

Rochford District Council Annual Financial Report 2023/24



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1 Introduction

I'm pleased to introduce Rochford District Council's Annual Financial Report for 2023/24.

Rochford District Council works closely with Essex County Council, the town and parish councils and other partners to provide a large range of services to the public.

At an Extraordinary Council meeting held on 25th January 2022 it was agreed to approve the creation of a formal strategic partnership between the Council and Brentwood Borough Council (BBC), including the permanent appointment of a joint Chief Executive. A joint savings ambition for the Partnership was estimated at £595,000-£853,000 by 2025/26. The Council's Medium-Term Financial Strategy includes projected savings over the period to 2026/27. Provision has been made within earmarked reserves to fund the Council's share of one-off costs associated with the Transformation Programme required to deliver these ongoing savings.

The Council's Business Plan 2020-2023 sets out its vision for the district and how it intends to help its residents, businesses and service users, as outlined in its four strategic priorities:

1. **Being Financially Sustainable**
2. **Early Intervention**
3. **Maximise our Assets**
4. **Enable Communities**

This report and the accompanying financial statements set out how the council's resources have been used during 2023/24 to help deliver the outcomes set out in its Business Plan.

The Council will continue to face challenging financial times for the foreseeable future, compounded by ongoing pressures on local government funding, inflationary costs and increasing demand for services; the council's reserves will therefore remain an important tool to help it manage these longer term risks.

Tim Willis

Section 151 Officer



2 Overview of Rochford District Council

Rochford in 2024

Rochford is a district that is home to around 86,000 people across a mix of urban and rural settlements. Our population has grown around 3% over the last 10 years and is projected to grow by a further 12% over the next 20 years. This would make our population around 96,000 people by 2040. Over the same period, the age structure in Rochford is expected to

shift notably towards an older population. By 2040, we expect there to be a 46% increase in over 70s, with the number of people living into their 90s expected to almost double compared to current levels. There are also likely to be slightly more children than currently however the number of economically active individuals is likely to decrease with fewer residents of Rochford being between the ages of 18 and 70 than currently. Whilst general standards of health within elder populations is consistently improving, a large dependent population relative to economically active people does present challenges locally in generating economic growth and will mean a likely a shift in demand for certain local facilities and services.

Rochford is currently one of the least deprived areas in the country, with only five out of 53 local neighbourhoods falling into the top 40% most deprived in the UK and 28 falling into the top 20% least deprived. There remain however small pockets of deprivation where income, education and healthcare outcomes are notably worse than the rest of the district.

The functions of Rochford District Council include: -

Assets and Investment: Asset Management, Facilities Management, Parking, Health & Safety, Council Companies, Capital Programme & Regeneration, Asset Delivery Programme, Oversee leisure contract management

People and Governance: Democratic Services, Civism, Elections, Legal Services, People Services, DPA/FOI, Support Services, Leadership Support Team

Place: Economic Development & Inward Investment, Tourism & Visitor Economy, Planning (DM & Enforcement), Planning Policy & Strategy

Environmental Services: Waste & Recycling, Public Realm, Open Spaces, Country Parks, Building Control, Climate Change, Street Scene

Resources: Finance including Accountancy, Payments and Income, Revenues and Benefits, Audit & Fraud, Procurement

Housing: Housing Options, Homelessness, HRA Stock Management, Housing Strategy & Partnerships, Strategic Housing Delivery Programme

Policy & Delivery: Policy Development & Innovation, Grants and funding, Research & Service Design, #OneTeam Transformation, Communications & Digital Engagement

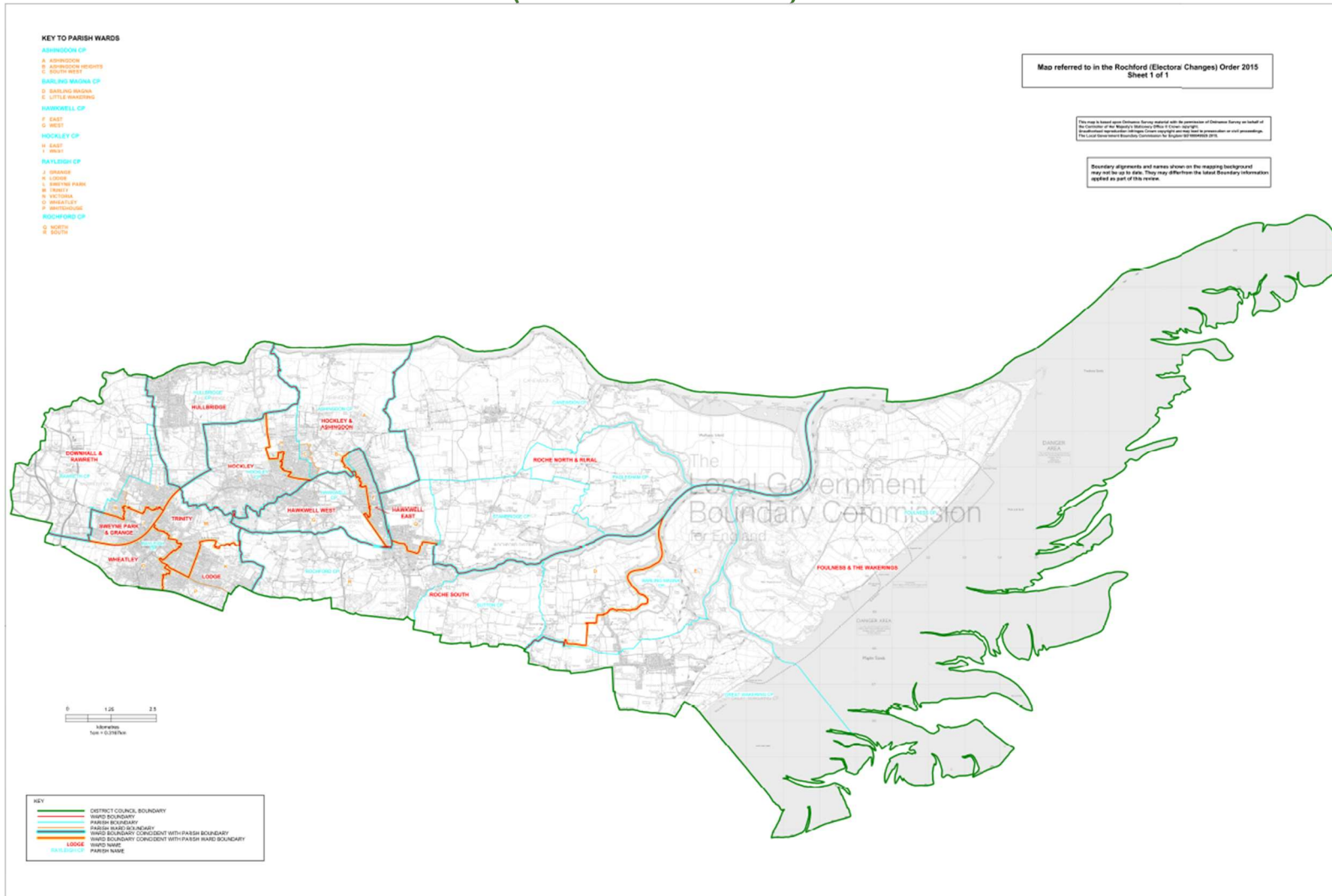
Customer and Data Insight: Performance & Data Insight, ICT & Data Protection, Connect Programme, Customer & information Services

Communities & Health: Communities & Partnerships, Leisure (sports and health improvements /initiatives), Culture and Health, Public Health, Community Safety, Licensing, Safeguarding, Environmental Health, Emergency planning & business continuity, RIPA

Political Make-up of the Council

Rochford District Council currently comprises 12 Conservatives, 9 Liberal Democrats, 7 Rochford District Residents, 5 Independent & Green, 3 Rochford District Independents, 2 Independent Conservatives and 1 Non-Group Member. The elected Councillors at the end of the financial year 2023/24 (i.e., 31st March 2024) are shown on the next page.

3 Rochford District Councillors (on 31st March 2024)



Downhall & Raweth	Foulness & The Wakering Ward	Hawkwell East	Hawkwell West	Hockley & Ashingdon	Hockley	Hullbridge
Cllr J E Cripps	Cllr D S Erde	Cllr Mrs L A Butcher	Cllr Mrs J R Gooding	Cllr M R Carter	Cllr A H Eves	Cllr M Hoy
Cllr J E Newport	Cllr G W Myers	Cllr Mrs D P Squires-Coleman	Cllr Mrs C M Mason	Cllr Mrs D L Belton	Cllr J R F Mason	Cllr S A Wilson
Cllr C M Stanley	Cllr Mrs J E McPherson	Cllr E O K Mason	Cllr N J Booth	Cllr R P Constable	Cllr Mrs E P Gadsdon	Cllr Ms T D Knight

Lodge	Roche North & Rural	Roche South	Sweyne Park & Grange	Trinity	Wheatley
Cllr R Milne	Cllr I A Foster	Cllr J N Gooding	Cllr Mrs L J Newport	Cllr D W Sharp	Cllr J L Lawmon
Cllr R Lambourne	Cllr Mrs L Shaw	Cllr M J Steptoe	Cllr E L Brewer	Cllr Mrs S J Page	Cllr A G Cross
Cllr I H Ward	Cllr S E Wootton	Cllr A L Williams	Cllr Mrs V A Wilson	D J Sperring	Cllr R C Linden

4 Rochford District Council Corporate Risk Register

Corporate Risks	Potential Impacts												Likelihood	Impact	Residual Risk	
	Safeguarding	Reputational Damage	Service Disruption	Impaired Performance	Ineffective partnerships	Health and Safety	Staff Morale	Missed Opportunities	Financial costs / losses	Asset loss or damage	Contract breaches	Ineffective leadership				External Intervention
1 – We fail to deliver the objectives of the Council’s Business Plan in terms of measurable outcomes.		✓	✓	✓			✓	✓	✓			✓	✓	2	3	M
2 – There is a failure to safeguard children and adults with care and support needs from abuse and / or neglect in line with the Council’s legal responsibilities.	✓	✓					✓						✓	2	4	M
3a – There is a serious Food, Environmental or other incident for which the Council is culpable / liable.		✓	✓						✓	✓			✓	2	4	M
3b – There is a serious Health and Safety incident for which the Council is culpable / liable		✓	✓			✓			✓	✓			✓	3	4	H
4 – We fail to respond to, or provide, relevant services in the event of an incident or disaster.		✓	✓										✓	3	3	M
5 – Council held data is lost, disclosed, or misused to detriment of individuals or organisations as result of inadequate protection.		✓	✓	✓					✓		✓		✓	3	3	M
7 – Failure to engage with stakeholders to understand and communicate what the Council should be trying to achieve.		✓			✓		✓	✓	✓		✓			2	3	M
8 – Failure to innovate and develop new ways of meeting customer needs and expectations.		✓	✓	✓			✓	✓			✓		✓	2	3	M
9 – Failure to ensure financial sustainability for the Council..		✓		✓			✓	✓	✓		✓		✓	3	4	H
10 – Inability to recruit, retain, develop, and manage appropriately skilled staff to deliver the Council’s priority outcomes.	✓	✓	✓	✓			✓		✓					4	4	H
11 – Failure to enter into and manage effective contractual relationships and partnerships for the delivery of services and outcomes.		✓	✓	✓	✓						✓			3	3	M
12 – The Council could fail to provide consistent Value for Money (VFM) across its existing services or when procuring new services.		✓	✓	✓					✓		✓			2	3	M
13 – Failure to ensure good governance of the Council’s activities and delivery of its priority outcomes.		✓					✓		✓	✓	✓	✓		2	3	M
14 – Failure to ensure Rochford’s ICT Estate supports achievement of Business Objectives.		✓	✓	✓			✓	✓	✓		✓			4	3	M
15 – The Council fails to ensure compliance with the General Data Protection Regulations (GDPR) and is unable to demonstrate consistent application of information standards, controls, and statutory compliance.		✓					✓		✓					2	4	M
16 –The partnership between Rochford District Council and Brentwood Borough Council fails to bring about the project benefits.		✓	✓	✓	✓		✓		✓					3	3	M
NEW RISK 17 - The partnership between Rochford District Council and Brentwood Borough Council fails to bring about the project benefits.		✓	✓	✓	✓		✓		✓							

5 Rochford District Council Business Plan

Rochford has four key priorities for the years 2020 to 2023.



Our Key Priorities



Financially sustainable

We are continuing our transformation into a modern, accessible and financially sustainable council



Early intervention

We are working with partners through early intervention; we are facilitating safe, healthy and active communities



Maximise our Assets

We are playing our part to develop a thriving economy, enhancing skills and employment opportunities and maximising use of the Council's own assets



Enable Communities

We are working with communities to protect, enhance and promote our district

6 Performance and Key Achievements 2023/24

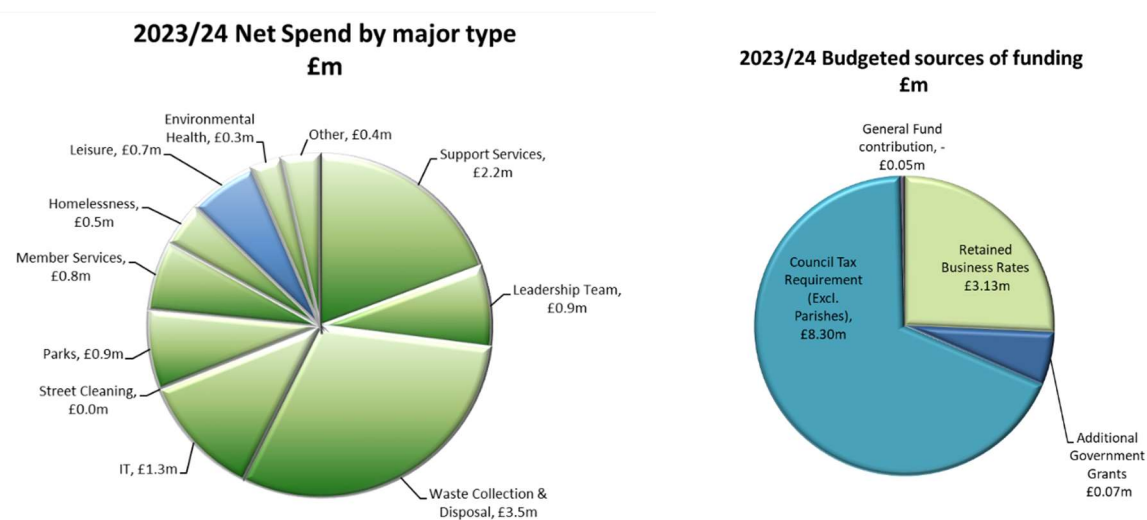
The latest Annual Review of performance against the Council's Business Plan priorities can be found here. www.rochford.gov.uk/AnnualReview

7 2023/24 Financial Summary

7.1 Revenue Position

A balanced budget was agreed for the provision of services in 2023/24, although this continued to be a challenging process due to funding constraints, compounded by inflationary pressures and an increasing demand for services..

In 2023/24 the Council collected 98.7% of Business Rates and 99.24% of Council Tax due for the year. These compares to 98.34% and 98.6% respectively in 2022/23.



The Net Spend chart above shows the breakdown of the Council's total spend (on an accounting basis) in 2023/24 of £11.6m, which is as per the Comprehensive Income and Expenditure total in the Financial Statements. The blue segment indicates net income rather than net expenditure, this is as a result of a revaluation gain on the Council Leisure assets.

The Expenditure and Funding Analysis table within the Statement of Accounts (Note 1) reconciles the figures on the accounting basis shown within the Financial Statements to the management figures presented in the final outturn position set out below.

The Council set an original 2023/24 budget of £12.080m for its net cost of services, there was a final outturn position of £9.477m, which after transfers to/from reserves and carry forwards, gives an underspend of £0.390m as set out in the table below.

Final Revenue Outturn Position 2023/24

Portfolio	2023/24 Latest budget	Actual 2023/24 £'s	Variance (Underspend)/ Overspend £'s	Earmarked and Pre approved use of reserves £'s	Carry Forward into 2024/25 £'s	Underlying Variance £'s	Salary related Variance £'s	Other Variances £'s
Leader	1,573,404	487,386	(1,086,018)	(320,468)	259,500	(1,146,986)	23,453	(1,170,439)
Resources, Climate Change and Economy	765,410	709,724	(55,686)	(5,366)	0	(61,052)	2,889	(63,940)
Governance and Communications	1,406,800	1,363,459	(43,341)	(123,301)	39,589	(127,053)	(124,454)	(2,600)
Strategic Planning	514,331	333,937	(180,394)	(71,902)	243,776	(8,520)	(13,975)	5,455
Environmental Services	3,489,550	3,254,272	(235,278)	(74,702)	107,288	(202,692)	(31,583)	(171,109)
Leisure, Tourism and Wellbeing	220,719	241,678	20,959	(26,585)	3,285	(2,341)	5,948	(8,289)
Communities and Health	386,850	213,384	(173,466)	(15,377)	66,873	(121,971)	(49,551)	(72,419)
Housing	956,324	508,748	(447,576)	(10,066)	232,571	(225,071)	(16,975)	(208,097)
Customer Services	1,984,951	1,715,260	(269,691)	(65,079)	207,891	(126,879)	(43,259)	(83,621)
Public Spaces and Assets	1,115,452	649,499	(465,953)	(31,639)	146,888	(350,704)	(138,845)	(211,859)
Salary Saving	(333,764)	0	333,764	0	0	333,764	333,764	
Total	£12,080,027	£9,477,347	(£2,602,680)	(£744,485)	£1,307,659	(£2,039,506)	(£52,588)	(£1,986,918)
Other Non Portfolio Specific Movements	0	0	0	0	1,650,000	1,650,000	0	1,650,000
TOTAL	£12,080,027	£9,477,347	(£2,602,680)	(£744,485)	£2,957,659	(£389,506)	(£52,588)	(£336,918)

7.2 Final Capital Outturn Position

A 2023/24 Capital Programme totalling £4,870,190 was approved at Full Council on 21 February 2023. Executive further agreed carry forwards of budget, and there have been in year additions to give a final capital 2023/24 budget of **£6,265,432**. The provisional outturn position was £2,122,462. Of the variance to budget; £1,774,631 was underspend mainly due to the Asset Development Programme works being delayed, and £1,180,596 was due to additional waste vehicle requirements for the Norse contract not being procured in year. There was also £137,363 of overspend, however this is funded from grant therefore not true overspend, Amounts relating to slippage will be added to the 2024/25 capital programme.

