



Southend-on-Sea
City Council

Statement of Accounts 2024/25



Finance and Resources

SOUTHEND-ON-SEA CITY COUNCIL

STATEMENT OF ACCOUNTS

2024/25

MAYOR

Councillor Nigel Folkard

LEADER OF THE COUNCIL

Councillor Daniel Cowan

CHIEF EXECUTIVE AND TOWN CLERK

Colin Ansell

EXECUTIVE DIRECTOR – FINANCE AND RESOURCES (S151 OFFICER)

Joe Chesterton

Southend-on-Sea City Council
Finance and Resources
PO Box 2
Civic Centre
Victoria Avenue
Southend-on-Sea
Essex
SS2 6ER



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INTRODUCTION TO THE 2024/25 ACCOUNTS

Narrative Statement

Welcome to the Narrative Statement for the Statement of Accounts for Southend-on-Sea City Council for the financial year 2024/25.

The accounts provide a true and fair view of the financial performance of the Council in the delivery of services to the residents of Southend-on-Sea. They also summarise the overall financial position of the Council for the year ended 31 March 2025. The accounts and accompanying documents are subject to an external independent audit by KPMG LLP and their opinion forms part of this document.

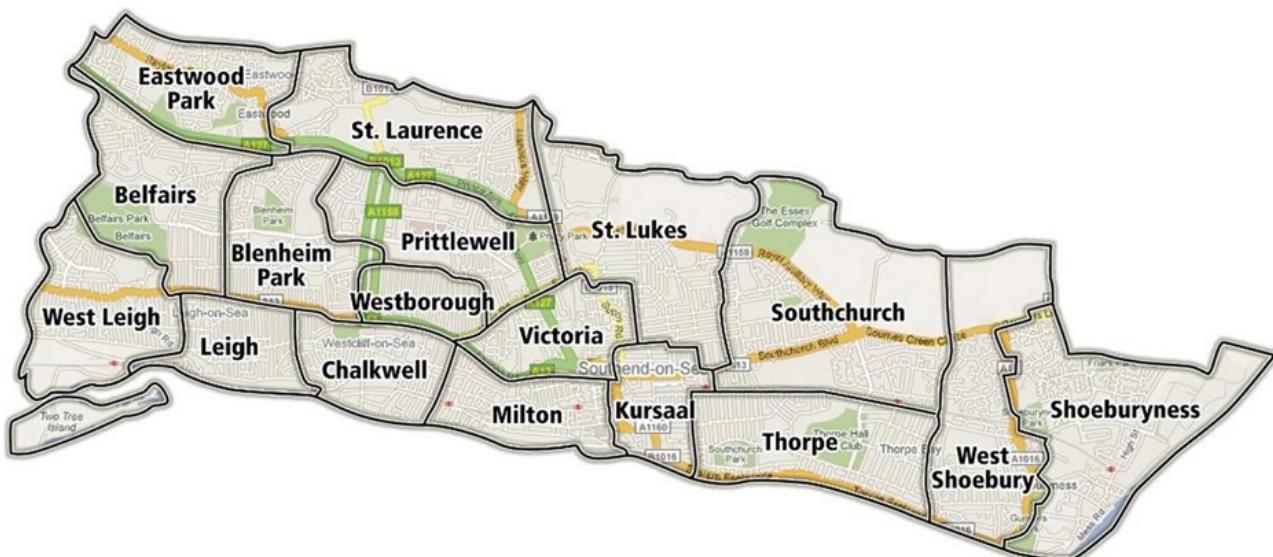
Background

Southend-on-Sea gained full City status on 1 March 2022, a key landmark event for the local area and the Council's history. In accordance with best practice, the Council's 2024/25 budget was formally approved in February 2024. Along with most local authorities across the country, the Council continues to face significant challenges in providing essential services to meet the needs of residents within existing levels of resources. Throughout 2024/25, the Council continued to experience increases in both volume and complexity of local demand particularly for statutory social care services, combined with unavoidable and rapid increases in operating costs across the organisation.

Southend-on-Sea City Council, one of six unitary authorities in the East of England, delivers public services to a current population of around 180,000 residents living in around 78,000 households and covering a geographic area of 16 square miles. On Census Day, 21 March 2021, Southend-on-Sea was the third most densely populated of East of England's 45 local authority areas, with 4,336 people per square kilometre.

The Council's financial turnover for 2024/25 was circa **£501M** (**£462M** in 2023/24) and our resources are well-managed through our budgetary and financial monitoring framework. Figure 1 shows the geographical area that Southend-on-Sea City Council serves and how it comprises of 17 wards. These are grouped together into four localities: West, West Central, East Central and East. The place is made up of mainly residential areas but also comprises industrial, commercial, retail land and property, with 529.9 hectares of protected greenspace and seven miles of coastline.

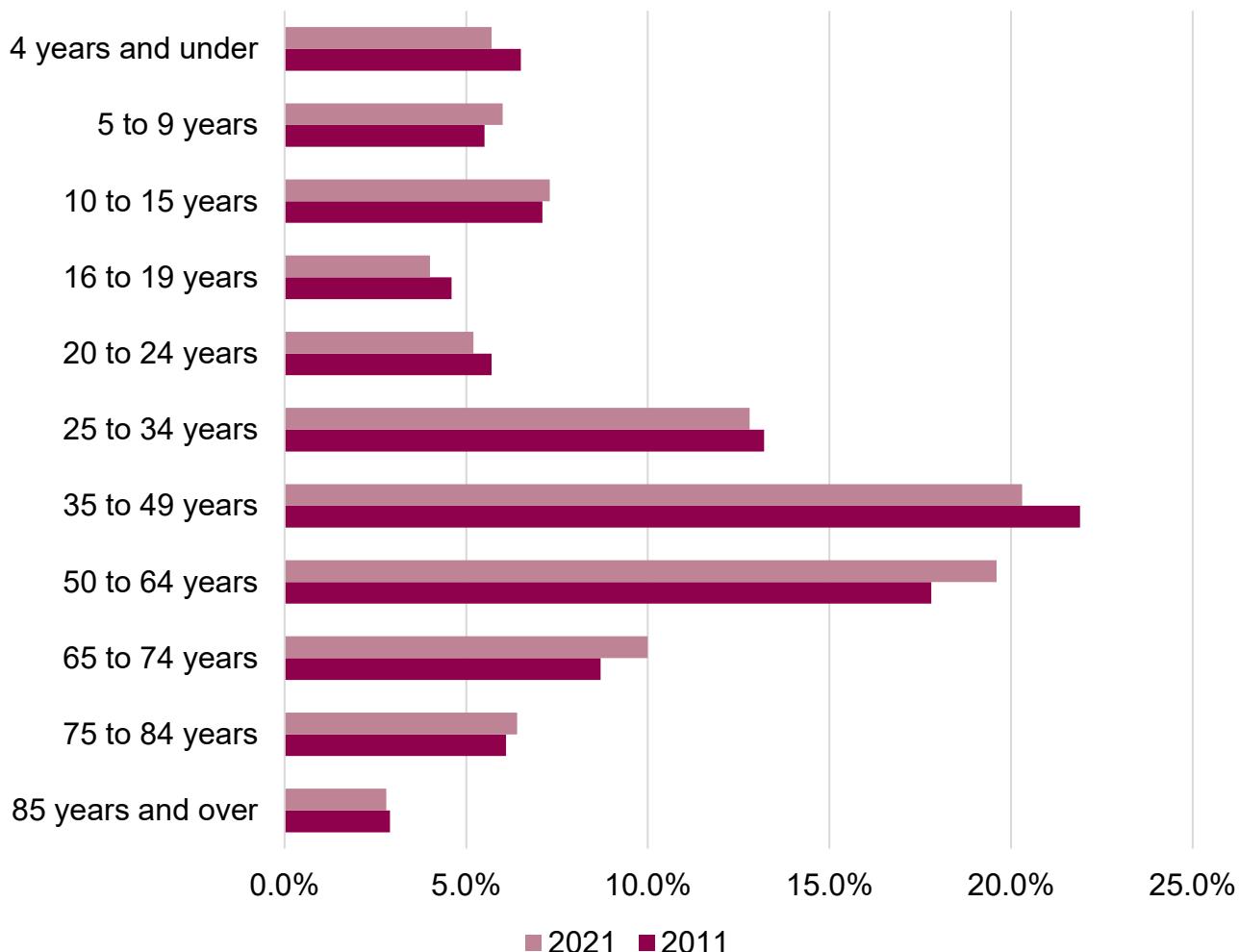
Figure 1 Map of Southend-on-Sea



The Census 2021 results showed that from 2011 to 2021 there had been a 12.0% increase in people aged 65 years and over, a 1.6% increase in people aged 15 to 64 years and a 4.2% increase in children aged under 15 years.

The Southend-on-Sea population chart (Figure 2) shows the population range in different age groups. On Census Day, the age structure of Southend-on-Sea's population was as follows: 19.2% aged 65 years and over; 61.9% aged 16 to 64 years; and 18.9% aged 15 years and under.

Figure 2 Percentage of usual residents by age group, Southend-on-Sea



According to the Index of Multiple Deprivation 2019, nearly two fifths (39%) of our residents live in areas considered to be in the most deprived 30% in England. This is particularly high in the East Central Locality, which covers the wards of St. Luke's, Victoria, Milton and Kursaal and includes the City Centre. Nine neighbourhoods (out of 107) in Southend-on-Sea fall into the 10% most deprived in the country.

There is a significant health inequality between our wards, with a life expectancy gap of 9 years for males and 10 years for females between the most deprived and least deprived wards across our City. A large proportion of children and working aged residents live in these most deprived areas, particularly compared to our residents who are aged 65 and over. In 2024, 17.9% of Southend-on-Sea's residents were economically inactive (20.6% in 2023/24).

Southend-on-Sea is located on the Thames Estuary, within close proximity to Central London. It is bordered by Rochford (to the North) and Castle Point (to the West). We are known as a resort destination, and are home to the world's longest leisure pier, built in 1830 that stretches for 1.34 miles into the Thames Estuary. This attraction alone regularly receives over 350,000 visitors a year, with the overall area usually welcoming around 7.5 million visitors every year, making Southend-on-Sea a popular seaside destination of choice.

The Council is a multifunctional and complex organisation. Its policies are directed by the democratically elected Political Leadership and implemented by officers of the Council.

Political Structure

Southend-on-Sea has **17 wards**, and the Council consists of **51 elected members**. There is one Parish Council within the area, Leigh-on-Sea Town Council. This is governed by 16 elected members across eight wards. Their mission is to protect and promote the heritage and identity of Leigh-on-Sea to preserve the Town for current residents and to provide a legacy for future generations.

Leigh-on-Sea Town Council delivers services to meet additional specific local needs, such as managing the community centre, running a volunteer programme, organising local events, administering local allotment sites, and acting as a statutory consultee on planning, highways and licensing issues.

Southend-on-Sea City Council is responsible for the delivery of major city-wide services such as education, adult and children's social care, waste collection, maintenance of the roads and pavements, looking after the parks, providing street lighting, public health and many other services.

The political make-up of Southend-on-Sea City Council as at 31 March 2025 is summarised in Table 1 and by ward in Figure 3.

Table 1 Southend-on-Sea City Council's political make-up on 31 March 2025

Political Party	Number of Councillors
Labour	19
Conservative	16
Independent	5
Liberal Democrat	4
Non-Aligned	3
Green Party	2
Reform	2
Total	51

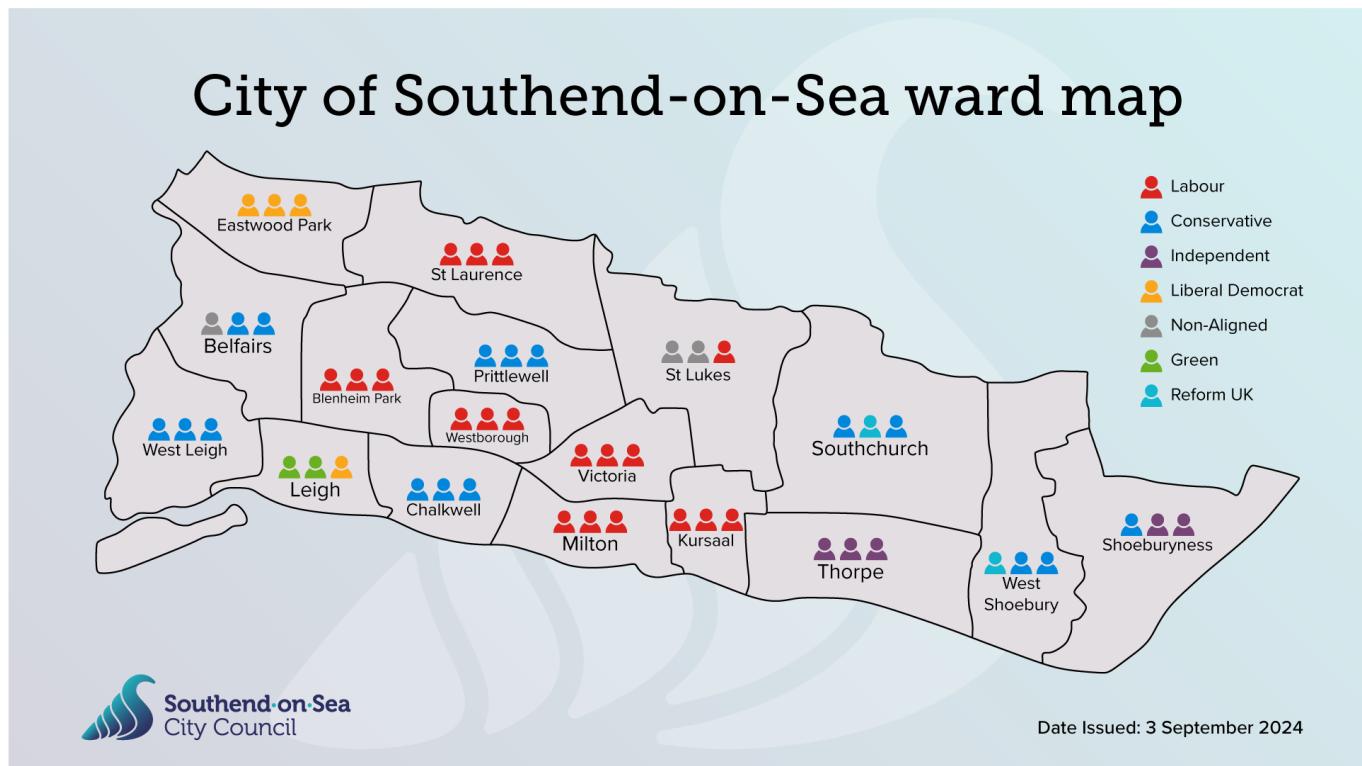
The Council has been led by a joint political administration since May 2024. The coalition was made up of Councillors from the following political parties: Labour, Independents and Liberal Democrats.

