,959
- Equities	18	220	260	180
Directly Owned:				
- Private Equity	27	39,852	50,612	29,092
- Property	15.9	151,908	176,061	127,755
Net Investment Assets at Level 3		**467,821**	**535,774**	**399,868**

Level 3 Assets Sensitivity Analysis	Potential Variation in Fair Value (%)	Value as at 31 March 2025 £'000	Potential Value on increase £'000	Potential Value on decrease £'000
Pooled investment vehicles:				
- LCIV UK Housing Fund	13	42233	47,723	36,743
- LCIV Inflation Plus Fund	8	68,525	74,007	63,043
- LCIV Infrastructure Fund	20	123,894	148,673	99,115
- Equities	20	150	180	120
Directly Owned:				
- Private Equity	26	41,801	52,669	30,933
- Property	14	149,592	170,535	128,649
Net Investment Assets at Level 3		**426,195**	**493,787**	**358,603**

Note 14b Reconciliation of Movements in Level 3 Hierarchy Assets

Level 3 Hierarchy Assets as at March 2026	31-Mar-25	Purchases and derivative payments	Sales and derivative receipts	Realised gains and (losses)	Unrealised gains and (losses)	Change in Market Value	31-Mar-26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Pooled investment vehicles:							
- LCIV UK Housing Fund	42,233	16,337	-	-	374	16,711	58,944
- LCIV Inflation Plus Fund	68,525	-	-	-	(380)	(380)	68,145
- LCIV Infrastructure Fund	123,894	20,371	-	-	4,487	24,858	148,752
- Equities	150	-	-	-	70	70	220
Directly Owned:							
- Private Equity	41,801	1,925	(5,066)	3,141	(1,949)	(1,949)	39,852
- Property	149,592	20,168	(15,498)	1,460	(3,814)	2,316	151,908
Net investment assets at Level 3	**426,195**						**467,821**

The comparative Level 3 fair value reconciliation as at 31 March 2025 has been restated to reflect a refinement in the classification of certain investments within the fair value hierarchy. As a result of this refinement, net investment assets at Level 3 as at 31 March 2025 increased by £58,658k (from £367,537k to £426,195k). The corresponding amounts were reclassified from Level 2 within the fair value hierarchy. This restatement relates solely to hierarchy classification and presentation. There is no impact on the Fund's total net assets or the reported change in market value for the year ended 31 March 2025.

Note 14b Reconciliation of Movements in Level 3 Hierarchy Assets (24-25)

Level 3 Hierarchy Assets as at March 2025	31-Mar-24	Purchases and derivative payments	Sales and derivative receipts	Realised gains and (losses)	Unrealised gains and (losses)	Change in Market Value	31-Mar-25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Pooled investment vehicles:							
- LCIV UK Housing Fund	467	42,674	(867)	-	(41)	41,766	42,233
- LCIV Inflation Plus Fund	68,105	-	-	-	420	420	68,525
- LCIV Infrastructure Fund	95,817	21,042	-	-	7,035	28,077	123,894
- Equities	150	-	-	-	-	-	150
Directly Owned:							
- Private Equity	47,645	1,337	(7,649)	6,312	(5,844)	(5,844)	41,801
- Property	151,377	9,949	(4,445)	(622)	(6,662)	(1,780)	149,592
Net investment assets at Level 3	**363,561**						**426,195**

The comparative Level 3 fair value reconciliation for the year ended 31 March 2025 has been restated to reflect a refinement in the classification of certain investments within the fair value hierarchy. As a result of this refinement, net investment assets at Level 3 as at 31 March 2024 increased by £50,958k (from £312,603k to £363,561k); and net investment assets at Level 3 as at 31 March 2025 increased by £58,658k (from £367,537k to £426,195k). The restatement reflects revised hierarchy classification between Levels 1, 2 and 3 and does not affect the Fund’s total net assets or the reported change in market value for either year.