7.3 Going Concern Considerations and Reserves Position

The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code of Practice on Local Authority Accounting in the UK ('the Code') in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Local authorities carry out functions essential to the local community and are revenue-raising bodies (with limits on their revenue-raising powers set at the discretion of central government). If an authority were in financial difficulty and unable to provide its essential functions, possible options of last resort are that alternative arrangements might be made by central government for the continuation of the services it provides, or for additional financial assistance/ flexibilities to be offered to enable the local authority to continue to operate e.g. to allow recovery of any deficit over more than one financial year.

The Council will continue to face challenging financial times for the foreseeable future, with the impact of pressures on local government funding, inflationary pressures and increasing demand.

However, the Council has a credible track record of delivery of savings on which to weather such challenge and holds reserves and contingencies to help mitigate against risks and uncertainties, as well as to support specific projects and grant funded work. The continued provision of adequate reserves is essential. Without these, it may be necessary to take

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remedial urgent action in-year to mitigate challenges that arise, which could lead to longer term consequences.

There are three major categories of reserves – earmarked, carried forward budget and grant funding. The Council also holds an amount in its general balance which allows it to deal with unexpected events or costs at short notice. It is planned to maintain the General Balance at a minimum of 10% of the Council's net revenue budget.

Reserves Summary

Earmarked Reserves	Opening balance 2023/24 £'s	Transferred Out £'s	Transferred In £'s	Projected Opening balance 2024/25 £'s	Forecast Mov't In Year £'s	Estimated Closing Balance 2024/25 £'s
Transformation Reserve	(257,186)	87,820	-	(169,366)	17,355	(152,011)
Waste Provision Reserve	(341,592)	-	(104,008)	(445,600)	150,000	(295,600)
Legal/Insurance Reserve	(248,576)	38,809	-	(209,768)	-	(209,768)
Elections Reserve	(37,644)	17,405	(29,163)	(49,402)	-	(49,402)
Housing Reserve	(214,068)	-	-	(214,068)	50,000	(164,068)
Hard / Soft Infrastructure Reserve	(1,350,816)	103,227	(400,000)	(1,647,588)	1,608,403	(39,185)
Business Rates Smoothing Reserve	(1,666,735)	-	-	(1,666,735)	-	(1,666,735)
Housing Benefit Equalisation Reserve	(312,727)	-	-	(312,727)	-	(312,727)
Leisure Smoothing Reserve	(133,385)	-	(87,474)	(220,860)	6,000	(214,860)
Investment Fund	(3,547,433)	962,564	(546,000)	(3,130,870)	2,305,000	(825,870)
IT Transformation Reserve	(99,751)	-	(154,967)	(254,718)	80,000	(174,718)
COVID 19 Smoothing Reserve	(67,036)	14,195	(10,000)	(62,841)	62,841	-
Collection Fund New Burdens	(669,672)	37,791	(52,792)	(684,673)	60,000	(624,673)
Connect - Invest to Save	(335,266)	172,982	-	(162,284)	162,284	-
Grant Funding	(254,239)	28,431	(3,285)	(229,094)	-	(229,094)
Housing Grant Reserve	(775,974)	22,609	(268,129)	(1,021,494)	144,103	(877,391)
Corporate Priorities	(250,000)	-	-	(250,000)	250,000	-
SEPP Partnership	(150,000)	80,000	-	(70,000)	70,000	-
Corporate Staffing	(356,771)	35,555	(99,471)	(420,687)	50,000	(370,687)
Community Investment Fund	(970,947)	118,350	-	(852,597)	852,597	0
Budget Equalisation Reserve	-	-	(400,000)	(400,000)	(193,000)	(593,000)
Service Based	(1,310,674)	223,028	(480,106)	(1,567,751)	131,000	(1,436,751)
Total Earmarked Reserve	(13,350,491)	1,942,765	(2,635,395)	(14,043,121)	5,806,583	(8,236,539)

7.4 Cashflow Position

Collection rates for Council Tax and Business Rates have remained fairly stable for 2023/24,

The Council does not currently undertake any external borrowing in order to manage the cash flow of its capital expenditure programme. It manages its cash flows through cash backed resources which have been set aside for longer term purposes (such as funds set aside in reserves and balances) and working capital balances that can either be invested or temporarily utilised to defer the need for external borrowing.

The Treasury Management Strategy is agreed by Full Council and progress against the Strategy is reported to the Audit Committee throughout the year.

7.5 Pension Liability

The Council participates in the Local Government Pension Scheme (LGPS) which is administered by the Essex Pension Fund. The majority of Rochford District Council staff participate in the scheme. The net estimated pension liability for Rochford District Council is £0.986 liability as at 31st March 2024 compared with £9.582 asset as at 31st March 2023. Estimation of this liability is based on a number of actuarial assumptions including the discount rate used and projections of future salary increases, retirement age, longevity, interest rates, inflation as well as the expected returns on assets.

A firm of actuaries is engaged by the Essex Pension Fund, who carry out a full valuation every three years. The last full valuation was carried out as at 31st March 2022.

7.6 Write Offs and Arrears

In 2023/24 the following amounts were written off compared to 2022/23

Amounts Written Off	2022/23 £	2023/24 £
Council Tax	70,323	42,370
Business Rates	13,042	36,418
Housing Benefits	6,188	60,993

As at 31st March 2024 the level of arrears has changed from 2022/23 as follows:

Total Arrears	2022/23 £	2023/24 £
Council Tax	2,778,508	2,973,150
Business Rates	373,301	345,282
Housing Benefits	1,337,327	1,085,222

Please note that arrears in respect of Council Tax and Business Rates above include amounts owed to Central Government and Precepting Authorities. The Debtors note to the Statement of Accounts reflects amounts owed purely to Rochford District Council.

7.7 Partnership Working with Brentwood Borough Council

At an Extraordinary Council meeting held on 25th January 2022 it was agreed to approve the creation of a formal strategic partnership between the Council and Brentwood Borough Council (BBC), including the permanent appointment of a joint Chief Executive. A joint savings ambition for the Partnership was estimated at £595,000-£853,000 by 2025/26. The Council's Medium-Term Financial Strategy includes projected savings over the period to 2025/26. Provision has been made within earmarked reserves to fund the Council's share of one-off costs associated with the Transformation Programme required to deliver these ongoing savings.

7.8 Interest in Subsidiaries

Green Gateway Trading Ltd (GGT) is a wholly owned subsidiary of the Council which was incorporated on 1st September 2016 and commenced trading in December 2016, providing grounds maintenance services. Services were terminated from 1 December 2021, however its future is still to be determined. The company has generated a deficit of £3,651 in 2023/24.

The Council as sole shareholder is not currently anticipating any realisation of profit via dividend pay-outs in its budget. GGTs financial position is no longer shown in consolidated group accounts as the amounts involved are negligible.

The future status of Green Gateway Trading Ltd (GGT) and the parent company will be considered by the Council during the 2024/25 financial year.

7.9 Other Strategic Partnerships

Rochford District Council (RDC) commenced a joint venture partnership with Norse Group for the collection of waste and recycling and carrying out street cleansing operations from 1st July 2022.

This is being delivered through a LATCo which will be a separate legal entity from the Council and from Norse Commercial Services Ltd and the whole of the Norse Group. The newly created private limited company is registered as 'Rochford Norse Ltd.' and is limited by shares.

The final outturn includes a £0.104m saving on this contract due to savings on running costs and £0.035m for the share of the profit and loss of the company. The saving has been ringfenced for waste purposes in the coming year.

7.10 HQ relocation

The Council is focused on ensuring the main Council Officers are fit for purpose and are moving ahead with the relocation to Launchpad in Rochford, with the full transition intending to be at the end of the Summer. This process is commencing in June with services testing the setup and IT and furniture being set up ready for the final move. The Capital Programme for 24/25 then includes an allocation; based on an anticipated capital receipt, to develop the existing offices at South Street.

8 Looking ahead

The 2024/25 budget has been prepared with some key savings assumptions. The current relatively high level of interest rates will generate additional investment income, additional income will be generated on the uplift of statutory planning fees, and also through other fees and charges income. However there were also some additional pressures to fund, including the ongoing impact from high inflation, and the ongoing pressure to the MRF contract that transpired in 2023/24.

There still remains significant uncertainty about the future of local government finance. So assumptions have been made within the MTFs on the level of grant funding that will be received.

Potential changes to the Business Rates Retention Scheme and a Fair Funding Review have been delayed again until after the next General Election, meaning that the future allocation of

funding within local government also remains unclear pending consultation with sector and further detail on the government's 'Levelling Up' agenda. This uncertain funding position makes it difficult to plan for the long term.

In addition, there remains budgetary risks linked to:

- Growth in services through demographic changes and increased service need
- Increasing inflationary pressures related to cost of living and major contracts

In order to assist a balanced budget over the 5 year term of The Medium-Term Financial Strategy (MTFS), a budget equalization reserve has been created. However this is a short term solution. Unknown variables could increase the budget gap, inflation has reduced, however with a General Election in 2024, the outcome of that could again impact on the economy. The Council will need to continue to look for recurrent baseline savings to this value to support the MTFS.

9 Statement of Accounts

The Council is required by statute to prepare a Statement of Accounts in accordance with proper practices in relation to accounts, defined to include the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

The Statement of Accounts for 2023/24 is presented on the Rochford District Council website.

The key aim of the Statement of Accounts is to provide a 'true and fair' view of the Council's financial position on 31st March 2024 and of its income and expenditure for the 2023/24 financial year.

The Statement of Accounts forms an essential part of public accountability, reporting on the Council's use of funds raised from the public and provided by central government and confirming the availability of balances and reserves for future use.

The presentation of the Statement of Accounts is largely defined by the CIPFA Code and other proper practices. Whilst this results in a common pattern of presentation across local authorities, it does mean that the presentation within the Statement of Accounts differs from the basis on which the Council takes operational financial decisions and the format in which it monitors its financial performance during the year.

The Statement of Accounts is centred upon the Financial Statements, with other information provided to aid interpretation and add further context on the financial performance of the Council during 2023/24.

The main Financial Statements are comprised of:

- **Comprehensive Income and Expenditure Statement** which presents information on resources generated and consumed during the year, based on generally accepted accounting practice.

- **Balance Sheet** which summarises the financial position of the Council at 31st March 2024 including the net assets it has available after settling its liabilities, and its reserves; and
- **Movement in Reserves Statement** which presents the financial resources available to the Council to support future service delivery and cope with unexpected events.
- **Cash Flow Statement** which shows the changes in cash and cash equivalents during 2023/24.

In addition to the main statements there are a number of supporting notes setting out more detail, including an **Expenditure and Funding Analysis** that shows how the Comprehensive Income and Expenditure Statement compares to the financial position reported in the Council's management accounts.

10 Annual Governance Statement

Rochford District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for, and is used economically, efficiently, and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to continually review and improve the way in which its functions are exercised, while at the same time offering value for money and an effective and efficient service.

To meet this overall responsibility the Council has put in place proper arrangements for overseeing what is done (this is what is meant by governance), to ensure that its functions are carried out in the right way, in good time and in an open, honest, and accountable way

The Chief Audit Executive provides assurance that the controls within the key financial systems remain adequately designed and operating satisfactorily. Similarly, that the arrangements to request, receive and act upon officers and members declarations of interest and gifts and hospitality are designed adequately and operating satisfactorily.

The full 2023/24 Annual Governance Statement will be included within this Annual Financial Report once approved, and will be subject to review until the audit of the financial statements is complete.

11 Conclusion

Through careful management and fiduciary care, Rochford District Council has been able to close its 2023/24 accounts showing a robust position, which will support the Council in meeting the financial challenges of 2024/25 and beyond. The MTFs projections indicate a balance between the Council's expected funding streams and its planned expenditure; however combined with ongoing inflationary pressures in 2024/25 it remains essential that the Council continues its drive to transform itself to ensure it remains financially sustainable. A key driver of this transformation work will be the OneTeam Partnership arrangements with Brentwood Borough Council.

The draft Statement of Accounts presented on the Rochford District Council website is unaudited and may therefore be subject to change during the audit period. This is especially so because the external audits of both the 2021/22 accounts and 2022/23 accounts are outstanding. It is possible that the outcome of these audits could change brought forward balances and so affect the 2023-24 account. The final audited Statement of Accounts will be presented to Audit Committee for approval prior to publication.

ROCHFORD DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT

2023/24

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6. Governance Areas of focus for 2024/25	
7. Certification	

1. Scope of Responsibility

Rochford District Council (the Council) is responsible for ensuring that its business is conducted lawfully, that public money is safeguarded and properly accounted for. The Council has a duty under the Local Government Act 1999 to continuously improve its functions, having regard to best practice, economy, efficiency, and effectiveness.

In discharging this duty, the Council acknowledges its responsibility for appropriately governing its affairs, the effective exercise of its functions and the management of its risks. The Council has adopted a Code of Corporate Governance (the Code) which defines the principles and practices that underpin our governance arrangements.

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) produced the “Delivering Good Governance in Local Government framework (2016)”. This emphasises sustainability and the need to focus on the economic, social and environmental impacts that actions may have on future generations.

The Code is reviewed annually and is consistent with the seven core principles of the CIPFA-SOLACE framework. The Annual Governance Statement (AGS) has been prepared in accordance with the CIPFA-SOLACE framework. For the year ended 31 March 2023, the AGS shows our compliance to the Code and the Accounts and Audit Regulations 2015, regulation 6(1).

The AGS describes how the effectiveness of the governance arrangements has been monitored and evaluated during 2023-24 and any changes planned for 2024-25.

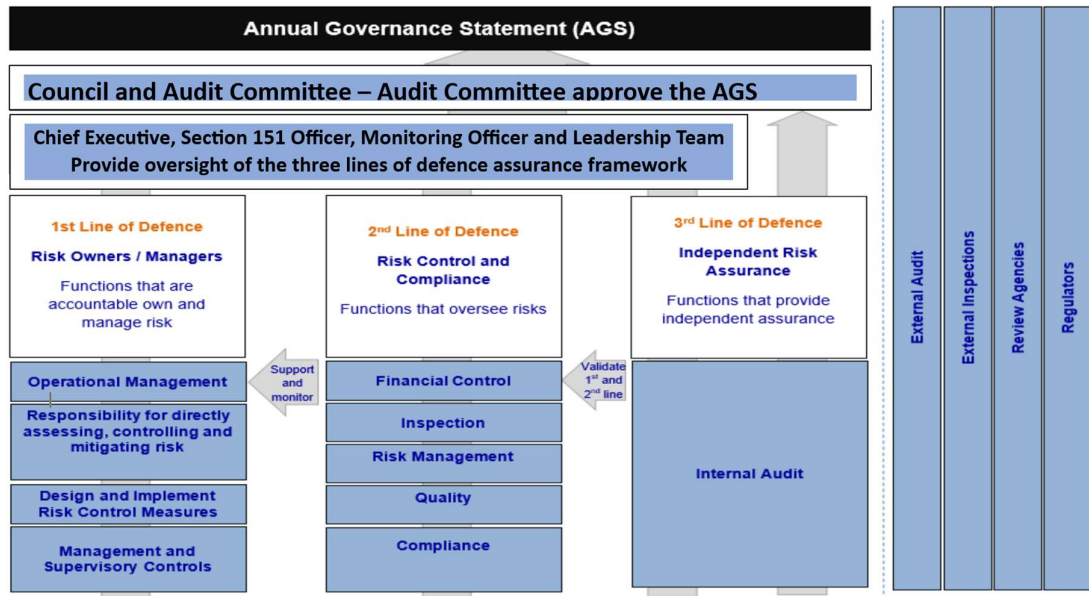
The Council’s Statutory Officers are as follows:

- Chief Executive (Head of Paid Service);
- the Director of Resources (Section 151 or S151 Officer);
- and the Monitoring Officer (the MO).

They direct the annual reviews of the effectiveness of the Council’s governance arrangements against the Code, providing oversight and robust challenge. When completed, the findings are reported to the Audit Committee, which identifies and monitors any improvement actions.

2.The Corporate Governance Framework

Corporate governance refers to how the Council is led, controlled and held to account. The diagram below shows the Council’s Governance, Risk and Control Framework pictorially.



The Council’s governance framework aims to ensure that in conducting its business it:

- Operates in a lawful, open, inclusive and honest manner;
- Ensures that public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
- Has effective arrangements for the management of risk; and
- Secures continuous improvement in the way that it operates.

The governance framework comprises the culture, values, systems and processes by which the Council is managed. It enables the Council to monitor its objectives and consider whether these have led to the delivery of effective services and value for money. It enables the Council to monitor the achievement of its objectives.

The framework brings together legislative requirements, best practice principles and management processes. The system of internal control is a significant part of the framework and is designed to manage the Council’s risks to a reasonable level. It cannot eliminate all risk of failure to achieve corporate objectives and can, therefore, only provide reasonable and not absolute assurance. The system of internal control, reinforces the governance framework and helps the Council to:

- Operate in a lawful, transparent, inclusive and honest manner;
- Ensure that public money and assets are safeguarded from misuse, loss or fraud, are accounted for and used economically, efficiently and effectively;
- Have effective arrangements for the management of risk;

- Secure continuous improvement in the way that it operates;
- Enable human, financial, environmental and other resources to be managed efficiently and effectively;
- Properly maintain records and information; and
- Ensure the Council's values and ethical standards are met.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Code recognises that effective governance is achieved through the following seven CIPFA-SOLACE principles:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- Ensuring openness and comprehensive stakeholder engagement;
- Defining outcomes in terms of sustainable economic, social and environmental benefits;
- Determining the interventions necessary to optimise the achievement of intended outcomes;
- Developing the Council's capacity, including the capability of its leadership and the individuals within it;
- Managing risks and performance through robust internal control and strong public financial management; and
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

3. Review of Effectiveness

The governance framework includes arrangements for:

- Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users;
- Reviewing the authority's vision and its implications for the authority's governance arrangements;
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of Committees, with clear delegation arrangements and protocols for effective communication and performance management;
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff;
- Reviewing and updating Financial Rules, Contract Rules, Constitution, Scheme of Delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
- Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained;
- Ensuring the authority's financial management arrangements meet the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015);
- Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Whistleblowing referrals and for receiving and investigating complaints from the public;
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by the appropriate training;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation; and
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the authority's overall governance arrangements.

The Council's governance framework has operated effectively throughout 2023-24 and up to the date of approval of the annual statement of accounts and the AGS.