The Council has adopted the Leader and Cabinet model as its political management structure arising from the Local Government and Public Involvement in Health Act 2007. The requirements of the Act are such that the Leader of the Council has responsibility for the

appointment of Members of the Cabinet, the allocation of Portfolios and the delegation of Executive Functions.

The Cabinet is the part of the Council which is responsible for the decisions made within the constitution approved by Full Council. The Cabinet was made up of the Leader, Deputy Leader and seven other councillors as at 31 March 2025.

Figure 3 Political ward representation across Southend-on-Sea



Management Structure

Supporting the work of all elected Members are the Council's most senior level officers and as at 31 March 2025, this team comprised of the following officers shown in Table 2.

Table 2 Southend-on-Sea City Council's Senior Officers on 31 March 2025

Position	Name
Chief Executive and Town Clerk	Colin Ansell
Executive Director (Finance and Resources) (s151 Officer)	Joe Chesterton
Executive Director (Environment and Place)	Alan Richards
Executive Director (Adults and Communities)	Mark Harvey
Executive Director (Children and Public Health)	Michael Marks
Executive Director (Strategy and Change)	Claire Shuter

A sector that remains under pressure

Local Government continues to experience major challenges and exhibit signs of financial distress. Locally, concerns were highlighted early in 2024/25 around the combined impact of the continued increase in both the complexity and costs of service demand, particularly for our statutory social care services. The escalation and speed of the increases in the direct costs of service provision particularly for children's placements right across the country has been exceptional. High levels of inflation and the cost of living crisis that developed throughout 2023/24 and which continued into 2024/25 were major contributing factors. This has had an impact on all our local communities, but particularly within the more deprived areas.

The operating landscape remains uncertain due to the challenge of predicting the medium to long term impact on local service demand, changed service design delivery arrangements and potentially even more significant changes to national policies and financial reform for public services as part of the Government's commitment to a new 3-year Comprehensive Spending Review from 2026/27.

Financial resilience across the local government sector continues to be challenging and Southend-on-Sea City Council is not immune to that, but the overall financial performance of most service areas is stabilising and showing positive signs of improvement. Significant challenges remain, particularly with regards to the continuing growing pressure of statutory social care arrangements for children and vulnerable families.

The Council's most challenging area of concern and level of overspending in 2024/25 continues to be the cost of externally purchased Children in Care placements, an issue that worsened significantly in 2023/24 and has continued into 2024/25. The national shortage of Residential Care placements continues to significantly increase prices for all local authorities. This is of most concern where a child has complex needs and/or very challenging issues.

Over the past six years, the Council has also experienced an increasing trend of more externally purchased foster care placements and less in-house foster care arrangements. The Council continues to try to respond positively to these challenges, which are not only financial but also more importantly in trying to deliver better outcomes and life chances for every child. This ambition seeks to provide care, safety and support for them within a local family environment including providing additional advice and access to local networks.

The Council continued to experience significant service pressures which were very similar to those referenced within most Upper Tier Authorities across the country and our Cabinet received comprehensive reporting of these issues throughout the year. The Council did respond quickly and positively to the series of financial challenges it faced in 2024/25. This decisive action helped to reduce the final level of forecasted overspending reported for 2024/25 **from £8.1M (July 2024) to £3.4M** by the end of the financial year.

The impact on the Council's reserves caused by this combination of challenges resulted in an overall **£15M reduction** in the level of Earmarked Reserves held by the Council from **1 April 2024 to 31 March 2025**. There was an original planned use of **£8.0M** earmarked reserves in 2024/25 including **£4.5M** which was directly linked to approved plans for our Dedicated Schools Grant use. Specific risk reserves for statutory social care pressures began to be created by the Council several years ago. This foresight and prudent financial planning have helped the Authority to respond positively to the range of unprecedented circumstances experienced during the period from 2021/22 to 2024/25. A robust budget has been set for 2025/26 and we remain in a relatively financially resilient position, compared to many other local authorities across the country.

Throughout the financial year the Council has also proactively supported local communities and our most vulnerable residents, minimising the impact of the cost-of-living crisis wherever possible. The amount of information on available support is sometimes overwhelming and to make life easier for residents and to help accessing trusted and safe information, the Council collated key information and guidance at www.southend.gov.uk/costofliving

The Council will continue to face significant challenges in 2025/26 due to increased core service demand and a range of other operational cost pressures.

City Vision

In 2024/25, we worked with partners in the Southend City Partnership to create a new vision for the city. The Southend City Partnership, which comprises the council and City Family, Essex County Fire and Rescue Service, Essex Police, London Southend Airport, Metal, South East Essex Alliance, South Essex Homes, Southend Association of Voluntary Services, Southend Business Partnership, South Essex Colleges Group, Southend Tourism Partnership, Southend Business Improvement District, Southend Pubwatch and University of Essex, consulted with businesses, organisations, students, residents and visitors in the development of a new 10-year vision and priorities for the city, owned by local partners, businesses, organisations, residents and communities. Over 2,000 responses were received as part of the consultation for the City Vision in 2024.

The new city vision is:

Southend: Our City, Our Future

Southend-on-Sea is a vibrant, welcoming and well-connected coastal city brimming with opportunities, seamlessly blending its rich heritage with a contemporary, creative outlook.

Together, we are creating a city that not only meets the needs of today's residents but also sparks imagination, fosters creativity and encourages entrepreneurship inspiring future generations to live, learn, work, and visit here.

Southend City is a place where children, families and people of all ages thrive and feel empowered to contribute to a brighter, sustainable future.

This vision reflects the shared aspirations and priorities of our diverse community, including residents, workers, business owners, visitors, and students.

Council vision

In 2024/25, we also developed and launched a council vision statement, which sets out a compelling future for the organisation that all council employees can get behind. Our council vision is as follows:

At Southend-on-Sea City Council, we are proud to be part of a modern, vibrant coastal city that values its heritage.

We listen, with our city's many voices shaping what we do. We have the confidence to innovate, embrace connection and seek opportunity, and are building a sustainable future together.

Southend-on-Sea City Council's Corporate Plan

The Council has a [Corporate Plan](#) for 2024 to 2028, which sets out four strategic priorities for the council. These priorities set out the council's high-level ambitions for sustainable economic, social and environmental benefits. Our four strategic priorities are as follows:

A city that is:

- Proud and prosperous
- Safe, clean and green
- Caring with a good quality of life for all
- Led by a transformative, responsive council

The Council embeds these priorities through a strategic framework (see Figure 4), an approach described as the 'golden thread', where goals are articulated throughout onward plans. For 2025/26, this includes the corporate plan, executive directorate plans and individual officer performance goals and objectives. High-level executive directorate plans set out the business activities of each executive directorate and enable better coordination across the organisation. They inform key corporate planning processes like the Cabinet Forward Plan, Policy Register, Corporate Delivery Plan, Corporate Performance Report and Corporate Risk Register.

To support delivery of early phases of activities to achieve better outcomes for residents, the Council for 2025/26 is continuing to develop a longer-term view of the use of its resources and financial planning arrangements. This approach enhances the profiling of investment, supports effective prioritisation of activities and will enable improved consideration of major regeneration plans spanning more than one financial year from both a revenue and capital perspective.

Our intention is to target scarce resources to the agreed priorities within the Council's corporate plan, support our most vulnerable residents, respond positively to cost-of-living challenges and address the inequalities that exist across the city, while coping with inflationary impacts and rising local demand pressures in social care. Navigating and responding to these challenges while maintaining financial sustainability remains a challenging task for the Council, as it will do for most local authorities across the country.

Financial and Performance Overview 2024/25

The General Fund Revenue Account for 2024/25 had a net expenditure budget of **£159.4M**. Revenue spending covers the day to day running costs of the Council's services, such as schools, social services and leisure. This spending is financed by government grants, council tax, retained business rates and other income such as fees and charges. The Council agreed a council tax requirement, including Leigh-on-Sea Town Council precept, of **£104.0M** for 2024/25 (**£98.0M** for 2023/24).

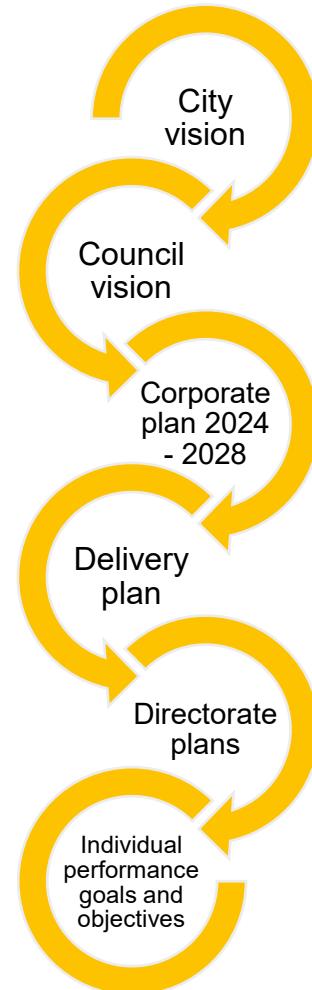


Figure 4 Southend-on-Sea City Council's Strategic Framework

Despite the huge challenges in 2024/25, it was still a year of successes and creativity across our 400+ services with a variety and complexity unlike any other organisation locally. Not every resident will use every service, but the work of the Council is vital to the wellbeing and way of life of residents across the city. Some of our key achievements against our four overarching priorities in 2024/25 are summarised below.

Proud and Prosperous

We have:

- boosted Southend-on-Sea's economy by agreeing an Economic Growth Strategy and using funds from the government's UK Shared Prosperity Fund to support economic growth.
- empowered business owners and young professionals with the Young Entrepreneurs Southend-on-Sea network hosting its second gathering in June 2024
- delivered Business Expos in Southchurch and Leigh-on-Sea in September and October to promote new business opportunities, networking opportunities and local goods and services
- transformed an unused area within the Victoria Shopping Centre into a platform for entrepreneurs to thrive, working jointly with The Victoria Centre's management team, SaveTheHighStreet.org and community champions to deliver the initiative
- realised the vision for The Launchpad, an innovative business hub and workplace at Southend Airport Business Park, to be 100 per cent occupied and a hub of business activity for start-ups and small and medium-sized enterprises.
- continued to implement the Tackling Poverty Strategy and Action Plan in 2024/25, with:
 - funding for Dentaid, providing dental care for vulnerable residents unable to access dental treatment and connecting them with an NHS dentist to maintain good oral health
 - delivery of a period poverty project pilot, providing residents with sanitary products to alleviate the financial pressures of having to buy sanitary products
 - distribution of 5,000 cost of living booklets in November 2024
 - development of a Warm Spaces Map for residents in need of a warm space over winter
 - the Hot Meal Delivery Service Pilot, run in partnership with Health Visitors for Homeless Families, St Vincent de Paul Society and The One Love Project, providing nutritious hot meals to families staying in Emergency Temporary Accommodation
- delivered a new full fibre network across south Essex with six other councils, bringing faster, more reliable internet to public services, businesses and residents
- progressed road infrastructure for the Better Queensway regeneration scheme and for the Fossett's Farm development
- worked with Southend United Football Club to make sure Roots Hall Stadium received a new Safety Certificate and could open for the first game of the season and throughout the season
- increased contractual spend with local businesses, promoting the use of local suppliers and the local business directory in procurement processes
- maintained our investment levels to support the commercial success of the High Street, unlocking investment in central and seafront areas to improve the street scene
- published an ambitious action plan to strengthen the civic pride that residents, workers and visitors feel towards the city
- held the first ever Southend City Day on Saturday, 1 March 2025, bringing the High Street to life with a vibrant mix of entertainment, community activities and cultural displays
- worked with partners in the Southend City Partnership to create and launch a new City Vision
- held events across the city to promote the culture and tourism life of the city and attract visitors, including City Jam, Southend Halloween Parade and Window Wanderland
- made sure our six libraries continue to serve as community hubs for culture and learning
- seen the Focal Point Gallery attract audiences from across the UK and beyond

- held high-quality exhibitions and events at Southend Museums, showing work from both the community and our own unique collection
- made volunteering opportunities available across our museums service and arts development
- been awarded around £430,000 from the Museum Estate and Development Fund to safeguard Southchurch Hall's historic fabric and support urgent repairs.

