



**BRENTWOOD  
BOROUGH COUNCIL**

**UNAUDITED  
STATEMENT OF ACCOUNTS  
2023/24**



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# NARRATIVE REPORT

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## Introduction

The Narrative Report provides a concise guide to the most significant matters reported in the Statement of Accounts for the year ended 31 March 2024, identifying how the Council used its financial and non-financial resources to deliver its service objectives.

## Brentwood Borough

The Borough of Brentwood is situated in the southwest of Essex, 18 miles from London and covers 15,321 hectares. The population is 77,021 based on a 2019 mid-year estimate. The majority of the population is located in the two large towns of Brentwood and Shenfield and their surrounding neighbourhoods.

All of the Borough's countryside lies within the Metropolitan Green Belt of London, equating to 89% of the Borough. It has significant built and natural heritage, with over 500 listed buildings, 12 scheduled ancient monuments, accessible countryside and parks and many local wildlife sites.

The Borough has excellent road and rail connections. The M25, A12 and A127 trunk roads flow through the Borough and there are convenient, fast rail links to London and East Anglia. These rail links were further enhanced by the arrival of the Elizabeth Line at Brentwood and Shenfield stations providing new direct links through Central London to Heathrow Airport and Reading. Stansted, City and Southend Airports are all 30 to 40 minutes drive away.

The Borough's housing stock is 80% owner occupied. The majority of this has been renovated and there are therefore few areas of poor quality housing in the Borough. There is a need, as nationally, for significantly more low-cost affordable housing.

## The Council

The electorate of Brentwood is represented by 39 councillors, including the Mayor, covering 15 electoral wards across the Borough. The political make up is: 19 Conservative, 17 Liberal Democrat and 3 Labour. Brentwood Borough Council is responsible for delivering a range of services to the residents of the Borough.

The Council has a 'committee style' of governance, where decisions are made in committees comprising councillors from all political parties.

The Council's Corporate Leadership Team comprises the Chief Executive, two Strategic Directors and ten Directors. This is a shared leadership team with Rochford District Council. A Corporate Management Team, comprised of service managers, supports the Corporate Leadership Team to deliver the Council's services and corporate priorities and deliver the Corporate Strategy - Brentwood 2020-2025.

The Corporate Strategy identifies five priority themes:

- a) Growing our economy – A thriving borough that welcomes a wealth of business and culture
- b) Protecting our environment – Developing a clean and green environment for everyone to enjoy
- c) Developing our communities – Safe and strong communities where residents live happy, health and independent lives
- d) Improving Housing – Access to a range of decent homes that meet local needs
- e) Delivering an efficient and effective Council – An ambitious and innovative Council that delivers quality services.

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The Council's key resources and assets are:

- a workforce of 235 full-time equivalent staff as at 31 March 2024
- council assets to the value of £537m, of which investment assets with the borough totalled £23m.
- a housing stock of 2,479 dwellings with a value of £306m as at 31 March 2023, generating rental income of £13.4m during 2023/24.
- annual income from fees & charges and investment income of £29.348m.
- Council Tax Base of £73,328,149 – 2023/24.
- Business Rates Tax Base of £22,959,159 – 2023/2024.

The Council's wholly owned subsidiary, Seven Arches Investments Limited, contributed £6.858m to the annual operating income for the Council as a Group, representing investment property income, rental income from properties managed on behalf of the Council, interest on loans advanced from the Council and income from a service level agreement with the Council for the provision of managerial and professional services.

The Council continues to balance its annual budget strategy despite no longer receiving revenue support grant from the Government.

### Challenges for the Future

The Borough's prosperity in terms of higher-than-average house prices and average income and success in terms of high educational attainment standards, is the challenge for the future. There is a high demand for affordable housing, especially for residents working in the borough. Employers attracted to the borough face higher business premises rentals and wages, impacting on reduced local employment. This is compounded with a location which has the limitations of 87% green belt.

### Achievements during 2023/24

To achieve the Council's aim to declare a Climate Emergency and inform awareness of our programme through schools, events and roadshows, we have:

- Declared a climate emergency in June 2023.

To achieve the Council's aim to invest in hybrid, electric or alternative fuel powered vehicles, we have:

- Ordered three electric vans, which will be delivered in 2024/25. Quotes were obtained for the provision of a 7.5t electric lorry to assist with bulky waste and flytipping collections and this will be ordered and delivered in 2024/25 now that budget approval for additional staffing has been agreed. A business case and budget for HVO fuel for the fleet was agreed and this alternative fuel will be introduced from April 2024.

To achieve the Council's aim to expand our bulky waste collection and review actions to deter fly tipping, we have:

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- Obtained quotes for a 7.5 tonne electric vehicle and a business case for an additional fly-tip and bulky waste team was approved. The extra resources will be in place from April 2024.

To achieve the Council's aim to improve our street scene through street cleaning, we have:

- Trialled a range of smaller mechanical sweepers and placed an order for a replacement large mechanical sweeper which will be delivered in April 2024. This will improve the cleanliness of the Boroughs roads. We also supported the National Spring Clean event organised by Keep Britain Tidy.

To achieve the Council's aim to improve the management of our verges, fields and open spaces with frequency of grass cutting, we have:

- Pilot re-wilding schemes to be introduced to grass verges/swards.

To achieve the Council's aim to strive to achieve Net Zero Carbon Emissions for its own operations by 2030 and borough wide by 2040 following its declaration of a Climate Emergency in June 2023, we have:

- Been successful in winning a grant for £240,000 to install solar panels on the Brentwood Centre

To achieve the reduction in carbon and nitrous oxides emissions associated with fuel used by our waste vehicle fleet, we have:

- Switched to Hydro Treated Vegetable Oil (HVO), a plant-based alternative to mineral diesel that is 100% renewable, slashes carbon emissions by 99% and NO2 emission by up to 27%

To achieve the Council's aim to strive to launch the Brentwood Connected Business Improvement District (BID) and start delivering business plan objectives to benefit business in Brentwood, Shenfield and Ingatestone, we have:

- The Brentwood Connected Business Improvement District (BID) ballot was held in June 2023, with the BID created in October 2023.

To achieve the Council's aim of working with South Essex Councils (SEC) to support delivery of the South Essex Business Expo and working with the Jobcentre to hold Jobs Fairs in Brentwood, we have:

- Worked with other South Essex Councils (SEC) to support the South Essex Business Expo held at The Brentwood Centre
- Held Two Brentwood Jobs Fairs

To achieve the Council's aim to work with appropriate community groups, licencees and police to improve the night-time economy, we have:

- Safer Streets funding and projects are underway with the Community Safety Team working closely with police and licensing around VAWG and night-time economy safety.

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To achieve the Council's aim to create an improvement utilisation strategy for King George's Park & its facilities, we are:

- Scoping the need for a wide ranging strategic review, to inform our current and future proposals & requirements for our various community facilities, primarily via an overarching Strategic Outcomes Planning Model (SOPM) and will include various associated strategies. Various organisations, including sport NGBs, public health/ICS's, community groups/clubs, parish councils, partners and stakeholders etc., will be included, engaged and consulted as part of the strategic review and the associated strategies. An SOPM will provide a clear, strategic, and sustainable approach to inform effective investment into both facility and service provision.

To achieve the Council's aim to consult key stakeholders on access to parks, community halls, common spaces and town centres for the benefit of community engagement and mental health, we are:

- Scoping the need for a wide ranging strategic review, to inform our current and future proposals & requirements for our various community facilities, primarily via an overarching Strategic Outcomes Planning Model (SOPM) and will include various associated strategies. Various organisations, including sport NGBs, public health/ICS's, community groups/clubs, parish councils, partners and stakeholders etc., will be included, engaged and consulted as part of the strategic review and the associated strategies. An SOPM will provide a clear, strategic, and sustainable approach to inform effective investment into both facility and service provision.

To achieve the Council's aim to improve health care capacity in the Borough through working with NHS providers, we have:

- Scoping the need for a wide ranging strategic review, to inform our current and future proposals & requirements for our various community facilities, primarily via an overarching Strategic Outcomes Planning Model (SOPM) and will include various associated strategies. Various organisations, including sport NGBs, public health/ICS's, community groups/clubs, parish councils, partners and stakeholders etc., will be included, engaged and consulted as part of the strategic review and the associated strategies. An SOPM will provide a clear, strategic, and sustainable approach to inform effective investment into both facility and service provision.

To achieve the Council's aim to create a long-term strategy to deliver more affordable housing, we have:

- The SHDP is currently in place to deliver high quality affordable housing. We are also reviewing our HRA business plan and Asset Management Strategy to ensure that we are making the best use of our stock.

To achieve the Council's aim to create more house choices, developments aimed towards the needs of our local community, young families and older residents who may wish to downsize, we have:

- Approved a downsizing policy to encourage residents to downsize
- Have two ongoing developments with specifically adapted properties

To achieve the Council's aim to tackle empty homes and bring them into use, we have:

## NARRATIVE REPORT

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- Worked on an Initial Case to propose an Empty Property Development Order in Hatch Road. Following our initial work on the proposed order the owner has agreed to renovate the property and bring it back into use. The work to ensure the renovations progress is under way.

To achieve the Council's aim to investigate ways to improve the standards in private rented accommodation with all options on the table, we have:

- We have introduced a new web reporting form for private sector tenants to report issues with their accommodation following previous intelligence that residents were having difficulty getting their queries answered.
- We have provided training to officers in undertaking inspection work on the Housing Health and Safety Rating Scheme, the process used to assess the suitability of private rented accommodation and determine the action required to bring rented accommodation up to standard.
- Our officers are now applying the correct inspection processes to address resident queries and working with tenants and landlords to improve private rented accommodation as queries arise.

To achieve the Council's aim to develop a communications strategy recognising the needs of all our stakeholders and residents, we have:

- Introduced monthly digital reports to give us an evidence base to support development of a communications strategy

Any other achievements in 2023/24

- Adopted Community Infrastructure Levy (CIL) on 27 September 2023 with an effective date of January 2024.
- Undertook a Call for Sites consultation from December 2023 to March 2024 as part of the work to support the Brentwood Local Plan Review.
- Submitted an application to Keep Britain Tidy for funding to remove gum and wash the pavements in our town centres
- Safer Streets funding projects in Brentwood to focus on Violence Against Women and Girls, including getting a Women's Safety Charter
- Funding obtained and bleed kits to be provided to licensed premises and all Brentwood Police cars
- £150k distributed through UK Shared Prosperity Fund
- Co-hosted Brentwood Speed Networking event with Brentwood Chamber of Commerce



## NARRATIVE REPORT

### Financial Performance for 2023/24

The Council's financial performance is provided in full in the Statement of Accounts for 2023/24, in line with international financial reporting standards. The Expenditure and Funding Analysis at Note 1 of the Accounts provides a summary of the Council's financial performance under the appropriate Council Tax and HRA Rent setting regulations and financial reporting under international accounting standards.

### General Fund Revenue Account

The table below summarises the financial performance of the General Fund Revenue Account for the year:

	<b>Budget</b>	<b>Actual outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Brentwood 2025– Service Expenditure</b>			
Growing Our Economy	1,202	854	(348)
Protecting Our Environment	(2,211)	(1,734)	477
Developing Our Communities	1,785	1,476	(309)
Improving Housing	127	(69)	(196)
Delivering An Efficient & Effective Council	6,060	5,254	(806)
Brentwood Improvement District	0	(95)	(95)
<b>Total Spend - Brentwood 2025</b>	<b>6,963</b>	<b>5,686</b>	<b>(1,277)</b>
Operating and Financing Charges	3,564	3,008	(556)
Appropriations	(110)	2,053	2,163
<b>Total Spending Requirement</b>	<b>10,417</b>	<b>10,747</b>	<b>330</b>
<b>Funding:</b>			
Council Tax	(7,806)	(7,436)	370
Business Rates Income	(1,535)	(2,028)	(493)
New Homes Bonus Grant	(450)	(450)	0
Other Grants	(517)	(736)	(219)
<b>Total Funding</b>	<b>(10,308)</b>	<b>(10,650)</b>	<b>(342)</b>
<b>(Surplus)/deficit on General Fund Services</b>	<b>109</b>	<b>97</b>	<b>(12)</b>

## NARRATIVE REPORT

### Housing Revenue Account

The financial performance for the HRA for the year is detailed below:

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Expenditure:</b>			
Repairs and Maintenance	3,282	2,811	(471)
Supervision and Management	3,044	4,278	1,234
Rent, Rates, Taxes and Other Charges	1,968	1,407	(561)
Corporate and Non-Corporate Democratic Core	406	263	(143)
Depreciation and Impairment	347	0	(347)
<b>Total Expenditure</b>	<b>9,047</b>	<b>8,759</b>	<b>(288)</b>
<b>Income:</b>			
Dwelling Income	(13,219)	(13,337)	(118)
Non-Dwelling Income	(250)	(248)	2
Charges for Services and Facilities	(973)	(1,006)	(33)
Contributions to Expenditure	(5)	(35)	(30)
<b>Total Income</b>	<b>(14,447)</b>	<b>(14,626)</b>	<b>(179)</b>
<b>Net (Income) on HRA Services</b>	<b>(5,400)</b>	<b>(5,867)</b>	<b>(467)</b>
<b>HRA Share of Other Operating Income &amp; Expenditure</b>			
Movement in the Allowance for Bad Debts	160	48	(112)
Interest Payable and similar charges	5,276	5,951	675
Interest and Investment Interest	(62)	(342)	(280)
Net Interest on the Net Defined benefit liability	0	(214)	(214)
	<b>5,374</b>	<b>5,443</b>	<b>69</b>
<b>Appropriations</b>			<b>0</b>
<b>HRA Services (Surplus)</b>	<b>(26)</b>	<b>(424)</b>	<b>(398)</b>

## NARRATIVE REPORT

### Working Balances and Earmarked Reserves

The impact of the 2023/24 Outturn for the General Fund and the HRA on future working balances is detailed below:

#### General Fund

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<u>General Fund Balance</u>				
Working Balance B/Fwd	2,866	2,769	2,769	2,769
Surplus/(Funding Gap)	(97)	0	0	0
<b>Working Balance C/fwd</b>	<b>2,769</b>	<b>2,769</b>	<b>2,769</b>	<b>2,769</b>
<b>G Fund Earmarked Reserves C/fwd</b>	<b>9,355</b>	<b>11,520</b>	<b>11,366</b>	<b>10,720</b>
<b>Total Balances</b>	<b>12,124</b>	<b>14,289</b>	<b>14,135</b>	<b>13,489</b>

#### Housing Revenue Account

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<u>HRA Working Balance</u>				
Balance C/Fwd	2,303	2,727	2,727	2,727
Surplus/(Funding Gap)	424	0	0	0
<b>Working Balance C/Fwd</b>	<b>2,727</b>	<b>2,727</b>	<b>2,727</b>	<b>2,727</b>
<b>HRA Earmarked Reserves</b>	<b>2,500</b>	<b>2,500</b>	<b>2,285</b>	<b>2,377</b>
<u>Major Repairs Reserve</u>				
Balance B/Fwd	412	316	230	144
Contributions in	3,414	3,414	3,414	3,414
Contributions out	(3,510)	(3,500)	(3,500)	(3,500)
<b>Balance C/Fwd</b>	<b>316</b>	<b>230</b>	<b>144</b>	<b>58</b>

General Fund reserves consist of several earmarked reserves together with an unallocated general reserve (General fund Working Balance). All reserves and balances form part of the General Fund, but the Housing Revenue Account balance is specifically 'ring fenced' for use in connection with that service.

In addition to the cash-backed reserves described above, local authorities maintain several other reserves. Some are required for statutory reasons and other reserves are required to comply with proper accounting

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practice. Reserve balances are determined each year with regard to the current risks prevalent and foreseen at that time.

### Capital Programme

The table below summarises the financial performance of the Capital Programme for the year:

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Expenditure</b>			
Growing Our Economy	30,964	2,263	(28,701)
Protecting Our Environment	1,751	354	(1,397)
Developing Our Communities	3,167	459	(2,708)
Improving Housing	22,012	11,344	(10,668)
Delivering An Efficient & Effective Council	455	167	(288)
<b>Total Expenditure</b>	<b>58,349</b>	<b>14,587</b>	<b>(43,762)</b>
<b>Funding</b>			
Capital Receipts	(5,685)	0	5,685
Capital Grants	(3,539)	(1,951)	1,588
Major Repairs Reserve	(2,941)	(3,510)	(569)
Borrowing	(46,184)	(9,126)	37,058
<b>Total Funding</b>	<b>(58,349)</b>	<b>(14,587)</b>	<b>43,762</b>

The slippage is mostly in respect of in-borough regeneration and social housing development schemes, which has slipped to future years.

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### Treasury Management

The Council's net borrowing position at the year-end was as follows:

	<b>£'000</b>	<b>Ave interest rate</b>
<b>Long term borrowing</b>		
HRA	57,019	
General Fund	159,385	
<b>Total Long term borrowing</b>	<b>216,404</b>	2.37%
<b>Short term borrowing</b>		
General Fund	21,331	3.59%
<b>Total Short term borrowing</b>	<b>21,331</b>	
<b>Total External borrowing</b>	<b>237,735</b>	
Total Investments	(9,619)	4.90%
<b>Net Borrowing Position</b>	<b>228,116</b>	

Since 2012 the HRA has had a business plan to manage and maintain HRA dwelling, provide for investment of existing stock and finance borrowing of £57.019m. The General Fund borrowing has been taken out to fund capital activities including provide capital finance to the Council's subsidiary, Seven Arches Investments Ltd.

The Council had a Capital Financing Requirement of £259.110m as at 31st March 2024, representing the Council's underlying borrowing need.

### Pension Liability

The Council's Balance Sheet shows a net pension deficit of £1.923m at 31 March 2024, offset by a reserve of the same amount. Details of the required accounting or pension schemes are contained in Note 40 to the Statement. The surplus shows the difference between the underlying commitment on the Council to pay pensions in the long run and the funding available meet these commitments.

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### Medium Term Financial Strategy 2024-25

The Corporate Strategy requires that the Council is committed to seeking innovative financial solutions that will allow the Council to deliver a prosperous borough to its residents, businesses and visitors.

In this context the Medium Term Financial Strategy (MTFS) seeks to:

- Maintain a sustainable financial position against a background of unprecedented financial uncertainty.
- Support the vision of our Borough through appropriate identification of resources required to deliver the key priorities outlined in the Corporate Strategy.
- Maximise opportunities and mitigate risks associated with the fundamental change to the way in which local government is financed.

Forecasting for the purposes of the MTFS should be treated with caution because:

- The settlement for 2024/25 is for one year only.
- A New Homes Bonus allocation has been made for 2024/25 but a formal review of the scheme is planned for 2025/26. The 2024/25 allocation is solely for that year.
- There was no Government reference to the Fair Funding Review or Business Rates Review in the Settlement. There is therefore an assumption of no change in the methodology of distribution of Government funding and maintenance of the existing Business Rates system.
- There is uncertainty regarding the financial impact of inflation and interest rates, that are both higher than seen in recent years. The budget has been prepared on the basis of economic advice regarding future projections, but these could change, especially given the relatively volatile macro-economic environment.

Taking the above into consideration, the assumptions used to forecast future income and expenditure are prudent and realistic.

The additional cost pressures of inflation and interest rates have been mitigated in year which means that the 2023/24 forecast was to break even.

The Council has an ambitious agenda in a current volatile financial climate. The Council aims to continue to deliver and enhance the services it currently provides. The MTFS is expected not to utilise reserves in 2023/24, 2024/25 and 2025/26. However, beyond that year, further savings, efficiencies and income generation will be required. This maintains working balances in excess of £2.5 million.

The Council has an ambitious agenda in a current volatile financial climate. The Council aims to continue to deliver and enhance the services it currently provides. The MTFS is expected to utilise reserves in 2026/27 and beyond that year, further savings, efficiencies and income generation will be required. The current position is projected to allow for a £634k use of reserves in 2026/27, an £848k use of reserves in 2027/28 and a use of reserves of £883k in 2028/29. This maintains working balances in excess of £2.5 million.

The following key areas support delivery of the MTFS:

- Fees and Charges
- Value for Money
- Inward Economic Development
- Asset Management

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The Council continues to transform the way that it delivers services for the foreseeable future to ensure financial sustainability and the identification of resources for investment in key priority areas identified in the Corporate Strategy, which are:

Growing our Economy

- A thriving borough that welcomes a wealth of business and culture

Protecting our Environment

- Developing a clean and green environment for everyone to enjoy.

Developing our Communities

- Safe and strong communities where the residents live happy, healthy and independent lives.

Improving Housing

- Access to a range of decent homes that meet local needs.