The governance framework is consistent with the principles set out in the CIPFA-SOLACE Framework, and is reviewed on an annual basis. The table below is a summary of the Council's compliance to the CIPFA-SOLACE Framework:

PRINCIPLE A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Arrangements in place:

- Member and officer codes of conduct
- Confidential Reporting arrangements
- Counter Fraud, Bribery and Corruption Strategy
- Fraud Response Plan
- Financial Regulations and underpinning financial procedures in place
- Contract Standing Orders
- Declaration of interests procedure
- Register of interests (Members and Senior Officers)
- Register of gifts and hospitality
- Customer feedback and complaints procedure with oversight by Management Team
- Equalities & Diversity Policy and procedures
- Equality impact assessments are undertaken
- Climate Change / Environmental impact assessment are undertaken
- Information governance policy and framework supported by security policies in place
- There is a designated senior information risk owner in post (SIRO)
- Recruitment/ selection procedures aligned with corporate ethos and values
- Customer Care training is mandatory for all front line staff
- The Council participates in the National Fraud Initiative
- Staff required to confirm that they have read and understood the Council's anti-fraud, bribery and corruption arrangements.
- Internal audit plan coverage includes governance and ethics related audits, in line with the Public Sector Internal Audit Standards.
- Any planning applications submitted by staff are reviewed in public
- Agenda management sheets of Council reports include a requirement to highlight the legal implications of decisions
- Records of regulatory training required and undertaken are retained on the Council's HR system
- The Council has an independent persons panel in place which is available for consultation regarding any conduct related complaints.
- The Council has implemented arrangements to ensure compliance with the requirements of the Homelessness Reduction Act 2018.
- Shareholders Committees are place to oversee the activity of the trading companies.
- Team meetings and 121s provide an additional opportunity for officers to raise any concerns they may have

Conclusion:

The Council was compliant with Principle A of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE B

Ensuring openness and comprehensive stakeholder engagement

Arrangements in place:

- The Council publishes on its website a range of information including meeting agendas and reports, financial and procurement data, invitations to tender, senior officer salaries, the contracts register, annual governance statement and financial statements, corporate performance information, planning applications and decisions, delegated decisions and section 106 agreements. •
- Records are retained detailing any decisions taken by officers using their delegated authority, including the rationale. Such decisions are also published.
- The strategic risk register is scrutinised by the Audit Committee.
- The Council consults widely and comprehensively with stakeholders on its proposals. Wider engagement takes place via the Association of South Essex Local Authorities (ASELA) and the Local Enterprise Partnership.
- There is a Scrutiny Committee work programme in place, with members of the public invited to recommend topics and attend annual work planning meetings.
- A Forward Plan is in place setting out what consultation will be undertaken in advance of decisions being made, and with whom.
- A register of Equality, Diversity and Inclusion activities is in place and kept up to date. Equality & diversity training is mandatory for all staff.
- Equality, Diversity & Inclusion Policy Statement and Objectives reviewed by the Equality & Diversity Steering Group, and amended to ensure alignment with the Corporate Strategy
- A communications strategy is in place.
- Customer feedback procedures are in place.
- Active engagement with employees takes place in several ways including through a bi-annual survey, regular employee briefings, the employee network, team meetings and through the Joint Union Consultation Forum.
- Employment policies are developed in consultation with staff and trade unions.
- Cross party working groups are operated as an additional measure which ensures engagement with a broad range of stakeholders on key Council decisions.
- Council meetings are live streamed and recordings are retained on the Council's website
- The Business Plan is supported by Service Plans

Conclusion:

The Council was compliant with Principle B of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE C

Defining outcomes in terms of sustainable economic, social, and environmental benefit

Arrangements in place:

- A Business Plan is in place. The Plan and future delivery documents will provide clear direction to members, staff and other stakeholders. It will also inform the better use of Council resources to deliver priorities. It has not been developed in isolation and has taken account of national, regional, county-wide and local priorities.

- The Medium Term Financial Plan is regularly reviewed and updated.
- Cabinet and Committee reports set out the potential impacts of changes on stakeholders.
- Strategic and operational risk registers are in place.
- The Council has declared a climate emergency and has committed to address its impact on the climate.
- The Council consults widely on its proposals considering the economic, social, and environmental impacts of plans, policies, and decisions.
- There is a clear vision for Rochford through the Business Plan and other underpinning policy and strategy documents available on the Council's website.
- All planning and development decisions are considered openly and transparently in terms of their economic, social, and environmental benefits and impacts.

Conclusion:

The Council was compliant with Principle C of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE D

Determining the interventions necessary to optimise the achievement of intended outcomes

Arrangements in place:

- The Council manages performance through published national and local management performance indicators; this enables intervention to be targeted where it is needed.
- The Business Plan and service plans are designed to ensure that the Council targets the actions necessary to deliver the Corporate Strategy.
- Strategic risk registers are in place linked to strategic and operational targets, detailing the controls in place and the interventions planned to ensure delivery of objectives.
- Each service areas is led by a Director, and dedicated member portfolio holders are aligned with these service areas.
- Committee and Cabinet reports set out the risks and options associated with decisions.
- Quarterly finance and performance reports are submitted to and reviewed by Cabinet.
- An annual budget report and precept setting report, is submitted to Council for approval and there is an established budget setting and monitoring process, which the Council looks to improve year on year, with greater focus on ownership and accountability.
- The Medium-Term Financial Plan is regularly reviewed and updated.
- Approved Asset Management Strategy in place.
- The Council is targeting Carbon neutral by 2033, the key documents to support this are the Rochford's Sustainability Strategy 2022-2030, Carbon Neutral 2030 Policy and Carbon Neutral 2030 Action Plan.
- The Council consults widely on its proposals considering the economic, social, and environmental impacts of plans, policies, and decisions.

- There is a Forward Plan of key decisions and scrutiny committee arrangements in place.
- A customer feedback procedure is in place.
- A Programme Board in place to oversee delivery of the Business Plan 2020-2023 . Key corporate projects also have governance boards in place to provide oversight and ensure effective delivery.
- Financial regulations and instructions are in place.
- Quarterly reports on treasury management activities are submitted to the Audit Committee.

Conclusion:

The Council was compliant with Principle D of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE E

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Arrangements in place:

- Each member of the leadership team undertakes professional development appropriate to their role.
- The respective roles of the Chief Executive and Leader are clearly defined.
- The leadership team meets every week and Cabinet meets on a regular basis.
- Section 151 Officer, Monitoring Officer, and Senior Information Risk Owner (SIRO) are in post.
- The Constitution sets out roles and responsibilities and the Council's decision-making process. An approved scheme of delegation is in place.
- Contract Standing Orders and associated toolkits are in place and are designed to ensure procurement activity is cost effective and ethical.
- Registers of gifts, hospitality, and conflicts of interest in place.
- Gifts and hospitality policy in place.
- Protocol in place setting out the relationship between and roles of members and officers.
- Member training and development programme in place, including dedicated training for planning and licensing committee members.
- Thorough induction processes are in place for all new employees and members, linked to the corporate ethos and values.
- Job profiles clearly set out the responsibilities of officers throughout the organisation.
- HR and Learning and Development Strategies, and Corporate Learning Group in place.
- System of regular team meetings and one to one meetings between managers and staff.
- Employee health and wellbeing is actively promoted, and confidential employee counselling support is always available. Staff are encouraged to complete wellbeing action plans and discuss them with their line manager.
- A comprehensive suite of training and development courses is offered to all employees.

- The Council has a comprehensive suite of HR policies covering employee capability, disciplinary, recruitment and selection, disciplinary and grievance, and flexible working.
- An established Corporate Apprenticeship Scheme is in place.
- Where projects are required, teams are put in place based upon the skills and experience available.
- The Council develops the capacity of community and voluntary groups to become more self-sufficient.
- The Council participates in the Local Authority Challenge.
- Officers are encouraged to subscribe to their relevant professional bodies. This is paid for and supports Continuing Professional Development of the workforce

Conclusion:

The Council was compliant with Principle E of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE F

Managing risks and performance through robust internal control and strong public financial management

Arrangements in place:

- Risk management strategy in place, which was reviewed and updated during the year.
- Strategic and operational risk registers are in place; the strategic risk register is aligned with the corporate strategy.
- The Leadership Team, Audit Committee, Cabinet, Strategic Risk Management Group, and the Health & Safety Committee, all oversee the risk management arrangements.
- The Health & Safety Committee is chaired by a Strategic Director which demonstrates that senior management is taking a lead in risk management.
- A regular risk assessment of the Council's financial reserves and balances is conducted. Key risks are identified, and potential financial impacts are quantified. Reserves are reviewed annually in the context of the risk assessments.
- The annual General Fund budget and level of Council Tax are set taking into account a Section 25 statement from the Chief Officer Finance & Performance on the robustness of estimates and adequacy of reserves.
- A Medium-Term Financial Plan is in place, and is fully updated on an annual basis.
- Financial information is published on a regular basis and established and embedded budget setting and monitoring procedures are in place.
- The Council has a 'No PO, no pay' policy in place.
- Financial regulations and instructions are in place.
- Cabinet and Committee system in place including a scrutiny committee and an Audit & Committee with independent Chair and Vice Chairs.
- Programme Board and project management framework in place.
- Training is provided to all members of Committees to ensure that they are suitably skilled to carry out their role effectively. The training is also offered to other members who may be interested in taking up future roles on these Committees.

- Counter fraud strategy, fraud response plan and confidential reporting code in place.
- The internal audit service provides an independent and objective annual report and opinion.
- Chief Officers have all completed an annual return declaring that the control environment for their area of responsibility has been followed throughout the year and that the governance arrangements set out in this document are correctly stated.
- Service planning and Key Performance Indicators (KPIs) are developed in line with the Corporate Strategy.
- Performance data is reported quarterly to the Executive.
- Data sharing protocols are in place where applicable.
- Shareholders Committee in place to oversee the activity of the trading companies.

Conclusion:

The Council was compliant with Principle F of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

PRINCIPLE G

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Arrangements in place:

- A range of information is published including an annual report of internal audit, the financial statements, the annual report of the external auditor and this annual governance statement, which contains an action plan demonstrating a commitment to continuous improvement.
- All reports are subject to a robust internal review process to ensure they are presented in an understandable style.
- The performance information set out in the financial statements is prepared in consideration of the presentational approach adopted by other similar authorities. • Performance data is reported to Cabinet and the Leadership Team, and is reviewed by the Scrutiny committee.
- In accordance with the Local Government Transparency Code there is an open data section on the Council's website which includes details of senior officer salaries.
- Details of delegated decisions taken by officers are published on the website.
- Independent scrutiny training has been provided to members, the Democratic Services team and the Leadership Team.
- Implementation of external audit recommendations is monitored by the Chief Finance and Performance Officer.
- Implementation of internal audit recommendations is monitored by the Interim Director, Resources, and reported to the Audit Committee.
- The Interim Director Resources and Head of Audit are provided with direct unfettered access to the Chief Executive, and Chair and Vice Chairs of the Audit Committee.
- The Council submits itself to external peer reviews including by the Local Government Association and has welcomed an equalities and diversity peer review and challenge.

- Regulation of Investigatory Powers Act (RIPA) policy in place.
- Invitations to tender are published along with the contracts register.
- The Council prepares and publishes an annual report setting out its achievements over the last year; this is reviewed and discussed by the Scrutiny Committee.
- Senior officers are members of and attend professional peer working groups. This helps to ensure continuous improvement and enables the Council to implement best practice

Conclusion:

The Council was compliant with Principle G of the CIPFA-SOLACE Framework during 2023/24 and this compliance has been maintained to the date this statement was signed.

4. Update on Governance Issues from 2022/23

Set out below are the updates for the Governance issues from the 2022/23 Annual Governance report and the action taken in 2023/24:

<u>PRINCIPLE A</u>	
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
1. Review the corporate values in light of the partnership with Brentwood Council	The Council has determined and approved a set of values following work across the two organisations. These are in line with the new culture and the opportunity the partnership has and continues to create.
<u>PRINCIPLE D</u>	
Determining the interventions necessary to optimise the achievement of intended outcomes	
2. Review corporate priorities for 2023/24 Council	<p>The priorities for 2023/24 were reviewed and either signed off as complete, where amended or continued if they had not been completed as yet.</p> <p>The priorities were monitored to ensure they were delivering against their aspirations.</p> <p>The need for effective strategic planning and management of performance against this is identified as an area for further action in 2024/25.</p>
<u>PRINCIPLE E</u>	
Developing the entity’s capacity, including the capability of its leadership and the individuals within it	

<p>3. Complete the OneTeam recruitment to the top four tiers of management</p>	<p>Recruitment to the top four tiers of the organisation is now complete.</p>
<p>4. Take stock of the OneTeam transformation programme and set out the future direction</p>	<p>Progress of the One Team Transformation Programme continued to be reviewed and reported quarterly throughout the year to members.</p> <p>Following regular reviews the authority, after Leader engagement, implemented an alternative approach to deliver the One Team ambitions. 'Transformation Plans' were rolled out across the organisation for services to complete and remains an area of ongoing focus.</p>
<p>PRINCIPLE G Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>	
<p>5. Recruit an Independent Person (IP) to sit on the Audit Committee to enhance accountability</p>	<p>A successful recruitment exercise was carried out and an appointment of the Independent Person was formally approved by Council. Following due diligence, the IP will begin their role in the 2024-25 municipal year.</p>

5. Internal Audit Opinion of Rochford District Council's Governance Arrangements

CHIEF AUDIT EXECUTIVE OPINION

This audit opinion is based upon, and restricted to, the work that has been performed during the year, including assessments of the:

- design and operation of the underpinning assurance framework and supporting processes, including reliance on other assurance providers where appropriate.
- range of individual opinions arising from our risk-based audit assignments contained within the internal audit risk-based plan that has been reported throughout the year; and
- the relative materiality of the areas reviewed and management's progress in respect of addressing control weaknesses identified.

In terms of breadth of coverage, audit work has been performed across the Council's key services and in relation to its strategic risks where possible. The opinion does not imply that Internal Audit has reviewed and commented on all risks and assurances relating to the Council. It should be stated that it is not expected that all Council activities will be subject to Internal Audit coverage in any one year.

The CAE is satisfied that sufficient work has been undertaken to draw a reasonable conclusion on the adequacy and effectiveness of the council's arrangements. Based on the work performed during 2023/24 and other sources of assurance the CAE is of

the opinion that adequate assurance can be taken that the Council's risk management, internal control and governance processes, in operation during the year to 31 March 2024, generally accord with proper practice and are fundamentally sound, although there are opportunities to improve arrangements to enhance the Council's governance framework.

6. Governance Areas of focus for 2024/25

The Council, Chief Executive and wider senior Offices are committed to ensure the high standards of governance are maintained and remain embedded across the authority. Governance will also remain an area for further development and the following actions are planned in 2024/25. In each case the issue and planned action links the CIPFA-SOLACE framework principle:

<p><u>PRINCIPLE D</u> Determining the interventions necessary to optimise the achievement of intended outcomes</p>
<p>Issues/actions identified and Director responsible:</p> <ol style="list-style-type: none"> 1. Review and ensure clarity of the organisation's strategic priorities through the production and approval of a Corporate Plan that is subject to regular review (<i>Director of Policy and Transformation</i>) 2. Develop and implement a new Asset Strategy and framework that demonstrates best practice for managing the Council's assets and supports delivery of the Council's corporate vision and priorities (<i>Director of Assets and Investment</i>) 3. Implement effective performance management arrangements and processes to enable the organisation to regularly consider and identify performance against the Corporate Plan including delivery of services, achievement of its strategic priorities, governance arrangements and organisational development (<i>Director of Policy and Transformation</i>)
<p><u>PRINCIPLE F</u> Managing risks and performance through robust internal control and strong public financial management</p>
<p>Issues Identified:</p> <ol style="list-style-type: none"> 4. Review and update Contract Procedure Rules to ensure they are fit for purpose and support/enable an effective organisation (<i>Director of Resources</i>) 5. Review and update Financial Regulations to ensure they are fit for purpose and support/enable an effective organisation (<i>Director of Resources</i>)
<p><u>PRINCIPLE G</u> Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>
<p>Issue Identified:</p>

6. Ensure effective operation of the new committee system of governance and sound understanding of the arrangements across all Elected Members and relevant officers (*Director of Governance*)

1. Certification

In the Business Plan 2020-2023 Rochford District Council has committed to priorities and expected outcomes in terms of financial stability, early intervention, maximising use of assets and enabling communities.

For such a commitment to be achieved the Council must have a solid foundation of good governance, supported by sound financial management. The Council operates under the principles identified in The Chartered Institute of Public Finance and Accountancy (CIPFA)/ Society of Local Authority Chief Executives and Senior Managers (SOLACE) Framework 2016 'Delivering Good Governance in Local Government'.

In November 2020 a revised Local Code of Corporate Governance (The Code) was adopted, which details these principles and links to the Business Plan. The Code is supported by a significant range of policies and procedures that form The Governance Framework which sets out how the Council should do what it does.

Each year the Council is legally required to conduct an annual review of the effectiveness of its systems of risk management and internal control, i.e., governance arrangements, through the publication of an Annual Governance Statement (AGS).

This AGS provides assurances on compliance with The Code for the year ending 31st of March 2023 but will include the position up to the date of sign-off of the Annual Accounts.

The Leader of the Council and Chief Executive both recognise the importance of having a solid foundation of good governance and sound financial management.

They have been advised on the outcome of the result of the review of the effectiveness of the Governance Framework and consider that the arrangements provide adequate assurance and continue to be regarded as fit for purpose. They pledge their commitment to address the matters highlighted in this Statement, and to further enhance governance arrangements to enable delivery of the Business Plan.

**Councillor
Leader of the Council**

Chief Executive

Date:

Date:

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required to:-

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For the year 2023/24, the responsible officer was the Section 151 Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve and publish a Statement of Accounts.

The Section 151 Officer's Responsibilities

The Section 151 Officer is responsible for the preparation of the Authority's 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.

In preparing this Statement of Accounts, the Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code

The Section 151 Officer has also:

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

Certificate

The pre-audit Statement of Accounts gives a true and fair view of the financial position of Rochford District Council at 31 March 2024, and its income and expenditure for the year then ended.

Signed:
Section 151 Officer

The Chairman's Approval

I confirm that these accounts were approved by the Audit Committee at its meeting on xxxxxx.

Signed:
Chairman of the Audit Committee

Date:

**ROCHFORD DISTRICT COUNCIL
STATEMENT OF ACCOUNTS 2023/24
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GUIDE TO THE FINANCIAL STATEMENTS

Authority's Published Accounts

The Statement of Accounts (comprising the primary financial statements and notes to the accounts) is part of a wider financial report (called the Annual Financial Report), which also includes the Annual Governance Statement, the Narrative Report and the Auditors Report, which is given at the conclusion of the audit. The responsible financial officer's true and fair certification in the Statement of Responsibilities covers the Financial Statements and notes as does the Auditor's report.