Safe, Clean and Green

We have:

- welcomed The Knife Angel, a touring 27-foot sculpture against violence and aggression, attracting over 500,000 visitors
- with our partners, provided enhanced medical services for visitors to the High Street and seafront during the summer, offering immediate care and directing more serious cases to the appropriate medical services
- retained our Purple Flag Award for safety in the night-time economy for the twelfth consecutive year
- become White Ribbon Accredited as an organisation, aligning with White Ribbon UK, the leading charity engaging men and boys to end violence against women and girls
- completed a £1.4m project to stabilise the cliffs area across Belton Way in Leigh-on-Sea
- had eight beaches receive Seaside Awards and four Blue Flag Awards, while nine parks achieved national Green Flag Awards
- started working with 11 local schools on a two-year Clean Air Schools Project, funded by a £256,285 Department of Environment, Food and Rural Affairs (Defra) grant, to develop knowledge about local pollution and implement interventions to improve air quality
- hosted events and activities throughout the week of Clean Air Day 2024 to encourage residents to make small changes to their daily routine to promote better air quality.
- continued to monitor air pollution in air quality management areas and implement our Local Air Quality Action Plan
- partnered with Anglian Water and the Environment Agency to strengthen flood resilience and improve sustainable water management
- led the 'Catchment to Coast' initiative with our partner Thurrock Council, using nature-based solutions to address flooding and coastal erosion across south Essex
- been recognised by the Essex Wildlife Trust as a Gold Member Investor in Wildlife for our commitment to environmental conservation and wildlife protection
- launched the Southend Bus Passenger Charter to improve bus passengers' experience, in collaboration with bus operator partners through the Southend-on-Sea Enhanced Partnership
- received £1.45m of government funding to deliver the Local Electric Vehicle Infrastructure scheme and launched a procurement process for a private sector partner
- introduced a new 'Drive Away' Penalty Charge Notices measure to prevent motorists from evading parking fines by driving away before a penalty can be issued
- awarded SUEZ Recycling and Recovery UK an eight-year contract to deliver recycling, waste collection and street cleansing services
- secured a government grant to fund a campaign targeting 10 fly-tipping hotspots in the city and in partnership with Veolia, installed visible cameras and anti-fly-tipping signs in these areas and promoted responsible waste disposal with residents
- launched a new 'EnviroCrime' unit in partnership with South Essex Property Services, focusing on fly-tipping, dog fouling and littering
- provided businesses with guidance on single-use plastics regulations and encouraged them to minimise waste.

Caring with a good quality of life for all

We have:

- seen the successful completion of the three-year £1.5 million Community Investment Fund, which has positively impacted 237 projects and over 130,000 residents across the city
- been awarded the Bronze Award from the Defence Employer Recognition Scheme for our commitment to supporting the Armed Forces community through inclusive hiring practices and wider support initiatives
- held a Slipper Swap event, inviting older and frail residents to exchange worn-out slippers for a free brand-new pair to reduce trips and falls in the home
- hosted a Project 49 and Southend Learning Disabilities User Voice Group event on Southend Pier celebrating individuals with learning disabilities
- in collaboration with Muscular Dystrophy UK and funded through The Changing Places Fund, installed three state-of-the-art accessible restrooms in Southend-on-Sea
- worked to develop a Market Shaping Strategy and expand on the market position statement that outlines our ambition for the Care Market in Southend-on-Sea
- ranked second in the country for carer satisfaction in the national 2023/24 Adult Social Care Outcome Framework, which assesses the performance of social care services for people aged 18 and over.
- had 97 per cent of pre-schoolers and year six children get one of their top three choice of school in 2024/25
- had our children's services officially rated as 'Good' following an Ofsted Inspection of Local Authority Children's Services in October 2024.
- received Baby Friendly Initiative Level 3 accreditation from UNICEF UK for our family centres
- organised our eleventh annual Toy Drive, donating 4,391 toys to 2,990 children and young people
- celebrated ten years of A Better Start Southend, as the 10-year programme to develop and test new ways of supporting Southend's children and families came to an end in March 2025
- introduced a new central specialist support service for children and young people with special educational needs and disabilities in schools across the city
- created outreach workshops to improve young people's knowledge of democratic processes
- worked with schools and family centres to create healthy eating environments and good oral hygiene for our children and young people, including developing a 'super zone' model around schools to work towards a healthy food environment, initiatives to improve the in-school and out of school food environment, and procuring a new digital health schools platform for schools
- been shortlisted for three Essex Housing Awards 2024 in recognition of our commitment to improving housing and advancing climate action
- prevented many households from experiencing homelessness in 2024/25 through a range of crisis, upstream and recovery responses with our partners
- continued to prepare a new local plan for the city, which once adopted will help guide and manage future development proposals and make sure new homes are of high quality and accompanied by supporting infrastructure.

Led by a transformative, responsive council

We have:

- agreed our 2025/26 Budget, with engagement across the organisation and a focus on delivering better outcomes, targeting investment and improving efficiency and productivity
- developed a new programme of zero based budget reviews for 2025/26 to complement the council's Transformation Programme
- developed a robust procurement plan for 2025/26
- launched a new version of MySouthend, the council's online customer portal
- conducted an employee engagement survey, revealing that 75 per cent of customer-facing employees feel empowered to make decisions supporting customer needs
- approved a new Constitution to underpin all council decision-making and support all Corporate Plan priorities.

Corporate Plan Performance

Set out below are the Council's 2024/25 corporate plan key performance indicators, grouped by the four priorities.

Proud and prosperous

- For businesses in the city, there were 190 start ups, not quite achieving the target of 213, and 200 closures, above target of 227, in quarter 3 2024/25 (October – December).
- 1,350 businesses were supported through engagement with the Economic Inclusion Service, above target of 524.
- In March 2025, the average processing time for Essential Living Fund applications was 3.49 days, better than the target of 31 days.
- £85,481,763 of council's spend with local businesses in the city, above target of £76,000,000.
- 1,453,089 total footfall for all identified council-run cultural assets (museums, galleries, arts, libraries and the pier) and council-owned/affiliated sports and leisure centres and events, above target of 1,380,000.

Safe, clean and green

- 45 reported anti-social behaviour incidents to the Community Safety Unit in March 2025, compared to target of 54 – 60.
- The council continues to monitor the air quality levels in air quality management areas, in line with Local Air Quality Management statutory guidance.
- 100% of carriageway potholes repairs inspected and met required investigatory levels within 28 days, above the target of 90%.
- 100% of safety inspections completed on time for footways and carriageways, above target of 90%.
- 99.99% of waste collections carried out on schedule, above target of 99%.
- We continue to monitor the amount of waste recycled across the city.
- 380 tree net gain in the city, above annual target of 100. This includes 490 trees planted and 110 trees removed.

Caring with a good quality of life for all

- 5,048 NHS Health Checks delivered, above target of 4,913.
- 92.3% of MMR immunisations – one dose at 5 years old for in quarter 3 2024/25 (October – December), lower than target of 95%.
- 80.5% of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services, above target of 80%.
- 9.9% of adults with a learning disability in paid employment, above target of 9.5%
- 82.46 of children in care per 10,000 population under 18 years old, above target of 66 – 76.
- 99.6% of council homes meeting the Decent Home Standard, lower than target of 100%.
- 385 households in temporary accommodation, compared to the target of 219 and 319 for 2023/24.

Led by a transformative, responsive council

- 85.77% of approved capital budget for 2024/25 has been delivered, lower than target of 100%.
- 76% of complaints responded to in time, lower than the target of 85%.
- 94.67% of Freedom of Information requests responded to in time, above target of 90%.
- 96.3% of MySouthend cases responded to in prescribed timescale, above target of 90%.

Revenue Outturn 2024/25

The final revenue outturn position for 2024/25 on a net expenditure basis is set out in Table 3. The analysis of the actual costs reflects the way the Council's finances are managed, as opposed to the statutory required analysis used in the Statement of Accounts.

The analysis in Table 3 does not include any of the following income and expenditure items: pension adjustments, MRP adjustments, recharges, capital charges, Revenue Expenditure Funded from Capital under Statute (REFCUS) and revaluation gains. These numbers can be identified in the Statement of Accounts.

Table 3 summarises the financial performance against the revised budget for 2024/25 for the General Fund and HRA and highlights the scale of spending variations. A comprehensive analysis of the factors that have contributed to this outcome will be presented to the Cabinet meeting in June 2025¹.

A specific concern that was identified towards the end of the 2024/25 financial year related to the charging for social care services. The Care Act 2014 allows Councils to charge for care services but must ensure that any charges levied do not reduce an individual's income below what is called the statutory Minimum Income Guarantee (MIG). MIG is calculated using a complex formula to assess different benefit entitlements. It was discovered that the parameters configured within the Council's ICT system, that was set up in 2018, did not adequately include all relevant components used to calculate an individual's MIG.

Extensive work has been undertaken to identify all individuals that have been affected and to reassess their eligible charges. The full cumulative financial impact (**Net £2.3M – since 2018**) of this historical error in the calculation of contributions to care costs for some clients has been fully accounted for in 2024/25. The mistake led to some people being over-charged for care in their own homes or while living with family members, supported living, shared lives, extra care and day care. All affected individuals have been contacted, and the Council is putting right the mistake.

¹ <https://democracy.southend.gov.uk/documents/s67800/Report%20of%20Exec%20Director%20Finance%20and%20Resources.pdf>

Table 3 Revenue Outturn 2024/25

	2024/25 Revised Budget £000s	2024/25 Actual £000s	2024/25 Variance £000s
Portfolios			
Leader: Infrastructure and Corporate Strategy	7,816	8,907	1,091
Deputy Leader: Planning, Housing and the Local Plan	1,414	2,661	1,247
Children, Young People and SEND	49,460	55,597	6,137
Climate, Environment and Waste	19,920	20,426	506
Community Safety	10,644	9,966	(678)
Culture, Tourism and Business	7,603	7,398	(205)
Finance, Assets, Investments and Public Transport	11,082	10,491	(591)
Regeneration, Major Projects and Regulatory Services	4,816	4,874	58
Social Care and Healthier Communities	57,128	58,348	1,220
Housing Revenue Account	(4,078)	(6,818)	(2,740)
Corporate Budgets	4,034	1,300	(2,734)
Net Controllable Cost of Portfolios	169,839	173,150	3,311
Levies	840	968	128
Leigh Town Council Precept	467	467	0
Financing Costs, Interest, etc.	15,292	13,853	(1,439)
Net Operating Expenditure	186,438	188,438	2,000
Revenue Contribution to Capital	8,342	5,700	(2,642)
Non-Service Specific Grants	(20,825)	(21,230)	(405)
Contribution to / (from) Earmarked Reserves	(14,548)	(13,568)	980
Total to be Funded from Council Tax and Formula Grant	159,407	159,340	(67)
Funded from			
Revenue Support Grant	(7,590)	(7,590)	0
Retained Business Rates	(46,855)	(47,455)	(600)
Collection Fund Surplus and Reserves	(1,000)	(1,000)	0
Council Tax (Southend-on-Sea City Council and Leigh Town Council)	(103,962)	(104,295)	(333)
Total Funding	(159,407)	(160,340)	(933)
Contribution (to) / from General Reserve	0	(1,000)	(1,000)

Table 4 reconciles the analysis of the Comprehensive Income and Expenditure Statement in the Statement of Accounts 2024/25 to the outturn summary in Table 3.

Table 4 Reconciliation of Gross Expenditure to Transfer to General Fund

	2024/25 £000s
<i>Gross Expenditure on Services</i>	508,304
<i>Gross Income on Services</i>	(500,648)
<i>Net Cost of Services</i>	7,656
<i>Adjustments between accounting basis and funding basis under regulation</i>	6,016
<i>Transfers from Earmarked Reserves and HRA</i>	(14,672)
<i>Contribution to / (from) General Reserve</i>	1,000

The Council has spent **£508.304M** to deliver services funded by £508.804M of income in 2024/25. The following charts show how the expenditure was funded in 2024/25 and how it was spent.