Delivering an Efficient and Effective Council

- An ambitious and innovative council that delivers quality services

The Council is continuing to develop its MTFS to deliver the Corporate Strategy outcomes while maintaining working balances and mitigating risk. This will be addressed primarily through:

- Service redesign and delivery of service strategies
- Maximising income generating opportunities
- A focus on supporting inward economic investment.
- Continuously reviewing fees and charges to ensure full cost recovery, where this is not possible reviewing how the associated services are delivered to reduce costs or accepting a discounted charge in return for an appropriate community benefit.
- Optimising the Council's use of technology to enable new ways of working and improving service quality for our residents.
- Ensuring the Council's assets are used efficiently and effectively.
- Reviewing the Council's capital programme and funding thereon.

The MTFS includes allocations for savings in the latter years to be delivered through process reviews as well as making allowances for business case development and delivery.

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### Corporate Risk Management

The Council maintains Strategic, Operational and Project risk registers to enable it to manage the risks which could impact on its ability to achieve its objectives.

### Performance Measurement

The Council measures its performance using a range of performance indicators, split across the various service areas of the Council. These indicators have been chosen as they represent a cross section of the key services delivered to the residents of the Borough. Their purpose is:

- To enable local residents and businesses to gauge the performance of the Council.
- To enable departmental managers to manage their service areas more effectively, including intervening in areas where performance is identified as below target.

The Council's key performance indicators are reported to Members at the meeting of the Audit & Scrutiny Committee on a quarterly basis and are available to view and download from the Brentwood Council Document Library: [https://document.brentwood.gov.uk/document\\_library.php](https://document.brentwood.gov.uk/document_library.php).



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### The 2023/24 Statement of Accounts

The Council has prepared the 2023/24 Accounts on a going concern basis. This is on the grounds that local authorities cannot be created or dissolved without statutory prescription and it would therefore not be appropriate for their financial statements to be prepared on anything other than a going concern basis.

## STATEMENT OF RESPONSIBILITIES

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### The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Corporate Resources.
- Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
- Approve the Statement of Accounts.

### The Section 151 Officer's Responsibilities

The Director of Corporate Resources is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ("the Code")

In preparing this Statement of Accounts, the Interim Resources Director has:

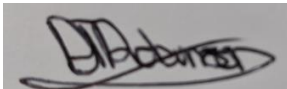
- selected suitable accounting policies and then applied them consistently
- made judgments and estimates that were reasonable and prudent
- complied with the Code

The Section 151 Officer has also:

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

### Certification by Strategic Director (Resources)

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



David Dickenson, Strategic Director (Resources) & Section 151 Officer  
13 November 2024

## GROUP ACCOUNTS

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### Introduction

The Code of Practice requires local authorities with material interests in subsidiaries, associates and joint ventures to prepare group accounts in addition to their own single entity financial statement.

The purpose of the group accounts presented on the following pages is to provide a picture of Brentwood Borough Council and the company that is controlled by the Council. The group accounts demonstrate the full extent of the Council's wider asset and liabilities, and its exposure to risk through interests in another entity and participation in the activities of that entity. The group accounts provide transparency and enable comparison with other entities that have similar corporate arrangements.

### Seven Arches Investments Ltd

The Council has an interest in one company, Seven Arches Investments Ltd (SAIL).

The company was formed in April 2018. Its principal activities are:

- to invest in regeneration and redevelopment within the Borough
- the management under lease agreements of Council owned assets

These will continue to be its principal activities for the foreseeable future.

The Council owns 100% of the company's shares, and two direct employees of the Council, the Director of Policy & Delivery and the Strategic Director, sit on the SAIL Management Board as directors with voting rights. The Board also consists of a third, non-voting director (the Managing Director) and two non-executive directors.

SAIL is classified as a subsidiary of the Council and is considered to be material to the financial statements.

SAIL's company number is 11306245, and its registered office is: Town Hall, Ingrave Road, Brentwood, CM15 8AY. The company's auditors are MJ Bushell Ltd.

Seven Arches Investments Ltd holds 50% shares in a joint venture partnership, Brentwood Development Partnership LLP.

### Content of the Group Accounts

The following pages include:

- Group Movement in Reserves Statement
- Group Comprehensive Income and Expenditure Statement
- Group Balance Sheet
- Group Cash Flow Statement
- Notes to the Group Accounts
- Joint Venture

## GROUP MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the Council's single entity usable and unusable reserves, together with the SAIL Retained Earnings Reserve:

	Held for Revenue Purposes				Held for Capital Purposes			Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Authority Share of Subsidiary Reserve	Total Reserves
	General Fund Balance	Earmarked General Reserves	Housing Revenue Account (HRA)	Earmarked HRA Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Major Repairs Reserve					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
<b>Balance at 31 March 2023</b>	2,866	9,471	2,304	2,500	2,782	1,495	420	21,837	342,891	364,728	1,729	366,457
<b>Movement in reserves during 2023/24:</b>												
Surplus/(Deficit) on Provision of Services	4,690	0	2,460	0	0	0	0	7,150	0	7,150	510	7,660
Less transactions between Group and Council	(7,135)	0	0	0	0	0	0	(7,135)	0	(7,135)	7,135	0
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	11,786	11,786	(577)	11,209
Total Comprehensive Income and Expenditure	(2,445)	0	2,460	0	0	0	0	15	11,786	11,801	7,068	18,869
Transfer of recharges from General Fund to HRA	2,170	0	(2,170)	0	0	0	0	0	0	0	0	0
Adjustments between group and authority accounts	7,135	0	0	0	0	0	0	7,135	0	7,135	(7,135)	0
Adjustments between accounting basis and funding basis under regulations	(4,903)	0	133	0	530	352	(104)	(3,992)	(19,221)	(23,213)	0	(23,213)
<b>Total movement in reserves during 2023/24</b>	1,957	0	423	0	530	352	(104)	3,158	(7,435)	(4,277)	(67)	(4,344)
Transfers (to)/from Earmarked Reserves	(2,053)	2,053	0	0	0	0	0	0	0	0	0	0
<b>Balance at 31 March 2024</b>	<b>2,770</b>	<b>11,525</b>	<b>2,727</b>	<b>2,500</b>	<b>3,312</b>	<b>1,847</b>	<b>316</b>	<b>24,996</b>	<b>335,454</b>	<b>360,449</b>	<b>1,662</b>	<b>362,112</b>

	Held for Revenue Purposes				Held for Capital Purposes			Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Authority Share of Subsidiary Reserve	Total Reserves
	General Fund Balance	Earmarked General Reserves	Housing Revenue Account (HRA)	Earmarked HRA Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Major Repairs Reserve					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
<b>Balance at 31 March 2022</b>	2,866	12,685	1,922	2,500	2,337	1,095	5,161	28,566	277,135	305,701	975	306,676
<b>Movement in reserves during 2022/23:</b>												
Surplus/(Deficit) on Provision of Services	(466)	0	(95)	0	0	0	0	(561)	0	(561)	232	(329)
Less transactions between Group and Council	(7,221)	0	0	0	0	0	0	(7,221)	0	(7,221)	7,221	0
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	60,271	60,271	521	60,792
Total Comprehensive Income and Expenditure	(7,687)	0	(95)	0	0	0	0	(7,782)	60,271	52,489	7,974	60,463
Transfer of recharges from General Fund to HRA	1,895	0	(1,895)	0	0	0	0	0	0	0	0	0
Adjustments between group and authority accounts	7,221	0	0	0	0	0	0	7,221	0	7,221	(7,221)	0
Adjustments between accounting basis and funding basis under regulations	(4,643)	0	2,372	0	445	400	(4,741)	(6,167)	5,485	(682)	0	(682)
<b>Total movement in reserves during 2022/23</b>	(3,214)	0	382	0	445	400	(4,741)	(6,728)	65,756	59,028	753	59,781
Transfers (to)/from Earmarked Reserves	3,214	(3,214)	0	0	0	0	0	0	0	0	0	0
<b>Balance at 31 March 2023</b>	<b>2,866</b>	<b>9,472</b>	<b>2,304</b>	<b>2,500</b>	<b>2,782</b>	<b>1,495</b>	<b>420</b>	<b>21,837</b>	<b>342,891</b>	<b>364,727</b>	<b>1,729</b>	<b>366,457</b>

## GROUP COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

This statement shows the income and expenditure of the Group during the financial year

	2022/23			2023/24		
	Gross	Gross	Net	Gross	Gross	Net
	Expenditure	Income	Expenditure	Expenditure	Income	Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Growing Our Economy	2,884	(1,381)	1,503	2,371	(1,562) <span style="color: green;">▲</span>	809
Protecting Our Environment	10,220	(5,837)	4,383	10,819	(5,906) <span style="color: green;">▲</span>	4,913
Developing Our Communities	2,872	(1,026)	1,846	1,927	(1,114) <span style="color: green;">▲</span>	813
Improving Housing	842	(895)	(53)	740	(925) <span style="color: green;">▲</span>	(185)
Efficient & Effective Council	19,301	(10,711)	8,590	20,692	(11,591) <span style="color: green;">▲</span>	9,101
Subsidiary	2,440	(9,848)	(7,408)	2,201	(9,849) <span style="color: green;">▲</span>	(7,648)
Brentwood Improvement District	0	0	0	109	(205) <span style="color: green;">▲</span>	(96)
Housing Revenue Account	12,550	(13,809)	(1,259)	10,628	(14,626) <span style="color: green;">▲</span>	(3,998)
<b>Cost of Services</b>	<b>51,109</b>	<b>(43,507)</b>	<b>7,602</b>	<b>49,487</b>	<b>(45,778)</b>	<b>3,709</b>
Other operating expenditure	620	(741)	(121)	681	(214) <span style="color: green;">▲</span>	467
Financing and investment income & expenditure	4,237	(893)	3,344	4,826	(3,953) <span style="color: green;">▲</span>	873
Taxation and non-specific grant income & expenditure	0	(10,504)	(10,504)	0	(11,779)	(12,453)
<b>(Surplus)/Deficit on Provision of Services</b>	<b>55,966</b>	<b>(55,645)</b>	<b>321</b>	<b>54,994</b>	<b>(61,724)</b>	<b>(7,404)</b>
Deficit/(surplus) on revaluation of non current assets	0	(21,898)	(21,898)	577	(11,786) <span style="color: green;">▲</span>	(11,209)
Remeasurement of the net defined benefit pension liability	0	(40,089)	(40,089)	21,722	0 <span style="color: green;">▲</span>	21,722
Other adjustments		0	0		0 <span style="color: green;">▲</span>	0
<b>Other Comprehensive Income and Expenditure</b>	<b>0</b>	<b>(61,987)</b>	<b>(61,987)</b>	<b>22,299</b>	<b>(11,786)</b>	<b>10,513</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>55,966</b>	<b>(117,632)</b>	<b>(61,666)</b>	<b>77,293</b>	<b>(73,510)</b>	<b>3,109</b>

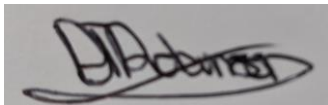
## GROUP BALANCE SHEET

This statement summarises the financial position of the group at 31 March 2024:

Note	31 March 2023 £'000	31 March 2024 £'000
Property, Plant and Equipment:-		
Council dwellings	306,723	302,788
Other Land and Buildings	164,073	184,540
Vehicles, plant and equipment	5,111	4,901
Infrastructure	1,229	1,168
Community Assets	2,937	3,360
Surplus Assets	7,973	7,791
Assets Under Construction	6,169	9,100
	<b>494,215</b>	<b>513,648</b>
Intangible Assets	0	0
2 Investment Property	80,308	83,263
Long-term Debtors	210	209
<b>Long-term Assets</b>	<b>574,733</b>	<b>597,120</b>
Short-term Investments	7,012	9,619
Inventories	85	102
Assets Held for Sale	1,250	0
3 Short-term Debtors	10,997	15,262
Cash and Cash Equivalents	2,129	2,190
<b>Current Assets</b>	<b>21,473</b>	<b>27,173</b>
Short-term Borrowing	(34,931)	(21,331)
4 Short-term Creditors	(15,665)	(17,678)
Receipts in Advance - Revenue	(512)	(105)
Provisions	(1,778)	(1,872)
<b>Current Liabilities</b>	<b>(52,886)</b>	<b>(40,986)</b>
Long-term Borrowing	(192,227)	(216,404)
Grants Receipts in Advance	(2,304)	(2,229)
Net Pension Liability	18,467	(1,923)
Deferred Tax Liability	(595)	(639)
Other Long Term Liabilities	0	0
<b>Long-term Liabilities</b>	<b>(176,659)</b>	<b>(221,195)</b>
<b>Net Assets</b>	<b>366,661</b>	<b>362,112</b>

## GROUP BALANCE SHEET

Note	31 March 2023 £'000	31 March 2024 £'000
General Fund Balance	2,874	2,770
Housing Revenue Account Balance	2,304	2,727
Capital Receipts Reserve	2,782	3,312
Capital Grants Unapplied Account	1,495	1,847
Major Repairs Reserve	412	316
Earmarked Reserves	11,972	14,024
SAIL Retained Earnings Account	1,914	1,662
<b>Usable Reserves</b>	<b>23,753</b>	<b>26,658</b>
Revaluation Reserve	186,202	196,056
Capital Adjustment Account	137,386	141,327
Deferred Capital Receipts	292	292
Pension Reserve	18,467	(1,923)
Accumulated Absences Adjustment Account	(122)	(129)
Collection Fund Adjustment Account	683	(169)
<b>Unusable Reserves</b>	<b>342,908</b>	<b>335,454</b>
<b>Total Reserves</b>	<b>366,661</b>	<b>362,112</b>



David Dickenson, Strategic Director (Resources)  
14 November 2024

## GROUP CASH FLOW STATEMENT

This statement summarises the cash flows in and out of the group during the financial year:

Note	2022/23		2023/24	
	£'000	£'000	£'000	£'000
<b>Net deficit on the provision of services</b>		<b>321</b>		<b>(6,995)</b>
<b>Adjustments for non cash movements:-</b>				
Depreciation of non current assets	(5,750)		(5,798)	
Amortisation of intangible assets	(60)		0	
Revaluation adjustments	(2,905)		(796)	
(Increase)/decrease in bad debts provision	(119)		119	
(Increase)/decrease in creditors	8,898		(1,185)	
Increase/(decrease) in debtors	2,815		558	
Increase/(decrease) in inventories	(90)		17	
Movement in pension liabilities	(1,318)		1,351	
Amounts transferred to Collection Fund Adjustment Account	5,358		702	
Amounts transferred to Accumulated Absences Adjustment Account	(12)		(7)	
Carrying amounts of non-current assets sold	(1,477)		(316)	
(Increase)/decrease in provisions	(686)		49	
Increase/(decrease) in value of investment properties	1,099		2,281	
Other non cash movements	36		(1)	
<b>Total adjustments for non cash movements</b>		<b>5,789</b>		<b>(3,026)</b>
<b>Adjustments for investing or financing activities</b>				
Proceeds from the sale of non-current assets	2,238		530	
Capital Grants	889		2,145	
<b>Total adjustment for investing or financing activities</b>		<b>3,127</b>		<b>2,675</b>
<b>Net cash in-flow from Operating Activities</b>		<b>9,237</b>		<b>(7,346)</b>
<b>Investing Activities:-</b>				
Purchase of property, plant & equipment and intangible assets	14,109		13,991	
Proceeds from the sale of property, plant & equipment	(2,238)		(530)	
Proceeds from short term investments	(3,991)		1,276	
(increase)/decrease in capital grants	(1,258)		(2,233)	
		<b>6,622</b>		<b>12,504</b>
<b>Financing Activities:-</b>				
Movement of short-term and long-term borrowing	1,825		(9,284)	
Decrease/(increase) in Collection Fund Agency balances	(14,706)		4,065	
		<b>(12,881)</b>		<b>(5,219)</b>
<b>Net (increase)/decrease in cash and cash equivalents</b>		<b>2,978</b>		<b>(61)</b>
Cash and cash equivalents at the beginning of the reporting period		5,107		2,129
Cash and cash equivalents at the end of the reporting period		<u>2,129</u>		<u>2,190</u>
<b>Movement in cash &amp; cash equivalents</b>		<b><u>(2,978)</u></b>		<b><u>61</u></b>



## NOTES TO THE GROUP ACCOUNTS

### 1. Group Accounting Policies

The Group Accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24. The Council has consolidated its interests in the entity over which it exercises control or significant influence because they are material to the Council's balance sheet. The accounts of the Council's subsidiary, Seven Arches Investments Ltd (SAIL), have been consolidated on a line by line basis. Intra-group transactions have been eliminated before consolidation.

The Accounting Policies used in the preparation of the Group Accounts are the same as for the single entity accounts of Brentwood Borough Council, as set out in Note 41 of the Notes to the Core Statement of Accounts. In following these policies and reporting requirements as determined by CIPFA, the group disclosures may differ from the disclosures in the company accounts of SAIL.

Notes for the Group Financial Statements are provided below on the areas that have changed materially on consolidation of the SAIL accounts into the Council's accounts.

### 2. Investment Properties

	2022/23	2022/23	2022/23	2023/24	2023/24	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
	Commercial Premises	Land	Total	Commercial Premises	Land	Total
Balance at start of the year	76,973	1,210	78,183	77,650	2,657	80,307
Enhancements	16	0	16	0	0	0
Acquired during the year	0	0	0	0	0	0
Net gains from fair value adjustments						
- through Comprehensive Income & Expenditure Account	1,571	2,160	3,731	1,461	245	1,706
Transfer to Assets Held for Sale	(1,623)	0	(1,623)	1,250	0	1,250
Transfers to Surplus Assets	0	0	0	0	0	0
<b>Balance at end of the year</b>	<b>76,937</b>	<b>3,370</b>	<b>80,307</b>	<b>80,361</b>	<b>2,902</b>	<b>83,263</b>

The revaluations were carried out by Wilks Head Eve, an independent firm of Royal Institute of Chartered Surveyors (RICS) registered valuers in accordance with the methodologies and bases for estimation set out in the professional standards of the RICS, and in the CIPFA Code.

## NOTES TO THE GROUP ACCOUNTS

### 3. Debtors

	31 March 2023			31 March 2024		
	£'000	£'000	£'000	£'000	£'000	£'000
	Gross Debt	Impairment Allowance	Net Debt	Gross Debt	Impairment Allowance	Net Debt
Trade receivables-external bodies	5,204	(150)	5,054	6,399	(241)	6,158
Trade receivables-subsiary	523	0	523	1,924	0	1,924
Housing rents arrears	1,933	(1,447)	486	2,090	(1,491)	599
<b>Financial assets at contract amounts</b>	<b>7,660</b>	<b>(1,597)</b>	<b>6,063</b>	<b>10,413</b>	<b>(1,732)</b>	<b>8,681</b>
Central Government	545	0	545	390	0	390
Other local authorities	2,683	0	2,683	4,753	0	4,753
Council tax arrears	733	(278)	455	767	(289)	478
Non domestic rates arrears	1,126	(565)	561	680	(565)	115
Housing benefit overpayments	941	(900)	41	686	(644)	42
Other sundry receivables	190	0	190	324	0	324
Prepayments	459	0	459	479	0	479
<b>Total</b>	<b>14,337</b>	<b>(3,340)</b>	<b>10,997</b>	<b>18,492</b>	<b>(3,230)</b>	<b>15,262</b>

### 4. Creditors

	31 March 2022	31 March 2023
	£'000	£'000
Trade payables-external bodies	6,782	9,039
Trade payables-subsiary	62	612
<b>Financial liabilities at contract amounts</b>	<b>6,782</b>	<b>9,039</b>
Central Government	5,571	2,859
Other local authorities	1,227	2,006
Council tax pre-payments	149	136
Non domestic rates pre-payments	622	691
Other sundry payables	484	1,401
Receipts in advance	768	935
<b>Total</b>	<b>15,665</b>	<b>17,678</b>

### 5. Joint Venture

SAIL has a 50% holding in a joint venture (JV), Brentwood Development Partnership LLP, formed in July 2019. The purpose of the JV is to assisting Brentwood Borough Council in meeting its objectives in regenerating the residential, leisure, social and commercial infrastructure within the Borough.

The private sector partner is Muse Developments Ltd (part of the Morgan Sindall plc group).

## CORE FINANCIAL STATEMENTS – MOVEMENT IN RESERVES STATEMENT

This statement shows the movement from the start to the end of the year on the different reserves held by the Council, analysed into ‘usable reserves’ (i.e. those that can be applied to fund expenditure or reduce local taxation) and other “unusable reserves”. The Statement analyses the movements in year between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax and housing rent income for the year. The balance at 31 March 2022 line shows the statutory General Fund balance and Housing Revenue Account balance following these adjustments.