The Financial Statements within this document have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), which defines proper accounting practices for local authorities. The Code requires that the core financial statements and notes be prepared consistently with International Financial Reporting Standards (IFRS) as adopted for use in local government.

Going Concern

The accounts have been prepared on a going concern basis. This means that the Authority will continue to operate its services for the foreseeable future, usually considered to be for the duration of the Authority's planning period, which is for the next five years. This conclusion is based on the Authority's ability to accommodate major funding changes introduced by the Government, the level of reserves that the Authority holds and its successful track record of service delivery.

The Council's Auditor for 2023/24 is EY LLP.

The Primary Financial Statements

It has been necessary to round some of the figures with the Statements and notes to ensure that all Statements agree to each other and, where applicable, figures equal the detailed notes. There may be minor differences in these figures in order to complete the statements, this will only ever be a rounding difference of £2k maximum.

Comprehensive Income and Expenditure Statement (CIES)

This Statement shows the accounting cost in the year of providing services, in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with statutory requirements, this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

For 2023/24, there is an overall increase, after movements to Earmarked Reserves, in the General Fund balance of £65,848

Balance Sheet

The Balance Sheet shows the value of the assets and liabilities recognised by the Authority as at 31 March 2024. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are useable 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 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 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'.

As at 31 March 2024 the Authority has seen a net increase in its assets of £13.681m compared to the same time in the previous year. This comprises of an decrease in Non-Current Assets of £5.853m and an increase in Current Assets of £3.290m, an increase in the value of Current Liabilities of £0.485m and a increase in the long term liabilities of £10.634m.

Movement in Reserves Statement.

This shows the movement in the year on the different reserves held by the Authority, analysed into 'useable reserves' and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the cost of providing the Authority'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 for Council Tax 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.

Cash Flow Statement

The Cash Flow Statement shows the movement in cash and cash equivalents of the Authority during the reporting period. Cash inflows are money received by the Authority and can be from various sources such as Council Tax and Business Rates, fees and charges and government grants. Cash outflows are the money paid out by the Authority, and include payments to suppliers and grants to third parties.

As at 31 March 2024, the Authority's cash balances had increased by £0.920m since 31 March 2023.

Earmarked Reserves

The earmarked reserves are set aside for the purposes detailed below:

Corporate - To provide financial support on corporate objectives and service delivery. There are currently allocations for business rate smoothing, and funds to enable forward funding of the pension deficit if approved by members.

Housing - To provide financial support for Housing Specific issues

IT Strategy - To provide an Investment fund for future IT development.

Projects - To provide financial support for key projects in the Authority, the majority of this reserve is currently earmarked for the Asset Delivery Programme.

The Collection Fund Income and Expenditure Account and Associated Notes

This Authority is a billing authority and this means that it bills and collects Council Tax and National Non Domestic Rates on behalf of other precepting authorities (e.g. the County Council) and Central Government. A statement of Income and Expenditure of the Collection Fund administered by Rochford District Council and the associated notes is shown after the notes to the Primary Financial Statements.

Balance Sheet as at 31 March 2024

31 March 2023 Council £000s	31 March 2024 Council £000s
53,647 Property, Plant & Equipment (Note 15)	47,898
213 Intangible Assets (Note 18)	109
53,860 Long Term Assets	48,007
6,088 Short Term Investments (Note 19)	9,036
3,176 Short Term Debtors (Note 20)	2,598
15,443 Cash and Cash Equivalents (Note 21)	16,363
24,707 Current Assets	27,998
(5,882) Short Term Creditors (Note 22)	(6,655)
(548) Grants Received in advance (Note 30)	(92)
(1,258) Provisions (Note 23)	(1,425)
(7,688) Current Liabilities	(8,173)
Other Long Term Liabilities	
9,582 Net pensions liability (Note 35)	(986)
(1,574) Grants Receipts in Advance (Note 30)	(1,640)
8,008 Long Term Liabilities	(2,626)
78,887 Net Assets	65,206
Useable Reserves	
(16,740)	(18,907)
(16,740)	(18,907)
(62,146) Unuseable Reserves (Note 24)	(46,300)
(78,887) Total Reserves	(65,206)

I certify that the accounts present a true and fair view of the financial position of the Authority as at 31 March 2024 and the income and expenditure for the year then ended.

Signed:

Dated:



Movement In Reserves Statement for year ending 31 March 2023 and 31 March 2024

	General Fund	Earmarked GF	Capital Receipts	Capital Grants	Total useable	Unuseable	Total Authority
	Balance	Reserve	Reserve	Unapplied	Reserves	Reserves (Note 24)	Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 31 March 2022	1,807	14,338	1,375	342	17,862	27,535	45,397
Movement in reserves during 2022/23							
Surplus or (Deficit) on provision of services	3,683				3,683		3,683
Other Comprehensive Income & Expenditure						29,807	29,807
Total Comprehensive Income & Expenditure	3,683	-	-	-	3,683	29,807	33,489
Adjustments between accounting & funding basis under regulations (Note 9)	(4,639)		(141)	(31)	(4,811)	4,811	-
Net Increase/Decrease before transfers to Earmarked Reserves	(956)	-	(141)	(31)	(1,130)	34,618	33,489
Transfers to/from Earmarked Reserves (Note 11)	988	(988)	-	-	-	-	-
Increase/(Decrease) Movement in Year	31	(988)	(141)	(31)	(1,130)	34,618	33,489
Balance at 31 March 2023	1,838	13,350	1,234	311	16,732	62,153	78,886
Movement in reserves during 2023/24							
Surplus or (Deficit) on provision of services	4,061	-	-	-	4,061	-	4,061
Other Comprehensive Income & Expenditure	-	-	-	-	-	(17,741)	(17,741)
Total Comprehensive Income & Expenditure	4,061	-	-	-	4,061	(17,741)	(13,680)
Adjustments between accounting & funding basis under regulations (Note 9)	(1,653)	-	(112)	(133)	(1,898)	1,898	-
Net Increase/(Decrease) before transfers to Earmarked Reserves	2,408	-	(112)	(133)	2,163	(15,843)	(13,680)
Transfers to/from Earmarked Reserves (Note 11)	(2,343)	2,343	-	-	-	-	-
Increase/(Decrease) Movement in Year	66	2,343	(112)	(133)	2,163	(15,843)	(13,680)
Balance at 31 March 2024 carried forward	1,904	15,693	1,122	178	18,895	46,310	65,206

Cash Flow Statement for year ending 31 March 2024

2022/23 Council £000s		2023/24 Council £000s
3,366	Net surplus or (deficit) on the provision of services	4,061
(3,367)	Adjust net surplus or deficit on the provision of services for non cash movements	1,044
(1,308)	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(1,302)
(1,309)	Net (Outflow)/ Inflow from Operating Activities (Note 25)	3,804
(2,029)	Investing Activities (Note 26)	(3,053)
(1,650)	Financing Activities (Note 26)	169
<u>(4,988)</u>	<u>Net increase or (decrease) in cash and cash equivalents</u>	<u>920</u>
20,431	Cash and cash equivalents at the beginning of the reporting period	15,443
15,443	Cash and cash equivalents at the end of the reporting period	16,363

Notes to the

Note 1 EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis provides a reconciliation from the Provisional Outturn report to the CIES in these accounts.

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

2022/23 RESTATED*					2023/24			
Net Expenditure Chargeable to the General Fund Per Provisional Outturn Report	Other Adjustments**	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis (Note 8)	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Per Provisional Outturn Report	Adjustments between the Funding and Accounting Basis (Note 8)	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000	£000	£000		£000	£000	£000
1,378	-	1,378	661	2,039	Leader	488	1,272	1,760
629	-	629	80	709	Resources, Climate Change & Economy	710	(9)	701
1,238	-	1,238	117	1,355	Governance and Communications	1,364	(16)	1,348
571	-	571	162	733	Strategic Planning & Assets	334	(14)	320
2,746	-	2,746	83	2,829	Environment Services	3,254	349	3,603
267	-	267	20	287	Leisure, Tourism And Wellbeing	242	-	242
261	-	261	113	374	Communities and Health	213	38	251
738	-	738	97	835	Housing	509	6	514
1,139	-	1,139	414	1,553	Customer Services	1,715	107	1,822
220	-	220	(2,147)	(1,927)	Public Spaces and Assets	650	354	1,004
								-
9,187	-	9,187	(400)	8,787	Net cost of services	9,478	2,086	11,564
(8,231)		(8,232)	(4,239)	(12,470)	Other Income and Expenditure	(11,887)	(3,739)	(15,626)
		956	(4,639)	(3,683)	Surplus or Deficit	(2,409)	(1,653)	(4,062)
		(16,145)			Opening General Fund Balance including Earmarked Reserves	(15,187)		
		956			Plus Surplus on General Fund in Year	(2,409)		
		(15,189)			Closing General Fund Balance including Earmarked Reserves at 31st March	(17,596)		

* See note 37 for details of the restatement of 22/23 accounts

2. ACCOUNTING POLICIES

2.1 GENERAL PRINCIPLES

The Financial Statements summarises the Authority's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require the Accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by the International Financial Reporting Standards (IFRS).

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

2.2 ACCRUALS FOR INCOME AND EXPENDITURE

The revenue accounts of the Authority are maintained on an accruals basis. This means that sums due to or from the Authority relating to the year are included whether or not the cash has actually been received or paid. A sum becomes due when a contractual obligation has taken place.

Where income and expenditure have been recognised in the Comprehensive Income and Expenditure Statement (CIES), but cash has not been received or paid, a debtor or creditor is raised for the relevant amount in the Balance Sheet.

A provision for doubtful debts is included in the balance sheet item, and any changes to this provision are charged through the Finance and Investment Income and Expenditure on the CIES.

2.3 PROVISIONS AND CONTINGENT ASSETS /LIABILITIES

Provisions are made where an event has taken place that gives the Authority an obligation that will probably require settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation, but where the timing of the transfer is uncertain.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, based on the best estimate at the balance sheet date of the likely settlement. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a settlement is required (or a lower settlement than estimated is made) the provision is reversed and credited back to the relevant service.

In the event that a possible liability (or asset) arises which may require settlement by a transfer of economic benefits, but the timing and amount of the transfer is uncertain and the obligation will only be confirmed by occurrence or otherwise of a future event, then this will not be recognised in the Balance Sheet, but will be shown in a note to the accounts as a contingent asset or liability

2.4 ACCOUNTING FOR COUNCIL TAX

While the Council Tax income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund, or paid out to the major preceptors. The amount credited to the General Fund under statute is the Council's demand for the year plus or minus the Council's share of the surplus or deficit on the Collection Fund for the previous year.

The Council Tax income included in the Comprehensive Income and Expenditure Statement is the Council's share of the Collection Fund's accrued income for the year. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to Council Tax shall be measured at the full amount receivable (net of any impairment losses) as the transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Council from Council Tax payers belongs proportionately to the Council and the major preceptors. The difference between the amounts collected on behalf of the major preceptors and the payments made to them is reflected as a debtor or creditor balance as appropriate.

2.5 ACCOUNTING FOR NON DOMESTIC RATES (NDR)

While the NDR income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Authority's General Fund, or paid out to the precepting authorities and the Government. The amount credited to the General Fund under statute is the Authority's share of NDR for the year specified in the National Non Domestic Rates NNDR1 return.

The NDR income included in the Comprehensive Income and Expenditure Statement is the Authority's share of the Collection Fund's accrued income for the year and is as set out in the NNDR3 return. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to NDR shall be measured at the full amount receivable (net of any impairment losses) as these transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Authority from NDR payers belongs proportionately to the Billing Authority, the precepting authorities and Government. The difference between the amounts collected on behalf of the precepting authorities and Government and the payments made to them is reflected as a debtor or creditor balance as appropriate.

Provisions for NDR Appeals

The way that local government is funded was changed by the Government with effect from 1 April 2013 with the introduction of the Rates Retention Scheme. As part of the scheme, the Authority has to make a provision for the outcome of appeals against rating valuations; this is a risk that has been transferred to local authorities. Whilst it is difficult to accurately predict the outcome of appeals a provision is estimated based on past successful appeals and their monetary impact on collectable business rates.

2.6 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

2.7 CHARGES TO REVENUE FOR NON CURRENT ASSETS

Services and support services are debited with the following amounts to record the cost of holding fixed assets during the year:

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

The Authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. Therefore these transactions are adjusted in the General Fund balance by a transaction between the Capital Adjustment Account and the Movement in Reserves Statement.

2.8 EMPLOYEE BENEFITS

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements and flexi leave earned by employees but not taken before the year-end which employees can carry forward in to the next financial year. This accrual is charged to the relevant service, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs, but there is no impact on the amount chargeable to Council Tax.

Termination Benefits

Termination benefits, are payable as a result of a decision by the Authority to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. These are charged on an accruals basis to the appropriate Service or where applicable to the Non Distributed Costs in the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for the restructuring.

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

The Authority's policy on termination benefits does not involve additional pension contributions or enhancements for employees retiring early, other than what is required under Local Government Pension Regulations for employees that are made redundant after the age of 55 who are members of the scheme. For such employees made redundant, they shall receive the value of their pension on the date of redundancy without any actuarial reduction. This usually requires the Authority to pay a financial strain payment to the pension fund.

Post Employment Benefits

Local Government Pension Scheme (LGPS):

The Authority is a member of the LGPS which is a defined benefit scheme based on length of service and salary, administered on behalf of the Authority by Essex County Council.

Liabilities in the scheme that are attributed to the Authority 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 e.g. mortality rates, employee turnover rates and projections of future earnings for current employees.

Liabilities are discounted to their value at current prices using a discount rate appropriate for the scheme, based on the indicative rate of return on AA rated corporate bonds that reflect the duration of the pension liabilities.

Assets in the scheme attributed to the Authority are included in the Balance Sheet at their fair value, using either current bid price, professional estimate or market value for property.

Actuarial gains and losses are recognised immediately in the Comprehensive Income and Expenditure Statement (CIES), in line with the Actuary's treatment, these are then reversed out to affect the net pension liability. Note 30 provides the details of the transactions that have been made in the CIES and the General Fund via the Movement in Reserves Statement during the year.

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

- Service Cost comprising:

- Current Service Cost - the increase in liabilities as a result of years of service earned this year - allocated in the CIES to the services for which the employees worked;

- Past Service Cost - the increase in liabilities arising from current year decisions whose effect relates to years of Service earned in earlier years, e.g. benefits to a member such as added years. - debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non Distributed Costs.

- Net Interest on the Defined Liability – comprising interest income on the assets and interest expenses on the liabilities, which are both calculated by applying the discount rate used to measure the defined benefit liability - charged to the Financing and Investment Income and Expenditure line of the CIES.

- Remeasurements comprising:

- the return on plan assets - excluding amounts included in net interest on the net defined benefit liability - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;

- actuarial gains and losses - changes to the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- Contributions paid to the Pension Fund – cash paid as employers' contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Statutory provisions limit the amount chargeable to Council Tax for pensions to the sums certified by the actuary as employer contributions for the year. In the Movement in Reserves Statement there are appropriations to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and any amounts payable to the Fund but unpaid at year-end.

2.9 FINANCIAL INSTRUMENTS

Financial Assets

Financial assets are classified into three types:

- Amortised Cost - held solely for payments of income and principal and the business model for holding them is to collect contractual cash.
- Fair Value through Other Comprehensive Income - held solely for payments of income and principal, and the business model for holding them is to collect contractual cash and sell assets,
- Fair Value through Profit or Loss - this includes all other instruments that are not covered by the above. There is currently a statutory override that allows pooled funds to be reversed through the Movement in Reserves Statement.

The Authority has investments classed as Amortised Cost, and Fair Value Through Profit or Loss. It has no borrowing.

Investments are recognised on the Balance Sheet when the Authority enters into the contractual arrangements for the financial instrument. The amount represented in the Balance Sheet is the outstanding principle receivable plus accrued interest, and interest credited to the Comprehensive Income and Expenditure Statement (CIES) is the amount receivable for the year in the agreement. For Fair Value through Profit and Loss, any difference between Fair Value and the carrying value in the accounts is also taken through the CIES.

The Authority holds funds in Money Markets that are available on instant withdrawal, all other investments are short term (less than 365 days) fixed period cash deposits made in the United Kingdom and are shown at the cash value of the investment including any interest due.

2.10 GOVERNMENT GRANTS

Regardless of method of payment, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

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

Where a grant or contribution has a condition attached amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until the conditions have been satisfied. Conditions are terms of the financing that specify that the grant will be required to be returned to the transferor if they are not met.

Where conditions are not yet satisfied, monies are carried as creditors in the Balance Sheet. When they are satisfied, it is then credited to the relevant service area in the Comprehensive Income and Expenditure Statement if a specific revenue grant, or if it is a non-ringfenced revenue grant or a capital grant to Taxation and Non Specific Grant income.

As per the Code of Practice any unringfenced grant received by the Authority is recognised as it is received.

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

2.11 INTANGIBLE ASSETS

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

These are recorded in the Balance Sheet at historical cost. The balance is then amortised to the relevant service revenue account over the economic life of the asset (considered to be 5 years).

It is not permitted for the revenue charges to have an impact on the General Fund Balance, therefore they are reversed out in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

2.12 LEASES

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

Where a lease covers both land and building, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

2.13 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.

Recognition

Expenditure on the acquisition or enhancement of Property, Plant & Equipment has been capitalised on an accruals basis in the Balance Sheet. Expenditure that maintains (repairs and maintenance) but does not enhance an asset is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to operate.

In line with the Code of Practice land and buildings are re-valued at least every five years, unless evidence suggests that this would lead to a significant difference between the true valuation and the balance sheet value, in which case valuations are carried out more frequently as required. If there is evidence to suggest that there has been a general uplift in a particular class of assets a percentage uplift may be applied across all assets in that class, without undertaking individual revaluations of each asset. Valuations and market reviews are provided by Wilks Head & Eve LLP which is a member of the Royal Institute of Chartered Surveyors.

Fixed assets consist principally of the Authority's land and buildings. Assets are generally included in the Balance Sheet on the following basis:

- Operational assets have been included in the Balance Sheet at market value for existing use or depreciated replacement cost for specialist properties.
- Community Assets are recorded at Historic Cost. A valuation is obtained where this is not available.
- Fee-charging car parks have been valued taking into account all costs attributable to the running of the car parks.