Note 14c Transfers Between the Levels

There were no transfers between the Levels during the year.

Note 14d Classification of Financial Instruments

	31-Mar-25			31-Mar-26		
	Fair value through profit & loss	Assets at amortised cost	Liabilities at amortised cost	Fair value through profit & loss	Assets at amortised cost	Liabilities at amortised cost
	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets						
Equities and equity funds	1,125,172			1,260,296		
Fixed income funds	337,957			357,952		
Index linked funds	134,067			139,230		
Diversified growth funds	97,378			-		
Pooled property funds	260,350			278,997		
Private equity	41,801			39,852		
Pooled infrastructure funds	123,894			148,752		
Forward currency contracts	-			-		
Cash deposits - investments		25,322			161,887	
Investment income due		3,801			4,100	
Amounts receivable from sales						
Debtors		21,824			17,666	
Cash at bank		1,677			4,423	
	2,120,619	**52,624**	**-**	**2,225,079**	**188,076**	**-**
Financial liabilities						
Forward currency contracts	-			-		
Amounts payable for purchases			-			0
Creditors			(2,132)			(1,246)
Total	**2,120,619**	**52,624**	**(2,132)**	**2,225,079**	**188,076**	**(1,246)**

Camden

Note 15 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.

	2024/25	2025/26
	£'000	**£'000**
Financial assets		
Fair value through profit and loss	(43,323)	(202,284)
Assets at amortised cost	159	(2,413)
Financial liabilities		
Fair value through profit and loss	-	-
Total	**(43,164)**	**(204,697)**

Note 16 Nature & 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, currency and interest rate risks) 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 Fund risk management programme. Responsibility for the Fund's risk management strategy rests with the Pension Committee. Risk management policies are established to identify and analyse the risks faced by the Fund and these are regularly reviewed to reflect changes in Fund activities and market conditions.

Market risk

Market risk is the risk of a 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 any equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and asset mix. In general, excessive volatility in market risk is managed through diversification of the portfolio in terms of asset class, geographical and industry sectors and individual securities. Regular monitoring of market conditions and analysis is undertaken by the Pension Committee to mitigate market risk whilst optimising return.

Price risk

Price risk is the risk that the value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to individual investments or those affecting all securities in the market. The Fund is exposed to price risk through its holdings in equities and pooled investment vehicles. The Fund aims to manage this risk by diversifying investments across asset classes and markets.

The table below shows the estimated change in the net assets available to pay benefits if market prices were to increase or decrease by 10%. The analysis excludes cash and working capital the valuations of which are not directly subject to market risk.

	Value	Total fund volatility	Value on price increase	Value on price decrease
	£'000		£'000	£'000
As at 31 March 2026	2,390,846	11.2%	2,658,620	2,123,071
As at 31 March 2025	2,120,618	10.0%	2,332,680	1,908,556

Price Risk Assumption and Its Basis

2026 approach

This year's analysis is based on modelling carried out by Hymans Robertson LLP, one of the Fund's advisers. The total Fund volatility takes into account the expected interactions between the different asset classes in which the Fund is invested, based on the underlying volatilities and correlations of the assets, in line with mean variance portfolio theory. To fully allow for the impact of diversification and correlations between the different asset classes, the analysis takes into account the Fund's total assets, including cash and working capital (this is a change from the previous year as discussed below).

This approach is not anchored in any specific past experience but instead uses market consistent approach (reflecting market conditions as at 31 March 2026) to assess the Fund's potential future experience, and therefore the level of risk inherent within the current strategy.

Officers are comfortable that this change of approach is consistent with the principles of taking a conservative approach to avoid understatement of risk and maintaining the whole-fund perspective.

2025 approach

The analysis excludes cash and working capital the valuations of which are not directly subject to market risk. The Fund has applied a 10% price risk sensitivity assumption to relevant financial instruments to assess the impact of potential market volatility on the Fund's net asset value. This assumption reflected a refined and evidence-based methodology developed in 2024/25 and superseded the uniform approach used in previous years.