Figure 5 Revenue Income (Funding Sources) 2024/25

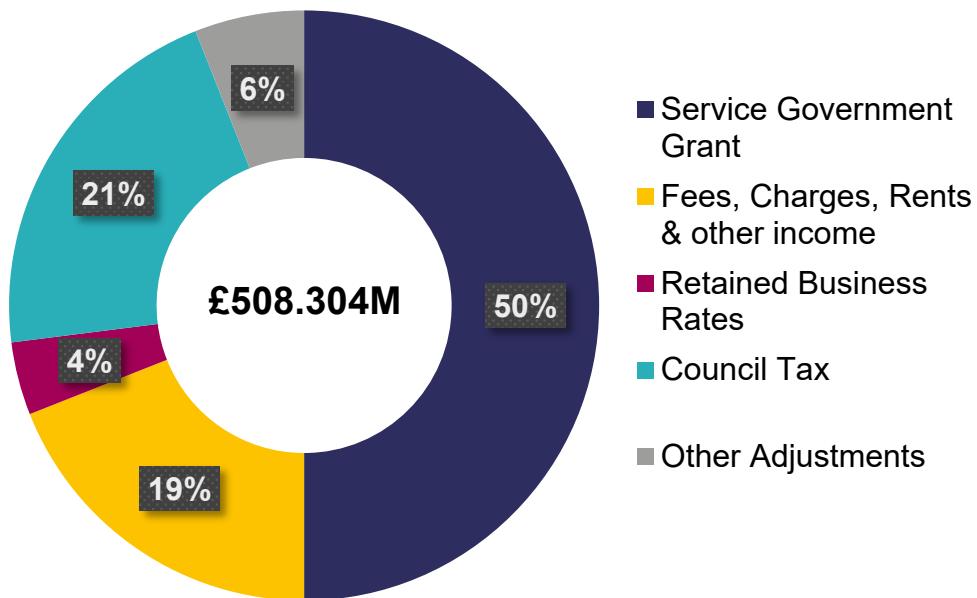


Figure 5 sets out how gross expenditure is funded. The largest source of income is government grants (see Note 18 in the Statement of Accounts 2024/25 for a full analysis). It remains the largest element due to the continuation of the national subsidy arrangements for local eligible benefit claimants; increased Government grants issued in 2024/25 to provide compensation for the continued under-indexing of the small business rates multiplier cap and funding for local schools from the Dedicated Schools Grant. For the majority of Council services direct support from Government Grant represents a smaller proportion of the total cost of provision. Whilst not direct income received in year, other adjustments include the appropriate application of earmarked reserves and reversal under statutory regulations for accounting charges that are put through the income and expenditure statement.

Figure 6 Gross Revenue Expenditure Objective (Service Area) 2024/25

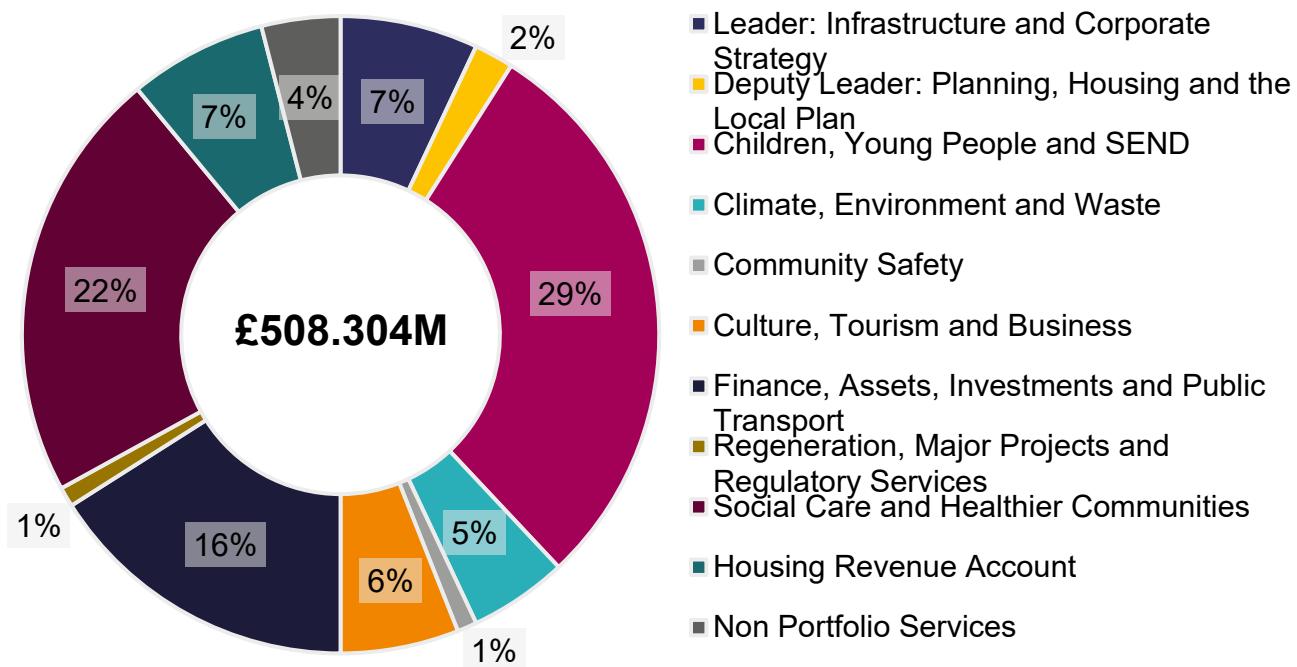


Figure 6 sets out how gross expenditure is split across the various Cabinet portfolios of services the Council operates under. As part of the funding source commentary highlighted for Figure 5 the portfolio for Finance, Assets, Investments and Public Transport includes the £54M cost of housing benefit payments made. Children, Young People and SEND includes the 'passing onwards' of dedicated schools' grants and other payments to the Council's maintained schools. Non portfolio services include interest payable, levies and net cost of traded services.

Figure 7 Gross Revenue Expenditure Subjective (By Type) 2024/25

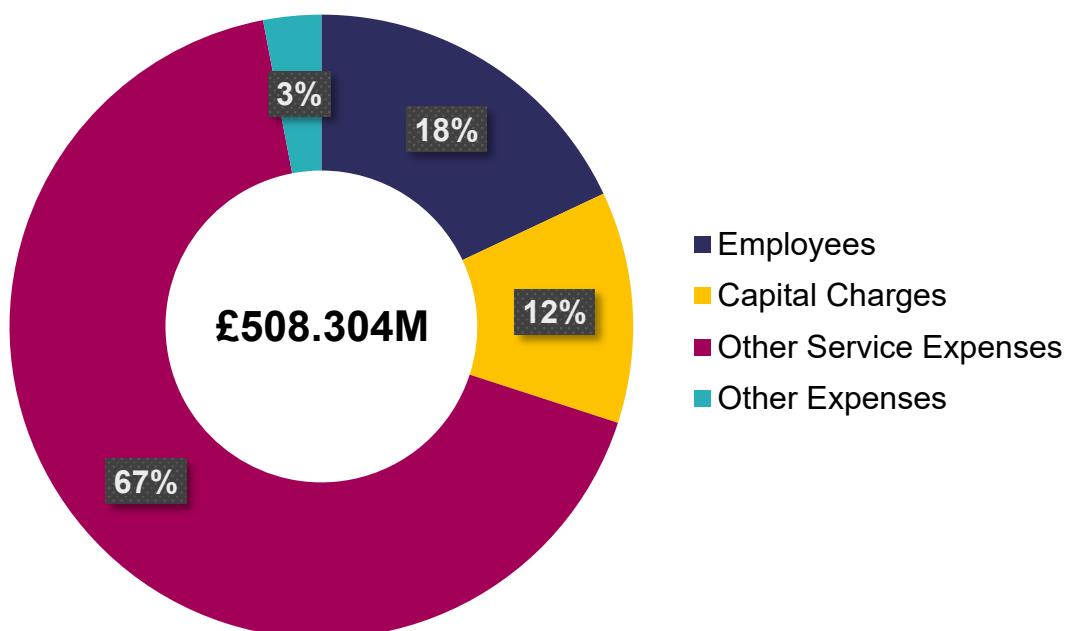
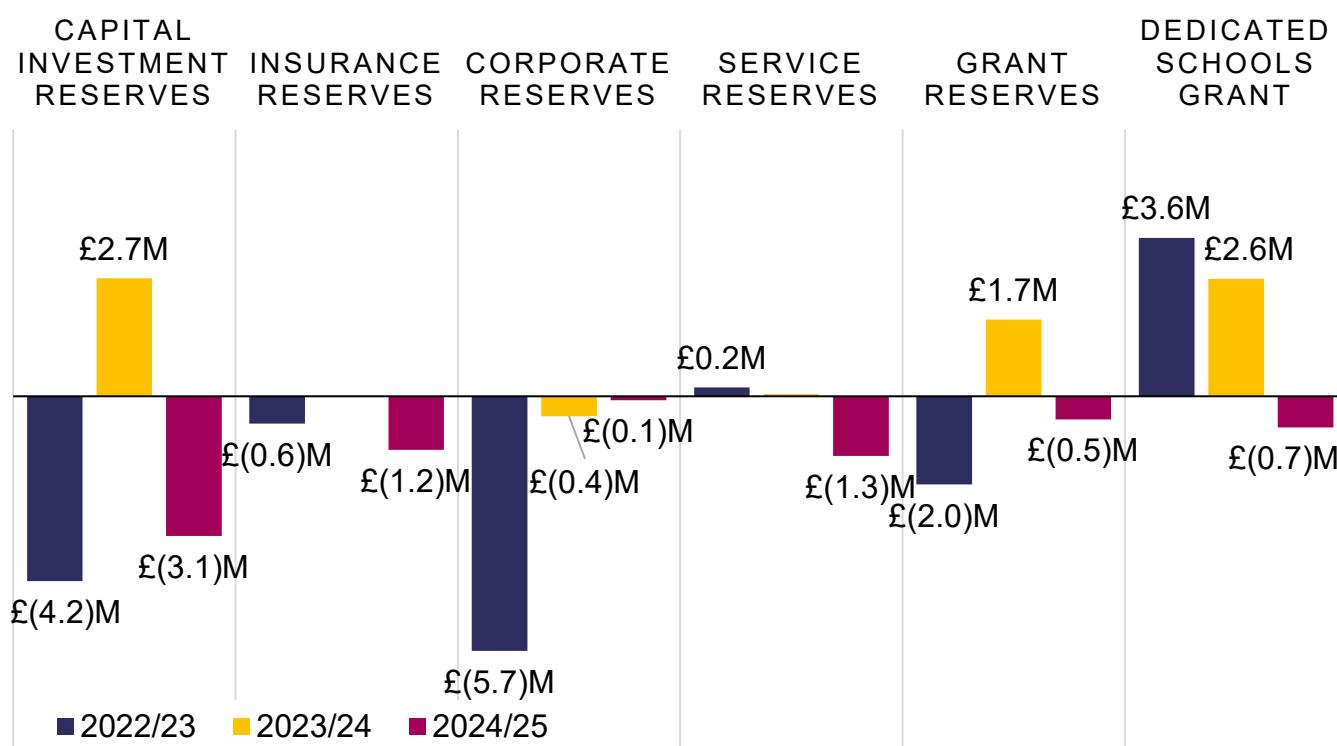


Figure 7 sets out how gross expenditure is split by type. Other service expenses cover the running costs of services excluding employees, and therefore includes the cost of suppliers and contractors, together with monies paid out to schools and benefit claimants. Other expenses cover several accounting charges put through the income and expenditure statement, only to be reversed under statutory regulations.

Given the size and complexity of the Council's operations and the volatility caused by the operating environment and unavoidable increases in the costs of service delivery there have been several variations from the original approved plans across individual service areas. As part of the year-end arrangements, consideration has also been given to the need to review the level of provisions for insurance, future transformation priorities, specific service risk assessments, bad and doubtful debts and other local social care demand challenges.

The volatility originally caused by the COVID pandemic, economic factors and continuing complexity and increases of service demand challenges have impacted the Council's reserves, as illustrated in Figure 8. This compares the contributions to/from earmarked reserves which took place at year end in 2024/25 with the financial years 2023/24 and 2022/23. The Council needs to remain vigilant and must make every effort to continue to try to reduce the overall annual revenue running costs of Services. The Council cannot continue to rely on using one-off reserves to support the costs of delivering services to local residents. It is anticipated with the work currently underway that the need to call on our reserves in the future will reduce, indeed over the medium term the plan would be to prudently increase our overall level of reserves to support our future financial resilience and sustainability commitment.

Figure 8 Year End Contributions to / (from) reserves



The overall net impact on the General Fund Revenue Budget for 2024/25 of all the actual income and expenditure variations within services, review of provisions and earmarked reserves, resulted in an overall net overspend of **£3.403M** (**£1.898M overspend for 2023/24**).

The Council has taken decisive action to limit the impact of the composite range of financial challenges and service demand pressures that it was faced with from the start of the financial year, but more tough choices and decisions will be required in 2025/26.