The Authority's fixed asset register also contains vehicles used to provide the services under the Waste Collection, Street Cleansing and Grounds Maintenance Contracts.

Following a revaluation, increases are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement (CIES) where they arise from the reversal of a loss previously charged to a service. Decreases in the valuation of individual assets are written back against the revaluation reserve for those assets, if the decrease exceeds the reserve the balance of the decrease is charged to the CIES.

Impairment

Where there is indication that an asset has been impaired during the course of the Financial Year an estimate is made of the amount of impairment and this is set against the revaluation reserve for that asset. If the reserve is insufficient the balance of the amount of the impairment is charged to the CIES.

Depreciation

Depreciation is charged to the Comprehensive Income and Expenditure Statement on all operational assets. Depreciation rates are determined according to the life expectancy of individual assets. Depreciation is not charged for Community Assets.

Depreciation is charged on a straight line basis and the useful economic life for Operational Assets as follows:

- 20-50 years for buildings
- 5-18 years for vehicles
- 5-10 years for furniture and equipment.

Car park land is not depreciated. The value of the surfacing and fencing is generally not significant and therefore does not need to be depreciated.

Componentisation

The Authority have made the decision not to componentise assets on the grounds of materiality.

Disposals

Where a non-current asset is disposed of the profit or loss on disposal is reported against the appropriate service line in the CIES and the value of the asset is removed from the balance sheet. Any balance on the revaluation reserve is written off to the Capital Adjustment Account.

Generally there are statutory restrictions over the use of capital receipts. Sale proceeds other than the profit / loss on disposal are reserved for new capital investment or for the reduction in an authority's indebtedness.

Assets Held for Sale

If it is decided to sell an asset and it is highly likely that through actions already taken the sale will take place within a year the asset is reclassified as an Asset Held for Sale. Such assets are revalued before reclassification.

2.14 RESERVES

The Authority sets aside specific amounts as Earmarked reserves for future policy purposes or to cover contingencies. Earmarked reserves are created by moving funds from General Fund Balances in to the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year for inclusion in the surplus/deficit on the provision of services, the reserve is then moved back into the General Fund Balance so that there is no net charge against Council Tax for Expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, council tax and business rates, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority.

2.15 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Capital Expenditure, which does not give rise to a tangible non-current asset or where the economic benefit of the asset cannot be controlled by the Authority, is classified as Revenue Expenditure Funded from Capital Under Statute. These sums are written out of the accounts in the year they are incurred.

2.16 VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable.

2.17 EXCEPTIONAL ITEMS

When items of income and expense are material and significant to an understanding of the Council's financial performance their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts.

2.18 PRIOR PERIOD ADJUSTMENTS

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise e.g. on grounds of materiality) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

Should any of the above instances arise, the appropriate disclosures will be made within the accounts.

2.19 GOING CONCERN

These accounts have been prepared on a going concern basis to 31 March 2024 in line with the assumption that the Authority's functions and services will continue in operational existence for the foreseeable future.

The provisions in the 2023/24 Code of Practice on Local Authority Accounting in the UK ('the Code') in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. Local authorities carry out functions essential to the local community and are revenue-raising bodies (with limits on their revenue-raising powers set at the discretion of central government). If an authority were in financial difficulty and unable to provide its essential functions, possible options of last resort are that alternative arrangements might be made by central government for the continuation of the services it provides, or for additional financial assistance/ flexibilities to be offered to enable the local authority to continue to operate e.g. to allow recovery of any deficit over more than one financial year. As a result, it would not therefore be appropriate for local authority financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code, therefore, assume that a local authority's services will continue to operate for the foreseeable future.

	2023/24 Year End (£)	2024/25 Year End Projection (£)	2025/26 Year End Projection (£)
Earmarked Reserves	15,692,630	9,886,047	8,466,063
General Balance	1,903,848	1,903,848	1,899,848

Within the 31 March 2024 Earmarked Reserves balance there is a Business Rates Smoothing Reserve of £1,666,735.

It is planned to maintain the target level of General Balance at a minimum of 10% of the Council's net revenue budget, to allow the Council to deal with unexpected events or costs at short notice.

The Council will continue to face challenging financial times for the foreseeable future, with the ongoing impact of continued pressures on local government funding, significant inflationary pressures emerging over 2023/24 and increasing demand for services; however, we remain satisfied that there is no material uncertainty relating to going concern. However the Council needs to continue with its transformation ambition set out in its Business Plan and key projects such as the Asset Delivery Programme and OneTeam Transformation Programme to help manage these pressures.

Considering the income and expenditure pressures in conjunction with the cash and cash equivalent balances held by the authority, there are no concerns over cashflow over the coming 12 months. At the end of 2023/24 balances held in the bank and in investments were £25.400m.

3. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

The following are the accounting standards that have been issued but not yet adopted by the Authority as at the Balance Sheet date. Under the Code of Practice on Local Authority Accounting, disclosure of the impact of accounting standards issued but not adopted is required. Following a review of the relevant standards it has been determined that there would be no material changes to the accounts if these were to have been adopted. The applicable changes for 2023/24 are as follows:

IFRS 16 leases commenced on 1 April 2024. In Summary, this standard will require the Council, when acting as a lessee in a lease arrangement, to recognise the asset that is the subject of the lease on the balance sheet and to also include the associated lease liability. The impact on net assets on the balance sheet will therefore be nil. It should be noted that the recognition of any lease liability under the new standard will increase the debt position of the Council.

Had the standard been in place for 2023/24, the Council would have been required to recognise additional assets, valued at £2.5m on the balance sheet.

Classification of Liabilities as Current or Non -Current (Amendments to IAS 1) issued in January 2020 is not applicable.

Lease Liability in a sale and Leaseback (Amendments to IFRS 16) issued in September 2022 is not applicable.

Non current Liabilities with Covenants (amendments to IAS 1) issued October 2022 is not applicable.

International Tax Reform: Pillar Two Model rules (Amendments to IAS 12). Issued in May 2023 is not applicable.

Supplier Finance arrangements (Amendments to IAS 7 and IFRS 7).issued in May 2023 is not applicable.

4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 2, the Authority has had to make certain judgments about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- Depreciation is calculated based on the Useful Economic Life of an asset. When calculating these each year there is an assumption that there will not be major changes to the conditions of the assets or the market values.
- Each year Pension transactions are determined by the actuary. These are subject to triennial revaluations and accounting assumptions. The accounts are produced annually assuming that the assumptions used in that year will be in place going forward.
- The Authority assume the liability for refunding ratepayers who successfully appeal against the rateable value of their properties. The Authority has made provision for potential successful appeals to 31 March 2024.

5. MATERIAL ITEMS OF INCOME AND EXPENDITURE

There are no material items of income or expenditure which are not disclosed within the CIES or its notes.

6. EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts was authorised for issue by the Section 151 Officer on 3 July 2024. Events taking place after this date up until the date of Committee approval are not reflected in the Financial Statements or notes. Where events take place before this date provided information about conditions existed at 31 March 2024, the figures in the Financial Statements and notes have been adjusted in all material respects to reflect the impact of this information.

7. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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

The items in the Authority's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:-

Item	Uncertainties	Effect if Actual Results differ from Assumptions
Depreciation	The annual charge made is based on Useful Economic Lives (UEL), which are only an estimation of the period of time over which an asset will continue to be of economic benefit to the Authority.	If the UEL changes significantly, then there potentially could be a significant change to the charge to service expenditure. This item however is reversed out of General Fund Balances so wouldn't impact on the level of reserves. In 23/24 the annual depreciation charge fincrease by £154,917 for every year that useful lives had to be reduced.
Land and Building Valuations	Land and Building non-current assets are valued on a five year basis and so the potential exists for variations in value and changes in useful life.	A variation in the value of these assets will impact the Balance Sheet Property Plant and Equipment and Revaluation Reserves. A net book value variation of 1% equates to £397,000.
Pensions Liability	Estimation of net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the authority with expert advice about the assumptions applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £0.899m. Details of Pensions Assets and Liabilities Recognised in the Balance Sheet are shown in Note 35.
Bad Debt Provision	The provision is primarily based on a calculation of previous years' outstanding debts and is therefore mostly based on historical information.	The amount of revenue recognised in the accounts will be incorrect and the level of assets recorded in the balance sheet will be incorrect. A movement in the level of the provision of 5% equates to approximately £64,000.
Business Rates Appeals Provision	The provision is based on past successful appeals and their monetary impact on collectable business rates. Provision for the reduction on rateable value are made for known appeals outstanding. The provision of £3.563m was based on historical trends of successful appeals of which RDC's share is £ 1.4m.	Any increase in the liability of this provision would be shared between Rochford DC, Government ,Essex County and Fire Authority on the same basis as collectable funds get distributed. Rochford's share of the increase in liability will reduce funds available for the delivery of services. A 5% movement in the closing provision equates to approximately £71,000 for Rochford District Council.

Note 8 - Note to the Expenditure and Funding Analysis

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

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments between Funding and Accounting Basis 2023/24			
	Adjustments for Capital Purposes *	Net change for the Pensions Adjustments **	Other Differences ***	Total Adjustments
	£000	£000	£000	£000
Leader	-	(210)	1,482	1,272
Resources, Climate Change & Economy	-	(9)	-	(9)
Governance and Communications	-	(11)	(5)	(16)
Strategic Planning	-	(15)	1	(14)
Environment Services	359	(8)	(2)	349
Leisure, Tourism and Wellbeing	4	(1)	(3)	-
Communities and Health	42	(7)	3	38
Housing	11	(8)	2	5
Customer Services	139	(28)	(5)	106
Public Spaces & Assets	373	(20)	1	354
Net Cost of Services	928	(317)	1,474	2,086
Other income and expenditure from the Expenditure and Funding Analysis	(1,498)	(489)	(1,752)	(3,739)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	(570)	(806)	(278)	(1,653)

*Adjustments for Capital purposes:

- Depreciation, impairments and revaluation gains and losses are added in the service lines
- Capital grants, expenditure and receipts reserve movements are shown within Other Income and Expenditure

**Net change for pension adjustments:

- Employer contributions made by the Council are reversed from the service lines and replaced with current and past service costs as per IAS19
- The net interest on the defined benefit liability is shown within Other Income and Expenditure

***Other:

- Timing differences for Council tax and Business rate income and charges for unpaid staff absences
- Adjustment for items not reported to Members as part of the outturn (eg. Investment interest that is reported under the financial services portfolio in the provisional outturn report but is not included in the service areas within the financial statements.).

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments between Funding and Accounting Basis			
	Adjustments for Capital Purposes (Sub Note 1)	Net change for the Pensions Adjustments (Sub Note 2)	2022/23 RESTATED * Other Differences (Sub Note 3)	Total Adjustments
	£000	£000	£000	£000
Leader		123	538	661
Resources, Climate Change & Economy	-	79	1	80
Governance and Communications	-	115	2	117
Strategic Planning	-	164	(2)	162
Environment Services	2	80	1	83
Leisure, Tourism and Wellbeing	-	17	3	20
Communities and Health	42	70	1	113
Housing	18	75	4	97
Customer Services	132	279	3	414
Public Spaces & Assets	(2,312)	165	-	(2,147)
Net Cost of Services	- 2,118	1,167	551	- 400
Other income and expenditure from the Expenditure and Funding Analysis	(2,863)	370	(1,746)	(4,239)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit	(4,981)	1,537	(1,195)	(4,639)

1. Adjustments for Capital purposes:

- Depreciation, impairments and revaluation gains and losses are added in the service lines
- Capital grants, expenditure and receipts reserve movements are shown within Other Income and Expenditure

2. Net change for pension adjustments:

- Employer contributions made by the Council are reversed from the service lines and replaced with current and past service costs as per IAS19
- The net interest on the defined benefit liability is shown within Other Income and Expenditure

3. Other:

- Timing differences for Council tax and Business rate income and charges for unpaid staff absences
- Adjustment for items not reported to Members as part of the outturn (eg. Investment interest that is reported under the financial services portfolio in the provisional outturn report but is not included in the service areas within the financial statements.).

* See Note 37 for details of the restatement

9. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2023/24	Useable Reserves			Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
Adjustments primarily involving the Capital Adjustment Account:	£000s	£000s	£000s	£000s
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement:				
Charges for depreciation of non current assets and amortisation of intangible assets.	(741)			741
Revaluation gains / (losses) on Property, Plant and Equipment	(176)			176
Capital grants and contributions applied	830			(830)
Revenue expenditure funded from capital under statute	(725)			725
Insertion of items not debited or credited to the Comprehensive Income & Expenditure Statement:				
Capital Expenditure charged against the General Fund balances	613			(613)
Minimum Revenue Provision	298			(298)
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied and credited to the Comprehensive Income & Expenditure Statement	-	-	133	(133)
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	18	(18)		-
Use of Capital Receipts Reserve to finance new capital expenditure		584		(584)
Contribution to the Capital Receipts Reserve for Unattached Capital Receipts	454	(454)		-
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	804			(804)
Adjustments primarily involving the Collection Fund Adjustment Account:				
Amount by which Council Tax & NNDR income credited to the Comprehensive Income & Expenditure Statement is different from Council Tax & NNDR income calculated for the year in accordance with statutory requirements	269			(269)
Adjustments primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	10			(10)
Total Adjustments:	1,653	112	133	(1,898)

2022/23 RESTATED*	Useable Reserves			Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	
Adjustments primarily involving the Capital Adjustment Account:	£000s	£000s	£000s	£000s
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement:				
Charges for depreciation of non current assets and amortisation of intangible assets.	(379)			379
Revaluation losses on Property, Plant and Equipment	2,516			(2,516)
Capital grants and contributions applied	883			(883)
Revenue expenditure funded from capital under statute	(820)			820
Capital Expenditure charged against the General Fund balances	2,357			(2,357)
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied and credited to the Comprehensive Income & Expenditure Statement			31	(31)
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	50	(50)		-
Use of Capital Receipts Reserve to finance new capital expenditure		566		(566)
Contribution to the Capital Receipts Reserve for Unattached Capital Receipts	375	(375)		-
Adjustments primarily involving the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1,854)			1,854
Adjustments primarily involving the Collection Fund Adjustment Account:				
Amount by which Council Tax & NNDR income credited to the Comprehensive Income & Expenditure Statement is different from Council Tax & NNDR income calculated for the year in accordance with statutory requirements	1,191			(1,191)
Adjustments primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4			(4)
Total Adjustments:	4,323	141	31	(4,495)

*See note 37 for details of the restatement

Note 10 Expenditure and Income Analysed By Nature

2023/24

	Total £000's
Fees, Charges & other service income	(6,371)
Interest and Investment income	(1,483)
Taxation and Non Specific Grant Income	(15,147)
Government grants and contributions	<u>(11,877)</u>
Total Income	<u>(34,878)</u>
Employee Expenses	6,776
Other service expenses	11,360
Housing Benefit	10,269
Support Service recharges	-
Gain on Disposal of Fixed Asset	(472)
Depreciation, amortisation and impairment	918
Precepts & Levies	1,966
Interest Payment	-
Total Expenditure	<u>30,817</u>
(Surplus) or deficit on the provision of services	<u>(4,061)</u>

2022/23

	Total £000's
Fees, Charges & other service income	(7,492)
Interest and Investment income	(555)
Taxation and Non Specific Grant Income	(13,621)
Gain on Recognition of Donated Assets	-
Government grants and contributions	<u>(11,575)</u>
Total Income	<u>(33,243)</u>
Employee Expenses	8,694
Other service expenses	11,555
Housing Benefit	10,109
Support Service recharges	-
Gain on Disposal of Fixed Asset	(425)
Depreciation, amortisation and impairment	(2,134)
Precepts & Levies	1,761
Payments to Housing Capital Receipts Pool	
Interest Payment	
Total Expenditure	<u>29,560</u>
(Surplus) or deficit on the provision of services	<u>(3,683)</u>

See note 37 for details of the restatement

11. TRANSFERS TO/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2023/24

	Balance at 31 March 2022 £000s	Transfer Out 2022/23 £000s	Transfer In 2022/23 £000s	Balance at 31 March 2023 £000s	Transfer Out 2023/24 £000s	Transfer In 2023/24 £000s	Balance at 31 March 2024 £000s
General Fund:							
Corporate	9,940	(4,542)	2,204	7,601	(1,343)	2,998	9,257
Housing	885	(63)	168	990	(23)	268	1,236
IT Strategy	83	(5)	80	158	(86)	110	181
Projects	3,430	(1,456)	2,627	4,601	(491)	910	5,020
Total	14,338	(6,066)	5,079	13,350	(1,943)	4,285	15,693

12. OTHER OPERATING EXPENDITURE

2022/23 £000s		2023/24 £000s
1,761	Parish council precepts	1,966
(425)	(Gains) from other capital receipts	(472)
1,336	Total	1,494

13. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2022/23 Council £000s		2023/24 Council £000s
-	Interest payable and similar charges	-
370	Pensions - net interest on defined liability (Note 35)	(489)
(543)	Interest receivable and similar income	(1,311)
(12)	Amortisation of Financial Instruments	(172)
(185)	Total	(1,972)

14. TAXATION AND NON SPECIFIC GRANT INCOMES

2022/23 £000s		2023/24 £000s
(9,786)	Council tax income	(10,310)
(2,895)	Non domestic rates income and expenditure	(3,732)
(859)	Non-ring fenced government grants	(990)
(81)	Capital grants and non service specific grants	(116)
(13,621)	Total	(15,147)

15. PROPERTY, PLANT & EQUIPMENT

Movement in Balances

2023/24	Operational				Total £000s
	Other Land & Buildings £000s	Community Asset £000s	Vehicles, Plant, Furniture & Equipment £000s	Available for sale £000s	
Balance at 1 April 2023	46,070	4,334	3,999	-	54,403
Additions	426	226	782	-	1,434
Write back from Asset Register	(80)	-	(58)	-	(138)
Revaluation gain (Revaluation Reserve)	(9)	-	-	-	(9)
Revaluation loss (Revaluation Reserve)	(6,360)	-	-	-	(6,360)
Revaluation Gain (CIES)	28	-	-	-	28
Revaluation loss (CIES)	(205)	-	-	-	(205)
Gross book value as 31 March 2024	39,871	4,560	4,722	-	49,153
Depreciation					
Accumulated depreciation	(215)	-	(535)	-	(750)
Depreciation for year	(2)	-	(635)	-	(636)
Depreciation written back on disposal & revaluation	80	-	58	-	138
Balance at 31 March 2024	(137)	-	(1,112)	-	(1,248)
Net book value of assets at 31 March 2024	39,734	4,560	3,611	-	47,904
This balance is made up of:					
Gross book value	46,070	4,334	3,999	-	54,403
Movement	(6,199)	226	723	-	(5,250)
Accumulated depreciation	(137)	-	(1,112)	-	(1,248)
	39,734	4,560	3,611	-	47,904

Depreciation

The bases used in the calculation of depreciation are documented in Note 2 to these Statements.