### Movement in Reserves Statement 2023/24

	Held for Revenue Purposes				Held for Capital Purposes			Total Usable Reserves	Unusable Reserves	Total Reserves
	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account (HRA)	Earmarked HRA Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Major Repairs Reserve			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
<b>Balance at 31 March 2023</b>	<b>2,866</b>	<b>9,471</b>	<b>2,304</b>	<b>2,500</b>	<b>2,782</b>	<b>1,495</b>	<b>420</b>	<b>21,838</b>	<b>342,889</b>	<b>364,727</b>
<b>Movement in reserves during 2023/24:</b>										
Surplus/(Deficit) on Provision of Services	4,437	0	2,460	0	0	0	0	6,897	0	6,897
Other Comprehensive Income and Expenditure								0	11,786	11,786
Total Comprehensive Income and Expenditure	4,437	0	2,460	0	0	0	0	6,897	11,786	18,683
Transfer of recharges from General Fund to HRA	2,170	0	(2,170)	0	0	0	0	0	0	0
Adjustments between accounting basis and funding basis under regulations (note 4)	(4,650)	0	133	0	530	352	(104)	(3,739)	(19,221)	(22,960)
<b>Total movement in reserves during 2023/24</b>	<b>1,957</b>	<b>0</b>	<b>423</b>	<b>0</b>	<b>530</b>	<b>352</b>	<b>(104)</b>	<b>3,158</b>	<b>(7,435)</b>	<b>(4,277)</b>
Transfers (to)/from Earmarked Reserves (note 5)	(2,053)	2,053	0	0	0	0	0	0	0	0
<b>Balance at 31 March 2024</b>	<b>2,770</b>	<b>11,524</b>	<b>2,727</b>	<b>2,500</b>	<b>3,312</b>	<b>1,847</b>	<b>316</b>	<b>24,996</b>	<b>335,454</b>	<b>360,450</b>

## Movement in Reserves Statement 2022/23

	Held for Revenue Purposes				Held for Capital Purposes			Total Usable Reserves	Unusable Reserves	Total Reserves
	General Fund	Earmarked General Reserves	Housing Revenue Account (HRA)	Earmarked HRA Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Major Repairs Reserve			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
<b>Balance at 31 March 2022</b>	<b>2,866</b>	<b>12,685</b>	<b>1,922</b>	<b>2,500</b>	<b>2,337</b>	<b>1,095</b>	<b>5,161</b>	<b>28,566</b>	<b>277,135</b>	<b>305,701</b>
<b>Movement in reserves during 2022/23:</b>										
Surplus/(Deficit) on Provision of Services	(466)	0	(95)	0	0	0	0	(561)	0	(561)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	60,271	60,271
<b>Total Comprehensive Income and Expenditure</b>	<b>(466)</b>	<b>0</b>	<b>(95)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(561)</b>	<b>60,271</b>	<b>59,710</b>
Transfer of recharges from General Fund to HRA	1,895	0	(1,895)	0	0	0	0	0	0	0
Adjustments between accounting basis and funding basis under regulations (note 4)	(4,643)	0	2,372	0	445	400	(4,741)	(6,167)	5,485	(682)
<b>Total movement in reserves during 2022/23</b>	<b>(3,214)</b>	<b>0</b>	<b>382</b>	<b>0</b>	<b>445</b>	<b>400</b>	<b>(4,741)</b>	<b>(6,728)</b>	<b>65,756</b>	<b>59,028</b>
Transfers (to)/from Earmarked Reserves (note 5)	3,214	(3,214)	0	0	0	0	0	0	0	0
<b>Balance at 31 March 2023</b>	<b>2,866</b>	<b>9,472</b>	<b>2,304</b>	<b>2,500</b>	<b>2,782</b>	<b>1,495</b>	<b>420</b>	<b>21,837</b>	<b>342,889</b>	<b>364,727</b>

## CORE FINANCIAL STATEMENTS – COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the statutory amounts to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Note	2022/23			2023/24		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
	2,884	(1,381)	1,503	2,371	(1,562)	809
	10,220	(10,116)	104	10,819	(10,049)	770
	2,872	(1,046)	1,826	1,927	(1,154)	773
	842	(895)	(53)	740	(925)	(185)
	19,302	(11,190)	8,112	20,692	(12,149)	8,543
	0	0	0	109	(205)	(96)
	12,558	(13,809)	(1,251)	10,628	(14,626)	(3,998)
	<b>48,678</b>	<b>(38,437)</b>	<b>10,241</b>	<b>47,286</b>	<b>(40,670)</b>	<b>6,616</b>
6	620	(741)	(121)	681	(214)	467
7	4,280	(3,335)	945	4,820	(6,347)	(1,527)
8	0	(10,504)	(10,504)	0	(11,779)	(12,454)
	<b>53,578</b>	<b>(53,017)</b>	<b>561</b>	<b>52,787</b>	<b>(59,010)</b>	<b>(6,898)</b>
21	0	(21,377)	(21,377)	0	(11,786)	(11,786)
40	0	(40,089)	(40,089)	21,722	0	21,722
	0	0	0	0	0	0
	<b>0</b>	<b>(61,466)</b>	<b>(61,466)</b>	<b>21,722</b>	<b>(11,786)</b>	<b>9,936</b>
	<b>53,578</b>	<b>(114,483)</b>	<b>(60,905)</b>	<b>74,509</b>	<b>(70,796)</b>	<b>3,038</b>

## CORE FINANCIAL STATEMENTS – BALANCE SHEET

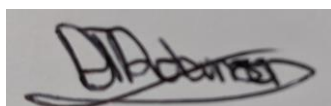
The Balance Sheet shows the value at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council are matched by the reserves that it holds. Reserves are reported in two categories. The first category is usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category is unusable reserves, i.e. those reserves that the Council may not use to provide services. These include 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”.

<b>Note</b>	<b>31 March 2023 £'000</b>	<b>31 March 2024 £'000</b>
9	<b>Property, Plant and Equipment:-</b>	
	306,723	302,788
	164,073	184,540
	5,111	4,901
	1,229	1,168
	2,937	3,360
	7,973	7,791
	6,169	9,100
	<b>494,215</b>	<b>513,648</b>
11	0	0
13	19,656	23,188
14	60,210	60,209
	<b>574,081</b>	<b>597,045</b>
15	7,012	9,619
	85	102
	1,250	0
16	7,040	9,531
17	(228)	(408)
	<b>15,159</b>	<b>18,844</b>
15	(34,931)	(21,331)
18	(11,246)	(11,574)
32	(512)	(105)
19	(1,778)	(1,873)
	<b>(48,467)</b>	<b>(34,883)</b>
15	(192,189)	(216,404)
32	(2,304)	(2,229)
40	18,448	(1,923)
	<b>(176,045)</b>	<b>(220,556)</b>
	<b>364,728</b>	<b>360,450</b>

## CORE FINANCIAL STATEMENTS – BALANCE SHEET

Note	31 March		
	2022	2023	
	£'000	£'000	
20	General Fund Balance	2,866	2,770
20	Capital Receipts Reserve	2,782	3,312
20	Capital Grants Unapplied Account	1,495	1,847
4	Major Repairs Reserve	420	316
5	General Fund Earmarked Reserves	9,472	11,524
20	Housing Revenue Account Balance	2,304	2,727
5	HRA Earmarked Reserves	2,500	2,500
	<b>Usable Reserves</b>	<b>21,839</b>	<b>24,996</b>
21	Revaluation Reserve	186,202	196,056
22	Capital Adjustment Account	137,386	141,327
23	Deferred Capital Receipts	292	292
24	Pension Reserve	18,448	(1,923)
25	Accumulated Absences Adjustment Account	(122)	(129)
26	Collection Fund Adjustment Account	683	(169)
	<b>Unusable Reserves</b>	<b>342,889</b>	<b>335,454</b>
	<b>Total Reserves</b>	<b>364,728</b>	<b>360,450</b>



David Dickenson, Strategic Director (Resources)  
13 November 2024

## CORE FINANCIAL STATEMENTS – CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in the Council's cash and cash equivalents during the reporting period. It classifies cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the Council's activities are funded from taxation, grant income and charges for services. Investing activities represent the extent to which cash outflows have been made for resources intended to contribute to the Council's future cash delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital to the Council.

Note	2022/23		2023/24	
	£'000	£'000	£'000	£'000
<b>Net deficit/(surplus) on the provision of services</b>		<b>553</b>		<b>(6,897)</b>
<b>Adjustments for non cash movements:-</b>				
Depreciation of non current assets	(5,750)		(5,798)	
Amortisation of intangible assets	(60)		0	
Revaluation adjustments	(2,905)		(1,049)	
(Increase)/decrease in bad debts provision	(119)		119	
(Increase)/decrease in creditors	10,300		(1,073)	
Increase/(decrease) in debtors	1,275		312	
Increase/(decrease) in inventories	(90)		17	
Movement in pension liabilities	(1,318)		1,351	
Amounts transferred to Collection Fund Adjustment Account	5,358		702	
Amounts transferred to Accumulated Absences Adjustment Account	(12)		(7)	
Carrying amounts of non-current assets sold	(1,477)		(316)	
(Increase)/decrease in provisions	(587)		95	
Increase/(decrease) in value of investment properties	1,099		2,281	
Other non cash movements	38		(16)	
<b>Total adjustments for non cash movements</b>		<b>5,752</b>		<b>(3,383)</b>
<b>Adjustments for investing or financing activities</b>				
Proceeds from the sale of non-current assets	2,238		530	
Capital Grants recognised in the CIES	889		2,145	
<b>Total adjustment for investing or financing activities</b>		<b>3,127</b>		<b>2,675</b>
<b>Net cash in-flow from Operating Activities</b>		<b>9,432</b>		<b>(7,605)</b>
<b>Investing Activities:-</b>				
Purchase of property, plant & equipment and intangible assets	14,109		13,991	
Proceeds from the sale of property, plant & equipment	(2,238)		(530)	
Purchase of short term investments	4,008		2,608	
Capital grants	(1,258)		(2,233)	
		<b>14,621</b>		<b>13,836</b>
<b>Financing Activities:-</b>				
Movement of short-term and long-term borrowing	1,824		(10,137)	
Decrease/(increase) in Collection Fund Agency balances	(14,706)		4,087	
		<b>(12,881)</b>		<b>(6,050)</b>
<b>Net (increase)/decrease in cash and cash equivalents</b>		<b>11,172</b>		<b>181</b>
17 Cash and cash equivalents at the beginning of the reporting period		10,944		(228)
17 Cash and cash equivalents at the end of the reporting period		(228)		(408)
<b>Movement in cash &amp; cash equivalents</b>		<b>(11,172)</b>		<b>(180)</b>



## NOTES TO THE ACCOUNTS - INDEX

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## NOTES TO THE ACCOUNTS

### 1. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated on the Council's spending priorities in line with its Corporate Strategy, Brentwood 2025. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The figures in the Net Expenditure Chargeable to the General Fund and HRA Balance column align to the outturn report taken to the Council's Audit & Scrutiny Committee.

<u>2023/24</u>	Net Expenditure Chargeable to the General Fund and HRA Balance	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES
Service	£000	£000	£000
Growing Our Economy	854	(45)	809
Protecting Our Environment	(1,734)	2,504	770
Developing Our Communities	1,476	(703)	773
Improving Housing	(69)	(116)	(185)
Delivering An Efficient & Effective Council	5,254	3,289	8,543
Brentwood Improvement District	(95)	(1)	(96)
Housing Revenue Account	(5,867)	1,869	(3,998)
<b>Net Cost of Services</b>	<b>(181)</b>	<b>6,797</b>	<b>6,616</b>
<b>Other income &amp; expenditure Total</b>	<b>(2,315)</b>	<b>(11,198)</b>	<b>(13,513)</b>
<b>Deficit/(surplus)</b>	<b>(2,496)</b>	<b>(4,401)</b>	<b>(6,897)</b>
<b>Opening General Fund and HRA Balance at 31 March 2022*</b>	<b>(5,179)</b>		
Add (Surplus) on General Fund and HRA balance in year	(6,897)		
Add transfer from Income & Expenditure to Earmarked Reserves	6,579		
<b>Closing General Fund and HRA Balance at 31 March 2024*</b>	<b>(5,497)</b>		

\* For a split of the closing balance between the General Fund and the HRA, see the Movement in Reserves Statement on page 24.

## NOTES TO THE ACCOUNTS

### 1. Expenditure and Funding Analysis (continued)

<u>2022/23</u>	Net Expenditure Chargeable to the General Fund and HRA Balance	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES
<b>Service</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Growing Our Economy	836	667	1,503
Protecting Our Environment	(2,681)	2,785	104
Developing Our Communities	1,080	746	1,826
Improving Housing	109	(162)	(53)
Delivering An Efficient & Effective Council	5,758	2,354	8,112
Housing Revenue Account	(2,665)	1,414	(1,251)
<b>Net Cost of Services</b>	<b>2,429</b>	<b>7,804</b>	<b>10,241</b>
<b>Other income &amp; expenditure Total</b>	<b>(2,819)</b>	<b>(6,861)</b>	<b>(9,680)</b>
<b>Deficit/(surplus)</b>	<b>(390)</b>	<b>943</b>	<b>561</b>
<b>Opening General Fund and HRA Balance at 31 March 2022*</b>	<b>(19,980)</b>		
Add (Surplus) on General Fund and HRA balance in year	(390)		
Add transfer from Income & Expenditure to Earmarked Reserves	3,213		
<b>Closing General Fund and HRA Balance at 31 March 2023*</b>	<b>(17,157)</b>		

\* For a split of the closing balance between the General Fund and the HRA, see the Movement in Reserves Statement on page 24.

## NOTES TO THE ACCOUNTS

### 2. Notes to the Expenditure and Funding Analysis

<b>Adjustments between Accounting Basis and Funding Basis 2023/24</b>				
	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the Pensions Adjustments</b>	<b>Other Differences</b>	<b>Total Adjustments</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Growing Our Economy	0	(47)	2	(45)
Protecting Our Environment	2,324	(119)	299	2,504
Developing Our Communities	(681)	(22)	0	(703)
Improving Housing	(99)	(15)	(2)	(116)
Delivering An Efficient & Effective Council	1,308	100	1,881	3,289
Brentwood Improvement District	0	(1)	0	(1)
Housing Revenue Account	4,090	(49)	(2,172)	1,869
<b>Net Cost of Services</b>	<b>6,942</b>	<b>(153)</b>	<b>8</b>	<b>6,797</b>
<b>Other Income &amp; Expenditure</b>	<b>(9,423)</b>	<b>(1,198)</b>	<b>(577)</b>	<b>(11,198)</b>
<b>Total</b>	<b>(2,481)</b>	<b>(1,351)</b>	<b>(569)</b>	<b>(4,401)</b>

<b>Adjustments between Accounting Basis and Funding Basis 2022/23</b>				
	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the Pensions Adjustments</b>	<b>Other Differences</b>	<b>Total Adjustments</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Growing Our Economy	0	305	362	667
Protecting Our Environment	1,609	810	366	2,785
Developing Our Communities	521	163	62	746
Improving Housing	(211)	113	(64)	(162)
Delivering An Efficient & Effective Council	497	361	1,496	2,354
Housing Revenue Account	2,915	384	(1,885)	1,414
<b>Net Cost of Services</b>	<b>5,331</b>	<b>2,136</b>	<b>337</b>	<b>7,804</b>
<b>Other Income &amp; Expenditure</b>	<b>(3,556)</b>	<b>(1,330)</b>	<b>(1,975)</b>	<b>(6,861)</b>
<b>Total</b>	<b>1,775</b>	<b>806</b>	<b>(1,638)</b>	<b>943</b>

## NOTES TO THE ACCOUNTS

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### 2. Notes to the Expenditure and Funding Analysis (continued)

Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets
- **Financing and investment income and expenditure** – the statutory charges for capital financing, i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices
- **Taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustment

This is the net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pensions related expenditure and income:

- **for services**, this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs
- for **Financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES

Other

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

- the charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for Council Tax and Non Domestic Rates that was projected to be received at the start of the year, and the income recognised under generally accepted accounting practices. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

## NOTES TO THE ACCOUNTS

### 3a. Expenditure & Income Analysed by Nature

The Council's expenditure and income is analysed as follows:

Expenditure	2022/23 £'000	2023/24 £'000
Employee benefits expenses	14,683	13,412
Other services expenses	25,019	26,161
Depreciation, amortisation & impairment (note 9)	7,616	7,538
Interest payments	5,640	4,995
Precepts & levies (note 6)	620	681
Payments to the Housing Capital Receipts Pool (note 6)	0	0
<b>Total expenditure</b>	<b>53,578</b>	<b>52,787</b>
<b>Income</b>		
Fees, charges and other service income		
- Revenue from contracts with service recipients (note 3b)	(20,733)	(25,955)
- Other income	(7,085)	(5,254)
Interest and investment income (note 7)	(2,778)	(3,393)
Income from council tax and non domestic rates	(6,806)	(6,013)
Grants and contributions (note 32)	(14,874)	(16,575)
Gain on revaluation of investment properties	0	(2,281)
Gain on the disposal of assets (note 6)	(741)	(214)
<b>Total income</b>	<b>(53,017)</b>	<b>(59,685)</b>
<b>Deficit on the provision of services</b>	<b>561</b>	<b>(6,898)</b>

### 3b. Revenue from Contract with Service Recipients

Amounts included in the Comprehensive Income and Expenditure Statement for contracts with service recipients:

	31 March 2023 £'000	31 March 2024 £'000
Revenue from contracts with service recipients	(20,770)	(25,955)
Increase in provision for impairment	150	132
<b>Total included in CIES</b>	<b>(20,620)</b>	<b>(25,823)</b>

Amounts included in the Balance Sheet for contracts with service recipients:

	31 March 2022 £'000	31 March 2023 £'000
Receivables (included as debtors - see note 16)	2,106	2,950
<b>Total included in Balance Sheet</b>	<b>2,106</b>	<b>2,950</b>

## NOTES TO THE ACCOUNTS

The value of revenue that is expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the year is as follows:

	<b>31 March 2022 £'000</b>	<b>31 March 2023 £'000</b>
Not later than one year	(358)	(357)
Later than one year	0	0
<b>Total</b>	<b>(358)</b>	<b>(357)</b>

#### 4. Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following is a description of the reserves against which the adjustments are made.

##### a) General Fund Balance

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

##### b) Housing Revenue Account Balance

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

##### c) Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve which controls an element of the capital resources limited to capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources which have yet to be applied at the year-end.

##### d) Capital Receipts Reserve

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

## NOTES TO THE ACCOUNTS

### 4. Adjustments between accounting basis and funding basis under regulations (continued)

#### e) Capital Grants Unapplied

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

<u>2023/24</u>	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Major Repairs Reserve £'000	Total £'000
<b>Adjustments to Revenue Resources</b>						
Amounts by which income and expenditure included in the Comprehensive & Income Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pension costs (transferred to/from the Pensions Reserve)	(1,017)	(333)	0	0	0	(1,350)
Council Tax & NNDR (transfers to/from the Collection Fund Adjustment Account)	(702)	0	0	0	0	(702)
Holiday pay (transferred to/from to the Accumulated Absences Reserve)	11	(4)	0	0	0	7
Reversal of entries relating to capital expenditure (charged to the Capital Adjustment Account).	(638)	4,406	0	0	0	3,768
<b>Total Adjustments to Revenue Resources</b>	<b>(2,346)</b>	<b>4,069</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,723</b>
<b>Adjustments between Revenue and Capital Resources</b>						
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	0	(530)	530	0	0	0
Payments to the government housing receipts pool	0	0	0	0	0	0
Transfer of HRA resources from revenue to the Major Repairs Reserve	0	(3,406)	0	0	3,406	0
Capital Grants unapplied	(379)	0	0	352	0	(27)
Capital grants and contributions applied	(1,925)	0	0	0	0	(1,925)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>(2,304)</b>	<b>(3,936)</b>	<b>530</b>	<b>352</b>	<b>3,406</b>	<b>(1,952)</b>
<b>Adjustments to Capital Resources</b>						
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0	0	0
Use of the Major Repairs Reserve to finance capital expenditure	0	0	0	0	(3,510)	(3,510)
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0	0	0	0	0
<b>Total Adjustments to Capital Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,510)</b>	<b>(3,510)</b>
<b>Total Adjustments</b>	<b>(4,650)</b>	<b>133</b>	<b>530</b>	<b>352</b>	<b>(104)</b>	<b>(3,739)</b>



## NOTES TO THE ACCOUNTS

### 4. Adjustments between accounting basis and funding basis under regulations (continued)

<u>2022/23</u>	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Major Repairs Reserve £'000	Total £'000
<b>Adjustments to Revenue Resources</b>						
Amounts by which income and expenditure included in the Comprehensive & Income Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pension costs (transferred to/from the Pensions Reserve)	1,087	231	0	0	0	1,318
Council Tax & NNDR (transfers to/from the Collection Fund Adjustment Account)	(5,358)	0	0	0	0	(5,358)
Holiday pay (transferred to/from to the Accumulated Absences Reserve)	2	10	0	0	0	12
Reversal of entries relating to capital expenditure (charged to the Capital Adjustment Account).	864	7,270	0	0	0	8,134
<b>Total Adjustments to Revenue Resources</b>	<b>(3,405)</b>	<b>7,511</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,106</b>
<b>Adjustments between Revenue and Capital Resources</b>						
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	(349)	(1,889)	2,238	0	0	0
Payments to the government housing receipts pool	0	0	0	0	0	0
Transfer of HRA resources from revenue to the Major Repairs Reserve	0	(3,250)	0	0	3,250	0
Capital Grants unapplied	(889)	0	0	400	0	(489)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>(1,238)</b>	<b>(5,139)</b>	<b>2,238</b>	<b>400</b>	<b>3,250</b>	<b>(489)</b>
<b>Adjustments to Capital Resources</b>						
Use of the Capital Receipts Reserve to finance capital expenditure			(1,793)			(1,793)
Use of the Major Repairs Reserve to finance capital expenditure					(7,991)	(7,991)
Transfer from Deferred Capital Receipts Reserve upon receipt of cash						0
<b>Total Adjustments to Capital Resources</b>	<b>0</b>	<b>0</b>	<b>(1,793)</b>	<b>0</b>	<b>(7,991)</b>	<b>(9,784)</b>
<b>Total Adjustments</b>	<b>(4,643)</b>	<b>2,372</b>	<b>445</b>	<b>400</b>	<b>(4,741)</b>	<b>(6,167)</b>

### 5. Transfers to and from Earmarked Reserves

This note sets out the amounts transferred to and from the General Fund and Housing Revenue Account balances and earmarked reserves in 2023/24.