The 10% assumption was based on the Fund's long-term risk tolerance, which aligned with a 3-year average of the "Total Fund Composite Target" volatility (9.65%) as reported by the Fund's custodian, JP Morgan.

Currency risk

Currency risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than Sterling (the functional currency). A strengthening/weakening of Sterling against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits. To estimate [MS3.1]the potential impacts of currency risk, the currency exchange rate volatility (i.e. % change relative to Sterling) of individual currencies is used as provided by Hymans Robertson LLP based on their market consistent model (also used to assess market risk as discussed above).

The following table summarises the Fund's currency exposure based on its holdings of overseas equities and property as at 31 March 2026. For the direct holdings denominated in foreign currencies, the specific currency volatilities have been provided. For the pooled equity funds in which the Fund is invested, the overall foreign currency volatility figure has been provided. Please note that the % change for Total Currency does not allow for the impact of correlation across the underlying currencies

Currency	Value at 31 March 2026 £'000	Potential change %	Value on increase £'000	Value on decrease £'000
Global basket	1,236,193	9.1%	1,348,069	1,124,318
Total Overseas Equity	**1,236,193**		**1,348,069**	**1,124,318**
Overseas private equity (US$)	39,852	8.8%	43,359	36,345
Overseas Property (€)	2,663	6.6%	2,839	2,488
Overseas Property (US$)	48,006	8.8%	52,231	43,782
Total Currency	**90,521**		**98,429**	**82,615**

For comparison, the following table summarises the Fund's currency exposure as at 31 March 2025. Last year, to estimate the potential impacts of currency risk, the currency exchange rate volatility (i.e. % change relative to Sterling) of individual currencies was used as provided by ratesfx.com. For holdings in pooled investment vehicles, the effects of a 10% increase or 10% decrease in the value of Sterling were calculated as a proxy.

Currency	Value at 31 March 2025 £'000	Potential change %	Value on increase £'000	Value on decrease £'000
Euro	27,727	4.47%	28,966	26,488
Japanese Yen	1	10.89%	1	1
South Korean Won	2,344	7.64%	2,523	2,165
Swiss Franc	5,533	7.28%	5,936	5,130
US Dollar	62,700	6.49%	66,771	58,628
Danish Krone	1,611	4.42%	1,682	1,539
Hong Kong Dollar	1,727	6.23%	1,835	1,620
Global basket	1,022,445	10.00%	1,124,690	920,201
Total Overseas Equity	**1,124,088**		**1,232,403**	**1,015,773**
Overseas private equity (US$)	41,801	6.49%	44,515	39,086
Overseas Property (€)	7,194	4.47%	7,515	6,872
Overseas Property (US$)	47,809	6.49%	50,913	44,704
Total Currency	**96,803**		**102,943**	**90,663**

The % change for Total Currency includes the impact of correlation across the underlying currencies

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. The fixed income securities are subject to interest rate risks which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following analysis shows the Fund's exposure to interest rate risk by estimating the potential impacts a 1% change in interest rates would have on the net assets available to pay benefits:

Assets exposed to interest rate risk	Value at 31 March 2026 £'000	Potential movement on 1% change in interest rates £'000	Value on increase £'000	Value on decrease £'000
Cash deposits	165,987	-	165,987	165,987
Fixed income	357,952	10,846	347,106	368,798
Index linked securities	139,230	22,527	116,703	161,758
Total	**663,169**	**33,373**	**629,796**	**696,543**

Assets exposed to interest rate risk	Value at 31 March 2025 £'000	Potential movement on 1% change in interest rates £'000	Value on increase £'000	Value on decrease £'000
Cash deposits	93,824	-	93,824	93,824
Fixed income *	361,007	9,275	351,733	370,282
Index linked securities	134,067	22,925	111,141	156,992
Total	**588,897**	**32,200**	**556,697**	**621,097**

* Includes fixed income proportion held within diversified growth funds.