Effects of Changes in estimates

For properties that have been revalued, the UEL is also reviewed. If amended, this affects the annual depreciation charge for these assets.

Comparative Figures for 2022/23	Operational				Total £000s
	Other Land & Buildings	Community Assets	Vehicles, Plant, Furniture & Equipment	Available for sale	
	£000s	£000s	£000s	£000s	
Balance at 1 April 2022	39,377	4,188	1,623	-	45,188
Additions	239	146	2,626	-	3,011
Disposals	-	-	-	-	-
Write back from Asset Register	-	-	(250)	-	(250)
Revaluation Gain (Revaluation Reserve)	4,320	-	-	-	4,320
Revaluation loss (Revaluation Reserve)	(381)	-	-	-	(381)
Revaluation Gain (CI&E)	2,810	-	-	-	2,810
Revaluation loss (CI&E)	(295)	-	-	-	(295)
Gross book value as 31 March 2023	46,070	4,334	3,999	-	54,403
Depreciation					
Accumulated depreciation	(163)	-	(561)	-	(724)
Depreciation for year	(52)	-	(224)	-	(276)
Depreciation written back on disposal & revaluation	-	-	250	-	250
Balance at 31 March 2023	(215)	-	(535)	-	(750)
Net book value of assets at 31 March 2023	45,855	4,334	3,464	-	53,653
This balance is made up of:					
Gross book value	39,377	4,188	1,623	-	45,188
Movement	6,693	146	2,376	-	9,215
Accumulated depreciation	(215)	-	(535)	-	(750)
	45,855	4,334	3,464	-	53,654

Regularity of Valuations

The Code of Practice on Local Authority Accounting specifies that for assets that are required to be carried at fair value, revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The Code requires that assets must be revalued every five years as a minimum, but must be revalued more regularly where a five-yearly valuation is insufficient to keep pace with material changes in fair value.

An external body, Wilks Head & Eve, members of the Royal Institute of Chartered Surveyors, carried out asset valuations on land and buildings due for revaluation within the five year cycle. The date of valuation was 31st December 2023. They also supplied the Authority with a Market Review of its properties as at 31st March 2024. The Market Review informed the Authority that buildings valued at Depreciated Replacement Cost (DRC) had increased in value. Rochford applied the percentage increases of 6% to those assets valued at DRC.

The table below shows the total of the revaluations over the five year cycle. The basis for measurement is shown in the Accounting Policy note 2.13.

	Other Land & Buildings £000s	Community Assets £000s	Vehicles, Plant, Furniture & Equipment £000s	Assets held for Sale £000s	Total £000s
Carried at historical cost	36	3,526	4,721	-	8,283
Valued at current value as at:					
31 March 2024	28,996	-	-	-	28,996
31 March 2023	6,269	-	-	-	6,269
31 March 2022	25	-	-	-	25
31 March 2021	3,799	-	-	-	3,799
31 March 2020	616	-	-	-	616
31 March 2019	124	1,036	-	-	1,160
Total Cost or Valuation	39,865	4,562	4,721	-	49,148

16. LEASED PROPERTIES

Authority as Lessee (Operating Leases)

The authority has acquired a residential property to accommodate homeless residents. This lease will expire in 2027. The future minimum lease payments due under non cancellable leases in future years are:-

	31 March 2023 £'000s	31 March 2024 £'000s
Not later than one year	187	205
Later than one year and not later than five years	686	702
Later than five years	80	1,280
Total	953	2,187

Authority as Lessor (Operating Leases)

Rochford District Council holds leases on several of its properties with local organisations such as Parish Councils, sports clubs and welfare associations. These are often for a peppercorn rent to reflect the benefit to the community.

The authority leases out property and equipment under operating leases for the provision of community services.

	31 March 2023 £'000s	31 March 2024 £'000s
Not later than one year	51	62
Later than one year and not later than five years	160	176
Later than five years	242	229
Total	453	467

The minimum Lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24 £10,732.04 contingent rents were receivable by the authority (2022/23 £11,072)

The Authority also leases its Depot to the waste disposal contractor for a peppercorn rent. Also waste vehicles owned by the Council include an embedded lease arrangement whereby the waste disposal contractor will use them. These arrangements are due to continue for the duration of the waste contract.

17. TRUST & AGENT FUNDS

The Authority administers three small Trust Funds. These are Dutch Cottage Trust, King George Playing Field Trust, and the Finchfield Trust. The King Georges does not have any transactions for disclosure for 2023/24. The current outturn for the other two trusts are shown below. The Authority is the Custodian Trustees of the fixed assets and consequently these are not included on our Balance Sheet .

2023/24

Trust	Income £000s	Expenditure £000s	Assets £000s	Liabilities £000s
Dutch Cottage	7	11	353	0
Finchfield	71	179	2,946	9

The figures above are only draft as the accounts for these trusts have not yet been audited.

2022/23

Trust	Income £000s	Expenditure £000s	Assets £000s	Liabilities £000s
Dutch Cottage	6	6	358	7
Finchfield	74	62	3,078	31

18. INTANGIBLE ASSETS

This relates to the purchase of software licences. The cost of Intangible Assets is written off to the IT service revenue account over a period of 5 years on a straight line basis, and then absorbed as an overhead across all the service headings in the Net Expenditure of Services.

It is not possible to quantify exactly how much of the amortisation is attributable to each individual service heading.

Movement in Intangible Fixed Assets:

	2022/23 £000s	2023/24 £000s
Purchased Software Licences		
Accumulated Cost*	614	612
Amortisations to 1 April	(302)	(399)
Balance at 1 April	312	213
Expenditure in year	5	-
Assets written back	(7)	(10)
Amortisation	(104)	(104)
Amortisation written off in year	7	10
Balance at 31 March	213	108
Comprising:		
Accumulated Cost	612	601
Amortisations to 31 March	(399)	(493)

19. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

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

Financial Assets

	Current				Total 31 March 2024 £000
	Investments		Debtors		
	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	
Fair Value through profit or loss	14,085	14,073	-	-	14,073
Amortised Cost	7,445	11,327	2,839	2,375	13,702
Total Financial Assets	21,530	25,400	2,839	2,375	27,775

Breakdown of Financial Assets - Investments

	31 March 2023 £000	31 March 2024 £000
Short Term Investments	6,088	9,036
Cash & Cash Equivalents	15,443	16,363
Total	21,530	25,400

Note - the investments comprise cash and cash equivalents and debtors exclude Council Tax and Business Rates debtors as these do not meet the definition of a financial asset within Financial Instruments

Financial Liabilities

	Current	
	Creditors	
	31 March 2023 £000	31 March 2024 £000
Amortised Cost	2,786	3,323
Total Financial liabilities	2,786	3,323

Note - creditors exclude Council Tax and Business rates creditors as these do not meet the definition of a financial liability within Financial Instruments

Amortised Costs

The investments held in the Balance Sheet in this category are all under 365 days; therefore the carrying amount is a reasonable approximation of the fair value.

Financial Instruments designated at Fair Value through Profit or Loss

Credit Risk

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

The risk is minimised through the Annual Treasury Management Strategy, which sets out the criteria such as credit ratings to be applied before depositing with a bank and limits on how much can be deposited with one institution.

The following analysis summarises the Authority's potential maximum exposure to credit risk on other financial assets, based on experience of default and uncollectability over the last five financial years, adjusted to reflect current market conditions. This amount is not considered material, and therefore has not been used to amend the fair value in the balance sheet.

	Amount at 31 March 2024 £000s	Historical experience adjusted for market conditions at 31 March 2024	Estimated maximum exposure to default and uncollectability at 31 March 2024 £000s
Fair Value through Profit and Loss investments	14,073	0.04%	6
		Total	6

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

The investments included in this category are instant access, and therefore the value included in the accounts, is the current value including accrued interest, this is considered a fair representation for fair value.

Income, Expense, Gains and Losses

Interest Revenue	Surplus or Deficit on the provision of Services 2022/23 £000s	Surplus or Deficit on the provision of Services 2023/24 £000s
Financial Assets measured at fair value through profit and loss	248	748
Financial Assets measured at Amortised Cost	295	563
Total Income in Surplus/Deficit on the provision of services	543	1,311
Net gain/(loss) for the year	543	1,311

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

The Authority does not generally allow extended credit for customers. The breakdown of amounts overdue can be analysed by age as follows:

	31 March 2023 £000s	31 March 2024 £000s
Less than 43 days	633	182
43-63 days	125	11
64-84 days	70	1
Greater than 84 days	255	191
Total	1,083	385

Amounts not yet due are £23,416 for 2023/24 (£33,941 for 2022/23)

Liquidity Risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Authority would be able to draw on resources held within the money market funds and other investment instruments and for longer term requirements; access borrowings from the Public Works Loans Board, however this would be subject to prior approval within the Councils Treasury Management Strategy. There is no

All trade and other payables are due to be paid in less than one year. The Authority remained debt free in 2023/24

Market Risk

Interest Rate Risk

All investments held in the Balance Sheet are short term fixed rate investments. Therefore interest risk is minimal.

The treasury management team assesses interest rates and this feeds into the setting of the annual budget and which is used to update the budget during the year. This allows any adverse changes to be accommodated.

The Authority only undertake fixed rate investments therefore changes in interest rates during an investment, would not have affected the interest on these investments.

Interest Rates have continued to stay high, and balances held have not reduced as much as anticipated therefore investment income has been a lot higher than anticipated. This is anticipated to decrease over the coming months.

20. SHORT TERM DEBTORS COMPRISE:

	2022/23 Council £000s	2023/24 Council £000s
Trade Receivables	864	126
Prepayments	56	136
Other receivable amounts	2,256	2,335
Total	3,176	2,598

Debtors for local taxation

The non impaired amounts included in the above for local taxation arrears is:-

	31 March 2023 £000	31 March 2024 £000
Less than 12 Months	268	208
Greater than 12 months	369	417
Total	637	625

21. CASH AND CASH EQUIVALENTS

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

31 March 2023	31 March 2024
Council £000s	Council £000s
3 Cash held by the Authority	3
14,085 Cash Equivalents	14,073
1,355 Bank Current Accounts	2,288
15,443 Total Cash and Cash Equivalents	16,363

The Council also hold £1,259,873.49 in a bank account, relating to S106 monies collected and retained on behalf of the NHS. This is not shown in the above balance as the use of the money is not determined by the Council.

22. SHORT TERM CREDITORS COMPRISE:

	2022/23 Council £000s	2023/24 Council £000s
Trade Payables	(2,712)	(3,259)
Other Payables	(3,170)	(3,396)
Total	(5,882)	(6,655)

23. PROVISIONS - Business Rates

2022/23 £000		2023/24 £000
1,100	Balance at 1 April	1,258
158	Net movement for business rate appeals in	167
1,258	Balance at 31 March	1,425

24. RESERVES

Movement on the Authority's useable reserves is detailed in the Movement in Reserves Statement and Note 7.

Movement in the Authority's unuseable reserves is shown below.

31 March 2023		31 March 2024
£000		£000
(22,302)	Revaluation Reserve	(15,931)
(1,417)	Reserve for Land not previously capitalised	(1,417)
(29,352)	Capital Adjustment Account	(30,167)
(9,582)	Pensions Reserve	986
434	Collection Fund Adjustment Account	165
74	Accumulated Absences Account	64
<u>(62,144)</u>	Total Unuseable Reserves	<u>(46,300)</u>

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.
- disposed of and the gains are realised.

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

2022/23		2023/24
£000s		£000s
<u>(18,364)</u>	Balance at 1 April	<u>(22,302)</u>
(4,320)	Upward revaluation of assets	9
381	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	<u>6,360</u>
<u>(3,939)</u>	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	<u>6,369</u>
1	Difference between fair value depreciation and historical cost depreciation	1
-	Accumulated gains on assets sold or scrapped	<u>-</u>
<u>1</u>	Amount written off to the Capital Adjustment Account	<u>1</u>
<u>(22,302)</u>	Balance at 31 March	<u>(15,931)</u>

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 & Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is created with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

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

2022/23		2023/24
£000s		£000s
<u>(24,200)</u>	Balance at 1 April	<u>(29,352)</u>
276	Charges for depreciation and impairment of non-current assets	636
(2,516)	Revaluation losses on Property, Plant & Equipment	176
104	Amortisation of intangible assets	104
820	Revenue expenditure funded from capital under statute	725
-	Amounts of non-current assets written off on the disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	-
-	Adjusting amounts written out of the Revaluation Reserve	-
<u>(1,315)</u>	Net written out amount of the cost of non-current assets consumed in year	<u>1,643</u>
	<u>Capital financing applied in the year:</u>	
(566)	Use of the Capital Receipts Reserve to finance new capital expenditure	(584)
-	Capital grants and contributions credited to the Comprehensive Income & Expenditure Statement that have been applied to capital financing	(236)
(913)	Application of grants to capital financing from the Capital Grants Unapplied Account	(727)
-	Statutory provision for the financing of capital investment charged against the General Fund balances	(298)
(2,357)	Capital expenditure charged against the General Fund balances	(613)
<u>(3,836)</u>		<u>(2,457)</u>
<u><u>(29,352)</u></u>	Balance at 31 March	<u><u>(30,167)</u></u>

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 resource set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension 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.

2022/23		2023/24
£000s		£000s
14,748	Balance at 1 April	(9,582)
	Actuarial gains or losses on pensions assets and liabilities	
(25,868)	Remeasurements of the net defined benefit liability	11,372
	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	
2,672		440
(1,134)	Employer's pensions contributions and direct payments to pensioners payable in the year	(1,244)
<u>(9,582)</u>	Balance at 31 March	<u>986</u>

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and Non-Domestic Rates income in the Comprehensive Income and Expenditure Statement (CIES) as it falls due from Council Tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2022/23		2023/24
£000s		£000s
1,625	Balance at 1 April	434
	The authority's share of the Council Tax surplus/deficit on the fund at the preceding year distributed in the year	
(43)		54
	The authority's share of the Non Domestic Rates surplus/deficit on the fund at the preceding year distributed in the year	
1,566		444
	Amount by which Council Tax & NDR income credited to the Comprehensive Income & Expenditure Statement is different from Council Tax & NDR income calculated for the year in accordance with statutory requirements	
(2,714)		(768)
<u>434</u>	Balance at 31 March	<u>165</u>

25. CASH FLOW STATEMENT - OPERATING ACTIVITIES

Adjustments to the net surplus / (deficit) on the provision of services

Council 2022/23 £000s		Council 2023/24 £000s
3,366	Net Surplus / (deficit) on the Provision of Services	4,061
	<i>Non Cash movements</i>	
276	Depreciation	636
(2,516)	Downward Valuations	176
104	Amortisation	104
(3,340)	Movement in Creditors	314
(86)	Movement in Interest Debtors	51
183	Movement in Debtors	399
158	Movement in Provisions	167
1,854	Pension Liability	(804)
(3,367)	TOTAL	1,044
	<i>Investing / Financing Activities</i>	
(883)	Capital Grants credited to the surplus on the Provision of Services	(830)
(425)	(Gains) from other capital receipts	(472)
(1,308)	TOTAL	(1,302)
(1,309)	Net (Outflow)/ Inflow from Operating Activities	3,804

The cash flows for operating activities include the following items relating to interest:

Council 2022/23 £000s		Council 2023/24 £000s
(457)	Interest Received	(1,362)
(457)	Total	(1,362)

26. CASHFLOW STATEMENT - INVESTING & FINANCING ACTIVITIES

The cash flows for investing activities include the following items:

2022/23		2023/24 £000s
(3,160)	Purchase of property, plant and equipment, investment property and intangible assets	(1,404)
-	Purchase of short-term and long-term investments	(3,000)
-	Capital Grants repaid	-
375	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	456
756	Other receipts from investing activities	895
(2,029)	Net cash flows from investing activities	(3,053)

The cash flows for financing activities include the following items:

2022/23 £000s		2023/24 £000s
(1,650)	Council Tax and NNDR adjustments	169
(1,650)	Net cash flows from financing activities	169

The movement in cashflows due to financing activities is due to the movement of Non-Domestic Rates (NDR) and Council tax related debtors and creditors. This year there has been an inflow of cash, debtors has decreased by £195k and creditors decreased by £26k, these totalled £221k (Last year debtors decreased by £671k and creditors decreased by £2,321k, the net movement was a cash inflow of £2,992k.)

27. MEMBERS' ALLOWANCES

The total amount paid during the year in respect of Members Allowances (basic allowance and special responsibility allowance) was made up as follows:

	2022/23 £000s	2023/24 £000s
Basic Allowance	196	195
Special Responsibility Allowance	81	93
Expenses	2	1
TOTAL	279	289

The amounts paid to each Member are shown below. All Members received a basic allowance of £5,000 per annum (pro rated if served less than a year) plus the following allowances:

NAME	BASIC ALLOWANCE	Special Allowances £	Travel and Subsistence £	Total including Basic Allowance for 23/24 £	Total including Basic Allowance for 22/23 £
D BELTON	5,000	726		5,726	8,898
N BOOTH	4,489	429		4,918	-
E BREWER	4,489			4,489	-
L BUTCHER	5,000	356		5,356	7,500
M CARTER	5,000			5,000	5,000
T CARTER	524			524	5,000
R CONSTABLE	5,000		92	5,092	5,109
J CRIPPS	5,000	4,288		9,288	5,390
A CROSS	5,000	429		5,429	4,530
R DRAY	-			-	592
D S EFDE	5,000	798		5,798	10,500
A H EVES	5,000	6,431		11,431	5,000
I FOSTER	5,000	356	149	5,505	7,243
E GADSDON	5,000			5,000	5,000
J N GOODING	5,000		50	5,050	5,035
J R GOODING	5,000	5,133	140	10,273	5,632
B HAZELWOOD	-			0	538
M HOY	5,000	6,788	160	11,948	5,945
T KNIGHT	5,000			5,000	5,000
R LAMBOURNE	5,000	2,144		7,144	4,530
J LAWMON	5,000	4,288		9,288	5,000
R LINDEN	4,489	429		4,918	-
J R LUMLEY	524			524	5,441
C MASON	5,000	2,500	209	7,709	7,593
E MASON	4,489			4,489	-
J R MASON	5,000	8,575		13,575	4,530
J MCPHERSON	5,000	3,785		8,785	10,184
D MERRICK	-			0	538
R MILNE	5,000	2,144		7,144	5,000
G MYERS	5,000	71		5,071	5,437
J NEWPORT	5,000	8,931	53	13,984	7,506
L NEWPORT	5,000	4,288		9,288	5,000
S PAGE	4,489	2,144		6,633	
C A PAVELIN	-			0	538
C ROE	524	786		1,310	12,500
D SHARP	5,000			5,000	4,530
L SHAW	5,000	356		5,356	7,500
P SHAW	-			0	592
S SMITH	-			0	1,129
D SPERRING	5,000	726		5,726	10,316
D SQUIRES	5,000	2,144		7,144	4,530
C M STANLEY	5,000	4,288		9,288	5,000
M STEPTOE	5,000	1,141		6,140	9,713
I WARD	5,000	726	89	5,815	10,000
M WEBB	524			524	8,495
C A WESTON	-			0	538
M WILKINSON	524	577		1,101	10,121
A L WILLIAMS	5,000	7,216	74	12,290	11,038
S A WILSON	5,000	927		5,928	8,500
V WILSON	5,000	4,716	42	9,759	4,530
S WOOTTON	5,000	4,024	140	9,164	15,955
TOTAL	195,069	92,660	1,198	288,926	278,196

28 OFFICERS' REMUNERATION

The number of employees including Senior Officers whose remunerations were £50,000 or more excluding pension contributions in bands of £5,000 is stated below. Salary bands include compensation for loss of office for Senior Officers. Due to non inclusion of pension contributions in this schedule, it's not directly comparable to the remuneration disclosures for Senior Officers below.