A combination of some additional Government grant support, positive local income collection levels, additional compensation for the continued under-indexing of business rates multipliers, more proactive management of service demand and strong corporate financial management have provided the key elements of this improvement in 2024/25. The Council is looking to build on this approach by implementing its commitment to a new transformation and service design programme throughout 2025/26.

The final net overspending position for 2024/25 of **£3.403M** has been financed through the application of a combination of previously earmarked reserves.

The Housing Revenue Account (HRA) reported an overall in-year surplus in 2024/25 of **£1.445M** (*£0.283M deficit for 2023/24*). In February 2024, it was forecast that HRA resources would be used to support an ambitious acquisitions and new build programme (£8.015M) to create more affordable homes for the 2024/25 financial year. This was planned to be financed from a forecast in-year surplus of £4.821M and a draw down from reserves of £3.194M. Due to the prevailing economic and market conditions and a challenging housing market, it has not been possible to deliver the full level of planned acquisitions and construction programmes but £5.373M of HRA resources were still invested effectively in the 2024/25 financial year.

We plan to continue our ambition to deliver more affordable homes in 2025/26 and provide further investment into the Council's overall housing stock to create better conditions and environments for local tenants. We have maintained strong rental income performance by accelerating the programme of bringing void properties back into use, increasing the availability of our housing stock. An in-year Housing Revenue Account **surplus of £6.818M** has been declared, principally generated through a major reduction in the planned level of revenue contribution to the Capital Investment Programme. There has also been a reduction in the level of bad debts, reduced depreciation and increased income levels. Generally, a very positive overall financial performance, given the challenging circumstances within the social housing sector.

The level of earmarked reserves held by the Council (including maintained schools) as at 31 March 2025 is **£96.137M** (*£110.809M at 31 March 2024*) (see note 20 in the Statement of Accounts 2024/24).

Economy, Efficiency and Effectiveness

The Council is continually striving to improve all aspects of the organisation in terms of value for money, employee wellbeing and productivity and providing people with meaning, purpose and stronger connection to the place 'Southend-on-Sea'. We have invested in technology and reviewed our approach to how and where we work at the Council via our Work Smart initiative.

The principles of our 'Getting to Know Your Business' programme for service managers continues and remains essential in assessing the new operating environment, financial challenges and value for money of service delivery arrangements. The ambition remains that all service managers in the Council will have a comprehensive understanding of their business areas, including their benchmarked operational and financial performance, key demand and cost drivers, income levels, commercial opportunities, value for money and customer insight.

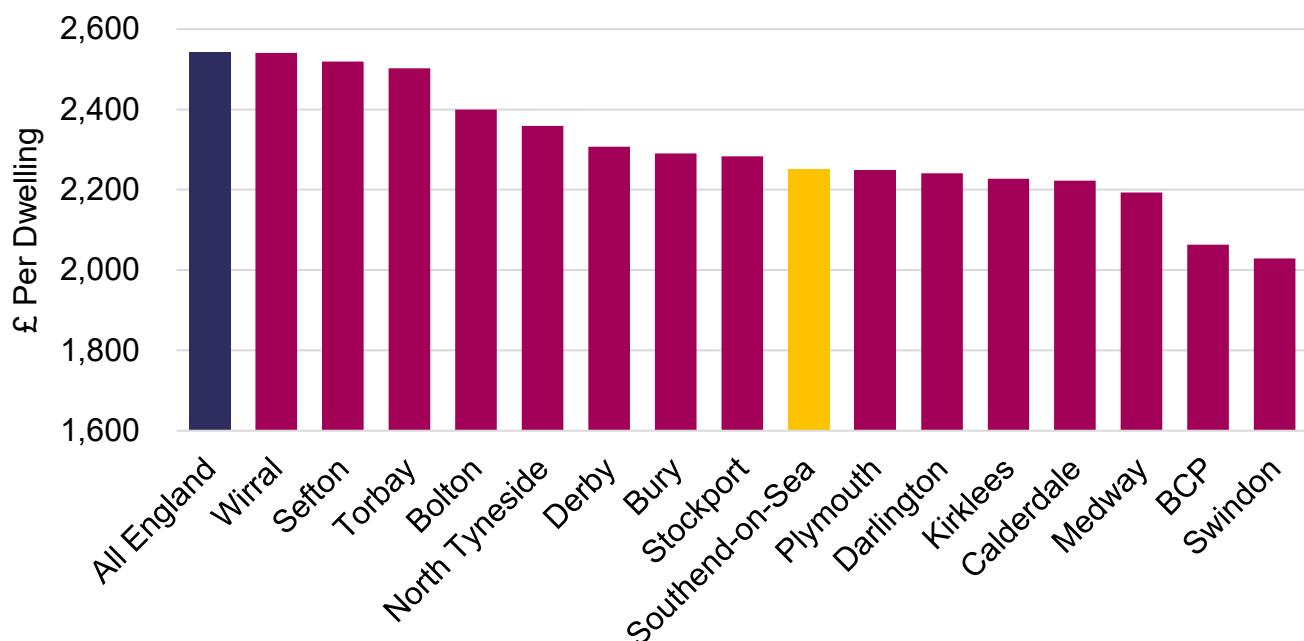
This initiative is designed to support all managers to improve productivity and efficiency in all business areas, ensuring best value and supporting a more targeted outcomes-based investment approach. Financial monitoring and reporting are also key to highlighting any issues as early as possible and the embedding of strong financial management principles is essential. These arrangements have been strengthened by the offer of formal financial training to provide enhanced support and advice to all senior officers and service managers.

The Council's Transformation Board is driving effectiveness and innovation by aligning Council activities with strategic objectives, ensuring efficient and effective delivery of investments, and resulting in better outcomes for residents.

Core Spending Power and Council Tax Banding Analysis

To inform and highlight the Council's relative success in delivering the full range of unitary authority services locally with fewer resources Figure 9 illustrates where the Council ranks based on the spending power per dwelling against our nearest statistical neighbour's comparator group. For spending power per dwelling, the Council now ranks ninth out of 16 authorities within our group which means that it has less comparable resources available to meet the relative needs of residents, when compared with similar local authorities.

Figure 9 Core Spending Power per Dwelling (£) 2024/25

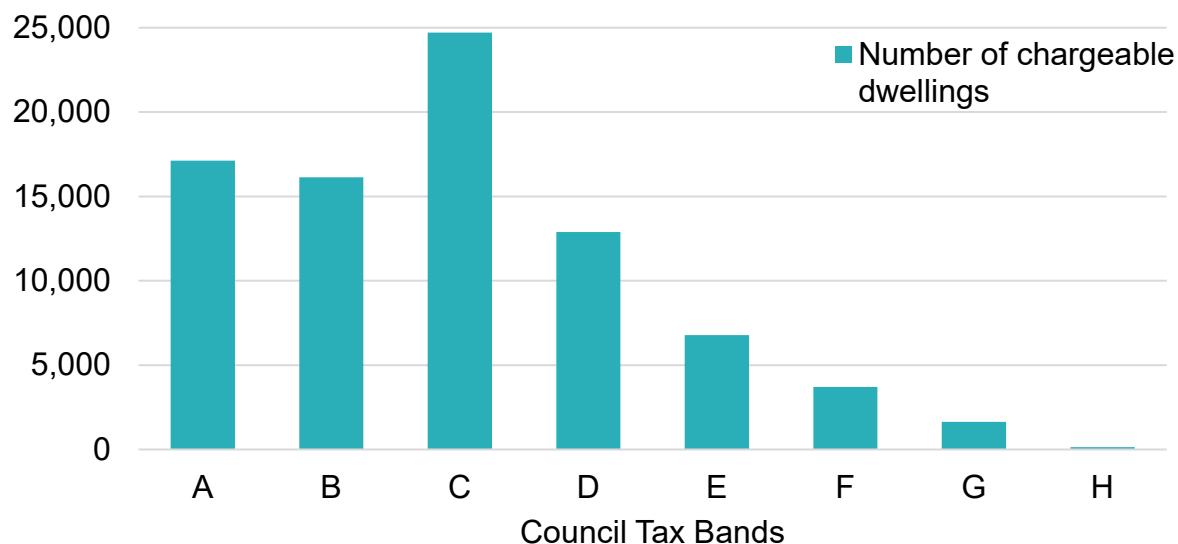


Source: DLUHC

Core Spending Power measures the core revenue funding available for local authority services, including council tax and locally retained business rates.

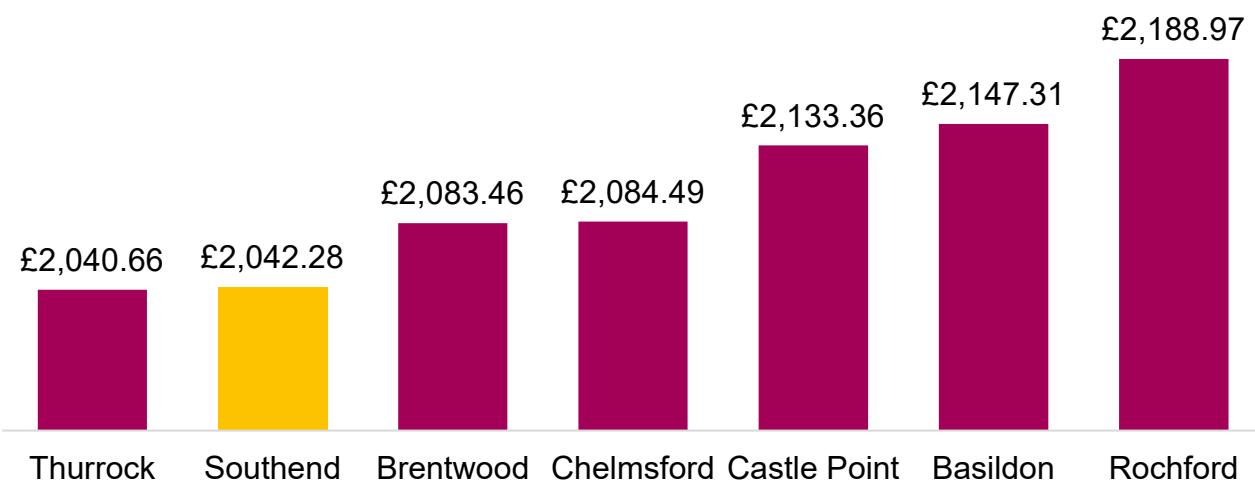
The Council also suffers from a relatively weak domestic dwelling tax base as illustrated in Figure 10. This shows that around **70% of all domestic dwellings are in Bands A - C** and therefore these households pay below the Band D average, which is the national comparator for council tax charges. This local situation is then further compounded due to almost 35% of all chargeable domestic dwellings currently receiving a 25% discount due to single person occupancy and a further 2% of dwellings currently entitled to between 50% to 100% exemption/discount from council tax liability.

Figure 10 Properties per Council Tax Band in Southend on Sea 2024/25



Historically when the Council first became a Unitary Authority it took local decisions to try to minimise the financial burden on the local council taxpayer for Southend-on-Sea as far as possible. Figure 11 illustrates the level of council tax (Band D equivalent) charged by Local Authorities from our nearest geographical neighbours in Essex for 2024/25. This is an important factor when considering Southend-on-Sea's commitment to providing value for money services that meet the needs of residents.

Figure 11 Council Tax Comparison - Band D 2024/25



Capital Expenditure

As well as delivering vital day to day services for residents, businesses and visitors, the Council continues to be at the heart of investment in the local area, improving assets to deliver services more efficiently and effectively and creating the right conditions to attract additional private sector investment.