	2023/24				
	Balance at 1 April 2023 £'000	Transfers to CIES £'000	Internal transfers £'000	Transfers from CIES £'000	Balance at 31 March 2024 £'000
<b>General Fund</b>					
<b>Mitigation Reserves</b>					
Inflation & Financing Mitigation	1,200	0	0	0	1,200
Funding Volatility	1,319	0	0	0	1,319
Housing Benefit Subsidy	150	0	0	0	150
Insurance and Risk Management	37	0	0	0	37
In Borough Regeneration	3,500	0	0	0	3,500
<b>Total Mitigation Reserves</b>	<b>6,206</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,206</b>

## NOTES TO THE ACCOUNTS

	2023/24				Balance at 31 March 2024
	Balance at 1 April 2023	Transfers to CIES	Internal transfers	Transfers from CIES	
	£'000	£'000	£'000	£'000	£'000
<b>General Fund</b>					
<b>Service Reserves</b>					
Asset Management	165	(29)	0	0	136
Electoral Registration	57	0	0	1	58
Economic Development	300	0	0	0	300
High Street Fund	200	0	0	0	200
Environmental Initiatives	182	0	0	0	182
Planning Enforcement	61	(61)	0	0	0
Service Investment and Initiatives	200	0	0	0	200
Legal Resource	100	0	0	0	100
Leisure Contingency	72	0	0	0	72
LGV Driver Training	10	0	0	0	10
Digital, Customer & Comms	134	0	0	0	134
Rochford Partnership	189	(14)	0	0	175
Other Licences	5	0	0	0	5
Corporate Training	46	0	0	19	65
Apprentice Incentive	9	0	0	0	9
Street Scene Initiatives Creation	200	0	0	0	200
Staff Achievement & Recognition	3	0	0	0	3
<b>Total Service Reserves</b>	<b>1,933</b>	<b>(104)</b>	<b>0</b>	<b>20</b>	<b>1,849</b>
<b>Specific Reserves</b>					
Dunton Hills Development	0	0	0	50	50
Nightingale Maintenance	280	(12)	0	0	268
Preventing Homelessness	100	0	0	0	100
Brentwood Community Hospital	40	0	0	0	40
Community Rights	38	0	0	0	38
Health and Wellbeing	109	0	0	0	109
Neighbourhood Plan	29	0	0	0	29
Land at Hanover House	9	0	0	0	9
Willowbrook Rosen Crescent	7	0	0	0	7
Open Data Funding to LA's	1	(1)	0	0	0
New corporate priorities	250	0	0	250	500
CEV funding	27	0	0	0	27
Domestic Abuse funding	69	0	0	37	106
Home Office Assylum	0	0	0	30	30
Homes For Ukraine	0	0	0	235	235
Better Care Fund	0	0	0	2	2
Business Improvement District	0	0	0	94	94
Major Projects	0	0	0	700	700
Major Projects Consultation	0	0	0	200	200
<b>Total Specific Reserves</b>	<b>959</b>	<b>(13)</b>	<b>0</b>	<b>1,598</b>	<b>2,544</b>
<b>COVID-19 Specific Reserves</b>					
NDR Collection Fund Deficit	373	(373)	0	675	675
<b>Total COVID-19 Specific Reserves</b>	<b>373</b>	<b>(373)</b>	<b>0</b>	<b>675</b>	<b>675</b>
<b>Total General Fund Reserves</b>	<b>9,471</b>	<b>(490)</b>	<b>0</b>	<b>2,543</b>	<b>11,524</b>
<b>Housing Revenue Account Reserves</b>					
Council Dwellings Investment Fund	2,500	0	0	0	2,500
<b>Total Housing Revenue Account Reserves</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,500</b>
<b>Total Earmarked Reserves</b>	<b>11,971</b>	<b>(490)</b>	<b>0</b>	<b>2,543</b>	<b>14,024</b>

## NOTES TO THE ACCOUNTS

### 5. Transfers to and from Earmarked Reserves (continued)

The following table sets out the purpose of each earmarked reserve:

<u>General Fund Reserves</u>	<u>Purpose</u>
<b><u>Mitigation Reserves</u></b>	
Inflation & Financing Mitigation	To support the uncertainty around the Council's finances connected with the cost of living crisis
Funding Volatility	To mitigate the uncertainty and financial risks connected with Government Funding
Housing Benefit Subsidy	To support the funding of subsidy claims
Insurance and Risk Management	To support and mitigate high risks identified through the corporate risk register.
In Borough Regeneration	To support the council's plans for regeneration in the borough.
<b><u>Service Reserves</u></b>	
Asset Management	To fund the costs of developing and implementing the Council's asset management programme.
Electoral Registration	To fund future changes to registration, and the implementation of the Canvass Reform 2020
Economic Development	To fund the development of the Council's Economic Development Strategy
Brentwood Community Fund	To fund agreed community projects.
High Street Fund	To aid corporate objectives for growing the economy in town and village centres
Environmental Initiatives	To develop environmental initiatives that will reduce the Council's carbon footprint.
Planning Enforcement	To aid the dealing with unauthorised incursions and related enforcement work
Service Investment and Initiatives	To mitigate one off costs for any identified service investments or initiatives in year
Legal Resources	To fund the cost of unexpected legal case work
Leisure Contingency	To support the interim direct management by the Council of the Brentwood Leisure
LGV Driver Training	To fund mandatory CPC training for LGV drivers
Digital, Customer & Comms	To fund schemes such as customer service accreditation and development of social media engagement
Rochford Partnership	To fund the development of the partnership
Other Licences	Pavement licence grant to be utilised during 2022/23
Corporate Training	To fund investment in staff training and development
Apprenticeship Investment Programme	To maintain a rolling programme of apprenticeships at the Council.
Street Scene Initiatives Creation	To fund development of one off initiatives within Street Scene service area.
Staff Achievement & Recognition	To recognise and celebrate staff achievements
<b><u>Service Reserves</u></b>	
Dunton Hills Development	To fund planning costs associated with the Dunton Hills Garden Village Development.
Nightingale Maintenance	To meet the cost of grounds maintenance at the new housing development at this site.
Preventing Homelessness	To fund prevention initiatives and new costs associated with the Homelessness Reduction Act 2018.
Brentwood Community Hospital	To fund grounds maintenance of the former hospital site.
Community Rights	To fund costs associated with Community Rights to Buy and Assets of Community Value
Health and Wellbeing	To fund projects as determined by the Brentwood Health & Wellbeing Board.
Neighbourhood Plan	To fund future costs associated with the with Doddinghurst and West Horndon Neighbourhood Plans.
Land at Hanover House	To fund public open space improvements at land at Hanover House.
Willowbrook Rosen Crescent	To contribute towards to cost of hedge maintenance
Open Data Funding to LA's	To support additional work for DCA authorities in handling queries related to open UPRN/USRN data.
Corporate priorities	To fund emerging new schemes
CEV funding	To support the extremely vulnerable
Domestic Abuse fund	To support initiatives to reduce domestic abuse
Home Office Asylum	Homelessness funding for the disbursement of asylum seekers
Homes For Ukraine	To support the costs of Ukrainian refugees
Better Care Fund	To support care costs associated with people living independently
Business Improvement District	To support the Business Improvement District
Major Projects	To support Major Project Costs
Major Projects Consultation	To support Asset Management in delivering projects
<b><u>Covid Specific Reserves</u></b>	
NDR Collection Fund Deficit	To carry forward S31 Grant received in 2022/23 to offset the deficit carried forward on the NDR Collection Fund due to the extended Retail Relief Scheme in 2022/23
<b><u>Housing Revenue Account Reserves</u></b>	
Council Dwellings Investment Fund	Contains contributions from the HRA towards investment in the Council's housing stock and funding the Affordable Housing Programme.

## NOTES TO THE ACCOUNTS

### 6. Other Operating Expenditure

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Parish Council precepts	620	681
Payments to the Government Housing Capital Receipts Pool	0	0
Gains on the disposal of non-current assets	(741)	(214)
<b>Total</b>	<b>(121)</b>	<b>467</b>

### 7. Financing and Investment Income and Expenditure

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable	4,856	5,928
Net interest on the pensions net defined benefit liability	495	(933)
Interest receivable and similar income	(2,778)	(3,393)
Net movement in bad debts provision	29	(174)
Income from investment properties	(558)	(673)
Changes in fair value of investment properties	(1,099)	(2,282)
<b>Total</b>	<b>945</b>	<b>(1,527)</b>

### 8. Taxation and Non-Specific Grant Income

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Council Tax Income	(7,412)	(7,436)
Non Domestic Rates	591	2,507
Non-ringfenced Government grants (note 32)	(3,214)	(5,722)
Capital grants and contributions (note 32)	(469)	(1,803)
<b>Total</b>	<b>(10,504)</b>	<b>(12,454)</b>

## NOTES TO THE ACCOUNTS

### 9. Property Plant and Equipment

#### 9.1 Movements on balances in 2023/24

	Total £'000	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Infra- structure £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000
<b>Gross Carrying Amount (Cost/Valuation)</b>								
<b>At 1 April 2023</b>	<b>499,993</b>	<b>306,723</b>	<b>164,369</b>	<b>9,329</b>	<b>1,674</b>	<b>2,937</b>	<b>7,973</b>	<b>6,987</b>
Additions	13,991	9,180	1,816	459	0	423	0	2,113
Disposals	(319)	(319)	0	0	0	0	0	0
Impairment (Losses)/Reversals recognised in the Surplus/Deficit in the Revaluation Reserve	(999)	0	(999)	0	0	0	0	0
Impairment (Losses)/Reversals recognised in the Surplus/Deficit on the Provision of Services	(252)	0	(252)	0	0	0	0	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	8,141	(11,761)	20,085	0	0	0	(182)	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,132)	(1,035)	(97)	0	0	0	0	0
Assets Reclassified (to)/from Held for Sale	0	0	0	0	0	0	0	0
Other Movements in Cost or Valuation - Reclassifications	0	0	0	0	0	0	0	0
<b>At 31 March 2024</b>	<b>519,423</b>	<b>302,788</b>	<b>184,922</b>	<b>9,788</b>	<b>1,674</b>	<b>3,360</b>	<b>7,791</b>	<b>9,100</b>

<b>Accumulated Depreciation &amp; Impairment</b>								
<b>At 1 April 2023</b>	<b>(4,959)</b>	<b>0</b>	<b>(297)</b>	<b>(4,217)</b>	<b>(445)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation Charge for 2021/22	(5,798)	(3,158)	(1,910)	(670)	(61)	0	0	0
Depreciation Eliminated on Disposals	3	3	0	0	0	0	0	0
Depreciation Written Out to the Revaluation Reserve	4,644	3,142	1,502	0	0	0	0	0
Depreciation Written Out to the Surplus/Deficit on the Provision of Services	336	13	323	0	0	0	0	0
Other Movements in Cost or Valuation - Reclassifications	0	0	0	0	0	0	0	0
<b>Depreciation at 31 March 2024</b>	<b>(5,775)</b>	<b>0</b>	<b>(382)</b>	<b>(4,887)</b>	<b>(506)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Net book value at 31 March 2024</b>	<b>513,648</b>	<b>302,788</b>	<b>184,540</b>	<b>4,901</b>	<b>1,168</b>	<b>3,360</b>	<b>7,791</b>	<b>9,100</b>
<b>Net book value at 31 March 2023</b>	<b>495,034</b>	<b>306,723</b>	<b>164,073</b>	<b>5,111</b>	<b>1,229</b>	<b>2,937</b>	<b>7,973</b>	<b>6,987</b>

#### 9.2 Comparative Movements on Balances in 2022/23

	Total £'000	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant and Equipment £'000	Infra- structure £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000
<b>Gross Carrying Amount (Cost/Valuation)</b>								
<b>At 1 April 2022</b>	<b>473,234</b>	<b>297,472</b>	<b>154,811</b>	<b>8,709</b>	<b>1,537</b>	<b>2,937</b>	<b>5,196</b>	<b>2,572</b>
Additions	14,096	7,991	1,284	1,060	137	0	1	3,623
Disposals	(1,290)	(1,126)	0	(164)	0	0	0	0
Impairment (Losses)/Reversals recognised in the Surplus/Deficit in the Revaluation Reserve	(909)	(909)	0	0	0	0	0	0
Impairment (Losses)/Reversals recognised in the Surplus/Deficit on the Provision of Services	(583)	(583)	0	0	0	0	0	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	18,222	5,598	10,030	0	0	0	2,595	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services		(929)	(1,756)	0	0	0	182	0
Assets Reclassified (to)/from Held for Sale	0	0	0	0	0	0	0	0
Other Movements in Cost or Valuation - Reclassifications	(277)	(791)	0	(277)	0	0	0	791
<b>At 31 March 2023</b>	<b>502,496</b>	<b>306,723</b>	<b>164,369</b>	<b>9,329</b>	<b>1,674</b>	<b>2,937</b>	<b>7,973</b>	<b>6,987</b>

<b>Accumulated Depreciation &amp; Impairment</b>								
<b>At 1 April 2022</b>	<b>(4,469)</b>	<b>0</b>	<b>(289)</b>	<b>(3,795)</b>	<b>(385)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation Charge for 2021/22	(5,772)	(3,058)	(1,941)	(712)	(61)	0	0	0
Depreciation Eliminated on Disposals	175	12	0	164	0	0	0	0
Depreciation Written Out to the Revaluation Reserve	2,868	2,868	0	0	0	0	0	0
Depreciation Written Out to the Surplus/Deficit on the Provision of Services	2,111	178	1,934	0	0	0	0	0
Other Movements in Cost or Valuation - Reclassifications	127	0	0	127	0	0	0	0
<b>Depreciation at 31 March 2023</b>	<b>(4,959)</b>	<b>0</b>	<b>(297)</b>	<b>(4,217)</b>	<b>(445)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Net book value at 31 March 2023</b>	<b>495,034</b>	<b>306,723</b>	<b>164,073</b>	<b>5,111</b>	<b>1,229</b>	<b>2,937</b>	<b>7,973</b>	<b>6,987</b>
<b>Net book value at 31 March 2022</b>	<b>468,765</b>	<b>297,472</b>	<b>154,521</b>	<b>4,914</b>	<b>1,153</b>	<b>2,937</b>	<b>5,196</b>	<b>2,572</b>

## NOTES TO THE ACCOUNTS

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### 9.3 Assets Under Construction

The amount of £9.100m for Assets Under Construction is in respect of the following schemes:

- Affordable Housing Development Schemes £8.979m
- Football Hub £0.121m

### 9.4 Depreciation

The following asset lives have been used in the calculation of depreciation:

- Council Dwellings 68 years
- Other Land & Buildings 5-69 years
- Vehicles, Plant & Equipment 5-10 years
- Infrastructure-land drainage 50 years
- Infrastructure-other assets 10 years

### 9.5 Capital Commitments

As at the reporting date of 31 March 2024, the Council had capital commitments of £3,307K almost totally in respect of housing repairs and development. The Council did have any capital commitments as at 31 March 2023.

### 9.6 Revaluations

The Council carries out a rolling programme of valuations that ensures that a full revaluation all non-current assets requiring to be measured at fair value is carried out at least every five years. The valuations in 2023/24 were carried out by Wilks Head Eve, an independent firm of Royal Institute of Chartered Surveyors (RICS) registered valuers in accordance with the methodologies and bases for estimation set out in the professional standards of the RICS, and in the CIPFA Code. The bases for valuation are set out in accounting policy 41.16.

#### Council Dwellings

Council dwellings are valued using the beacon approach. The stock is broken down into archetypes groups, with an average value based on beacon values applied to each group. A full revaluation of the housing stock was carried out in 2023/24.

#### Other non-current assets

The values of asset classes have been assessed on the basis of local knowledge, publicised data and advice received by other surveyors and valuers. Where possible, the assets have been examined internally and copies of leases reviewed. A building survey has not been carried out, and the assets have not been inspected for the purposes of condition or structural stability. It is assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown.

#### Surplus Assets

All of the Council's surplus assets have been assessed as Level 2 in the fair value hierarchy for valuation purposes. The fair value has been measured using a market approach using current market conditions, recent sales prices and other relevant information for similar assets. Market conditions for these asset types are such that the levels of observable inputs are significant.

## NOTES TO THE ACCOUNTS

### Valuation history of the Council's assets

	Total	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at depreciated historical cost	24,010	0	88	9,788	1,674	3,360	0	9,100
Valued at fair value as at								
31 March 2020	1,919	0	1,919	0	0	0	0	0
31 March 2021	668	0	668	0	0	0	0	0
31 March 2022	1,076	0	1,076	0	0	0	0	0
31 March 2023	1,809	0	1,359	0	0	0	450	0
31 March 2024	489,941	302,788	179,812	0	0	0	7,341	0
<b>Total Cost or Valuation</b>	<b>519,423</b>	<b>302,788</b>	<b>184,922</b>	<b>9,788</b>	<b>1,674</b>	<b>3,360</b>	<b>7,791</b>	<b>9,100</b>

### 10. Capital Expenditure and Capital Financing

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

	2022/23	2023/24
	£'000	£'000
<b>Opening Capital Financing Requirement</b>	<b>248,641</b>	<b>251,694</b>
<u>Capital Expenditure</u>		
Property, plant and equipment	10,473	11,487
Assets under construction	3,623	2,504
Investment properties	16	0
Intangible assets	43	0
Revenue expenditure funded from capital under statute	288	596
<b>Total Capital Expenditure</b>	<b>14,443</b>	<b>14,587</b>
<u>Sources of Finance</u>		
Financing of capital expenditure:-		
Capital receipts	(1,793)	0
Government grants and other contributions	(360)	(1,951)
Major Repairs Reserve	(7,991)	(3,510)
<b>Total Financing of Capital Expenditure</b>	<b>(10,144)</b>	<b>(5,461)</b>
Sums set aside from revenue for the repayment of debt	(1,246)	(1,710)
<b>Closing Capital Financing Requirement</b>	<b>251,694</b>	<b>259,110</b>
<u>Explanation of Movements in the Year</u>		
Net increase in the underlying need to borrow	3,053	7,416
<b>Increase in Capital Financing Requirement</b>	<b>3,053</b>	<b>7,416</b>

## NOTES TO THE ACCOUNTS

### 11. Intangible Assets

The balance of £nil (£0.017m as at 31 March 2023) represents the costs of strategic developments to the Council ICT systems and infrastructure less accumulated amortisation.

### 12. Heritage Assets

The Council has two heritage assets, the Shenfield War Memorial and the Heritage Column. These are not recognised in the Balance Sheet because cost and valuation information is not available, and it is considered that the cost of obtaining such information would outweigh the benefit to readers of the financial statements in recognising the assets in the Balance Sheet.