Salary Band £	Number of employees	
	2022/23	2023/24
50,000 - 54,999	6	5
55,000 - 59,999	1	1
60,000 - 64,999	1	1
65,000 - 69,999		
70,000 - 74,999		1
75,000 - 79,999	1	
80,000 - 84,999	1	
85,000 - 89,999		
90,000 - 94,999		
95,000 - 99,999	1	2
100,000 - 104,999	1	
105,000 - 109,999		
110,000 - 114,999		
115,000 - 119,999		1

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

Exit package cost band (including special payments)	Number of redundancies agreed		Number of other departures agreed		Total cost of exit packages in each band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
£0 - £20,000		-	2	2	28	2
£20,001-£40,000		-	-	-	-	-
£40,001 - £60,000	1	-	-	-	45	-
£150,001 - £200,000	1	-	1	-	212	-
Total cost included in bandings and in the CIES	85	0	200	10	285	10

The following note sets out the remuneration disclosures for Senior Officers of the Council:

Financial Year 2023/24

Job title*	Salary -includes fees & allowances	Expenses	Benefits in kind (e.g. car allowance)	Compensation for Loss of Office***	Pension contribution	Total Remuneration including pension contributions
	£	£	£		£	£
Chief Executive	79,483	295	10,863	-	17,486	108,127
Strategic Director	60,412	348	-	-	12,687	73,447
Strategic Director	28,960				6,371	35,331
Strategic Director - Commercial and Regeneration. Started 18/3/24	2,093	-	-	-	460	2,554
Director - Housing started 19/6/23	17,723	-	-	-	3,722	21,444
Director- Environment	48,212	-	-	-	10,125	58,337
Director - Place started 18/3/24	1,888	-	-	-	415	2,303
Director - Place, left 7/1/24	36,621	161	-	-	8,057	44,839
Director - Assets and Investments	45,602	313	6,936	-	10,033	62,885
Director - Communities & Health	47,570	114	4,901	-	10,376	62,962
Strategic Director - started 1/4/2022	44,769	595	664	-	9,849	55,877
Director - Policy and Transformation	47,570	408	-	-	10,465	58,443
Interim Director - People and Governance**	16,635	60	-	-	3,674	20,369
Interim Director - People and Governance**	19,383	44	-	-	4,264	23,691
TOTAL	496,922	2,338	23,364	-	107,984	630,608

In addition to the figures above, the Chief Executive earned £3,873 as the Returning Officer for the District and District By-Elections.

* Rochford District Council and Brentwood Borough Council employ a joint leadership team, the full team structure was in place from 1 August 2022, the Chief Executive and Strategic Directors were acting across authorities for the full year. All posts are split 50/50 between both authorities, other than a Strategic Director and Director of Housing that is split 75/25 to Brentwood/Rochford.

** The role of Director - People and Governance is currently being filled internally in an acting up arrangement, whilst still carrying out an element of their substantive posts. The costs here only relate to the interim arrangement.

The post of Director for Resources, was not recruited to in 2023/24 and was filled through Agency contracts and therefore not shown in the table above.

Financial Year 2022/23

Job title	Salary -includes fees & allowances £	Expenses £	Benefits in kind (e.g. car allowance) £	Compensation for Loss of Office	Pension contribution £	Total Remuneration including pension contributions £
Chief Executive*	85,053	813	-	-	15,117	100,982
Strategic Director - left 31/07/2022	15,739	-	-	-	2,706	18,445
Strategic Director - started 1/4/2022	34,751	-	-	-	6,110	40,861
Strategic Director - started 10/10/2022	28,411	-	-	-	4,916	33,327
Director - Place started 1/8/2022	33,039	193	-	-	5,830	39,061
Director - Environment started 1/8/2022	28,333	-	-	-	5,525	33,858
Director - Assets and Investments started 1/11/2022	19,880	-	-	-	3,532	23,412
Director - Communities & Health started 1/8/2022	32,573	-	-	-	5,830	38,403
Director - Customer and Data Insight started 1/11/2022	19,372	-	-	-	3,434	22,806
Director - Policy and Delivery started 1/8/2022	29,021	-	-	-	5,125	34,146
Below are the posts that were deleted following the joint management team restructure.						
Assistant Director Assets & Commercial - until 29/1/2023	65,305	96	-	-	12,491	77,892
Assistant Director People & Communities - until 31/10/2022	52,705	-	-	25,561	10,048	88,314
Assistant Director Place & Environment until 31/07/2022	24,688	-	-	-	4,814	29,502
Assistant Director Legal & Democratic until 31/12/2022	69,636	53	-	15,269	13,579	98,538
Assistant Director Transformation & Customer until 31/12/2022	55,548	-	-	75,899	10,832	142,279
Assistant Director Resources until 31/12/2022	78,773	48	-	-	15,355	94,176
Total	672,827	1,203	-	116,729	125,242	916,000

In addition to the figures above, the Strategic Director earned £5,007 as the Returning Officer for the District and District By-Elections.

29. EXTERNAL AUDIT COSTS

The following fees relate to the Audit of the Statement of Accounts and certification of grant claims for the Authority:

	2022/23 £000's	2023/24 £000's
Core Fee paid for External Audit Services	38	146
Additional Fee paid for Audit Services	27	-
Core Fee paid for Certification of Grant Claims and Returns*	7	3
Additional Fee paid for Certification of Grant Claims and Returns	9	17
Total	82	167

* The auditor of the grants work is BDO LLP

** Provisional figures

30. GRANT INCOME

The Authority credited the following grants, contributions and donations to Comprehensive Income & Expenditure:

	2022/23 £000's	2023/24 £000's
Credited to Taxation and Non Specific Grant Income		
NDR funding	2,895	3,732
New Homes Bonus	859	990
Lower Tier Grant	80	-
Services Grant	120	70
S106 Grant	404	72
Revenue Support Grant	-	80
Capital grants		
Play space Match Funding	5	50
Locality Funding	-	-
Air Quality Grant	-	-
Wheellie Bins	-	110
Total	4,363	5,103
Credited to services		
Disabled Facilities Grant	802	677
Empty Homes Grant	-	37
Council Tax Annex Grant	18	96
NNDR - New Burdens Grants	29	-
Discretionary Housing Payments New Burdens	10	27
Domestic Abuse Grant	37	34
LCTS Admin Set up Funding	62	-
Housing Benefit Subsidy	9,968	9,726
Housing Benefit Administration Subsidy	128	120
Housing Benefit / UC New Burdens	18	18
Verify Earnings and Pension Alerts Grant	10	8
Discretionary Housing Payments	79	82
Business Rates pool Admin Grant	100	103
Local Digital Cyber Fund	75	-
Biodiversity Net Gain Grant	27	8
Energy Bill Support scheme	-	164
Electoral Integrity New Burdens	15	24
Homelessness Prevention Grant	280	287
Transparency Code - New Burdens	8	8
UK Prosperity Fund	95	164
HUG 2 Grant	-	2
Temporary Pavement Licensing Grant	3	3
RIA and Re-homing	-	64
Support for Ukraine	30	128
Community Initiative Funding	1,000	-
SEPP income	160	-
Council Tax Support Grant	93	96
Total	13,048	11,876

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver if the conditions are not met. The balances as at the year-end are as follows:

	2022/23	2023/24
	£000s	£000s
Grants Receipts in Advance		
Individual Electoral Registration Grant	2	2
Individual Electoral Registration H'ware fund	11	11
DCLG Recycling reward grant	35	35
Air Quality Grant	35	35
SEAT Legacy Funding	3	3
S106	834	907
Swimming Pool Fund		114
Disabled Facilities Grant	506	422
Empty Homes Grant	148	112
TOTAL INCLUDED IN LONG TERM LIABILITIES	1,574	1,640
Energy Payment Support	420	
Biodiversity	27	19
Hug 2 grant		2
Homelessness Prevention Grant	22	22
UK Prosperity Fund	36	22
COVID-19 Grant	45	28
TOTAL INCLUDED IN CURRENT LIABILITIES	548	92
Total	2,122	1,732

31. RELATED PARTIES

The Authority is required to disclose details of material transactions with related parties, bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. A related party transaction is the transfer of assets or liabilities or the performance of services by, or for another (related) party irrespective of whether a charge is made. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

UK Government - UK Government has effective control over the general operations of the Authority as it is responsible for setting the statutory framework within which the Authority operates, provides the majority of its funding and prescribes the terms of many of the Council's transactions, for example, housing benefits.

Members - Members of the Authority have direct control over the Authority's financial and operating policies. Several of the members are also members of neighbouring Parish / Town / County Councils with which Rochford District Council transacts. The total of members' allowances paid in 2023/24 is shown in Note 22.

As part of their duties, Members are appointed to sit on the Board for various bodies and will be involved in decision making. A current example is NORSE who provide the Waste Collection and Street Cleansing Functions for the Authority. However as their position is to represent the interest of Rochford District Council, it is not deemed a related party and therefore any transactions are not shown in this note.

32. CAPITAL EXPENDITURE AND CAPITAL FINANCING

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

	2022/23	2023/24
	£000's	£000's
Opening Capital Financing Requirement	789	789
Capital Investment		
Property, Plant and Equipment		
Intangible Assets	5	-
Other Land & Buildings	239	426
Vehicles, Plant, Equipment & Furniture	2,626	782
Community Assets	146	226
Revenue expenditure funded by capital	819	724
Total Capital Expenditure	3,836	2,159
Financed by:		
Useable Capital Receipts	566	534
Government & Other Grants	913	963
Revenue Contributions	2357	662
Minimum Revenue Provision	0	298
Total Financing	3,836	2,457
Increase in underlying need to borrowing (unsupported by government financial	-	(298)
Increase/(Decrease) in Capital Financing Requirement	-	(298)

33. CAPITAL COMMITMENTS

At 31 March 2024, the Authority has committed to make £170k of capital expenditure through its purchase order system (£333k in 2022/23).

Note 34 **INTERESTS IN SUBSIDIARIES & JOINT VENTURES**

Green Gateway Trading (GM) Ltd (the trading company) is a local authority trading company owned indirectly by Rochford District Council via a holding company, Green Gateway Trading Ltd (the holding company), which is a wholly owned subsidiary of the Council. The trading company was incorporated on 1st September 2016 and commenced trading on 1st December 2016. Trading ceased on 1 December 2021 which has impacted on the intercompany transactions.

The Company only incurred £3,651 of expenditure in the year, and net assets on the balance sheet are £23,000, therefore Group Accounts have not been prepared for the 2023/24 financial year on the grounds of materiality.

Rochford District Council also has another wholly owned subsidiary via the holding company, which is Green Gateway Trading (Development) Ltd, which was incorporated on 10th August 2017. This company has not traded since its incorporation, the only transaction being the £1 share issue with the holding company Green Gateway Trading Ltd.

Rochford District Council entered into a Joint Venture with NORSE Group on 1 July 2022, creating Rochford Norse Ltd for the provision of Waste Collection and Street Cleansing services within the District. The LATCO is under the control of Norfolk Council, however Rochford District Council received £35,000 as its share of the profit for 2023/24. This income is shown within the Environment Portfolio.

35. DEFINED BENEFIT PENSION SCHEMES

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post employment benefits. 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 Authority participates in one post employment scheme, which is the Local Government Pension Scheme, administered by the Essex Pension Fund - this is a funded defined benefits scheme related to pay and service, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The Fund is reviewed on a triennial basis by the fund actuary. The last triennial actuarial valuation was at 31 March 2022 and was effective from 1 April 2023.

Risk associated with the Pension Scheme

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and performance of the equity investments held by the scheme. These are mitigated to certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies.

Transactions Relating to Post-employment Benefits

Includes the Closing Impact of the Asset Ceiling, this is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. The calculation of the Asset ceiling has followed the actuaries interpretation of IFRIC14. An additional liability of £236k is recognised in respect of the Employers obligation to pay future deficit contributions, thereby increasing or generating an irrecoverable surplus and forms part of the £18,513k total.

The cost of retirement benefits are recognised 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 required to be made against Council Tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Local Government Pension Scheme	2022/23 £000's	2023/24 £000's
Comprehensive Income & Expenditure Statement		
<i>Cost of Services:</i>		
Service Cost	(2,058)	(878)
Past Service costs	(201)	-
Administration Expenses	(43)	(51)
<i>Financing and Investment Income and Expenditure:</i>		
Net Interest on the Defined Liability	(370)	489
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	(2,672)	(440)
<i>Other Post Employment Benefit Charged to Other Comprehensive Income & Expenditure:</i>		
Re-measurement of the net defined benefit liability comprising:		
Return on Plan Assets (Excluding Net Interest Cost)	(1,677)	5,503
Other Actuarial Gains/(Losses) on Assets	-	-
Change in Financial Assumptions	34,837	920
Change in Demographic Assumptions	-	918
Experience Gain/(Loss) on Defined Benefit Obligation	(7,292)	(200)
Change in effect of asset ceiling		(18,513)
Remeasurements	25,868	(11,372)
Total Post Employment Benefit Charged To The Comprehensive Income & Expenditure Statement	23,196	(11,812)
Movement in Reserves Statement		
Reversal Of Net Charges Made To The Surplus Or Deficit On The Provision of Services For Post Employment Benefits In Accordance With The Code	1,538	(804)
Actual Amount Charged Against The General Fund Balance For Pensions In The Year		
Employers' Contributions Payable To Scheme	1,134	1,244

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2022/23 £000's	2023/24 £000's
Present Value of the defined benefit obligation	63,595	63,316
Fair value of plan assets	74,014	81,593
Net liability	(10,419)	(18,277)
Other movements in the liability/ (asset)	837	750
Impact of Asset Ceiling		18,513
Net liability arising from defined benefit obligation	(9,582)	986

Reconciliation of the movements in the Fair Value of Scheme Assets:

	2022/23 £000's	2023/24 £000's
Opening balance at 1 April	75,417	74,014
Interest on Assets	1,940	3,520
Remeasurement gain/loss:		
- Return on Plan Assets (Excluding Net Interest Cost)	(1,677)	5,503
- Other Actuarial Gains /(Losses) on Assets	-	-
Employers' Contributions Including Unfunded	1,134	1,244
Member Contributions	330	339
Benefits Paid including Unfunded	(3,087)	(2,976)
Administration Expenses	(43)	(51)
Closing balance at 31 March	74,014	81,593

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

	2022/23 £000's	2023/24 £000's
Opening balance at 1 April	(90,165)	(64,432)
Current Service Cost	(2,058)	(878)
Interest Cost	(2,310)	(3,031)
Member Contributions	(330)	(339)
Remeasurement gains and losses:		
- Actuarial Gains /Losses Arising from Change in Demographic Assumptions	-	918
- Actuarial Gains /Losses Arising from Change in Financial Assumptions	34,837	920
- Experience Gains & (Losses)	(7,292)	(200)
Actuarial Gains & (Losses)	-	-
Past Service Costs Including Curtailments	(201)	-
Benefits Paid	2,997	2,868
Unfunded Pension Payments	90	108
Closing balance at 31 March	(64,432)	(64,066)

The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

	31 March 2023 £000's	31 March 2023 %	31 March 2024 £000's	31 March 2024 %
Equities	42,634	58%	45,194	55%
Government Bonds	1,082	1%	1,458	2%
Other Bonds	-	0%	-	0%
Property	6,062	8%	5,632	7%
Cash/Liquidity	2,386	3%	2,013	2%
Alternative Assets	11,714	16%	12,405	15%
Other managed funds	10,136	14%	14,891	18%
	74,014	100%	81,593	100%

Basis for Estimating Assets and Liabilities

Assets and Liabilities have been assessed on an actuarial basis by Barnett Waddingham, actuaries to the Fund. To assess the value of the Employer's liabilities as at 31st March 2024, the value of the Employer's liabilities calculated for the funding valuation as at 31st March 2023 have been rolled forward, using financial assumptions that comply with IAS19.

The full actuarial valuation involved projecting future cashflows to be paid into and from the Fund and placing a value on them. These cash flows included investment returns, contributions paid into the fund, pensions currently being paid to members of the Fund as well as pensions and lump sums that may be payable in future. Assumptions such as mortality rates and salary levels were built into the valuation.

Sensitivity Analysis of major assumptions

The sensitivity analysis shows the impact on the Council's obligations of changes in the major assumptions used by the actuary.

Adjustment to:	Change by:	Present Value of Total Obligation £000's	Projected Service Cost £000's
Discount rate	0.0%	64,066	1,004
	0.1%	63,167	968
	-0.1%	64,987	1,041
Long-term salary increase	0.0%	64,066	1,004
	0.1%	64,136	1,004
	-0.1%	63,997	1,003
Pension increases and deferred revaluation	0.0%	64,066	1,004
	0.1%	64,935	1,042
	-0.1%	63,218	968
Mortality age rating assumption	None	64,066	1,004
	+1 Year	66,813	1,043
	-1 Year	61,441	965

Further information can be found in the Essex Pension Fund Annual Report which is available upon request from:

The Pensions Division,
Finance and Performance
County Hall
Chelmsford
CM1 1JZ

36 CONTINGENT LIABILITIES

There are no contingent liabilities.