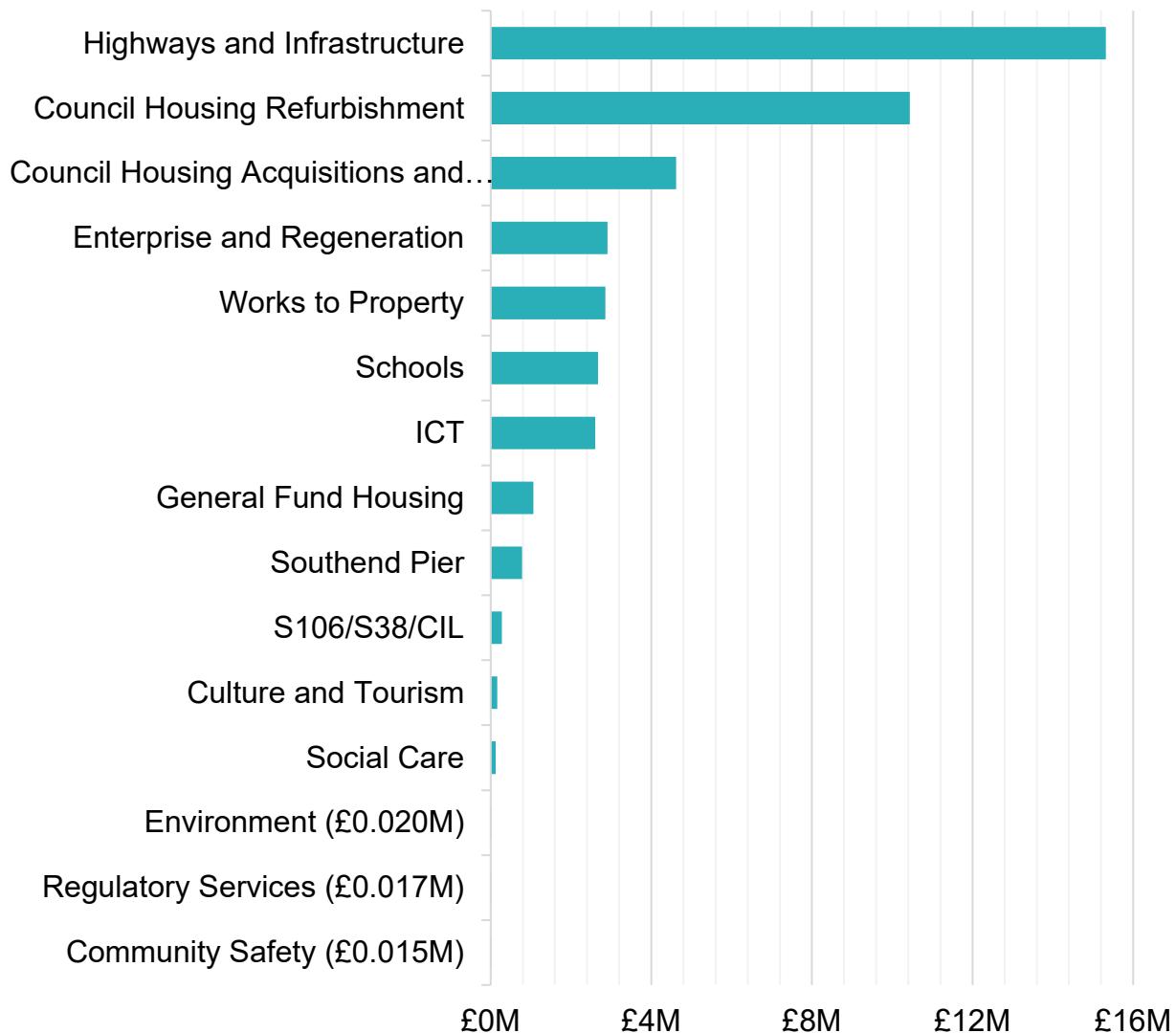
Capital spending can generally be defined as that which generates assets that have a life of more than one year. This includes the acquisition or construction of new assets and expenditure that improves, and not merely maintains, the value of existing assets.

In 2024/25 the Council invested **£43.9M** (£50.3M in 2023/24) into capital schemes to continue to improve Southend as a place, including the refurbishment of the Council's buildings including schools, improvements to the city's highways and footpath network, investment in the Pier, the refurbishment, acquisition and construction of council housing and investment to develop and enhance the Council's IT systems. (*This figure is different to the amount shown as capital expenditure in disclosure note 32 as £2.6M of operating lease assets have been brought onto the balance sheet because of the implementation of the IFRS16 Leases accounting standard.*)

Capital Investment 2024/25

A summary of the investment programme is shown in the following chart:

Figure 12 Capital Investment Programme 2024/25



In Figure 12, S106 agreements are planning obligations under Section 106 of the Town and Country Planning Act. S38 agreements are highways obligations under Section 38 of the Highways Act 1980. CIL refers to the Community Infrastructure Levy charged on new developments which is used to fund infrastructure.

The strategic capital projects that the Council has undertaken this year are summarised in *Table 5*.

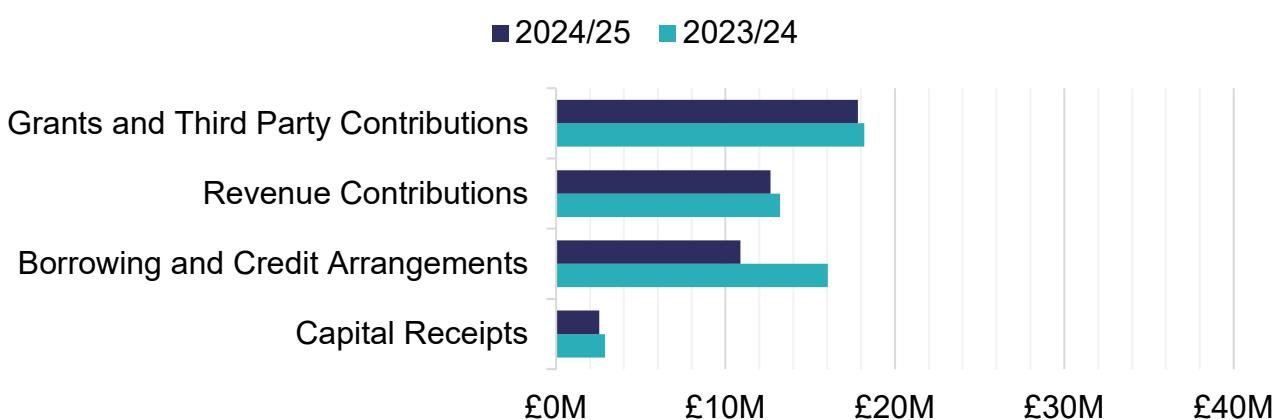
Table 5 Summary of Strategic Capital Projects in 2024/25

<i>Capital Project</i>	<i>2024/25 £000s</i>
<i>Footways and Carriageways</i>	7,482
<i>Housing Revenue Account - Council Housing Refurbishment</i>	6,397
<i>Highways and Infrastructure - Local Growth Fund and Local Transport Plan</i>	3,752
<i>Social Housing Decarbonisation Funding</i>	3,306
<i>Housing Revenue Account - Construction of New Housing</i>	3,044
<i>ICT Schemes</i>	2,604
<i>Levelling Up Fund Schemes</i>	1,864
<i>Schools - High Needs Provision</i>	1,797
<i>Housing Revenue Account - Housing Acquisitions Programme</i>	1,571
<i>Highways Infrastructure Schemes</i>	1,318
<i>Southend Pier Schemes</i>	784
<i>Victoria Centre</i>	776
<i>Airport Business Park</i>	427

Financing of Capital Expenditure

The external funding of the capital investment programme comes from several sources, including government funding, third party (often private sector) contributions, capital receipts from the sale of assets, and borrowing. *Figure 13* shows how the **£43.9M** capital expenditure was funded for the 2024/25 year.

Figure 13 Capital Expenditure Funding Sources 2024/25 with 2023/24 comparatives.



Borrowing is kept within affordable levels, with the total accumulated loans owed to external lenders and credit arrangements amounting to **£351.2M** at 31 March 2025 (**£357.2M** at 31 March 2024).

The Council also owes money to Essex County Council in respect of assets transferred to Southend-on-Sea City Council in 1998 as part of the Local Government Re-organisation. The amount is **£8.3M** at 31 March 2025 (**£8.8M** at 31 March 2024).

The Council's operational upper limit for borrowing has been set at **£385M** (excluding transferred debt) (*£390M in 2023/24*). Accounting for the borrowing outlined above, this leaves headroom of **£33.8M** (*£32.8M in 2023/24*).

This level of debt should also be viewed in relation to the Council's long-term assets which have a net book value of **£1,018.7M** at 31 March 2025 (*£992.3M at 31 March 2024*).

Long Term Assets

The Council's long-term assets are those expected to provide benefits beyond 12 months and consist of Property, Plant & Equipment (including Infrastructure and Right of Use Assets), Heritage Assets, Investment Property, Intangible Assets, Long Term Investments and Long Term Debtors. At 31 March 2025, the total net book value of these long-term assets was **£1,018.7M** (*£992.3M at 31 March 2024*).

As a result of the Government's recent policy on the transfer of schools to academy status, over the last few years many of the City's schools have transferred. No schools transferred during 2024/25 and it is anticipated that two further schools may transfer in the forthcoming year. If any did, this would reduce the current net book value of the long-term assets held of **£38.7M** at 31 March 2025 (*£38.7M at 31 March 2024*) for schools on the Council's Balance Sheet.

Housing

The Council is required by statute to maintain the Housing Revenue Account (HRA) in overall surplus, which includes balances brought forward from the previous year.

For the 2024/25 financial year the HRA has maintained the same general balance carried forward of **£3.5M** (*£3.5M in 2023/24*). Council rents for general needs and sheltered properties were increased by **7.7%** in 2024/25 (*increased by 7% in 2023/24*) in accordance with the rent setting formula which allows for annual rent increases of up to the Consumer Price Index (CPI) rate at September each year plus 1%. With a reduction in the level of inflation experienced during 2023/24, the original rent setting formula was back in place for the 2024/25 rent setting year and therefore rents increased by the September 2023 CPI of 6.7% + 1%.

In 2024/25 average rents for general needs properties (excluding service charges) were **£108.58 per week** (*£100.82 in 2023/24*), and **£94.58 per week** (*£87.82 in 2023/24*) for sheltered accommodation.

The full financial performance of the HRA is reported in the Statement of Accounts 2024/25.

Group Performance

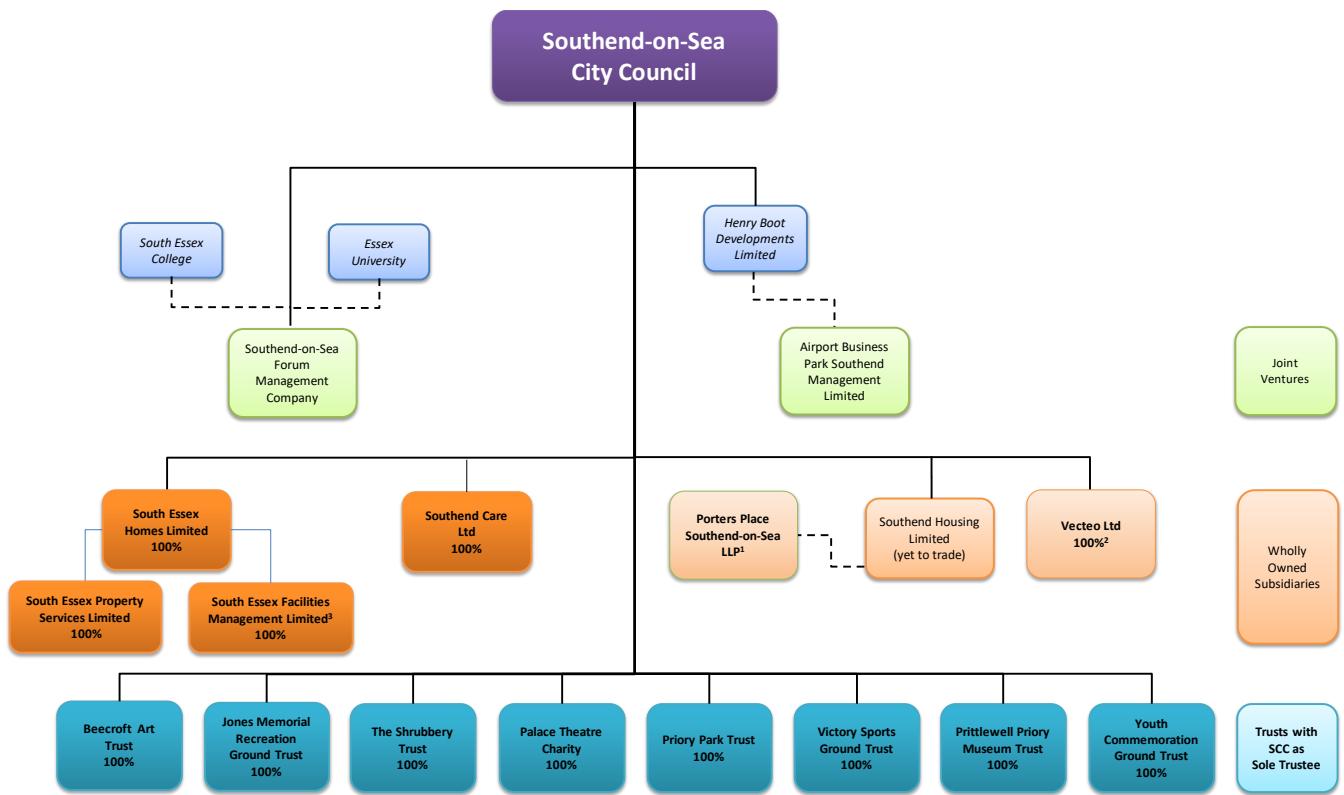
Local Authorities with subsidiary companies, associated companies and joint ventures are required to prepare group accounts. The figures for two of the wholly owned subsidiaries of the Council, South Essex Homes Limited and Southend Care Limited, are consolidated with Southend-on-Sea City Council to form the group accounts.

In addition, the Council has two other subsidiary companies and was party to three joint ventures. For one of those joint ventures, Porters Place Southend-on-Sea LLP, the partners are the Council and its wholly owned subsidiary Southend Housing Ltd. Therefore, from a group accounts perspective this is considered to be a wholly owned subsidiary. The Council's proportions of net assets for all five of these entities are immaterial to the accounts and therefore have not been consolidated into the group accounts.