Credit risk

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

In essence the Fund's entire investment portfolio is exposed to some form of credit risk however, the selection of high-quality counterparties and financial institutions and legal due diligence carried out on all fund managers and the custodian, minimises the credit risk that may occur through the failure to settle a transaction.

The Fund's on-call sterling and dollar deposits with the custodian are swept into JP Morgan Money Market funds which have an AAA credit rating from Fitch and Standard & Poor agencies.

Credit rating of bank holding cash balance

Bank Account	Rating	Value as at 31 March 2025	Value as at 31 March 2026
		£'000	**£'000**
NatWest	A+	1,677	4,423
Total		**1,677**	**4,423**

The table below shows the maximum exposure to credit risk as at 31 March 2026, before taking account of any collateral or credit enhancements.

Financial Instrument Class	Exposure as at 31 Mar 2025 (£'000)	Exposure as at 31 Mar 2026 (£'000)
Cash and cash equivalents	25,322	161,887
Investment income receivable	3,801	4,100
LCIV MAC Fund (multi-asset credit)	337,958	357,952
Index-linked gilts (L&G)	134,067	139,230
Infrastructure debt (LCIV Infrastructure Fund – income units)	123,894	148,752
Total maximum exposure to credit risk	**625,042**	**811,921**

Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund actively monitors cash flow and maintains an adequate level of liquidity to meet its commitments. Liquidity is managed by:

- regular daily monitoring of cash balances to ensure sufficient funds are available
- annual reviews of the projected cash flows taking into consideration contributions receipts, benefits payments and fees and expenses
- maintaining access to short-term funding options in the event of any unexpected cash flow requirements.

Single investment risk

The following singular investments represent more than 5% of the net assets of the Fund. Each of the investments below is a pooled investment vehicle constituted from a large number of underlying assets. None of the underlying assets represents more than 5% of the Fund.

Investment	Value at 31 March 2025	% of Total Fund	Value at 31 March 2026	% of Total Fund
	£'000		£'000	
Legal & General Future World Global Equity Index	357,531	16.63%	419,791	17.56%
Legal & General North America Equity Index Fund	332,798	15.48%	385,197	16.11%
LCIV Multi Asset Credit Fund	337,958	15.72%	357,952	14.97%
LCIV Global Alpha Paris-Aligned Fund	155,984	7.26%	170,100	7.11%
LCIV Infrastructure Fund – income units	123,894	5.76%	148,752	6.22%
Legal & General Over 5y Index-Linked Gilts Fund	134,067	6.24%	139,230	5.82%

The Fund has policies in place to ensure that exposure to any one investment is monitored and remains within acceptable limits to prevent excessive concentration of risk.

Note 17 Funding Arrangements

In line with the Local Government Pension Scheme Regulations 2013, the Fund is subject to actuarial valuation every three years at which time, its actuary is required to specify the employers' contribution rates to the Fund necessary to ensure that present and future commitments can be met. The latest completed actuarial valuation of the Fund was carried out by Hymans Robertson LLP as at 31 March 2025 and the revised contribution rates are effective from 1 April 2026. The next formal actuarial valuation is due as at 31 March 2028 with new contribution rates for employers then taking effect from 1 April 2029. The full 2025 valuation report can be accessed here.

The market value of the Fund's assets at the 31 March 2025 valuation date was £2.171bn and the actuarial value of the Fund's accrued liabilities, allowing for future pay increases, was £1.598bn. There was, therefore, a surplus of assets over liabilities of £572m and the Fund was said to be 136% funded.

Liabilities were calculated using the projected unit actuarial method and the main actuarial assumptions were as follows:

Financial assumptions		
Year ended	**31-Mar-22**	**31-Mar-25**
Pension increase rate (CPI)	2.70% p.a.	2.3% p.a.
Salary increase rate	3.20% p.a.	2.8% p.a.
Discount rate	4.40% p.a.	5.7% p.a.