37. Prior Period Restatement

Following a change to the Leader of the Council, the Executive portfolios were reviewed during 2023/24, resulting in a number of changes to reporting lines compared to the 2022/23 accounts.

The figures in the CIES and EFA have been restated to reflect what they would have shown if the Portfolios were in place in 2022/23, to enable comparison.

The table below shows the old and new portfolios, and how the CIES changes have mapped from the old to new structure.

Old Portfolio	New Portfolio
Leader & Deputy Leader	Leader
Finance, Economy & Climate	Resources, Climate Change and Economy
	Governance and Communications
Strategic Planning & Assets	Strategic Planning
Environment	Environmental Services
	Leisure, Tourism and Wellbeing
Communities, Housing & Health	Housing
	Communities and Health
Customer Services, Legal & IT	Customer Services
	Public Spaces and Assets

	Per 2022/23 Accounts		
	Expenditure	Income	Net
Leader	2,745	(1,000)	1,745
Resources, Climate Change and Economy	12,338	(11,353)	985
Governance and Communications			
Strategic Planning	493	(1,124)	(631)
Environmental Services	5,827	(3,667)	2,160
Leisure, Tourism and Wellbeing			
Housing	3,278	(1,784)	1,494
Communities and Health			
Customer Services	3,305	(271)	3,034
Public Spaces and Assets			
	27,987	-19,200	8,787

ADJUSTMENTS			
EXPENDITURE		INCOME	
NEW IN	MOVED OUT	NEW IN	MOVED OUT
570	121	(155)	
	11,629		(11,353)
1,386		(30)	
	(913)		(451)
525	1,397	(372)	(1,914)
340		(53)	
	863		(204)
579		(204)	
11,115	1,444	(11,198)	(45)
28		(1,955)	
14,542	14,542	-13,968	-13,968

Restated for 2023/24 accounts		
Expenditure	Income	Net
3,194	(1,155)	2,039
709	0	709
1,386	(30)	1,356
1,406	(673)	733
4,954	(2,125)	2,829
340	(53)	287
2,415	(1,580)	835
579	(204)	375
12,977	(11,424)	1,553
28	(1,955)	(1,927)
27,987	-19,200	8,787

The table below shows the change in the EFA adjustments (Note 8).

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Original Adjustments for Capital Purposes	Restated Adjustments for Capital Purposes	Original Net change for the Pensions Adjustments	Restated Net change for the Pensions Adjustments	Original Other Differences	Restated Other Differences
	£000	£000	£000	£000	£000	£000
Leader	-	-	146	123	-16	539
Resources Climate Change and Economy	-	-	242	79	558	1
Governance and Communications		-		115		2
Strategic Planning	-2,341	-	276	164	-3	-2
Environmental Services	31	2	123	80	-	1
Leisure, Tourism and Wellbeing		0		17		2
Housing	60	18	152	75	7	3
Communities and Health		42		70		1
Customer Services	132	132	229	279	3	3
Public Spaces and Assets		-2,312		165		0
Net Cost of Services	- 2,118	- 2,118	1,168	1,168	549	549

**Collection Fund Income and Expenditure Account
for the year ended 31 March 2024**

Council Tax 2022/23 £000's	Business Rates 2022/23 £000's	Total 2022/23 £000's		Council Tax 2023/24 £000's	Business Rates 2023/24 £000's	Total 2023/24 £000's
£	£	£		£	£	£
Income						
(65,409)	(14,938)	(80,347)	Amounts Receivable (net of discounts and reliefs)	(68,838)	(16,575)	(85,413)
(10)	0	(10)	Transfer for S13A(1)(C)	(4)	-	(4)
			Council Tax Support Fund	(90)		(90)
(65,419)	(14,938)	(80,357)	Total Income	(68,932)	(16,575)	(85,507)
Expenditure						
<u>Precepts and shares:</u>						
0	7,691	7,691	Central Government	-	9,459	9,459
45,827	1,384	47,212	Essex County Council	47,694	1,703	49,397
7,147	-	7,147	Police & Crime Commissioner for Essex	7,678	-	7,678
2,464	154	2,618	Essex Fire Authority	2,640	189	2,830
9,779	6,153	15,932	Rochford District & Parish/Town Councils	10,268	7,567	17,836
65,217	15,382	80,600		68,281	18,918	87,200
1	50	50	Transitional Protection Payment	0	(2,550)	(2,550)
	44	44	Renewable Energy		33	33
	-	-	Interest on Appeals repayments		11	11
<u>Impairment of Debts/Appeals</u>						
70	13	83	Write-offs of Uncollectable Amounts	42	36	79
63	(6)	58	Increase/ (Decrease) in Bad Debt Provision	251	29	280
-	395	395	Increase/ (Decrease) in Provision for Appeals	-	419	419
134	402	536		294	484	778
0	100	100	Charge to General Fund for Allowable NDR Collection Costs	-	103	103
<u>Distribution of Previous Year's Estimated Surplus/ (Deficit):</u>						
0	(1,957)	(1,957)	Central Government	-	(555)	(555)
(199)	(352)	(552)	Essex County Council	255	(100)	155
(31)	-	(31)	Police & Crime Commissioner for Essex	40	-	40
(11)	(39)	(50)	Essex Fire Authority	14	(11)	3
(43)	(1,566)	(1,608)	Rochford District Council	54	(444)	(388)
(285)	(3,914)	(4,199)		363	(1,109)	(748)
65,068	12,063	77,131	Total Expenditure	68,938	15,889	84,826
(351)	(2,875)	(3,226)	Movement on Fund Balance	6	(686)	(681)
(143)	4,112	3,969	Opening Fund Balance (surplus)/deficit	(494)	1,238	744
(494)	1,238	743	Closing Fund Balance (surplus)/deficit	(488)	552	64
(351)	(2,875)	(3,226)	Movement on Fund Balance	6	(686)	(680)

NOTES TO THE COLLECTION FUND

1. Council Tax

Council Tax derives from charges raised according to the values of residential properties, which have been classified into eight valuation bands, using estimated 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Essex County Council and other preceptors and this Authority for the forthcoming year and dividing this by the Council Tax base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts). The basic amount of Council Tax for a Band D property for Rochford District (£252.45 in 2023/24), was added to the basic amount due to the parish/town councils and the total was multiplied by the specified proportion to give an individual amount due. Precepts in respect of Essex County Council, Essex Police Authority and Essex Fire Authority were added to this figure.

2. Non-Domestic Rates (NDR)

NDR is organised on a national basis. The Government specified an amount of 49.9p in the £ of rateable value for small businesses in 2023/24 (49.9p in the £ for 2022/23) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The Authority is responsible for collecting rates due from the ratepayers in its area. From April 2013, the Government has reformed the way in which local government is funded through the introduction of the business rates retention scheme. Under the new regulations, a baseline funding level is set by the Government, based on the NNDR1 return (Estimate by the Authority) completed in December. For 2023/24 the baseline was set at £1,802,836. The local authorities and fire and rescue authorities will now be able to benefit directly from supporting local business growth as they will be able to keep a share of any increases in business rates revenue.

The total non-domestic rateable value at present stands at £56.608m.

3. Collection Fund Balance

The Collection Fund balance represents previous years' surpluses. A proportion is redistributed to the precept demanding bodies, as shown in the Collection Fund Income and Expenditure Account. The balance carried forward for the Collection Fund does not tie directly into the Balance Sheet due to this redistribution of the surplus. The amounts included in the Collection Fund Surplus are included within the creditors figure on the balance sheet and the long term preceptor creditor figure, as at 31 March 2024. The Collection Fund total on the balance sheet is just the share attributable to Rochford District Council.

The tables below show how the balance sheet and Collection Fund balance figures relate and how the Collection Fund balance is attributable to the precept demanding bodies.

Total 2022/23 £000s	Business Rates 2022/23 £000s	Council Tax 2022/23 £000s	Collection Fund (CF) Attribution of (Surplus) / Deficit Carried Forward	Council Tax 2023/24 £000s	Business Rates 2023/24 £000s	Total 2023/24 £000s
			Balances attributable to:			
100	100	0	Central Government	-	66	66
(236)	18	(254)	Essex County Council	(225)	12	(213)
(40)	0	(40)	Police&Crime Commissioner, Essex	(36)	-	(36)
(12)	2	(14)	Essex Fire Authority	(12)	1	(11)
26	80	(54)	Rochford District Council	(48)	53	5
			Redistribution due to:			
521	521	0	Central Government	-	212	212
2	94	(92)	Essex County Council	(49)	38	(11)
(15)	0	(15)	Police & Crime Commissioner, Essex	(8)	-	(8)
5	10	(5)	Essex Fire Authority	(3)	4	1
408	428	(20)	Rochford District Council	(10)	169	159
759	1,253	(494)	Closing Collection Fund Balance (Surplus)/Deficit	(391)	555	164

The balance on the Balance Sheet therefore just shows the amounts attributable to Rochford District Council as follows:

Total 2022/23 £000s	Business Rates 2022/23 £000s	Council Tax 2022/23 £000s	Share of Collection Fund Balance	Council Tax 2023/24 £000s	Business Rates 2023/24 £000s	Total 2023/24 £000s
434	508	(74)	Rochford District Council	(58)	222	164
325	745	(420)	Preceptors & Central Government	(333)	333	0
759	1,253	(494)		(391)	555	164

4. Uncollectable Debts.

Uncollectable debts of £36,418 (£70,323 for 2022/23) for Council Tax and £42,370 (£13,042 for 2022/23) for Non-Domestic Rates were written off in 2023/24.

5. Appeals Provisions - Business Rates

Total £000s 2022/23	Other Preceptors £000s 2022/23	Billing Authority £000s 2022/23	Share of Appeals Provisions	Billing Authority £000s 2023/24	Other Preceptors £000s 2023/24	Total £000s 2023/24
2,749	1,649	1,100	Balance at 1 April	1,258	1,887	3,145
395	237	158	Net movement for business rate appeals in year	167	251	418
3,144	1,887	1,258	Balance at 31 March	1,425	2,138	3,563

6. Calculation of the Council Tax

The Council Tax for Rochford residents for 2023/24 for an average Band D property was as follows:

	BAND D £
Parish/Town Councils	59.76
Rochford District Council	252.45
Essex County Council - General	1,252.71
Essex County Council - Social Care	197.46
Essex Fire and Rescue Authority	80.28
Police & Crime Commissioner	233.46
Total	2,076.12

The Council Tax base which is used to calculate the expected income from Council Tax is shown in the following table and is an estimate of the number of properties in each band made before the start of the financial year. Properties are banded according to value and pay a proportion of the average Band D charge as indicated overleaf.

Tax Band	Estimated Properties after adjustments	Proportion of charge	Band D Equivalent Properties
A reduction	0.0	5/9	0.0
A	887.2	6/9	591.4
B	2515.7	7/9	1,956.7
C	10027.4	8/9	8,913.3
D	9616.6	1	9,616.6
E	4822.8	11/9	5,894.5
F	2525.9	13/9	3,648.5
G	1383.1	15/9	2,305.1
H	70.5	18/9	141.0
Total			33,067.1
Adjustments for Band D Full Year Equivalents			322.7
			33,389.8
Less Adjustment for Collection Rate			98.50%
Total Council Tax Base			32,888.9

GLOSSARY OF TERMS

Accrual

An amount included in the accounts for income or expenditure concerning the financial year, where payment has not yet been received/made. Also called sundry creditors/debtors.

Actuary

A business professional who measures and manages risk and uncertainty.

Agency Services

Rochford District Council provide services on behalf of other organisations, for which we receive reimbursement.

Annual Governance Statement

an annual report prepared, approved and published with the financial statements that reviews the council's overall governance arrangements.

Agent

If the Council Acts as an Agent, then it is generally issuing funds on behalf of a third party in line with predetermined terms and conditions. There is little to no discretion over amounts payable. The opposite scenario would be the Council as Principle.

Asset

This is an item of value held on the balance sheet as it gives rise to future economic benefit. Examples include Buildings and debts due.

Balance Sheet

A summary of all the assets and liabilities of the Council at the end of the financial year, which are matched by the Council's reserves.

Benefits

Local Council Tax Support (LCTS) – LCTS is an income-related discount to provide help to those with no or low incomes to pay their Council Tax.

Housing Benefit – an allowance to persons with no or low incomes to meet the whole or part of their rent. Benefit paid to private sector landlords on behalf of residents is known as rent allowances. Part of the cost of benefits and of running the service is funded by Government subsidy.

Billing Authority

This refers to Rochford District Council, which is the responsible authority for the invoicing and collection of the Council Tax from all residential properties in the District. This is undertaken on behalf of Rochford District Council, Essex County Council, Essex Police Fire Crime Commissioner and Town/Parish Councils.

Business Rates

These rates, called National Non-Domestic Rates (NNDR), are the means by which local businesses contribute to the cost of providing local authority services. They are based on rateable values of each business multiplied by a uniform amount set annually by the Government. The Government has reformed the way in which Local Government is funded. Under the new regulations, business rates collected gets divided between Government, Rochford District Council, County and Fire Authority.

Capital Expenditure

This generally relates to expenditure on non-current assets that will be of use or benefit to the Council in providing its services for more than one year e.g. Vehicles, structural repair to buildings, expenditure on Community Assets.

Capital Adjustment Account (CAA)

This reserve contains prescribed amounts set aside from revenue budgets or capital receipts to fund expenditure on fixed assets, and balances this with the depreciation of assets.

Capital Programme

The Council's plans for capital expenditure over future years.

Capital Receipts

The income from the sale of assets, which may be used to finance new capital expenditure.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the main professional body for accountants working in Local Government.

Code of Practice on Local Government Accounting

This is the guidance produced by CIPFA to assist in the preparation of the accounts.

Collection Fund

The fund into which Council Tax and Business Rates are paid and the precepts of Essex County Council, Essex Police & Fire Crime Commissioner, Rochford District and Town/Parish Councils are met. Any surplus or deficit is shared between the various authorities, other than Town/Parish Councils, on the basis of precept amounts.

Community Assets

Assets that the Council intends to hold forever, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and the Rayleigh Windmill.

Contingent Liability

This is an amount at the balance sheet date, which the Council may be liable to incur if specific events occur, but which are not certain. The potential liability is disclosed as a note to the accounts rather than reflected in the accounts themselves.

Council Tax

A local tax based on residential properties set by local authorities in order to finance their budget requirement. The level set by an authority will be broadly determined by its expenditure on general fund services less other income, e.g. car parking, use of Council reserves and government grant.

Council Tax Base

An equated average number of dwellings over which the Council Tax is collected. All dwellings are valued and classified into eight bands (A to H). All bands represent a proportion of Band D. The Council Tax base is the number of dwellings expressed in terms of a Band D average.

CPI and RPI:

The main inflation rate used in the UK is the CPI (Consumer Price Index), the Chancellor of the Exchequer bases the UK inflation target on the CPI.

The CPI inflation target is currently set at 2%. The CPI differs from the RPI (Retail Price Index) in that CPI excludes housing costs.

Creditors

Amounts due from the Council, but not yet paid for, for work carried out, goods received or services rendered.

Debtors

Amounts due to the Council, but not yet received, for work carried out or services supplied.

Deferred Liabilities

Amounts which are payable at some point in the future or paid off over a period of time e.g. mortgages.

Depreciation

The measure of the wearing out, consumption, or other reduction, in the useful economic life of a fixed asset, whether arising from use, passing of time or obsolescence through technical or other changes.

Embedded Lease

Embedded leases are components within contracts that entail the use of a particular asset, where the user has control over that asset, also known as a Right of Use Asset.

Fair Value

Fair value is the price agreed upon by a willing buyer and seller assuming both parties enter the transaction freely and knowledgeably. Assets such as investments have a fair value determined by a market where the investment is traded.

Fees and Charges

Charges made to the public for the use of Council services and facilities.

Financial Year

The period of 12 months covered by the accounts commencing on 1 April.

General Fund

The main revenue fund of the Council. Day to day spending on services is met from the Fund and day to day income is paid into the fund.

IFRS

International Financial Reporting Standards. These are the basis under which the accounts are produced.

Impairment

A reduction in the valuation of an asset caused by an event occurring to the asset or to the economic environment in which it operates.

Intangible Assets

These are assets that the Council will have use of for more than one year but they do not have a physical form, for example computer software licenses.

Liability

This is the opposite of an asset and sees the future transfer of economic benefit from the Council to another party. An example is the payment of invoices to suppliers that at the financial year end were still outstanding.

Local Government Pension Scheme (LGPS)

Council officers have the option of joining this scheme, the majority of Officers have joined.

Materiality

Information is material if its omission or misstatement could influence the decisions of users of the financial statements. Information may not be precisely accurate but must be accurate to within certain tolerances (materiality levels) so that it presents a true and fair view of the affairs of the entity.

Office for Budget Responsibility (OBR):

A non-departmental advisory body that provides independent forecasts on the UK economy.

Post Balance Sheet Events

Events which occur between the balance sheet date and the date on which the responsible officer signs the Statement of Accounts.

Precept

The amount that councils/authorities (Preceptors), providing services within the Rochford District, require to be paid from the Collection Fund to meet the cost of their services.

Principle

If the Council acts as the Principle, then it is generally issuing funds at its own discretion. It may receive funds from a third party, but is able to determine how this money is spent. The opposite scenario would be the Council as Agent.

Property, Plant & Equipment

These are non-current assets that the Council will have use of for a period of more than one year e.g. buildings.

Provision

An amount set aside to provide for a liability where the Council has an obligation to pay, but where the exact amount or the date on which it will arise is uncertain. A provision is created by making a charge to revenue in the year of account.

Reserves

A Council's accumulated surplus income in excess of expenditure. Available at the discretion of the Council to meet items of expenditure in future years. Earmarked reserves are set-aside for a specific purpose.

Responsible Officer

Officer responsible for the proper administration of the Council's financial affairs in accordance with Section 151 of the Local Government Act.

Right of Use Asset

An asset that the authority have the right to use as part of a contractual arrangement.

Section 151 officer

Another name for the responsible financial officer. Derived from the fact that section 151 of the Local Government Act 1972 requires there to be such an officer at every council.

Service Level Agreement

An agreement between the provider and user of a service setting out the service to be provided

VAT (Value Added Tax)

Local authorities operate under Section 33 of the VAT Act 1994. They can reclaim most of the VAT they incur in performing their functions