Shenfield War Memorial is situated on Shenfield Road in Brentwood and is readily accessible to the public. It was renovated in 2012/13 and has an expected maintenance-free life for the memorial of twenty five years. Annual inspections will take place to ensure that appropriate maintenance will be carried out in the future.

The Heritage Column is a steel sculpture that depicts scenes of Brentwood's history. It sits at the junction of Kings Road and Brentwood High Street and is accessible to the public at all times. There is no specific maintenance programme for the column, which will be inspected on an *ad hoc* basis.

### 13. Investment Properties

The Council holds several commercial premises and pieces of land for the purpose of earning rental income and capital appreciation. There are no restrictions on the Council's ability to realise the value inherent in these investment properties or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancement.

The Council earned £0.673m (2022/23 £0.558m) rental income from these properties, which is accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The following table summarises the movement in the fair value of the investment properties over the year. Valuations were carried out by Wilkes Head Eve, an independent firm of Royal Institute of Chartered Surveyors (RICS) registered valuers, in line with professional standard set out by RICS, and the CIPFA Code.

	2022/23 £'000	2022/23 £'000	2022/23 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000
	Shops & other premises	Land	Total	Shops & other premises	Land	Total
Balance at start of the year	16,843	1,210	18,053	16,999	2,657	19,656
Enhancements	16	0	16	0	0	0
Net (losses)/gains from fair value adjustments						
- through Comprehensive Income & Expenditure Account	1,050	2,160	3,210	2,037	245	2,282
Transfer to Assets Held for Sale	(1,623)	0	(1,623)	1,250	0	1,250
Transfer to Surplus Assets	0	0	0	0	0	0
<b>Balance at end of the year</b>	<b>16,286</b>	<b>3,370</b>	<b>19,656</b>	<b>20,286</b>	<b>2,902</b>	<b>23,188</b>

Fair Value Hierarchy and Valuation Techniques used to determine Level 2 values

All of the Council's investment properties have been assessed as Level 2 in the fair value hierarchy for valuation purposes. The fair value of investment properties has been measured using a market approach using current market conditions, recent sales prices and other relevant information for similar assets. Typical valuation inputs used include market rental and sale values, yields, void and letting periods, configuration,



## NOTES TO THE ACCOUNTS

### 13. Investment Properties (continued)

proportions and layout. Market conditions for these asset types are such that the levels of observable inputs are significant.

### 14. Long Term Debtors

The balance of £60.210m mostly represents loans totalling £60.000m made by the Council to its wholly owned Company, Seven Arches Investments Ltd, as detailed in the Related Parties disclosure note.

### 15. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. Non-exchange transactions, such as those related to local taxation and government grants, do not give rise to financial instruments.

#### 15.1 Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or by a contractual right to receive cash or other financial assets from another entity. The financial assets held by the Council are carried in the Balance Sheet under the following classifications:

	Long-Term		Short-Term				Total	
	Debtors		Investments & Cash Equivalents		Debtors			
	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Amortised cost	60,210	60,209			2,626	3,757	62,836	63,966
Cash and Cash Equivalents:								
Cash at Bank			(228)	(408)			(228)	(408)
Short Term Investments			7,012	9,619			7,012	9,619
<b>Total financial assets</b>	<b>60,210</b>	<b>60,209</b>	<b>6,784</b>	<b>9,211</b>	<b>2,626</b>	<b>3,757</b>	<b>69,620</b>	<b>73,177</b>

The short-term debtors figure excludes debtors totalling £5.774m (£7.754 as at 31 March 2023) representing non-financial instruments such as Council Tax and NDR arrears.

These transactions are measured using inputs classified at level 2 in the fair value hierarchy. The Council also holds shares in Seven Arches Investments Ltd. These are held at their nominal value of £100 because it is impracticable to determine fair value.

#### 15.2 Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council, represented by an obligation on the Council to deliver cash to another entity. The financial liabilities held by the Council are carried in the Balance Sheet under the following classifications:

## NOTES TO THE ACCOUNTS

### 15. Financial Instruments (continued)

	Long-Term		Short-Term				Total	
	Borrowings		Borrowings		Creditors		Total	
	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000
Amortised cost					(2,768)	(3,447)	(2,768)	(3,447)
<b>Borrowing:</b>								
- PWLB	(192,019)	(192,019)	(731)	(717)			(192,750)	(192,736)
- Other local authorities			(36,017)	(20,066)			(36,017)	(20,066)
- Market	0	(24,385)	0	(547)			0	(24,932)
- transferred debt	(174)	0	(4)	0			(178)	0
<b>Total Financial Liabilities</b>	<b>(192,193)</b>	<b>(216,404)</b>	<b>(36,752)</b>	<b>(21,330)</b>	<b>(2,768)</b>	<b>(3,447)</b>	<b>(231,713)</b>	<b>(241,181)</b>

The creditors figure excludes creditors totalling £8.127m (£8.478min 2022/23) representing non-financial instruments such as Council Tax and NDR prepayments.

These transactions are measured using inputs classified at level 2 in the fair value hierarchy.

Income, Expense, Gains and Losses on Financial Instruments

The following amounts are recognised in the Comprehensive Income and Expenditure Statement:-

	2022/23		2023/24	
	Financial Liabilities measured at amortised cost £'000	Financial assets measured at amortised cost £'000	Financial liabilities measured at amortised cost £'000	Financial assets measured at amortised cost £'000
Interest expense	4,403		5,928	
Interest income		(2,442)		(3,393)

#### 15.3 Fair value of Financial Assets and Liabilities

The fair value of financial assets and liabilities are used as a comparison to the carrying value disclosed in the Balance Sheet. In most instances, the carrying amount is deemed to be a fair approximation of fair value.

The fair value of PWLB debt has been calculated by comparing the terms of these loans against current PWLB borrowing rates. The fair values are shown in the table on the following page:

## NOTES TO THE ACCOUNTS

### 15. Financial Instruments (continued)

	31 March 2023		31 March 2024	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
<b>Financial Assets:</b>				
Short Term Investments	11,003	11,003	9,619	9,619
Cash and Cash Equivalents	(228)	(228)	(408)	(408)
Short Term Debtors	2,626	2,626	3,757	3,757
Long Term Debtors	60,210	60,210	60,209	60,209
<b>Total Financial Assets</b>	<b>73,612</b>	<b>73,612</b>	<b>73,177</b>	<b>73,177</b>
<b>Financial Liabilities:</b>				
PWLB debt	(192,736)	(114,420)	(192,736)	(140,188)
Market Debt	0	0	(24,932)	(18,565)
Transferred Debt	(174)	(170)	0	0
Short Term Creditors	(2,848)	(2,848)	(3,447)	(3,447)
Short Term Borrowing	(34,210)	(34,210)	(20,066)	(20,066)
<b>Total Financial Liabilities</b>	<b>(229,968)</b>	<b>(151,648)</b>	<b>(241,181)</b>	<b>(182,266)</b>

### 16. Debtors

	31 March 2023			31 March 2024		
	Gross Debt £'000	Impairment Allowance £'000	Net Debt £'000	Gross Debt £'000	Impairment Allowance £'000	Net Debt £'000
Trade receivables-external bodies	1,247	(150)	1,097	668	(241)	427
Trade receivables-subsiidiary	523	0	523	1,924	0	1,924
Housing rents arrears	1,933	(1,447)	486	2,090	(1,491)	599
<b>Financial assets at contract amounts</b>	<b>3,703</b>	<b>(1,597)</b>	<b>2,106</b>	<b>4,682</b>	<b>(1,732)</b>	<b>2,950</b>
Central Government	545	0	545	390	0	390
Other local authorities	2,683	0	2,683	4,753	0	4,753
Council tax arrears	733	(278)	455	767	(289)	478
Non domestic rates arrears	1,126	(565)	561	680	(565)	115
Housing benefit overpayments	941	(900)	41	686	(644)	42
Other sundry receivables	190	0	190	324	0	324
Prepayments	459	0	459	479	0	479
<b>Total</b>	<b>10,380</b>	<b>(3,340)</b>	<b>7,040</b>	<b>12,761</b>	<b>(3,230)</b>	<b>9,531</b>

The Council Tax and Non Domestic Rates figures represent the Council's share of the total arrears for these debts.

## NOTES TO THE ACCOUNTS

### 17. Cash and Cash Equivalents/Cash Overdrawn

	31 March 2023 £'000	31 March 2024 £'000
Bank current accounts	(228)	(413)
Cash floats	0	5
<b>Total Cash and Cash Equivalents</b>	<b>(228)</b>	<b>(408)</b>

### 18. Creditors

	31 March 2023 £'000	31 March 2024 £'000
Trade payables-external bodies	2,363	2,935
Trade payables-subsiary	62	612
<b>Financial liabilities at contract amounts</b>	<b>2,363</b>	<b>3,547</b>
Central Government	5,571	2,859
Other local authorities	1,227	2,006
Council tax pre-payments	149	136
Non domestic rates pre-payments	622	691
Other sundry payables	484	512
Assizes Trust	0	888
Receipts in advance	768	935
<b>Total</b>	<b>11,246</b>	<b>11,574</b>

The Council Tax and Non Domestic Rates figures represent the Council's share of the total amounts owed.

### 19. Provisions

	Non Domestic Rates Appeals £'000	Insurance Claims £'000	Legal Claims £'000	Planning Appeals £'000	Total £'000
Balance at 31 March 2022	859	223	59	50	1,191
Reduced provisions in 2022/23	2,643	45	1	0	2,689
Amounts used in 2022/23	(2,102)	0	(1)	0	(2,103)
Balance at 31 March 2023	1,400	268	59	50	1,777
Additional provisions in 2023/24	42	113	0	0	155
Amounts used in 2023/24	0	0	(59)	0	(59)
<b>Balance at 31 March 2024</b>	<b>1,442</b>	<b>381</b>	<b>0</b>	<b>50</b>	<b>1,873</b>

#### **Nature and purpose of each provision:**

- a) **Non Domestic Rates Appeals** . Under the Non Domestic Rates Retention scheme introduced in April 2013 councils are expected to meet the financial impact of successful appeals by ratepayers against the rateable

## NOTES TO THE ACCOUNTS

- b) value of their properties on the rating list. The provision of £1.203m represents the Council's share of the provision.
- c) **Insurance Claims:** to meet claims from the Council's previous insurers Municipal Mutual Insurance who are subject to a Scheme of Arrangement.
- d) **Legal Costs:** to meet the cost of legal claims against the Council.
- e) **Planning Appeal.** This provision is to meet the costs of any planning appeal made against the Council.

The timing of the settlement of these liabilities is uncertain, but the Council has taken the view that they are likely to be settled within 12 months of the balance sheet date. The balances as at 31 March 2024 have therefore been classified as short-term liabilities.

There were also a number of ongoing and prospective challenges to the Council in respect of planning, land charges, contract, property, business rates and housing, which may give rise to costs in the future depending on the outcomes. The likely financial impact of these issues is not possible to quantify at this stage as they are too remote.

### 20. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement on page 24 and in note 4 on pages 35-37. Note 4 also contains an explanation of why each usable reserve is held.

### 21. Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment.

	31 March 2023 £'000	31 March 2024 £'000
<b>Balance at 1 April</b>	<b>168,290</b>	<b>187,396</b>
Adjustment to opening balance		(1,195)
Upward revaluation of Property, Plant & Equipment	28,255	29,338
Downward revaluation of Property, Plant & Equipment	(6,878)	(17,552)
<b>Sub total</b>	<b>21,377</b>	<b>11,786</b>
Difference between fair value depreciation and historical cost depreciation	(1,771)	(1,814)
Accumulated gains on assets sold or scrapped	(500)	(117)
<b>Amount written off to the Capital Adjustment Account</b>	<b>(2,271)</b>	<b>(1,931)</b>
<b>Balance at 31 March</b>	<b>187,396</b>	<b>196,056</b>

### 22. 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.

## NOTES TO THE ACCOUNTS

### 22. Capital Adjustment Account (continued)

	31 March 2023 £'000	31 March 2024 £'000
<b>Balance at 1 April</b>	<b>132,096</b>	<b>136,504</b>
<b>Adjustment to opening balance</b>		882
<b>Reversal of items relating to Capital Expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>		
Charges for depreciation and impairment of non-current assets	(5,750)	(5,798)
Revaluation losses on Property, Plant and Equipment	(2,905)	(1,048)
Amortisation of Intangible assets	(60)	0
Revenue Expenditure Funded from Capital under Statute	(288)	(69)
Amounts of non-current assets written off on disposal or sale as part of the gain or loss on disposal to the Comprehensive Income and Expenditure Statement	(1,477)	
<b>Sub Total</b>	<b>(10,480)</b>	<b>(6,915)</b>
Adjusting amounts written out of the Revaluation Reserve	2,271	1,931
<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>(8,209)</b>	<b>(4,984)</b>
<b>Capital Financing applied in the year</b>		
Use of the Capital Receipts Reserve to finance new capital expenditure	1,793	0
Use of the Major Repairs Reserve to finance new capital expenditure	7,991	3,510
Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	488	1,424
Revenue contributions to capital expenditure	0	0
Provision for the financing of capital investment charged against the General Fund and HRA balances	1,246	1,710
<b>Sub Total</b>	<b>11,518</b>	<b>6,644</b>
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	1,099	2,281
<b>Balance at 31 March</b>	<b>136,504</b>	<b>141,327</b>

### 23. Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has not yet taken place. These gains are not treated as usable until they are backed by cash receipts, at which point the amounts are transferred to the Capital Receipts Reserve.

	31 March 2023 £'000	31 March 2024 £'000
<b>Balance at 1 April</b>	<b>292</b>	<b>292</b>
Recognition of gains	0	0
Transfer of net gain/(loss) on disposal to CIES	0	0
Transfer to the Capital Receipts Reserve upon receipt of cash	0	0
<b>Balance at 31 March</b>	<b>292</b>	<b>292</b>

## NOTES TO THE ACCOUNTS

### 24. Pension Reserve

The Pension 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.

	31 March 2023 £'000	31 March 2024 £'000
<b>Balance at 1 April</b>	<b>(20,304)</b>	<b>18,448</b>
Remeasurements of the net defined benefit liability	40,089	(21,722)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(4,235)	(731)
Employer's pensions contributions and direct payments to pensioners payable in the year	2,898	2,082
<b>Balance at 31 March</b>	<b>18,448</b>	<b>(1,923)</b>

### 25. Accumulated Absences Adjustment Account

The Accumulated Absences Adjustment Account absorbs the difference that would otherwise arise on the General Fund or HRA balances for accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the balances is neutralised by transfer to and from the Account.

	31 March 2023 £'000	31 March 2024 £'000
<b>Balance at 1 April</b>	<b>(110)</b>	<b>(122)</b>
(Increase)/decrease	(12)	(7)
<b>Balance at 31 March</b>	<b>(122)</b>	<b>(129)</b>

### 26. Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and NDR income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax and NDR payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	31 March 2023 £'000	31 March 2024 £'000
<b>Balance at 1 April</b>	<b>(4,675)</b>	<b>683</b>
Increase/decrease	5,358	(852)
<b>Balance at 31 March</b>	<b>683</b>	<b>(169)</b>

## NOTES TO THE ACCOUNTS

### 27. Trading Operations

The Council operates two trading operations: car parks and commercial trade waste collection. The income and expenditure of these services was as follows:

	2022/23 £'000	2023/24 £'000
<b>Car Parks</b>		
Income	(1,631)	(1,867)
Expenditure	715	919
<b>Surplus</b>	<b>(916)</b>	<b>(948)</b>
<b>Trade Waste Collection</b>		
Income	(590)	(646)
Expenditure	308	361
<b>Surplus</b>	<b>(282)</b>	<b>(285)</b>

### 28. Members' Allowances

The Council paid £0.274m to Members of the Council during the year (£0.276m in 2022/23).

### 29. Officers' Remuneration

The Council has a shared senior leadership team with Rochford District Council. The remuneration paid in 2023/24 to the officers employed by Brentwood was as follows:

Post	Salary, Fees and Allowances	Expenses	Benefits in Kind (e.g. car allowance)	Employer's Pension Contribution	Total
	£	£	£	£	£
<b><u>Tier 1 &amp; 2</u></b>					
Chief Executive (full year)	79,483	295	10,863	17,486	108,127
Strategic Director (full year)	60,412	348	0	12,687	73,447
Strategic Director	86,880	0	0	19,114	105,994
Strategic Director - Commercial and Regeneration (from 18/3/24)	2,093	0	0	460	2,553
<b><u>Tier 3 Structure</u></b>					
Director - Housing (from 19/6/23)	53,168	0	0	11,165	64,333
Director - Environment	48,212	0	0	10,125	58,337
Director - Place (from 18/3/24)	1,888	0	0	415	2,303
Director - Place (to 7/1/24))	36,621	161	0	8,057	44,839
Director - Assets and Investments	45,602	313	6,936	10,033	62,884
Director - Communities and Health	47,570	114	4,901	10,376	62,961
Director - Customer and Data Insight	44,769	595	664	9,849	55,877
Director Policy & Delivery	47,570	408	0	10,465	58,443
Interim Director - People and Governance	16,635	60	0	3,674	20,369
Interim Director - People and Governance	19,383	44	0	4,264	23,691
	<b>590,286</b>	<b>2,338</b>	<b>23,364</b>	<b>128,170</b>	<b>744,158</b>



## NOTES TO THE ACCOUNTS

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### Notes

\* 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 75/30 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.

## NOTES TO THE ACCOUNTS

### 29. Officers' Remuneration (continued)

The remuneration paid to the Council's senior employees during 2022/23 was as follows:

Post	Salary, Fees and Allowances £	Employer's Pension Contribution £	Total £
<b><u>Tier 1 &amp; 2</u></b>			
Chief Executive (full year)	151,925	30,233	182,158
Strategic Director (full year)	102,338	20,365	122,703
Strategic Director (to October 2022)	66,189	0	66,189
<b><u>Tier 3 Structure (up to 31 July 2022)</u></b>			
Corporate Director (Planning & Economy)	23,640	6,114	29,754
Corporate Director (Housing & Community Safety)	23,640	6,114	29,754
Corporate Director (Environment & Communities)	23,640	6,114	29,754
Corporate Director (Digital & Customer Engagement)	17,343	8,085	25,428
Corporate Director (Finance & Resources) - S151 Officer	52,078	12,118	64,196
Corporate Director (Law & Governance) - Monitoring Officer	25,397	9,104	34,501
<b><u>Tier 3 Structure (from 1 August 2022)</u></b>			
Director Communities and Health	58,592	10,250	68,842
Director Policy & Delivery	58,592	10,250	68,842
Director Place	58,592	10,250	68,842
Director Assets and Investments	34,777	7,064	41,841
Director Customer and Data Insight	34,505	6,867	41,372
Director Resources - S151 Officer	0	0	0
Director Housing	0	0	0
Director People and Governance - Monitoring Officer	0	0	0
	<b>731,248</b>	<b>142,928</b>	<b>874,176</b>

Employees earning more than £50,000

The number of other employees of the Council receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) was as follows:

Remuneration Band	2022/23	2023/24
	Number of employees	Number of employees
£50,000 - £54,999	11	10
£55,000 - £59,999	6	6
£60,000 - £64,999	7	4
£65,000 - £69,999	1	4

#### Off Payroll Arrangements

The Council engages interim staff to provide temporary cover for vacant posts and to obtain specialist skills and experience. The cost of 9 of these interim staff (5 in 2021/22) was more than £50,000 in each instance, at a total cost of £581,221 (£397,802 in 2021/22). The sums represent the amounts paid by the Council to the supplying agencies. The Council's recruitment policies were followed in all of these interim appointments.

## NOTES TO THE ACCOUNTS

### 30. Termination Benefits

#### Exit Packages

The following table discloses the number and total cost of exit packages within cost bands incurred during the year:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23 £000	2023/24 £000
£0 - £20,000	1	2	0	5	1	7	16	37
£20,001 - £40,000	1	0	1	1	2	1	57	23
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	1	0	0	0	1	0	66	0
<b>Total</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>4</b>	<b>8</b>	<b>139</b>	<b>60</b>

The costs in the above Exit Packages table represent the liabilities incurred by the Council upon the termination of the contracts of a number of its employees.

### 31. External Audit Costs

	2022/23 £'000	2023/24 £'000
Fees payable in respect of external audit services carried out by the appointed auditor for the year		
- planned fees	67	165
- additional fees	28	0
Fees payable for the certification of grant claims and returns for the year	17	17
Rebate or contribution from PSAA	(3)	0
<b>Total</b>	<b>109</b>	<b>183</b>

In addition, the Council's subsidiary company Seven Arches Investments Ltd incurred external audit costs of £0.008m (£0.009m in 2022/23) giving total group external audit costs of £0.191m (£0.118m in 2022/23).