In the 31 March 2022 actuarial valuation, assets were valued using a discount rate derived from a 70% likelihood that the Fund's investments will return at least 4.4% over the next 20 years (based on stochastic asset projection). For 31 March 2025, the discount rate was derived from a 80% likelihood that the Fund's investments will return at least 5.7% over the next 20 years based on similar stochastic asset projection.

At 31 March 2022, the assets were sufficient to meet 113% of the liabilities and at 31 March 2025, the actuary estimated, assuming reasonable future investment returns, the Fund was 136% funded. The average employee contributions rate remains consistent with the previous valuation (approximately 7% of pensionable pay). However, total contributions projected over the current triennial period (2026/27, 2027/28 & 2028/29) will be higher than the previous cycle due to higher estimated salary base. In 2025/26, the expected overall contribution rate (primary plus secondary) for the Administering Authority was 28.6% (2024/25: 29.7%).

Note 18 Actuarial Present Value of Promised Retirement Benefits

In addition to the triennial valuation, the Fund's Actuary, Hymans Robertson LLP, also undertakes a valuation of the pension fund liabilities every year using assumptions in line with IAS 19 to provide an estimate of the actuarial present value of promised retirement benefits.

The Actuary estimated the defined benefit obligation to be £1,736m as at 31 March 2026.

Present value of promised retirement benefits

Year ended	31-Mar-25	31-Mar-26
Active members (£m)	(562)	(533)
Deferred members (£m)	(345)	(331)
Pensioners (£m)	(714)	(822)
Total (£m)	**(1,621)**	**(1,686)**
Fair value of Fund assets (bid value)	2,150	2,306
Net asset/(liability) (£m)	**529**	**620**

The key assumptions used are:

Financial assumptions

Year ended	31-Mar-25	31-Mar-26
Pension increase rate (CPI)	2.8% p.a.	3.0% p.a.
Salary increase rate	3.3% p.a.	3.5% p.a.
Discount rate	5.8% p.a.	6.2% p.a.

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund. Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

Demographic assumptions

	Males	Females
Current pensioners	21.8 years	24.4 years.
Future pensioners (assumed to be aged 45 at the latest valuation date)	22.9 years	25.9 years

All other demographic assumptions are unchanged from 2025 and are as per the applicable funding valuation of the Fund.

Note 19 Current Assets

	31-Mar-25	31-Mar-26
	£'000	**£'000**
Pension Fund bank account	1,677	4,423
Contributions receivable – employers	-	-
Contributions receivable - employees	-	-
Debtors	528	824
Net amount due from London Borough of Camden	21,296	16,842
Total	**23,501**	**22,089**

Note 20 Current Liabilities

	31-Mar-25	31-Mar-26
	£'000	**£'000**
Creditors	(2,132)	(1,246)
Benefits payable	-	-
Net amount due to London Borough of Camden	-	-
Total	**(2,132)**	**(1,246)**

Note 21 Additional Voluntary Contributions

Additional voluntary contributions (AVCs) are not included in the Pension Fund Accounts in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The Council has appointed Phoenix Life Limited and Prudential Assurance Company Limited as its AVC providers.

Phoenix Life operates two funds, the deposit fund and the managed fund and employees can contribute to either. Prudential Assurance offers a choice of funds catering for risk appetites ranging from minimal to higher risk. Members have the option to choose a combination of these funds or to invest in the default fund (with profits) or a lifestyle option. The lifestyle option commences with higher risk investments and is gradually switched to lower risk investments as the member moves closer to retirement.

The values and transaction summaries of the AVC funds are shown below. Note, the Phoenix Life accounts are produced on a calendar year basis so their numbers below are for the years ended 31 December 2024 and 31 December 2025.