It is positive to report that both the material Council wholly owned subsidiaries had a net surplus in respect of their pension liabilities as at 31 March 2025.

The Council is also sole trustee for eight Trusts, all of which have been consolidated as part of the Group Accounts for 2024/25.

Figure 14 Group Structure as at 31st March 2025



¹ Southend Housing Ltd was appointed as a member of the Porters Place Southend-on-Sea LLP on 19 June 2024.

² LHCS and Southend Travel Partnership Ltd changed its name to Vecteo Ltd on 20 December 2024.

³ South Essex Facilities Management Limited is a wholly owned subsidiary of South Essex Homes Limited that was incorporated on 6 January 2023 but did not start trading until 2024/25.

Financial Health of the Council as at 31 March 2025

2024/25 was another exceptional and challenging year. Demand for social care services for adults, children and the most vulnerable continued to rise, while cost pressures also increased. The Council's overall financial resilience has undoubtedly come under pressure but it remains in a comparatively slightly stronger position than many other Local Authorities across the country. It must though now find a way to break away from the cycle of reliance of using 'one-off' reserves to support the annual revenue cost base of its services that has been prevalent in recent years.

The ability to use reserves in this way has only been possible due to very strong corporate financial management over several years that created this safety net and helped the Council avoid some of the more drastic action that has been reported within many other Local Authorities. Our reserves have been used to help the Council navigate what has and continues to be an unprecedented series of financial challenges, but this cannot continue in the medium term.

We have had to take difficult decisions and need to continue to transform services to reduce our cost base and generate additional income now and in the medium term to remain financially sustainable. Councillors and officers have worked together to find a better, more cost-effective way forward, balanced against the need for people to pay more towards the cost of some discretionary services. We have listened to residents and businesses and worked alongside stakeholders, including central Government, MPs, neighbouring councils and local partnerships.

Assets

During 2024/25 fixed assets have increased in value by **£23.5M** (*decreased by £26.6M in 2023/24*) due to the net effect of additions, disposals, revaluations, and depreciation.

Fixed assets included in the Balance Sheet at current value are revalued or have indexation adjustments applied sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum are revalued every five years.

For additional information see notes 21 to 24 in the Statement of Accounts 2024/25.

Capital Investment and Borrowing

The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a measure of the Council's debt position and represents capital expenditure up to the end of 2024/25 which has not yet been charged to revenue. The process of charging the capital expenditure to revenue is a statutory requirement and is done by means of the Minimum Revenue Provision. The position for 2024/25 is summarised in Table 6.

Table 6 Capital Financing Requirement

	2024/25 £M
<i>Balance 1st April 2024</i>	449.8
<i>Plus: capital expenditure financed by borrowing (internal and invest to save financing)</i>	10.9
<i>Plus: fixed assets subject to leases</i>	2.9
<i>Less: capital receipts used to repay borrowing</i>	(1.5)
<i>Less: Minimum Revenue Provision</i>	(7.0)
<i>Balance 31st March 2025</i>	455.1

The CFR is the Council's theoretical need to borrow but the Council's actual borrowing position can be managed by either borrowing to the CFR, choosing to use temporary cash flow funds instead of borrowing (internal borrowing) or borrowing for approved future increases in the CFR (borrowing in advance of need).

The Council has currently addressed the theoretical need to borrow by having undertaken *external borrowing and credit arrangements of £351.2M and by internally borrowing the remaining £103.9M*. Actual borrowing will only be undertaken as and when required to finance capital and the amount and timing of any loans will have regard to the Council's cash flow, the prevailing interest rates and the future requirements of the capital investment programme.

The capital investment programme over the next five years is planned to be financed as shown in *Table 7*.

Table 7 Financing of Capital Investment

	2025/26 £M	2026/27 £M	2027/28 £M	2028/29 £M	2029/30 £M	Total £M
<i>Borrowing</i>	27.1	16.7	2.2	2.3	0.6	48.9
<i>Grants and third-party contributions</i>	49.7	3.6	0.8	0.8	4.4	59.3
<i>Revenue Contributions</i>	13.5	11.0	9.7	6.1	0	40.3
<i>Capital Receipts</i>	4.6	3.1	2.4	0	0	10.1
Total	94.9	34.4	15.1	9.2	5.0	158.6

Pensions

The Council participates in the Local Government Pension Scheme administered by Essex County Council. It is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into the fund, calculated at a level to balance the pension liabilities against investment assets.

The fund is subject to a valuation every three years. The 31 March 2022 valuation set the contribution rates from 2023/24 to 2025/26. As at 31 March 2022, the funding level for the whole fund was estimated at **102%**. This positive performance has enabled the Council to formally agree a reduced level of employer pension contributions over the years 2023/24 to 2025/26.

At 31 March 2025 the Council has a net surplus in respect of its pension liabilities due to the fair value of the fund assets being higher than the actuary's determination of the present value of the defined benefit obligations.

For additional information see note 37 in the Statement of Accounts 2024/25.

Reserves

The Council's reserves consist of general and earmarked reserves. The movement in Reserves Statement in the Statement of Accounts 2024/25 shows the split and movement of those reserves during the year.

The Council maintains a level of balances and reserves to meet any future unforeseen expenditure that may arise and for any planned future expenditure. These balances are held in the form of a general contingency such as the General Fund Balance, or for a specific purpose in the form of an earmarked reserve.

The Council has comprehensively updated its Medium Term Financial Strategy (2025/26 – 2029/30) based on the best possible information it had available at the time (approved February 2025) reflecting an assessment of the local impact of inflationary pressures, local priorities and ambitions. The Council must consider external risks, such as uncertainty of future funding levels from 2026/27 onwards, increased cost pressures, inflation and the challenges faced by all upper tier local authorities linked to increasing demand, cost and complexity in social care, as well as internal risks, including increased commercial activity.

Due to the need to deal with the unavoidable increased inflationary cost and demand pressures throughout 2024/25 and to continue to maintain the delivery of critical services to our communities the Council has been forced to decrease its overall level of reserves compared to what was originally planned. The Council is still in a relatively strong resilient financial position compared to many other local authorities. The future challenge is substantial though and our remaining reserves are held to provide both a buffer for the uncertain challenging operating environment we face and to invest in critical service transformation programmes.

These factors have contributed to the Council replenishing the **£1M** of its General Fund Balance that was used during 2023/24, therefore increasing it to **£11.0M** at 31 March 2025 (**£10.0M** at 31 March 2024).

At 31 March 2025 the Council holds **£59.447M** (**£74.461M** at 31 March 2024) of general fund earmarked reserves as shown in *Table 8*

Table 8 General Fund Earmarked Reserves

Earmarked Reserve	Opening Balance 1 April 2024 £M	Contributions / (Use) 2024/25 £M	Closing Balance 31 March 2025 £M
<i>Capital Investment Reserves</i>	20.914	(10.875)	10.039
<i>Insurance Reserves</i>	5.422	(1.205)	4.217
<i>Corporate Reserves</i>	17.143	2.329	19.472
<i>Service Reserves</i>	9.921	1.811	11.732
<i>Grant Reserves</i>	9.360	(2.524)	6.836
<i>Dedicated Schools Grant</i>	11.648	(4.550)	7.098
<i>Monies Held in Trust</i>	0.053	0	0.053
Total	74.461	(15.014)	59.447

The net total contribution from earmarked reserves in 2024/25 of **£15.014M** is a major increase from the previous year (*net total contribution from earmarked reserves of £2.813M in 2023/24*).

When the budget for 2024/25 was originally set it included planned appropriations from reserves of £1.9M². Additional drawdowns of £3.9M from DSG Grant Reserves to fund provision of High Needs services were agreed in the Financial Performance Report for July 2024 (Period 4)³. A further £3.2M of drawdowns was approved in the Financial Performance Report for September 2024 (Period 6)⁴, which included £2.6M from the Social Care Risk Reserves that the Council holds to fund pressure that materialise in these service areas. No additional drawdowns were included in the Financial Performance Report for November 2024 (Period 8), making the total value of drawdowns reported during the year to £9.0M.

Drawdowns from December 2024 (Period 9) to March 2025 (Period 12) and the final appropriations consist of; £3.2M from Capital Investment Reserves, £4.7M from Grant Reserves, £3.0M from Corporate Reserves, £3.2M from Service Reserves (which includes the remaining £2.4M from the Social Care Risk Reserves) and £1.2M from the Insurance Reserve.

² <https://democracy.southend.gov.uk/eIssueDetails.aspx?Id=21190&PlanId=0&Opt=3#AI18410>

³ <https://democracy.southend.gov.uk/documents/s63321/Report%20of%20Exec%20Director%20Finance%20and%20Resources.pdf>

⁴ <https://democracy.southend.gov.uk/documents/s64432/Report%20of%20Exec%20Director%20Finance%20and%20Resources.pdf>

Only individual movements of more than £250,000 are reported to Cabinet during the year, the cumulative value of other drawdowns in the first eight months of the year total £4.7M, meaning the total appropriation from reserves in 2024/25 is £29M. This is offset by the planned appropriations to earmarked reserves of £8.5M which were included in the original budget for 2024/25 and £5.5M of appropriations to earmarked reserves at the end of the year. The final movements included £1.4M to Corporate Reserves, £3.5M to Grant Reserves (£1.2M of which is ringfenced Dedicated Schools Grant) and £0.6M to Service Reserves.

Alongside the appropriations to and from the reserves there has also been reallocation of amounts between the reserve categories. A review of the Medium Term Financial Forecast in August prompted a decision to accelerate the repayment of £0.75M to the General Reserve and £1.875M to Capital Investment Reserves, plus an increase of £2.0M in Corporate Reserves. This was possible due to the significant amount of work undertaken to improve the final outturn position in 2023/24, meaning the Service Reserves for Social Care Risk didn't require all the planned replenishment included when the budget that was originally set for 2024/25.

A further reallocation of earmarked reserves has been undertaken at year end, reducing Capital Investment Reserves by £10M and increasing Corporate and Service Reserves. A comprehensive analysis of the factors that have contributed to this outcome will be presented to the Cabinet meeting in June 2025⁵.

The HRA's financial strategy includes a determination that a prudent level of the HRA General Balance is **£3.5M** (£3.5M for 2023/24), having regard for the inherent levels of future financial risk and uncertainty. The Council's HRA holds **£35.678M** (£34.233M on 31 March 2024) of earmarked reserves as shown in Table 9.

Table 9 HRA Earmarked Reserves

HRA Earmarked Reserve	Opening Balance 1 April 2024 £M	Contributions / (Use) 2024/25 £M	Closing Balance 31 March 2025 £M
Capital Investment Reserve	27.271	(1.002)	26.269
Revenue Major Repairs Reserve	6.142	2.387	8.529
Contract Pension Reserve	0.820	0.060	0.880
Total	34.233	1.445	35.678

The HRA also maintains another Major Repairs Reserve which is limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance of this reserve at 31 March 2025 is **£11.661M** (£10.536M at 31 March 2024) and represents the level of capital resources that have yet to be applied at the year-end.

There are also usable capital receipts of **£19.597M** (£6.145M general fund and £13.452M HRA) and capital grants not yet applied of **£40.960M** available to finance future planned capital expenditure.

The city's maintained schools also hold **£1.012M** of balances and **£7.098M** of earmarked reserves. These, together with the general fund and HRA earmarked reserves in the tables above, comprise the total of **£96.137M** of earmarked reserves shown in note 20 in the Statement of Accounts 2024/25.

⁵ <https://democracy.southend.gov.uk/documents/s67800/Report%20of%20Exec%20Director%20Finance%20and%20Resources.pdf>

Climate Change

The council continues to have a cross organisational focus on climate change supporting the 2030 net zero target declared for both council operations and the city.

There has been a focus on carbon adaptation and resilience for example through the Catchment to Coast project where the council has co-developed 'The Situation Room' supported by central government and demonstrating best practice in climate engagement. The results of the pilot will have a direct impact on future policy development.

Ongoing engagement on the greater Essex Local Nature Recovery Strategy has strengthened opportunities within the city for biodiversity.

The council's housing programme continues to maximise low and zero carbon developments utilising best practice PassivHaus methodology to ensure that residents have homes which have cost savings across their energy bills and reduced emissions.

The clean air for schools projects has been so successful in 2023/24 that there will be a third cohort in 2025, funded by Defra to monitor particulates and nitrogen dioxide. This initiative provides and engages with schools to introduce actions and interventions to minimise exposure to poor air quality.

More trees have been planted this year than in previous years, across both parks and in our streets, strengthening our tree canopy and supporting climate resilience in the city.

The Council continues to consider the impact of the environment on its future operations. Balancing this ambition within the level of scarce resources available and whilst delivering all our objectives within the Corporate Plan remains a challenge.

Equality, diversity and inclusion

We have implemented our Equality, Diversity and Inclusion (EDI) Strategy, which aims to cultivate an inclusive workplace culture where every individual feels valued and empowered. This strategy aligns with the Council's values and serves as a roadmap for embedding diversity and inclusion across the organisation.