## NOTES TO THE ACCOUNTS

### 32. Grant Income

The following grants and contributions have been credited to the Comprehensive Income and Expenditure Statement:

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Credited to Taxation and Non-specific Grant Income:</b>		
<b>Non-ringfenced Government grants</b>		
New Homes Bonus Scheme	713	450
Business Rates Relief	2,142	4,477
New Burdens Business Rates Relief	125	0
Transparency Code Set Up Grant	8	0
Levy Account Surplus Grant	14	14
Lower Tier Services Grant	190	451
Revenue Support Grant	0	69
Discretionary Business Rates Scheme	0	58
Funding Guarantee	0	67
Council Tax Support Scheme	0	97
Other Government Grants	0	39
Covid-19 Additional Relief Fund	35	0
<b>Sub total</b>	<b>3,227</b>	<b>5,722</b>
<b>Capital grants and contributions</b>		
Developers' Section 106 Grants	276	0
Local Authority Housing Fund	0	1,322
Safer Streets Grant	0	50
Food Waste Recycling Grant	0	131
Disabled Facilities Grant	0	114
Car Park Contribution	0	186
<b>Sub total</b>	<b>276</b>	<b>1,803</b>
<b>Total</b>	<b>3,503</b>	<b>7,525</b>

## NOTES TO THE ACCOUNTS

	2022/23	2023/24
<b>Credited to Services:</b>	<b>£'000</b>	<b>£'000</b>
<b>COVID-19 support grants</b>		
New Burdens funding re. Post Payment Assurance, Reconciliation and Debt Recovery	44	0
Test and Trace Support Payments - Discretionary Payments	128	0
Contain Outbreak Management Fund COMF	25	0
Covid Funding to Support Clinically Extremely Vulnerable	27	0
Reopening High Streets Safely Fund / Welcome Back Fund	1	0
<b>Total COVID-19 support grants</b>	<b>225</b>	<b>0</b>
<b>Rent Allowances &amp; Rebates</b>		
Rent Allowances	4,640	4,659
Rent Rebates	3,752	3,762
Discretionary Housing Payments	91	91
Housing Benefit Administration	118	152
<b>Total Rent Allowances &amp; Rebates</b>	<b>8,600</b>	<b>8,664</b>
<b>Other grants</b>		
Food Waste Grant	436	0
Disabled Facilities Grant	420	526
Council Tax Sharing Agreement - Essex CC	287	0
Dunton Hills Garden Village funding	135	0
Preventing Homelessness Grant	236	351
Non Domestic Rates-Cost of Collection	104	104
Council Tax Support	247	0
Community Hub Funding	2	0
UKSPF - DLUHC	41	89
Urban Tree Challenge	51	41
Other grants individually less than £0.050m	346	180
<b>Total Other grants</b>	<b>2,305</b>	<b>1,291</b>
<b>Capital grants and contributions</b>		
S106 Eagle & Child	193	0
	<b>193</b>	<b>0</b>
<b>Total</b>	<b>11,323</b>	<b>9,955</b>

## NOTES TO THE ACCOUNTS

### 32. Grant Income (continued)

The Council received a number of grants and contributions during 2023/24 that not been recognised as income as at 31 March 2024 because they have conditions attached to them that could require the monies to be returned to the grantor. The balances at the year-end were as follows:

	31 March 2023	31 March 2024
	£'000	£'000
<b><u>Grants Receipts in Advance (Revenue Grants)</u></b>		
<b>Current Liabilities:</b>		
Council Tax Rebate Grants	90	0
Other grants	422	105
<b>Total</b>	<b>512</b>	<b>105</b>
<b><u>Grants Receipts in Advance (Capital Grants)</u></b>		
<b>Developers' Contributions:</b>		
Mountnessing Scrapyard	1,027	1,027
Former Elliots Nightclub	188	188
Doddinghurst Surgery, Outings Lane, Doddinghurst	172	172
S106 de Paul Way Play Area	0	174
La Plata Wood, Brentwood	51	33
73 High Street, Brentwood	44	44
S106 Brentwood Blood Centre	83	83
S106 Land at Eagle Way open space	141	23
Local Authority Housing Fund (LAHF)	502	350
Other grants individually less than £0.050m	96	135
<b>Total</b>	<b>2,304</b>	<b>2,229</b>

### 33. Related Parties

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

#### UK Government

Central Government has significant influence over the general operation of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of funding in the form of grants and prescribes the terms for many of the transactions the Council undertakes with other parties. For example, bills for Council Tax or housing benefits. Grants received from Government are shown in Note 32.

#### Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid are shown in Note 28. In addition, costs totalling £19,637 were paid to voluntary organisations. Most of governing bodies of these organisations include at least one Member representing the Council. Grant allocation totalling £186,000 was paid by South Essex Parking Partnership to Brentwood Borough Council during in year.

## NOTES TO THE ACCOUNTS

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### 33. Related Parties (continued)

#### Senior Officers

The majority of Senior Staff returned a financial transactional declaration of nil, or of minimal transactional value in relation to contracts of influence. A Senior Officer holds a Non Executive Directorship with a business enterprise supplying the council with interim senior staff. The value of these transactions total £485,044 for the year.

#### Entities in which Members have a Controlling Interest

Members of the Council are required to review and complete a Register of Members Interests and a Declaration of Financial Interest form. Nil Returns were received by almost all Members in regards to finance related matters for the year. One Member occupies the post of Police, Fire & Crime Commissioner for Essex. Details of this are shown under Other Public Bodies.

#### Other Public Bodies (subject to common control by Central Government)

##### a) Essex County Council

Three Council Members were also members for Essex County Council during the financial year. The Council paid Essex County Council a total of £266,320 of which £172,504 was in respect of trade waste; £69,516 was for Planning and Land Charge services and £24,300 of other costs including contributions & subscriptions. The Council was paid £1,266,080 by Essex County Council during the year. Of that amount, £1,125,408 was in respect of waste disposal & recycling, £76,200 in respect of the highways ranger service. The balance related to other services including wedding, grants and venue hire.

##### b) Essex Police/Essex Police & Crime Commissioner

Sanderson Weatherall are property managers on behalf of Brentwood Borough Council regarding commercial space within the Town Hall. The lease amount of £146,659 was received during the year with regards to the rental of both office space and car parking facilities from Essex Police and Crime Commission. £54,118 additional rent and service charge costs were also collected during the financial year. The Council Tax precepts paid by the Council to the Essex Police & Crime Commissioner are disclosed in the Collection Fund on pages 93-94.

##### c) Essex County Fire and Rescue Service (ECFRS)

There were financial transactions between ECFRS and Brentwood Borough Council to the value of £4,774 during the year relating to IT and subscriptions. The Council Tax precepts and Non Domestic Rates precepts paid by the Council to the Essex Fire & Rescue Service are disclosed in the Collection Fund on pages 92-93.

##### d) London Borough of Barking & Dagenham

The Council paid the London Borough of Barking and Dagenham £2,242 total during the year for the provision of legal services.

##### e) Thurrock Council

The Council paid Thurrock Borough Council £460,080 for the provision of various professional services including Planning and shared Environmental Health services. Brentwood Borough Council received £16,189 for a shared admin arrangement relating to Environmental Health services.

## NOTES TO THE ACCOUNTS

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f) Thurrock Council

The Council paid Thurrock Borough Council £460,080 for the provision of various professional services including Planning and shared Environmental Health services. Brentwood Borough Council received £16,189 for a shared admin arrangement relating to Environmental Health services.

g) Basildon Borough Council

The Council paid Basildon Borough Council a total of £1,576,036 of which £1,535,220 was for the provision of a shared Revenues & Benefits service, and £40,816 for other services. BBC was paid £28,385 in grants and other income.

h) Rochford District Council

Brentwood Borough Council entered into a Partnership with Rochford District Council named OneTeam. The aim of partnership is to create a more collaborative way of working creating efficiencies and improvements to council services for both Brentwood and Rochford residents. Income of £1,134,481 was received from Rochford, and £546,423 paid to Rochford during the year. The vast majority of this in relation to staffing arrangements.

i) Braintree District Council

The Council paid Braintree District Council a total of £47,589 in 2022/23 (£42,246 in 2021/22) for the provision of a payroll service and a HR self-service application. These services are provided through the Braintree, Colchester and Epping Inter-Authority Shared Service Agreement, of which Braintree is the lead member.

j) Parish Councils

During the year the Council received income of £19,769 from Parish Councils mostly relating to the collection of waste, and paid costs of £39,885 mostly relating to land.

k) Association of South Essex Local Authorities

The Council is a member of the Association of South Essex Local Authorities (ASELA). ASELA is a partnership of 6 neighbouring councils that have come together to deliver growth and prosperity in the region. The local authority partners are Basildon, Brentwood, Castle Point, Rochford, Southend-on-Sea and Thurrock. Brentwood Borough Council paid £6,870 during the year for training and subscription services.

### Entities Controlled or Significantly Influenced by the Council

a) Seven Arches Investments Ltd (SAIL)

Seven Arches Investment Ltd (SAIL) was incorporated under the Companies Act 2006 in 2018 and are solely owned by Brentwood Borough Council. The Company was established with the aim of being commercially focused, to provide Brentwood Borough Council with increased revenue that will be used to benefit the community. The council paid SAIL £667,484 during the year relating to Planning and Development services. Income was received of £7,280,007 of which £2,405,885 as related to loans/interest, £409,613 in relation to SLA agreements, £4,424,020 for rent and £40,490 of other income.



## NOTES TO THE ACCOUNTS

### 34. Leases

#### Council as Lessor - Operating Leases

The Council leases out premises under operating leases in order to generate a rental income. The minimum lease payments receivable under non-cancellable leases in future years are:

	<b>31 March 2023 £'000</b>	<b>31 March 2024 £'000</b>
Not later than one year	5,642	5,784
Later than one year and not later than five years	21,997	22,652
Later than five years	72,345	77,038
<b>Total</b>	<b>99,984</b>	<b>105,474</b>

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. £155,169 of contingent rents were receivable by the Council in 2023/24 (none in 2022/23).

### 35. Accounting standards that have been issued but not yet adopted

The 2023/24 Code of Practice on Local Authority Accounting in the UK is expected to introduce the following accounting standards:

- a) 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 £0.52m on the balance sheet

- b) Classification of Liabilities as Current or Non -Current (Amendments to IAS 1) issued in January 2020 is not applicable.
- c) Lease Liability in a sale and Leaseback (Amendments to IFRS 16) issued in September 2022 is not applicable.
- d) Non current Liabilities with Covenants (amendments to IAS 1) issued October 2022 is not applicable.
- e) International Tax Reform: Pillar Two Model rules (Amendments to IAS 12). Issued in May 2023 is not applicable
- f) Supplier Finance arrangements (Amendments to IAS 7 and IFRS 7).issued in May 2023 is not applicable.

### 36. Events after the Balance Sheet date

The unaudited Statement of Accounts was authorised for issue by Tim Willis, Interim Director (Resources), on 31 July 2024. As at that date, no post balance sheet events have been identified for the Council's core financial statements.

## NOTES TO THE ACCOUNTS

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

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

including:

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

#### Credit Risk

Credit risk arises from deposits with banks and other financial institutions and from credit exposures to the Council's customers. The Council minimises credit risk by restricting its lending to other local authorities and to UK banks and building societies with credit ratings at or above a level specified in the Annual Investment Strategy.

The Council has had no experience of default on investments and does not expect any losses, nor has credit risk increased since initial recognition, so no loss allowance has been made for investments.

The Council makes a provision for impairment of trade receivables using a provision matrix, based on historical observed default rates over the lifecycle of trade.

The Council also makes a provision for impairment of housing rent arrears, based on historical observed default rates of debts at the various stages of the Council's debt recovery cycle. This methodology produces an impairment provision of £1.491m (2022/23 £1.447m) against rent arrears of £2.090m (2022/23 £1.933m).

#### Liquidity Risk

The Council manages its liquidity position through its cash flow management procedures. In the event of unexpected movements, the Council has ready access to borrowing from the money markets and Public Works Loans Board. There is therefore no significant risk that the Council would be unable to raise finance to meet its commitments under financial instruments. The risk to the Council is that it would have to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. This is addressed by monitoring the maturity structure of its debt. The maturity analysis of financial liabilities in respect of its borrowings at 31 March as follows:

	<b>31 March 2023</b>	<b>31 March 2024</b>
	<b>£'000</b>	<b>£'000</b>
Less than one year	36,000	21,331
Between one and five years	10,000	12,591
Between five and ten years	17,400	34,428
Between ten and twenty years	42,853	47,687
More than twenty years	121,943	121,698
<b>Total</b>	<b>228,196</b>	<b>237,735</b>

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

## NOTES TO THE ACCOUNTS

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### 37. Nature and extent of risks arising from financial instruments (continued)

#### Market Risk

##### Interest Rate Risk.

All of the Council's investments and borrowing at 31 March 2024 were at fixed rates of interest. The Council was therefore not exposed to risk of additional costs on resulting from increases in interest rates.

##### Price Risk and Foreign Exchange Risk

The Council does not invest in instruments such as equity shares as part of its treasury function and thus has no exposure to loss arising from movements in price. The Council has no financial assets or liabilities denominated in foreign currencies and has no exposure to loss arising from movements in exchange rates.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Balance Sheet at 31 March 2024 for which there is a risk of material adjustment in the forthcoming financial year are set out in the following paragraphs.

## NOTES TO THE ACCOUNTS

38. Assumptions made about the future and other major sources of estimation uncertainty (continued)

Uncertainty	Effect if Actual Result differ from Assumptions
<p><b>Property, Plant &amp; Equipment</b> Council dwelling, other land &amp; buildings and surplus assets are valued by a RICS registered valuer sufficiently frequently to ensure that their carrying amount is not materially different from their current / fair value at the year-end.</p>	<p>A 1% increase or decrease in the value of these assets would increase or decrease their carrying value by approximately £4.79m.</p>
<p><b>Fair Value Measurements</b> When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques. Where possible the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. Changes in the assumptions used could affect the fair value of the Council's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the Council commissions relevant experts (e.g. valuers, treasury advisors and actuaries), to identify the relevant valuation techniques and the estimated fair values (e.g. Interest rates yields or yields for similar financial instruments). These advisors consider and report to the Council local/national economic and operational trends and forecasts, in estimating the fair value of its assets and liabilities (e.g. national house price statistics and local commercial rental market trends in valuing the Council's property assets).</p> <p>Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities is disclosed in Note 15.</p>	<p>Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets. The risks associated with financial instruments are documented in note 37. A 1% increase or decrease in the value of the Council's investment properties would increase or decrease their carrying value by approximately £0.23m.</p>

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

Uncertainty	Effect if Actual Result differ from Assumptions
<p><b>Pensions Liability</b></p> <p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages and mortality rates and expected returns on pension fund assets. Barnett Waddingham, an independent firm of actuaries, has been engaged to provide the Council with expert advice about the assumptions to be applied.</p> <p>Further information can be found in Note 40.</p>	<p>A sensitivity analysis on pension liabilities is included in note 40.</p>
<p><b>Business Rates Appeals</b></p> <p>The provision for losses in non-domestic rates income arising from appeals against assessed rateable values in the 2005 and 2010 lists is based on an assessment using the historical experience of appeals and an analysis of the details of appeals held by the Valuation Office Agency. The 2017 revaluation and the introduction by the Government of the Check, Challenge and Appeal process for appeals presents a difficulty in establishing an appropriate provision against the 2017 list because there is an absence of active appeals on which to base the calculation of an appeals provision.</p> <p>The provision for the 2017 list is based on potential losses against the 2017 list, based on successful and outstanding appeals against the 2010 list, and potential new appeals identified by the Council's non-domestic rates advisors.</p>	<p>The provision against the 2017 list is difficult to estimate as the number of successful appeals is unknown, as is the number of businesses likely to appeal against their change in business rates. If underestimated there will be higher write off costs than provided for and this will therefore reduce the income within the Collection Fund.</p> <p>A 10% increase in the Business Rates Appeals provision would increase the Council's provision by £0.144m, representing 40% of the increase to the Collection Fund of £0.360m.</p>
<p><b>Provision for Bad and Doubtful Debts</b></p> <p>At 31 March 2024, the Council had a balance of short-term debtors of £9.531m.</p>	<p>In the current climate it is not certain that such an allowance will continue to be sufficient. If collection rates were to deteriorate, further consideration would be given to reviewing the criteria for calculating the provision, with a view to increasing the provision held by the Council.</p>

39. Critical judgments in applying accounting policies

In applying the Accounting Policies set out in Note 41, the Council 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:

Valuation of Property, Plant and Equipment

The Council's Non-Current assets are valued on the Balance Sheet in accordance with the CIPFA Code of Practice and the Royal Institute of Chartered Surveyors (RICS). Accounting policies Note 16 gives more detail. In line with the CIPFA Code of Practice, all Non-Current assets, with the exception of those carried at depreciated historic cost, are valued on a rolling program of at least five years, to ensure that the carrying value of these reflect the market value as at the balance sheet date. The Council's professionally qualified valuers also undertake a material changes review of each category of asset to ensure that material asset values adequately reflect market value as at the Balance Sheet date.

Cost of Living Support Measures

The government announced a range of grant schemes to support businesses, and individuals required to self-isolate, to be administered by local billing authorities. The Council has assessed whether it should be accounting for the grants paid to them and the distribution of the grants to eligible recipients, as either principal or agent transactions in accordance with Section 2.6 (Principal and Agent Transactions) of the Code.

Group Accounts Boundary assessment

The Council undertakes its operational activities through a variety of service delivery options, either under ultimate control of the Council or in partnership with other entities. The Council undertakes a judgement as to whether the arrangements fall into the Group boundary. Where these arrangements are material, either quantitatively or financially, they are included in the Group Accounts. Seven Arches Investment Limited, a wholly owned subsidiary of the Council, has been included in the Council's Group accounts.

Classification of Leases

The Council has undertaken an analysis to classify the lease it holds, both as lessor and lessee, as either operating or finance leases. Relevant accounting policies have been applied to the assessment. The Council judges that none of the arrangements constitute a finance lease where the Council is the lessee, and therefore no amounts in respect of finance leases are recognised on the Balance Sheet.

## NOTES TO THE ACCOUNTS - PENSION LIABILITIES

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### 40. Defined Benefit Pension Schemes

#### 40.1 Participation in Pension Schemes

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

The Council participates in two post-employment schemes:

- (i) The Local Government Pension Scheme, administered locally by Essex County Council. This is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings.
- (ii) Arrangements for the award of discretionary post-retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

#### 40.2 Fund Valuation and Disclosures – data sources

The fund assets and liabilities, information and disclosures have been provided by Barnett Waddingham, an independent firm of actuaries. They have used the following items of data:

- the results of the valuation as at 31 March 2022 which was carried out for funding purposes and the results of the 31 March 2024 IAS19 report, which was carried out for accounting purposes;
- whole fund income and expenditure items for the period to 31 March 2024
- fund income and expenditure in respect of the employer for the period to 31 March 2024
- details of any new early retirements for the period to 31 March 2024 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost.
- details of any settlements for the period to 31 March 2024

#### 40.3 Transactions Relating to Post-employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The charge that the Council is required to make against the General Fund and Housing Revenue Account, however, is based on the employer's contributions that it pays to the Pension Fund. The cost of post-employment benefits recognised in the deficit on provision of services is reversed out via the Movement in Reserves Statement.