Prudential 2024/25			Prudential 2025/26
	£'000		**£'000**
Value at 1 April 2024	**4,461**	**Value at 1 April 2025**	**6,228**
Contributions & transfers received	2,479	Contributions & transfers received	2,901
Investment return	160	Investment return	677
Paid out	(872)	Paid out	(1,222)
Value at 31 March 2025	**6,228**	**Value at 31 March 2026**	**8,584**

Phoenix Life Ltd 2024/25			Phoenix Life Ltd 2025/26
	£'000		**£'000**
Value at 1 January 2024	**597**	**Value at 1 January 2025**	**603**
Contributions & transfers received	4	Contributions & transfers received	4
Investment return	43	Investment return	42
Paid out	(41)	Paid out	(41)
Value at 31 December 2024	**603**	**Value at 31 December 2025**	**609**

Note 22 Related Party Transactions

The London Borough of Camden Pension Fund is administered by the London Borough of Camden Council and consequently, there is a strong relationship between the Council and the Pension Fund. The Council is the single largest employer of members of the Pension Fund and contributed £85m to the Fund in 2025/26 (£80m in 24/25)

In 2025/26 £228k was paid to the Council for finance and accountancy services (£378k in 2024/25), and £718k was paid to the Pensions Shared Service located at Wandsworth Council for providing the pensions administration service (£544k in 2024/25).

At 31 March 2026, there was a net amount of £16.80m due from the Council to the Pension Fund (31 March 2025: £21.2m).

The Council, via the Pension Fund, is a shareholder in London LGPS CIV Limited and the net assets statement includes unquoted shares revalued at £220k (31 March 2025: £150k). Fees invoiced to the Fund by LCIV for the year were £466k (2024/25: £366k).

Governance

As at 31 March 2026 councillors are not permitted to participate in LGPS schemes but may be deferred or pensioner members. Each member of the Pension Fund Committee is required to declare their interests at each meeting. However, the new regulations coming into effect from 1 July 2026 will allow Councillors to participate in LGPS schemes.

Key Management Personnel

The Executive Director of Corporate Services, who subsequently became the Chief Executive, and Director of Finance held key positions in the management of the Pension Fund for the year to 31 March 2026. The charge payable from the Pension Fund was £12.5k (31 March 2025: £14k).

No other material transactions with related parties of the Fund during 2025/26 were identified.

Note 23 Contractual Capital

Property
The Fund has undrawn contractual capital in relation to three unquoted limited partnership funds in global property; one Euro denominated Luxembourg 'SICAR' and two US Dollar denominated Guernsey Limited Partnerships. These are drawn down in tranches over time as and when the manager needs the cash to invest in underlying investments. The Euro fund had undrawn contractual capital outstanding as at 31 March 2026 of £2.145 (£2.119m as at 31 March 2025). The US Dollar funds also had a undrawn contractual capital outstanding as at 31 March 2026 £24.67 (£36.035m as at March 2025). These amounts are not required to be included in the Pension Fund accounts.

Private equity
The Fund has a further commitment in relation to its private equity mandate via the HarbourVest 2016 Global AIF Limited Partnership. This commitment is drawn down in tranches over time as and when the manager requests cash to fund underlying investments. The fund is denominated in US Dollars. The commitments outstanding as at 31 March 2026 is £7.31m (£8.69m as at 31 March 2025). This amount is not required to be included in the Pension Fund accounts.

Infrastructure
The Fund made an initial commitment of £106m to the London Collective Investment Vehicle's Infrastructure Fund on 31 October 2019 with an additional commitment of £76m being agreed during 2023/24. At 31 December 2025 (latest available valuation), the commitment outstanding was £56.67m (£77m outstanding at 31 March 2025).

UK Housing Fund
The Fund made an initial commitment of £97m to the London Collective Investment Vehicle's UK Housing Fund in April 2024. At 31 December 2025 (latest available valuation), the commitment outstanding was £52.28m.

Note 24 Events After the Reporting Period

The Fund has carried out a review and can confirm there were no significant events occurring after the reporting period that require disclosure in these accounts.

7.
Glossary and Contacts

Glossary and Contacts

Accrual
The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial Gains and Losses Re-measurement of Net Defined Benefit Liability
The Actuary assess financial and non-financial information provided by the Council to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses can arise leading to a loss or gain because:
• Events have not coincided with the actuarial assumptions made for the last valuation;
• The actuarial assumptions have changed.

Agency Services
These are services that are performed by or for another Authority or public body, where the principal (the Authority responsible for the service) reimburses the agent (the Authority carrying out the work) for the costs of the work.

Appointed Auditors
The Public Sector Audit Appointments appoints external auditors to every Local Authority, from one of the major firms of registered auditors. Mazars are the Council’s appointed Auditor.

Associate Companies
This is an entity other than a subsidiary or joint venture in which the reporting Authority has a participating interest and over who’s operating and financial policies the reporting Authority is able to exercise significant influence.

Authorised Limit
This represents the legislative limit on the Council’s external debt to finance capital expenditure under the Local Government Act 2003.

Balances
The balances of the Authority represent the accumulated surplus of income over expenditure on any of the Funds.

Capital Adjustment Account
The Account accumulates (on the debit side) the write-down of the historical cost of Property, Plant and Equipment as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (revenue expenditure funded by

capital under statute). The balance on the account thus represents timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital Expenditure
This is expenditure on the acquisition of property, plant and equipment, or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

Capital Financing Charges
This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money, together with leasing rentals.

Capital Receipts
Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

Carrying Amount
The Balance Sheet value recorded of either an asset or a liability.

Community Assets
This is a category of Property, Plant and Equipment that the Council intends to hold in perpetuity which have no determinable finite useful life and, in addition, may have restrictions on their disposal. Examples include parks and historical buildings not used for operational purposes.

Contingency
This is money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

Contingent Liabilities or Assets
These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Council’s accounts.

Creditors
Amounts owed by the Council for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current Service Cost

This is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

Debtors

These are sums of money due to the Council that have not been received at the date of the Balance Sheet.

Dedicated Schools Grant

A specific grant for the funding of schools and which is ring-fenced to the Schools Budget.

Deferred Capital Income

This consists mainly of income due from former tenants who have purchased their homes and taken out mortgages with the Council.

Defined Benefit Scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined Contribution Scheme

A Defined Contribution Scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Depreciation

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of Property, Plant and Equipment.

De-recognition

Financial assets and liabilities will need to be removed from the Balance Sheet once performance under the contract is complete or the contract is terminated.

Earmarked Reserves

Amounts set aside for a specific purpose to meet future commitments or potential liabilities, for which it is not appropriate to establish provisions.

External Audit
The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Authority has made proper arrangements to secure value for money in its use of resources.

Fair Value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Finance Lease
A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term ‘financial instrument’ covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial Regulations
These are the written code of procedures approved by the Council, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

General Fund
This is the main revenue fund of the Authority and includes the net cost of all services financed by local taxpayers and Government grants.

Heritage Asset
A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Benefit
This is an allowance to persons on low income (or none) to meet, in whole or part, their rent. Benefit is allowed or paid by Local Authorities but Central Government refunds part of the cost of the benefits and of the running costs of the services to Local Authorities. Benefits paid to the Council’s own tenants are known as rent rebate and that paid to private tenants as rent allowance.

Housing Revenue Account (HRA)
Local Authorities are required to maintain a separate account - the Housing Revenue Account - which sets out the expenditure and income arising from the provision of Council housing. Other services are charged to the General Fund.

Impairment
A reduction in the value of a fixed asset below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

Infrastructure Assets
A category of Property, Plant and Equipment which generally cannot be sold and from which benefit can be obtained only by continued use of the asset created. Examples of such assets are highways, footpaths, bridges and water and drainage facilities.