The following table identifies the transactions that have been made in the Comprehensive Income and Expenditure Statement and the General Fund and HRA Balances via the Movement in Reserves Statement during the year:

## NOTES TO THE ACCOUNTS - PENSION LIABILITIES

### 40.3 Transactions Relating to Post-employment Benefits (continued)

	Local	Discretionary	Total	Local	Discretionary	Total
	Government	Benefits		Government	Benefits	
	Pension	Arrangements		Pension	Arrangements	
	Scheme		Scheme			
	2022/23	2022/23	2022/23	2023/24	2023/24	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Service cost comprising:						
Current service cost	3,431	0	3,431	1,529	0	1,529
Past service costs including curtailments	220	0	220	51	0	51
Gain on settlements	0	0	0	0	0	0
Administration	70	0	70	84	0	84
Net interest expense	433	62	495	(995)	62	(933)
<b>Total Post-employment Benefits Charged to the Surplus or Deficit on the Provision of Services</b>	<b>4,154</b>	<b>62</b>	<b>4,216</b>	<b>669</b>	<b>62</b>	<b>731</b>
Remeasurement of the net defined benefit comprising:						
Return on plan assets (excluding the amount included in the net interest expense)	(2,722)	0	(2,722)	8,965	0	8,965
Other actuarial (gains) / losses on assets						
Actuarial gains and losses arising on changes in financial assumptions	54,717	(455)	54,262	1,494	(13)	1,481
Actuarial gains and losses arising on changes in demographic assumptions	0	0	0	1,482	(36)	1,446
Experience (gain) / loss on defined benefit obligation	(11,669)	218	(11,451)	(321)	7	(314)
Changes in effect of asset ceiling	0	0	0	(33,300)	0	(33,300)
<b>Sub total</b>	<b>40,326</b>	<b>(237)</b>	<b>40,089</b>	<b>(21,680)</b>	<b>(42)</b>	<b>(21,722)</b>
<b>Total Post-employment Benefits Charged to the Comprehensive Income and Expenditure Statement</b>	<b>44,480</b>	<b>(175)</b>	<b>44,305</b>	<b>(21,011)</b>	<b>20</b>	<b>(20,991)</b>
Reversal of net charges for post employment benefits in accordance with IAS19	(4,154)	(62)	(4,216)	(669)	(62)	(731)
<b>Actual Amount Charged against the General Fund and HRA Balances for the Year</b>						
Contributions / payments charged to the General Fund	2,119	170	2,289	1,413	174	1,587
Contributions / payments charged to the Housing Revenue Account	564	45	609	441	54	495
<b>Employer's contributions payable to the Pension Fund</b>	<b>2,683</b>	<b>215</b>	<b>2,898</b>	<b>1,854</b>	<b>228</b>	<b>2,082</b>

### 40.4 Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	Local	Discretionary	Total	Local	Discretionary	Total
	Government	Benefits		Government	Benefits	
	Pension	Arrangements		Pension	Arrangements	
	Scheme		Scheme			
	2022/23	2022/23	2022/23	2023/24	2023/24	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Present Value of the defined benefit obligation	(100,277)	(2,098)	(102,375)	(99,316)	(1,923)	(101,239)
Fair value of plan assets	120,823	0	120,823	132,616	0	132,616
Impact of asset ceiling	0	0	0	(33,300)	0	(33,300)
<b>Net liability arising from defined benefit obligation</b>	<b>20,546</b>	<b>(2,098)</b>	<b>18,448</b>	<b>0</b>	<b>(1,923)</b>	<b>(1,923)</b>



## NOTES TO THE ACCOUNTS - PENSION LIABILITIES

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

	<b>2022/23</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening fair value of scheme assets</b>	<b>121,811</b>	120,823
Interest on assets	3,150	5,733
Return on assets less interest	(2,722)	8,965
Other actuarial gains / (losses)		
Administration expenses	(70)	(84)
Contributions from employer	2,898	2,082
Contributions from employees into the scheme	570	597
Benefits paid	(4,814)	(5,500)
Settlements made		
<b>Closing fair value of scheme assets</b>	<b>120,823</b>	<b>132,616</b>

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

	Funded	Unfunded	Total	Funded	Unfunded	Total
	liabilities: LGPS	liabilities: Discretionary Benefits	Liabilities	liabilities: LGPS	liabilities: Discretionary Benefits	Liabilities
	2022/23 £'000	2022/23 £'000	2022/23 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000
<b>Opening balance at 1 April</b>	<b>(139,996)</b>	<b>(2,138)</b>	<b>(142,134)</b>	<b>(99,872)</b>	<b>(2,098)</b>	<b>(102,375)</b>
Current service cost	(3,431)		(3,431)	(1,529)		(1,529)
Interest cost	(3,707)	62	(3,645)	(4,705)	(95)	(4,800)
Contributions from scheme participants	(570)		(570)	(597)		(597)
Changes in demographic assumptions	0	0	0	1,410	36	1,446
Changes in financial assumptions	54,717	(455)	54,262	1,468	13	1,481
Experience gains/(losses)	(11,669)	218	(11,451)	(307)	(7)	(314)
Liabilities assumed on settlements	0		0	0		0
Benefits paid	4,599	215	4,814	5,272	228	5,500
Past service cost	(220)	0	(220)	(51)	0	(51)
<b>Closing balance at 31 March</b>	<b>(99,872)</b>	<b>(2,098)</b>	<b>(102,375)</b>	<b>(98,911)</b>	<b>(1,923)</b>	<b>(101,239)</b>

## NOTES TO THE ACCOUNTS - PENSION LIABILITIES

### 40.7 Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2024 is estimated to be 12.30% (9.48% for the year to 31 March 2023). The actual return on the Fund assets over the year may be different. The estimated asset allocation for the Council as at 31 March is as follows:

Asset Share – Bid Value	31 March 2023		31 March 2024	
	£'000	%	£'000	%
Equities	69,756	58%	73,456	55%
Gilts	1,771	1%	2,369	2%
Other Bonds	0	0%	0	0%
Property	9,918	8%	9,154	7%
Cash	3,628	3%	3,272	2%
Alternative Assets	19,166	16%	20,162	15%
Other Managed Funds	16,584	14%	24,203	18%
<b>Total</b>	<b>120,823</b>	<b>100%</b>	<b>132,616</b>	<b>100%</b>

Bid values have been estimated by the actuary where necessary and the final asset allocation of the Fund assets as at 31 March 2024 is likely to be different from that shown as a result of estimation techniques. Based on the above the Council's share of the assets of the Fund is approximately 1.22%.

### 40.8 Liabilities

#### Valuation of the employer's liabilities

To assess the value of the Council's liabilities at 31 March 2024, the actuary has rolled forward the value of the liabilities calculated for the funding valuation as at 31 March 2022, using financial assumptions that comply with International Accounting Standard 19 (IAS 19). The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them. These cashflows include pensions currently being paid to members of the schemes as well as pensions and lump sums that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

As required under IAS 19 the projected unit method of valuation has been used to calculate the service cost.

It is not possible to assess the accuracy of the estimated liability as at 31 March 2024 without completing a full valuation. The actuary is satisfied, however, that the approach of rolling forward the previous valuation data to 31 March 2023 should not introduce any material distortions in the results provided that the actual experience of the Council and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the last formal valuation. From the information received by the actuary there is no evidence that this approach is inappropriate.

#### Demographic Assumptions

The key demographic assumptions are the mortality assumptions. The assumptions determined by the actuary are:

## NOTES TO THE ACCOUNTS - PENSION LIABILITIES

### 40.8 Liabilities (continued)

	2022/23	2023/24
<u>Mortality assumptions - life expectancy from age 65</u>		
Retiring today:		
Men	21.1	20.8
Women	23.5	23.3
Retiring in 20 years:		
Men	22.3	22.0
Women	25.0	24.7

The base table mortality assumptions used are the ones adopted for the funds' latest triennial funding valuations.

The mortality improvement projections are based on the version of the Continuous Mortality Investigations model, CMI\_2020, which was released in March 2021. This model includes a "2020 weight parameter" for the mortality data in 2020 so that the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results.

The actuary has also made the following assumptions:

- members will exchange 50% of their commutable pension for cash at retirement
- members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age
- the proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

#### Financial Assumptions

The financial assumptions determined by the actuary are:

Assumption	31 March 2021	31 March 2022	31 March 2023	31 March 2024
	% p.a.	% p.a.	% p.a.	% p.a.
Salary Increases	3.85	4.20	3.90	3.90
Pension Increases	2.85	3.20	2.90	2.90
Discount Rate	2.00	2.60	4.80	4.90

The actuary's estimate of the duration of the Council's past service liabilities is 18 years.

The discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The actuaries have used the Single Equivalent Discount Rate (SEDR) methodology to derive the appropriate discount rate. This involves taking sample cashflows for employers at each duration year (from 2 to 30 years) and derive the single discount rate which results in the same liability value as that which would be determined using a full yield curve valuation. In carrying out this derivation they use the annualised Merrill Lynch AA rated corporate bond yield curve and assume the curve is flat beyond the 30 year point.

## NOTES TO THE ACCOUNTS - PENSION LIABILITIES

### 40.8 Liabilities (continued)

#### Inflation Assumptions

The Single Equivalent Inflation Rate (SEIR) approach has been used to derive an appropriate RPI assumption. The SEIR adopted is such that the single assumed rate of inflation results in the same liability value as that resulting from applying the BoE implied inflation curve, which is assumed to be flat beyond the 40 year point.

Gilt-implied inflation rates are considered to be distorted by supply and demand factors at medium and longer terms. An Inflation Risk Premium (IRP) of 0.4% at medium and longer terms (from 10 years) has therefore been allowed for. This results in an overall IRP of between 0.0% p.a. and 0.3% p.a. depending on the term of the liabilities (for terms ranging from 2 years up to 30 years).

Assumptions are rounded to the nearest 0.05% and sample cashflows for employers at each duration year (from 2 to 30 years) have been used in deriving the assumptions for employers.

It is expected that RPI will be on average 1.0% p.a. lower than it would have otherwise been from 2030 as a result of the proposed alignment of RPI to CPIH (and CPI) from that date. It is therefore assumed that the annual increase in CPI inflation will be 1.0% p.a. lower than the market implied increases in RPI for each year prior to 2030, and will be in line with RPI inflation thereafter. This results in an assumed gap between the two inflation measures of between 0.25% p.a. and 0.85% p.a. depending on the term of the liabilities (for terms ranging from 30 years down to 5 years).

### 40.9 Sensitivity Analysis

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the tables above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysis changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

<b>Sensitivity Analysis</b>			
<b>Adjustment to discount rate</b>	<b>0.10%</b>	<b>0.00%</b>	<b>-0.10%</b>
Present Value of Total Obligation (£000)	99,836	101,239	102,676
Projected Service Cost (£000)	1,524	1,575	1,628
<b>Adjustment to long term salary increase</b>	<b>0.10%</b>	<b>0.00%</b>	<b>-0.10%</b>
Present Value of Total Obligation (£000)	101,337	101,239	101,142
Projected Service Cost (£000)	1,576	1,575	1,574
<b>Adjustment to pension increases and deferred revaluation</b>	<b>0.10%</b>	<b>0.00%</b>	<b>-0.10%</b>
Present Value of Total Obligation (£000)	102,606	101,239	99,904
Projected Service Cost (£000)	1,629	1,575	1,523
<b>Adjustment to mortality age rating assumption</b>	<b>+1 Year</b>	<b>None</b>	<b>- 1 Year</b>
Present Value of Total Obligation (£000)	105,726	101,239	96,966
Projected Service Cost (£000)	1,637	1,575	1,515

## NOTES TO THE ACCOUNTS - PENSION LIABILITIES

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### 40.10 Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve and then maintain a funding level of 100%. Funding levels are monitored on an annual basis.

The latest triennial valuation was carried out as at 31 March 2022 and has set contributions for the period 1 April 2023 to 31 March 2026.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalue earning schemes to pay pensions and other benefits to certain public servants.

### 40.11 Projected 2023-24 pension expense

The Council's 2023-24 projected pension expense, excluding the capitalised cost of any early retirements or augmentations which may occur after 31 March 2024, is:

	<b>£'000</b>
Service Cost	1,575
Net Interest on the defined benefit liability (asset)	41
Administration expenses	82
<b>Total</b>	<b>1,698</b>
<b>Employer Contributions</b>	<b>1,964</b>

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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### 41. Significant Accounting Policies

1. General Principles
2. Accruals of Income and Expenditure
3. Cash and Cash Equivalents
4. Charges to Revenue for Non-Current Assets
5. Council Tax and Non-Domestic Rates
6. Employee Benefits
7. Events after the Balance Sheet date
8. Financial Instruments
9. Fair Value Measurement
10. Government Grants and Contributions
11. Interests in Companies
12. Investment Property
13. Leases
14. Overheads and Support Services
15. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors
16. Property, Plant and Equipment
17. Provisions and Contingent Liabilities
18. Reserves
19. Revenue Expenditure Funded from Capital under Statute
20. Value Added Tax

#### 41.1 General Principles

The Statement of Accounts summarises the Council's transactions for the financial year and its position at the year end of 31 March 2024. The Account and Audit Regulations 2015 require the Council to prepare an annual Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), supported by 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.

#### 41.2 Accruals of Income and Expenditure

Income and expenditure is accounted for in the year that the activity takes place, not simply when cash payments are made or received. In particular:

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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

### 41.3 Cash and Cash Equivalents

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

### 41.4 Charges to Revenue for Non-current Assets

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

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

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. It is required, however, to make an annual contribution from revenue towards the reduction in its overall borrowing requirement (equal to either an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance). Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the Minimum Revenue Provision contribution in the General Fund by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### 41.5 Council Tax and Non-Domestic Rates

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

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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### Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement. The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals. Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

### 41.6 Employee Benefits

#### Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within twelve months of the year end) such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year end and which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following financial year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, 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.

#### Termination Benefits

Termination Benefits are amounts payable as a result of a decision by the Council to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the relevant service line (or where applicable to the Non Distributed Costs line) in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the Pension Fund or pensioner in the year, not the amount calculated according to relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pension Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end.

#### Post-employment Benefits

Employees of the Council are members of the Local Government Pension Scheme (LGPS) which provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council. The LGPS Fund is administered by Essex County Council and is accounted for as a defined benefits scheme:

- The liabilities of the fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.



## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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### 41.6 Employee Benefits (continued)

- Liabilities are discounted to their value at current prices using the 18 year point of the Merrill Lynch AA-rated corporate bond yield curve, which has been chosen to meet the requirements of IAS 19, and with consideration of the duration of each employer's liabilities. This is consistent with the approach used at the last accounting date.
- The assets of the fund attributable to the Council are included in the Balance Sheet at their fair value:
  - a) quoted securities – current bid price
  - b) unquoted securities – professional estimate
  - c) unutilised securities – current bid price
  - d) property - market value.

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

- 1) Service cost comprising:
  - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
  - past service cost – the increase in liabilities as a result of a scheme amendment, curtailment or settlement the effect of which relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
  - net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- 2) Remeasurements comprising:
  - the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure
  - actuarial gains or losses – changes in the net pension 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 Pension Reserve as Other Comprehensive Income and Expenditure
- 3) Contributions paid to the fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities, not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers 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 pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued for in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

### 41.7 Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

### 41.8 Financial Instruments

#### Financial Liabilities

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

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

#### Financial Assets

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

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

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost.

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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Financial Assets measured at amortised cost

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

Expected Credit Loss Model

The Council recognises expected credit losses on trade receivables and housing rent arrears on a lifetime basis using a provision matrix, based on historical observed default rates over the lifecycle of trade receivables and housing rent arrears. The Council does not recognise credit losses on any of its other financial assets as the risk of loss is considered to be immaterial.

### 41.9 Fair Value Measurement

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

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

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

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

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

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

### 41.10 Government Grants and Contributions

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

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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- the Council will comply with the conditions attached to the payments, and
- the grant or contribution will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has not yet been used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### 41.11 Interests in Companies

The Council has a material interest in a company that has the nature of a subsidiary, and the Council therefore prepares group accounts. In the Council's own single-entity accounts, its interests in the company are recorded as financial assets at cost.

### 41.12 Investment Property

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

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

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory provisions to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

### 41.13 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

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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### 41.13 Leases

leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings components 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.

#### Council as Lessee - Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment.

#### Council as Lessor - Operating Leases

Where the Council grants an operating lease over a property, the asset is retained in the Balance Sheet. Income from investment properties is recognised as Finance and Investment Income. Income from other properties is recognised within the relevant service line in the Comprehensive Income & Expenditure Statement.

### 41.14 Overheads and Support Services

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

### 41.15 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

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

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

### 41.16 Property, Plant and Equipment

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

#### Recognition

Expenditure on the acquisition, creation, or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. The Council does not have a de minimis limit below which expenditure is written off to revenue as it is incurred (notwithstanding that the expenditure meets the definition of capital expenditure).

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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### 41.16 Property, Plant and Equipment (continued)

#### Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- infrastructure, community assets and assets under construction – depreciated historical cost
- surplus assets – the current measurement base is fair value, estimated at highest and best cost from a market participant's perspective
- all other assets - current value determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

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

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

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

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

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

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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### 41.16 Property, Plant and Equipment (continued)

#### Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist, and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

#### Depreciation

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

Depreciation is calculated on the following bases:

- dwellings and other buildings - straight line allocation over the useful life of the property as estimated by the valuer
- infrastructure – straight-line allocation over a period determined for each class of asset, as advised by a suitably qualified officer
- vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer.

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

#### Disposals and Non-current Assets Held for Sale

When it becomes highly probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale – adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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### 41.16 Property, Plant and Equipment (continued)

classed as Held for Sale - and their recoverable amount at the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the General Fund Balance in the Movement in Reserves Statement. The written off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

### 41.17 Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For example, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

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



## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

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### 41.18 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

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

### 41.19 Revenue Expenditure Funded from Capital under Statute

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

### 41.20 VAT

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

## HOUSING REVENUE ACCOUNT

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and other income. Councils charge rents to cover expenditure in accordance with the legislative framework, but this may be different from the accounting cost. The increase or decrease in the year, on which the rents are raised, is shown in the Movement on the HRA Statement.

	2022/23	2023/24
	£'000	£'000
<b>Expenditure</b>		
Repairs and maintenance	3,235	2,811
Supervision and management	2,995	2,771
Rent, rates, taxes and other charges	161	263
Depreciation and impairment of non-current assets	6,167	4,783
<b>Total Expenditure</b>	<b>12,558</b>	<b>10,628</b>
<b>Income</b>		
Dwelling rents	(12,487)	(13,337)
Non-dwelling rents	(253)	(248)
Charges for services and facilities	(1,069)	(1,041)
<b>Total Income</b>	<b>(13,809)</b>	<b>(14,626)</b>
<b>Net Income of HRA Services as included in the Comprehensive Income and Expenditure Statement</b>	<b>(1,251)</b>	<b>(3,998)</b>
<b>Net Income of HRA Services</b>	<b>(1,251)</b>	<b>(3,998)</b>
<b>HRA share of Other Operating Income and Expenditure</b>		
Gain on sale of HRA non-current assets	(765)	(214)
Interest payable and debt management expenses	1,908	2,269
Interest and investment income	(47)	(342)
Movement in the allowance for bad debts	146	48
Pensions net interest expense	104	(222)
<b>Deficit/(surplus) for the year on HRA services</b>	<b>95</b>	<b>(2,459)</b>

## HOUSING REVENUE ACCOUNT

Movement on the HRA Statement

	2022/23	2023/24
	£'000	£'000
<b>Balance on the HRA at the end of the previous year</b>	<b>1,921</b>	<b>2,303</b>
Surplus/(deficit) for the year on the HRA Income and Expenditure Statement	(95)	2,460
1 Adjustments between accounting basis and funding basis	2,373	125
Transfer of recharges from the General Fund Account	(1,895)	(2,170)
<b>Increase before transfers to or from reserves</b>	<b>383</b>	<b>415</b>
Transfers from earmarked reserves	0	9
(Decrease)/increase in the year on the HRA	<b>383</b>	<b>424</b>
<b>Balance on the HRA at the end of the current year</b>	<b>2,304</b>	<b>2,727</b>

## HOUSING REVENUE ACCOUNT - NOTES

1. Adjustments between accounting basis and funding basis

	2022/23	2023/24
	£'000	£'000
Gain or loss on sale of HRA non-current assets	877	214
HRA share of contributions to or from the Pensions Reserve	(231)	333
Transfers to or from the Major Repairs Reserve	3,250	3,414
Transfers to or from the Capital Adjustment Account	(6,174)	(4,090)
Transfers to or from the Accumulated Absences Adjustment Account	(10)	4
<b>Total adjustments between accounting basis and funding basis</b>	<b>(2,288)</b>	<b>(125)</b>

2. Housing Stock

The type and number of dwellings in the Council's housing stock at 31 March was as follows:

	31 March 2023	31 March 2024
<b>Flats</b>		
1 Bedroom	532	533
2 Bedroom	486	487
3 Bedroom	60	60
<b>Total Flats</b>	<b>1,078</b>	<b>1,080</b>
<b>Houses and Bungalows</b>		
1 Bedroom	320	320
2 Bedroom	386	386
3 Bedroom	632	634
4 Bedroom	14	14
<b>Total Houses and Bungalows</b>	<b>1,352</b>	<b>1,354</b>
<b>Equity share properties</b>		
1 Bedroom	2	2
2 Bedroom	5	5
<b>Total Equity share properties</b>	<b>7</b>	<b>7</b>
<b>Total Housing Stock</b>	<b>2,437</b>	<b>2,441</b>

## HOUSING REVENUE ACCOUNT - NOTES

### 3. HRA Non-current Assets

The Balance Sheet values at 31 March of non-current assets within the Council's HRA were as follows:

	Dwellings	Other Land and Buildings	Surplus Assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000
Net Book Value at 31 March 2022	294,515	5,294	400	1,769	301,978
Changes during the year	11,807	359	(49)	1,285	13,402
Net Book Value at 31 March 2023	<b>306,322</b>	<b>5,653</b>	<b>351</b>	<b>3,054</b>	<b>315,380</b>
Changes during the year	(3,534)	(220)	0	5,228	1,474
<b>Net Book Value at 31 March 2024</b>	<b>302,788</b>	<b>5,433</b>	<b>351</b>	<b>8,282</b>	<b>316,854</b>

Depreciation and amortisation charges during the year were as follows:

	2022/23	2023/24
	£'000	£'000
<u>Depreciation</u>		
Dwellings	2,984	3,158
Other land and buildings	266	254
<b>Total depreciation</b>	<b>3,250</b>	<b>3,412</b>
<u>Amortisation</u>		
Software	0	0
<b>Total</b>	<b>3,250</b>	<b>3,412</b>

Revaluation losses during the year were as follows:

	2022/23	2023/24
	£'000	£'000
Dwellings	674	1,365
Other land and buildings	2,230	6
Surplus Assets	0	0
<b>Total revaluation losses</b>	<b>2,904</b>	<b>1,371</b>

#### Vacant possession value of dwellings

The vacant possession value of dwellings within the Council's HRA was £796.810m at 31 March 2024 (£807.167m at 31 March 2023). The difference between the vacant possession value and the Balance Sheet value shows the economic cost to the Council of providing council housing at less than open market rents.