Intangible Assets
These are assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software, licenses and patents.

Liabilities
These are amounts due to individuals or organisations which will have to be paid at some time in the future.

Materiality
An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view.

Minimum Revenue Provision (MRP)
MRP is the minimum amount which must be charged to an Council's revenue account each year and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989.

Operating Lease
This is a type of lease, usually of computer equipment, office equipment, furniture, etc. where the balance of risks and rewards of holding the asset remains with the lessor. The asset remains the property of the lessor and the lease costs are revenue expenditure to the Authority.

Provisions
Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs are uncertain.

Private Finance Initiative (PFI)

A Central Government initiative which aims to increase the level of funding available for public services by attracting private sources of finance. The PFI is supported by a number of incentives to encourage Authorities' participation.

Related Parties

Related parties are Central Government, other Local Authorities, precepting and levying bodies, subsidiary and associated companies, Elected Members, all senior officers from Director and above and the Pension Fund. For individuals identified as related parties, the following are also presumed to be related parties:

- Members of the close family, or the same household; and
- Partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Revaluation Reserve

The Reserve records the accumulated gains on the fixed assets held by the Authority arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

Revenue Expenditure from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the CIES.

Revenue Expenditure

Spending on day-to-day items, including salaries and wages, premises costs and supplies and services.

Transfer Payments

Benefits paid over to tenants and homeowners towards rent and council tax which is then reimbursed by central government.

Trust Funds

These are funds administered by the Council on behalf of charitable organisations and/or specific organisations.

Abbreviations

AVC
Additional Voluntary Contributions

BSF
Building Schools for the Future

BVCA
British Venture Capital Association

CCG
Clinical Commissioning Group

CFR
Capital Financing Requirement

CGRA
Capital Grants Received in Advance

CIPFA
Chartered Institute of Public Finance and Accountancy

CPFA
Chartered Public Finance Accountant

CPI
Consumer Price Index

DMO
Debt Management Office

DRC

Depreciated replacement cost

DSG
Dedicated Schools Grant

DWP
Department of Work and Pensions (Central Government)

EUV
Existing Use Value

FMV
Fair Market Value

FTE
Full Time Equivalent

GLA
Greater London Authority

HMRC
His Majesty’s Revenue & Customs

HRA
Housing Revenue Account

IAS
International Accounting Standards

ICT
Information Communication Technology

IFRIC
International Financial Reporting Interpretations Committee

IFRS
International Financial Reporting Standards

ILEA
Inner London Education Authority

IPSAS
International Public Sector Accounting Standards

ISB
Independent School Bursary Scheme

LEP
Local Education Partnership

LGPS
Local Government Pension Scheme

LOBO
Lender's Option Borrower's Option financial instrument

LPFA
London Pensions Fund Authority

LRB
The former London Residuary Body (residual functions of the Greater London Council and ILEA)

MHCLG
Ministry of Housing Communities and Local Government

MMI
Municipal Mutual Insurance

MRP

Minimum Revenue Provision

NBV
Net Book Value

NNDR
National Non Domestic Rates (Business Rates)

NPV
Net Present Value

NLWA
North London Waste Authority

PFI
Private Finance Initiative

PPE
Property, Plant and Equipment

PWLB
Public Works Loan Board

REFCUS
Revenue Expenditure Funded From Capital Under Statute

RICS
Royal Institution of Chartered Surveyors

SEN
Special Education Needs

SLA
Service Level Agreement

UCL

University College London

NOTE: values throughout these accounts are presented rounded to whole numbers. Totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the primary statements or other tables due to rounding differences.

Contact Information

This document gives details of London Borough of Camden's Annual Accounts and is available on the Council's website at *camden.gov.uk*.

For further details please contact

Financial Reporting Manager
London Borough of Camden
Corporate Finance
5 Pancras Square
N1C 4AG
statement_of_account@camden.gov.uk