## HOUSING REVENUE ACCOUNT - NOTES

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### 4. Major Repairs Reserve

	2022/23	2023/24
	£'000	£'000
Balance at 1 April	5,153	412
Amount transferred to the reserve during the year	3,250	3,414
Financing of capital expenditure	(7,991)	(3,510)
<b>Balance at 31 March</b>	<b>412</b>	<b>316</b>

### 5. Capital Transactions

#### a) Capital Expenditure and Financing

	2022/23	2023/24
	£'000	£'000
<b>Capital Expenditure:</b>		
Acquisition of new housing stock	2,324	1,305
Affordable housing development	1,286	2,124
Enhancements to existing housing stock	7,991	7,863
<b>Total Capital Expenditure</b>	<b>11,601</b>	<b>11,292</b>
<b>Sources of Finance:</b>		
Major Repairs Reserve	(7,991)	(3,510)
Retained Capital Receipts	(1,444)	0
Grants & Contributions	0	(1,322)
Borrowing	(2,166)	(6,460)
<b>Total Financing</b>	<b>(11,601)</b>	<b>(11,292)</b>

#### b) Capital Receipts

Receipts from disposal of dwellings and land were £0.530m in 2023/24 (£1.889m in 2022/23).

## HOUSING REVENUE ACCOUNT - NOTES

### 6. Rent Arrears

	2022/23	2023/24
	£'000	£'000
Gross rent arrears at 31 March	1,755	1,912
Provision for doubtful debts	(1,252)	(1,297)
<b>Net Rent Arrears at 31 March</b>	<b>503</b>	<b>615</b>

The above balances are in respect of tenanted dwellings with the Housing Revenue Account. They exclude rent arrears in respect of homelessness accommodation and other housing services that are outside of the Housing Revenue Account.

### 7. Pension Costs

The following figures represent the cost of pensions attributable to the HRA and explain the HRA share of contributions to or from the Pensions Reserve. Further details of the treatment of pension costs are shown in note 40 of the Core Financial Statements, together with details of the assumptions made in calculating the figures included in this note.

	2022/23	2023/24
	£'000	£'000
<b>HRA Income and Expenditure Statement</b>		
<b>Net Expenditure on HRA Services</b>		
Current service cost	777	364
Administration expenses	11	20
<b>HRA Share of Operating Income and Expenditure</b>		
Net interest cost	171	(222)
<b>Net Charge to the Income and Expenditure Statement</b>	<b>959</b>	<b>162</b>
<b>Movement on the HRA Statement</b>		
Reversal of net charges made for retirement benefits	(959)	(162)
Employer's Contribution to the Scheme	542	441
<b>HRA contribution to the Pensions Reserve</b>	<b>(417)</b>	<b>279</b>

## COLLECTION FUND

The Collection Fund reflects the statutory obligation of the Council as a billing authority to maintain a separate fund. The statement below shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and Non-Domestic Rates (NDR).

	2022/23			2023/24		
	Council Tax £'000	NDR £'000	Total £'000	Council Tax £'000	NDR £'000	Total £'000
<b>Amounts required by statute to be debited to the Fund</b>						
Council Tax receivable	(65,689)	0	(65,689)	(68,966)	0	(68,966)
NDR receivable	0	(21,949)	(21,949)	0	(21,602)	(21,602)
<b>Total amounts credited to the Fund</b>	<b>(65,689)</b>	<b>(21,949)</b>	<b>(87,638)</b>	<b>(68,966)</b>	<b>(21,602)</b>	<b>(90,568)</b>
<b>Amounts required by statute to be debited to the Fund</b>						
<b>Council Tax Precepts</b>						
Essex County Council	46,478	0	46,478	49,118	0	49,118
Police & Crime Commissioner for Essex	7,249	0	7,249	7,908	0	7,908
Essex Fire & Rescue Authority	2,499	0	2,499	2,719	0	2,719
Brentwood Borough Council	7,208	0	7,208	7,610	0	7,610
<b>Total Council Tax Precepts</b>	<b>63,434</b>	<b>0</b>	<b>63,434</b>	<b>67,355</b>	<b>0</b>	<b>67,355</b>
<b>Distribution of NDR Income</b>						
Central Government	0	9,759	9,759	0	12,213	12,213
Brentwood Borough Council	0	7,807	7,807	0	9,771	9,771
Essex County Council	0	1,757	1,757	0	2,198	2,198
Essex Fire & Rescue Authority	0	195	195	0	244	244
Costs of Collection	0	104	104	0	104	104
<b>Total Distribution of NDR Income</b>	<b>0</b>	<b>19,622</b>	<b>19,622</b>	<b>0</b>	<b>24,530</b>	<b>24,530</b>
<b>Transitional Protection Payment</b>	<b>0</b>	<b>241</b>	<b>241</b>	<b>0</b>	<b>(1,870)</b>	<b>(1,870)</b>
<b>Impairment of Debts</b>						
Write-offs	233	115	348	714	1,418	2,132
Allowance for Impairment	657	93	750	690	(317)	373
<b>Total Impairment of Debts</b>	<b>890</b>	<b>208</b>	<b>1,098</b>	<b>1,404</b>	<b>1,101</b>	<b>2,505</b>
Distribution of previous year's Council Tax surplus (note 4)	0	0	0	1,735	0	1,735
Distribution of previous year's NDR deficit (note 4)	0	(11,009)	(11,009)	0	1,123	1,123
<b>Total Movement on Fund Balance in the year</b>	<b>(1,365)</b>	<b>(12,887)</b>	<b>(14,252)</b>	<b>1,528</b>	<b>3,282</b>	<b>4,810</b>
<b>Movement on the Collection Fund</b>						
Opening fund balance	(263)	11,764	11,501	(1,628)	(1,123)	(2,751)
Movement on fund balance in the year	(1,365)	(12,887)	(14,252)	1,528	3,282	4,810
<b>Closing fund balance (note 5)</b>	<b>(1,628)</b>	<b>(1,123)</b>	<b>(2,751)</b>	<b>(100)</b>	<b>2,159</b>	<b>2,059</b>



## COLLECTION FUND

### Notes to the Collection Fund

1. Council Tax Base

The Council Tax base is calculated across eight different valuation bands. The total number of properties in each band is adjusted for discounts and premiums. The number of properties for each band is reduced by an allowance of 1% for non-collection and scaled up or down by the band D ratio, giving a Council Tax base expressed as the number of band D equivalent properties. The Council Tax base for 2023/24 as at 31 March 2024 was 36,555 (34,652 as at 31 March 2023). The following table shows the Council Tax base by valuation band.

Band	Range of Property Values	Band D Ratio	2022/23		2023/24	
			Number of dwellings equivalents after applying discounts, premiums and local tax support	Number of Band D equivalent properties	Number of dwellings equivalents after applying discounts, premiums and local tax support	Number of Band D equivalent properties
A	Up to £40,000	6/9	436	291	562	375
B	£40,001 - £52,000	7/9	2,001	1,557	2,597	2,020
C	£52,001 - £68,000	8/9	5,215	4,635	6,035	5,364
<b>D</b>	<b>£68,001 - £88,000</b>	<b>9/9</b>	<b>7,570</b>	<b>7,570</b>	<b>7,993</b>	<b>7,993</b>
E	£88,001 - £120,000	11/9	5,690	6,954	5,832	7,128
F	£120,001 - £160,000	13/9	4,268	6,164	4,318	6,238
G	£160,001 - £320,000	15/9	3,754	6,257	3,745	6,242
H	More than £320,000	18/9	612	1,224	598	1,195
<b>Total</b>			<b>29,546</b>	<b>34,652</b>	<b>31,680</b>	<b>36,555</b>

2. Income from Council Tax

For 2023/24 the Council set a Band D Council Tax (excluding parish precepts) of £1968.49 (£1,893.60 in 2022/23), made up of its own precept and precepts from Essex County Council, Police & Crime Commissioner for Essex and Essex Fire Authority. The amount paid by each household is the band D amount multiplied by the Band D ratio for the property.

3. Income from Non Domestic Rates

The Council calculates the rates due on non-domestic properties within its boundary by multiplying the rateable value of each property by a multiplier. The total amount, less certain reliefs and other deductions, is shared between Central Government (50%), Essex County Council (9%), Essex Fire Authority (1%), with the remainder (40%) being retained by the Council.

The Gross Non-Domestic Rateable Value for the Brentwood Borough Council area at 31 March 2024 was £71,533,198 (£66,493,129 at 31 March 2023).

The standard NDR multiplier for the year was frozen at 51.2p (51.2p in 2022/23) and the small business multiplier at 49.9p (49.9p in 2022/23).

## COLLECTION FUND

4. Distribution of Previous Year's Collection Fund Surplus/(Deficit):-  
These have been distributed as follows:

	Council Tax		NDR	
	2022-23 £'000	2023-24 £'000	2022-23 £'000	2023-24 £'000
Central Government	0	0	(5,504)	449
Essex County Council	0	1,273	(991)	101
Police & Crime Commissioner for Essex	0	199	0	0
Essex Fire & Rescue Authority	0	68	(110)	11
Brentwood Borough Council	0	195	(4,404)	562
<b>Total</b>	<b>0</b>	<b>1,735</b>	<b>(11,009)</b>	<b>1,123</b>

5. Allocation of year-end Collection Fund balances  
The allocation of these is as follows:

	Council Tax		NDR	
	2022-23 £'000	2023-24 £'000	2022-23 £'000	2023-24 £'000
Central Government	0	0	(562)	1,079
Essex County Council	(1,193)	(73)	(101)	194
Police & Crime Commissioner for Essex	(186)	(12)	0	0
Essex Fire & Rescue Authority	(64)	(4)	(11)	22
Brentwood Borough Council	(185)	(11)	(449)	864
<b>Total</b>	<b>(1,628)</b>	<b>(100)</b>	<b>(1,123)</b>	<b>2,159</b>

## GLOSSARY

Accounting period	The period of time covered by the accounts, normally a period of twelve months starting on 1 <sup>st</sup> April and ending on 31 <sup>st</sup> March the following year. The end of the accounting period is the balance sheet date.
Accounting policies	Those principles, conventions, rules and practices applied by the Council that specify how the effects of transactions and other events are to be recognised in the financial statements.
Accrual	A sum included in the accounts to cover income or expenditure attributable to an accounting period for goods received or works done, for which payment has not been received or made by the end of that accounting period. In other words, income and expenditure are recognised when they are earned or incurred, not when money is received or paid.
Actuary	A suitably qualified independent consultant employed to advise Essex councils on the financial position of the Pension Fund.
Actuarial gains and losses	Actuarial gains or losses for defined benefit pension schemes arise because events have not coincided with the actuarial assumptions made, or the actuarial assumptions have changed.
Agency	Agreement that the Council can undertake services on behalf of other authorities or the Government in its area.
Amortised Cost	The amount at which a financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.
Appropriation	The transfer of resources between the revenue or capital accounts and reserves held by the Council.
Asset	An item having value measurable in monetary terms. Assets can either be defined as non-current or current. A non-current asset has use and value for more than one year whereas a current asset (e.g. stocks or short term debtors) can more readily be converted into cash.
Audit	An independent examination of an organisation's activities, either by an internal audit section or equivalent or the organisation's external auditor.
Balance Sheet	This is a summary of the financial position of the Council. It shows the long-term and current assets and liabilities of the Council and its reserves.
Billing Authority	This is the Council as the body responsible for billing and collecting the Council Tax from all residential properties within the borough on behalf of itself, Essex County Council, Essex Fire Authority, Essex Police Authority and Parish Councils. The Council is also responsible for the billing and collection of National Non-Domestic Rates (NNDR or Business Rates) from commercial properties in the borough.
Budget	A budget is a financial statement that expresses the Council's service delivery plans and capital programmes in monetary terms.

## GLOSSARY

Capital Adjustment Account	This account represents amounts set aside from revenue resources or capital receipts to finance expenditure on non-current assets, or for the repayment of external loans.
Capital Expenditure	Expenditure on the acquisition or refurbishment of non-current assets and other eligible items that will be of benefit to the Council in providing its services for more than one year.
Capital Financing	The raising of money to pay for capital expenditure. Capital financing methods include borrowing, direct revenue funding, use of capital receipts, capital grants, capital contributions and revenue reserves.
Capital Programme	The Council's plans for capital expenditure and funding over future years, including the purchase or improvement of buildings and the acquisition of vehicles and major items of equipment.
Capital Receipts	Proceeds from the sale of assets, which may be used to finance new capital expenditure, set aside for the repayment of external loans or paid to a national pool (if from the sale of HRA dwellings).
Capitalise	To treat expenditure as capital expenditure, including some expenditure which would normally be classed as revenue expenditure (see also REFCUS).
Chartered Institute of Public Finance and Accountancy (CIPFA)	CIPFA is the lead professional accountancy body for the public sector. CIPFA produces guidance in relation to various matters concerning the public sector including financial and governance issues.
CIPFA LASAAC Local Authority Code Board	The board responsible for preparing, maintaining, developing and issuing the Code of Practice (see below). The board is a partnership between CIPFA (England, Northern Ireland and Wales) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC).
Code of Practice (COP)	Code of Practice on Local Authority Accounting in the United Kingdom .
Collection Fund	A fund administered by the Council which accounts for the collection of Council Tax and National Non-Domestic Rates (NNDR or Business Rates). Council Tax is paid into this fund and distributed to the Council, Essex County Council, Essex Police Authority, Essex County Fire Authority and Parish Councils. NNDR is paid over to the Government (less an allowance for the costs of collection) which distributes it nationally on the basis of population.
Comprehensive Income and Expenditure Statement (CI&ES)	A statement which records all the day to day income and expenditure of the Council on General Fund or Housing Revenue Account services provided during the financial year.
Contingent Liability	A possible or present obligation that arises from past events, whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control. A contingent liability is not recognised in the Balance Sheet but disclosed in a note to the accounts.
Council Tax	A local tax charged to the occupiers of residential properties which is used to help finance the budget requirement of the Council and Preceptors for the year.
Credit Loss	A measure of how much the Council would lose if the amounts owed to it by debtors and borrowers are not repaid. Defined as the shortfall between all the cash flows that are due contractually to the Council and those that it expects to receive.

## GLOSSARY

Creditors	Amounts owed by the Council, for work done, or goods or services received for which no payments have been made by the Council at the Balance Sheet date.
Current Asset	An asset held which will be used, or received, within the next financial year.
Current Liability	An amount which will become payable within the next financial year.
Debtors	Amounts owed to the Council for goods or services provided, for which no payments have been received by the Council at the Balance Sheet date.
Deferred Liability	A liability which is not fully paid at the current time, but is due for payment either some time in the future, or over a period of time.
Deferred Receipt	Income still to be received where the Council has agreed that amounts are payable beyond the next year, either at some point in the future, or by an annual sum over a period of time.
Defined Benefit Pension Scheme	A pension scheme other than a defined contribution scheme. Usually the scheme rules define the benefits (annual pensions and retirement lump sums) independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).
Depreciation	A measure of the amount of a non-current asset that has been consumed during the period. Consumption includes any reduction in the useful life of a fixed asset whether arising from use, passage of time or obsolescence through technical or other changes.
Discretionary Benefits	Retirement benefits which the Council has no legal, contractual, or constructive obligation to award but are awarded under discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.
Earmarked Reserve	A reserve held for a specific future purpose, including to carry forward a revenue underspend in one financial year to the next.
Fees and Charges	Amounts paid by the public for a variety of services such as parking, letting of community halls and the hire of sporting facilities.
Fair Value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
Finance Lease	Such a lease transfers all the risks and rewards of ownership of a non-current asset to the lessee, and is included as a non-current asset in the Balance Sheet of the lessee. (See, for comparison, "Operating Lease").
Financial Asset	A right to future economic benefits controlled by the Council that is represented by cash, the equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity, or a contractual right to exchange financial assets and/or liabilities with another entity under conditions that are potentially favourable to the Council.
Financial Instrument	A contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial Liability	An obligation to transfer economic benefits controlled by the Council that is represented by a contractual obligation to deliver cash or another financial asset to another entity, or a contractual obligation to exchange financial assets and/or liabilities with another entity under conditions that are potentially unfavourable to the Council.

## GLOSSARY

Operating Lease	An agreement for the rental of an asset where the rewards and risks of ownership of the asset remain with the lessor. The annual rentals are charged to the Comprehensive Income and Expenditure Statement (see, for comparison, “Finance Lease”).
Operational Assets	Non-current assets held and occupied, used or consumed in the direct delivery of those services for which the Council has a statutory or discretionary responsibility or for the administration of the Council.
Outturn	The actual expenditure and income for the financial year in question.
Precept	The net amount paid to each preceptor from Council Tax income collected and paid into the Collection Fund.
Precepting Authority	Essex County Council, Essex Police Authority, Essex Fire Authority and Parish Councils.
Preceptor	Another word for “Precepting Authority”.
Premium	An amount payable on the premature repayment of a loan, generally equivalent to the difference between the present value of the remaining payments of principal and interest due on the original loan and that calculated based on the rates of interest in force when the repayment is confirmed.
Provision	An amount set aside to provide for a liability that is likely to be incurred but where the exact amount or the date on which it will arise is uncertain.
Public Works Loan Board (PWLB)	A Government agency that provides longer-term loans to local authorities at interest rates marginally above the Government’s own borrowing rate.
Remuneration	All amounts paid or payable to an employee, including sums due by way of expense allowances and the estimated money value of any other benefits otherwise than in cash. It excludes employers’ pension contributions to the Pension Fund.
Related Party Transaction	A transaction where one of the parties involved has control or influence over the financial and operational policies of the other party.
Reserves - Usable	The Council’s accumulated surplus income over expenditure which can be used to finance future spending and is available to meet unforeseen events.
Reserves - Unusable	Reserves which exist for technical accounting reasons and do not represent amounts that can be used to finance expenditure.
Retirement Benefits	Consideration payable after the completion of employment given by an employer in exchange for services rendered by employees. Does not include termination benefits payable as a result of either an employer’s decision to terminate an employee’s employment before the normal retirement date or an employee’s decision to accept voluntary redundancy in exchange for those benefits.
Revaluation Reserve	An account representing the balance of the net surpluses arising on the revaluation of fixed assets.
Revenue Expenditure	Day-to-day expenditure on items such as salaries and wages, running expenses and capital and interest charges.
Revenue Expenditure Funded from Capital under Statute (REFCUS)	Revenue expenditure which may be properly capitalised under statute or Government direction but which does not result in a non-current asset,

## GLOSSARY

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Section 106 Agreement	Section 106 of the Town and Country Planning Act 1990 empowers a local planning authority such as the Council to enter into a legally binding agreement or planning obligation with a land developer to undertake works, provide affordable housing or provide additional funding for services.
Section 151 Officer	Section 151 of the Local Government Act 1972 requires the Council to appoint an officer responsible for the proper administration of the Council's financial affairs. The Finance Director is the Council's Section 151 Officer.
Service Reporting Code of practice (SeRCOP)	CIPFA code which establishes proper practice with regard to consistent financial reporting below the Statement of Accounts level. Given statutory force by regulations made under the Local Government Act 2003.