This year, the council signed up for the Skills for Care – Workforce Race Equality Standard and achieved White Ribbon accreditation, demonstrating our dedication to creating a safe and supportive environment. The first cohort of employees completed the Business in the Community Mentoring Circles programme, and mutual mentoring was implemented. The council has renewed our charter commitments such as our Age Friendly pledge, Disability Confident, Mindful Employer and Race at Work. We have continued to enable diverse representation during director interviews and provided inclusive recruitment training to support hiring managers.

Under the 2010 Equality Act, we are required to identify equality objectives. Our equality objectives focus on employees, access to services, community cohesion and partnership working. The Council has made several annual commitments to support these objectives. Key activity that has taken place includes improving the collection of employee equal opportunities data, working towards Domestic Abuse Housing Alliance accreditation, delivering the Little Steps Health Visiting Service and providing resettlement support to new arrivals from diverse backgrounds.

Workforce Capacity

Our People Vision sets out our strategy and ambition to create "a great employee experience", and ensure we are "match fit" with Southend-on-Sea City Council employing "the right people, with the right skills and attitudes, in the right place". In 2024/25 the Council conducted a staff survey which had an overall response rate of 71%, engagement levels remained in line with other organisations at 79%. Staff feedback was generally positive and individual Directorate action plans have been developed to respond to areas identified for improvement.

Key headline statistics as at 31 March 2025 include:

- The Council had an employee Headcount of 1,839, with an FTE of 1,657.
- Turnover for the last financial year was 12.6%, down 6.7% from 2023/24.
- Agency workers 'on site' was 142, this will rise and fall depending on seasonal requirements, external funded projects and other demands.
- Employee Mandatory Training had an average completion rate of 73%.
- Sickness – days lost per employee was 8.87 compared to 8.53 in 2023/24.

Key risks from risk register

The Council's Corporate Risk Register sets out the key risks to the successful delivery of the Council's Corporate Plan priorities and outlines the key controls and management arrangements in place to mitigate and reduce risks or maximise opportunities. These risks are listed below:

- Risk of the Adult Social Care provider market being unable to meet needs of statutory services.
- Risk of failure to adopt a local plan.
- Risk of failure to successfully transition to a new waste collection service delivery model.
- Financial resilience and sustainability – risk that the Council's expenditure continues to exceed the available level of resources.
- Risk of increasing levels of homelessness.
- Risk of a lack of suitable placements/placement sufficiency for children in care.
- Risk of insufficient progress made on sustainability initiatives and achieving net zero carbon by 2030.
- Risk of loss of information assets and/or loss of data systems.
- Risk that the transformation programme fails to deliver the required outcomes.
- Risk of lack of capacity/resources to deliver ongoing council services alongside the Devolution and Local Government Re-Organisation (LGR) programme.

Local Government Independent External Audit Update

For many years in Local Government there has been a national backlog of annual unaudited accounts. Our independent auditors concluded their audit of the 2018/19 accounts by 30 July 2019 and their audit of the 2019/20 accounts by 20 October 2020, thereby meeting the respective statutory deadlines in those two years. The Council's 2020/21 audited accounts were signed on 27 April 2023, the 2021/22 audited accounts were signed on 19 December 2023, the 2022/23 audited accounts were signed on 28 November 2024 and the 2023/24 audited accounts were signed on 27 February 2025. This achievement places Southend-on-Sea within the top 20% of all Authorities in the Country. It also provides independent confidence and assurance that the Council's Accounts represents a 'true and fair view' of our financial position.

For all the above years the Council published its draft Statement of Accounts by the respective statutory deadline each year. We are the only authority in Greater Essex which has received an 'Unmodified Opinion' on its accounts for the 2023/24 financial year. This indicates a 'clean' independent audit opinion.

Increased Regional Engagement and Activity inc. Devolution and Local Government Reorganisation.

South Essex Councils (SEC), the Joint Committee comprising Basildon, Brentwood, Castle Point, Rochford, Southend-on-Sea, Thurrock, and Essex County Councils, continues to deliver its long-term growth plan, SE2050, focusing on strategic spatial, infrastructure, and economic priorities, as well as a Joint Strategic Plan and a Growth and Recovery Prospectus. SEC has delivered improvements to the region's digital infrastructure and connectivity during 2024/25, rolling out Fibre connectivity across South Essex for the public sector including direct connections between Civic Centres in the region.

Following the General Election in July 2024, the Council reiterated its desire to secure a devolution agreement with central Government by submitting an Expression of Interest to the Secretary of State for Housing, Communities and Local Government. This was followed by the submission of an Expression of Interest to secure a place on the Government's Devolution Priority Programme in January 2025, a fast-track programme for those areas that were willing to implement mayoral devolution and local government reorganisation at the earliest opportunity. The Council, along with its regional upper tier constituent authorities, Essex County Council (ECC) and Thurrock Council (TC), were accepted onto the Devolution Priority Programme in February 2025. This means that the Council is committed to working to establish a mayoral combined county authority, and providing a mayoral election, by May 2026.

At the end of March 2025, the 15 Councils in Greater Essex submitted an interim plan to the government in relation to Local Government Reorganisation. The plan acknowledged that a majority (10 out of 15) of Essex's council leaders had, in principle, decided that five new unitary authorities would be the best model for Essex's future local governance. This model aims to retain a sense of local place and community.

In early May, the government provided written feedback on the interim plan. The next step is to address this feedback while developing the business case for the five unitary authorities. This business case, along with any alternative proposals, must be submitted to the government by the deadline of 26 September 2025.

External inspections

The Care Quality Commission (CQC) is the independent regulator of healthcare, adult social care and primary care services in England. In December 2024 the CQC advised the council of its intention to carry out a full assurance visit. This visit took place in May 2025. It is likely that we will receive our report and assurance grading at the end of the summer.

In June 2024 Southend's youth justice service was inspected by His Majesty's Inspectorate of Probation delivering a 'Requires improvement' judgement. A Youth Justice Improvement plan is in place to address the recommendations made within the inspection report and will continue to be delivered during 2025/26.

The Council's functions as a Registered Provider of Social Housing are subject to oversight by the Regulator of Social Housing. In April 2024, a new inspection regime was introduced against a set of Consumer Standards and will be revisited on a 4 yearly basis. Southend-on-Sea City Council's review and inspection against these new criteria was held between January and May 2025, with outcomes from this assurance process anticipated by July 2025.

The Council's Children's Services were officially rated as 'Good' following an Ofsted Inspection of Local Authority Children's Services (ILACS) in October 2024. The inspection reported that services in Southend-on-Sea had undergone many significant changes since the last full ILACS inspection in July 2019 when the services were found to require improvement. Inspectors received and evaluated evidence of improvement across all areas of the range of services.

Medium Term Financial Strategy (MTFS) 2025/26 – 2029/30

The overriding aim of the Council's Medium Term Financial Strategy (MTFS) is '*to provide a financial framework within which financial stability can be achieved and sustained in the medium term to deliver the Council's key strategic outcomes, priorities and sustainable services.*'

As part of the development and approval of the Council's 2025/26 Budget and Medium Term Financial Strategy in February 2025 a commitment was given to the enhancement and targeting of our Transformation and Service Redesign Programme for 2025/26 – 2029/30. This was agreed as part of the Council's overall budget package, with specific areas and themes identified to be scoped and where possible implemented during 2025/26. Our approach will need to challenge current ways of working which are embedded within the Council's prevailing culture, exploring different ways to achieve the same goals while forming clear 'As-Is' and 'To-Be' views, whilst outlining clear measurable efficiency, productivity, effectiveness and financial gains. Comprehensive service re-design incorporating affordable service standards are essential to support this process.

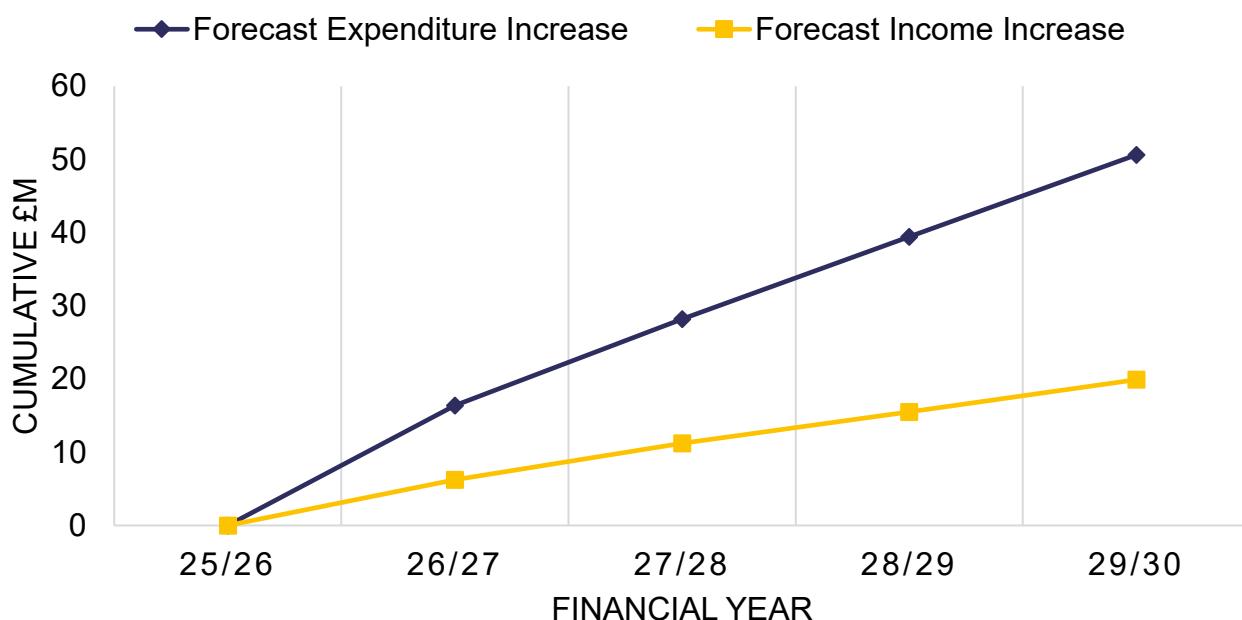
The Council has also committed to developing a targeted series of 'zero-based budget reviews' which are now underway and applied to our 'One Council' business case workstreams, to take a fresh look at understanding the resource requirements, performance and value for money of the selected individual service areas. The clear ambition is to support the Council's financial resilience and sustainability aspirations.

A series of planned additional measures will also continue to supplement this enhanced Transformational Programme to try to strengthen the Council's financial resilience and improve the value for money of service delivery. The Council is committed to implementing: outcome-based budgeting principles (to ensure resources are specifically targeted to delivering better outcomes for local residents); better linkage of business planning and budgeting to service outcomes; effective and creative management of service demand; a review of all major contractual arrangements; enhanced commissioning and brokerage services; the exploration of new commercial opportunities; an evaluation of a range of new income generation initiatives and continuing to enhance our systems, processes and internal business transformation arrangements.

A considerable amount of analysis, decisive action and financial planning was undertaken throughout 2024/25, particularly since Southend-on-Sea was already having to respond to some high value social care demand trends from previous years. This scenario was replicated in many other upper tier authorities right across the country. These pressures had been recognised locally, and attempts were made to address some of these issues by significantly increasing the revenue base budgets of these services for 2025/26 and as part of the Medium Term Financial Strategy.

The Council was predicting a cumulative budget gap of **£27.2M** up to the end of 2029/30. The Council's forecast profile of this budget gap for each of the next five years is detailed in the following chart (Figure 15) which illustrates the estimated funding gap to 2029/30 as reported to Council in February 2025.

Figure 15 Forecast Income and Expenditure



The Council is not under any risk of issuing a Section 114 notice in the short or medium term.

We are aware of the continuation of some of the financial risks that were prevalent throughout 2024/25. We have modelled scenarios and earmarked specific service risk reserves for the most volatile statutory service areas of Children's and Adults Social Care to provide a safety net. The challenge of continuing to design and implement potential financial mitigating strategies for 2025/26 and future years remains challenging.

Comprehensive financial monitoring and performance reports for Period 4, Period 6 and Period 8 were presented to Cabinet in September 2024, November 2024 and January 2025 respectively. These have highlighted the extent of the financial pressure in 2024/25, the mitigations undertaken and have provided a summary of performance delivery against approved savings plans, income generation initiatives and targeted overspend reductions.

To help address and close the revised estimated budget gap over the next five years the Council will continue to aim to achieve financial sustainability from local income sources in the future and improve its efficiency and productivity. The Council will continue to work collaboratively with its partners, increase its focus on the delivery or joint commissioning of services in a targeted way to ensure that those in most need and who will receive the greatest benefit are the recipients of services. It is vital that we continue to learn from our experience, reduce our cost base wherever possible and tailor our services and working practices accordingly.

The Council also has an ambitious capital investment programme designed to create the right conditions to attract additional private sector investment into the local area and to directly benefit residents, businesses and future visitors. The level of our planned investment is **£159M** over the next five years.

Building a City Council Fit for the Future

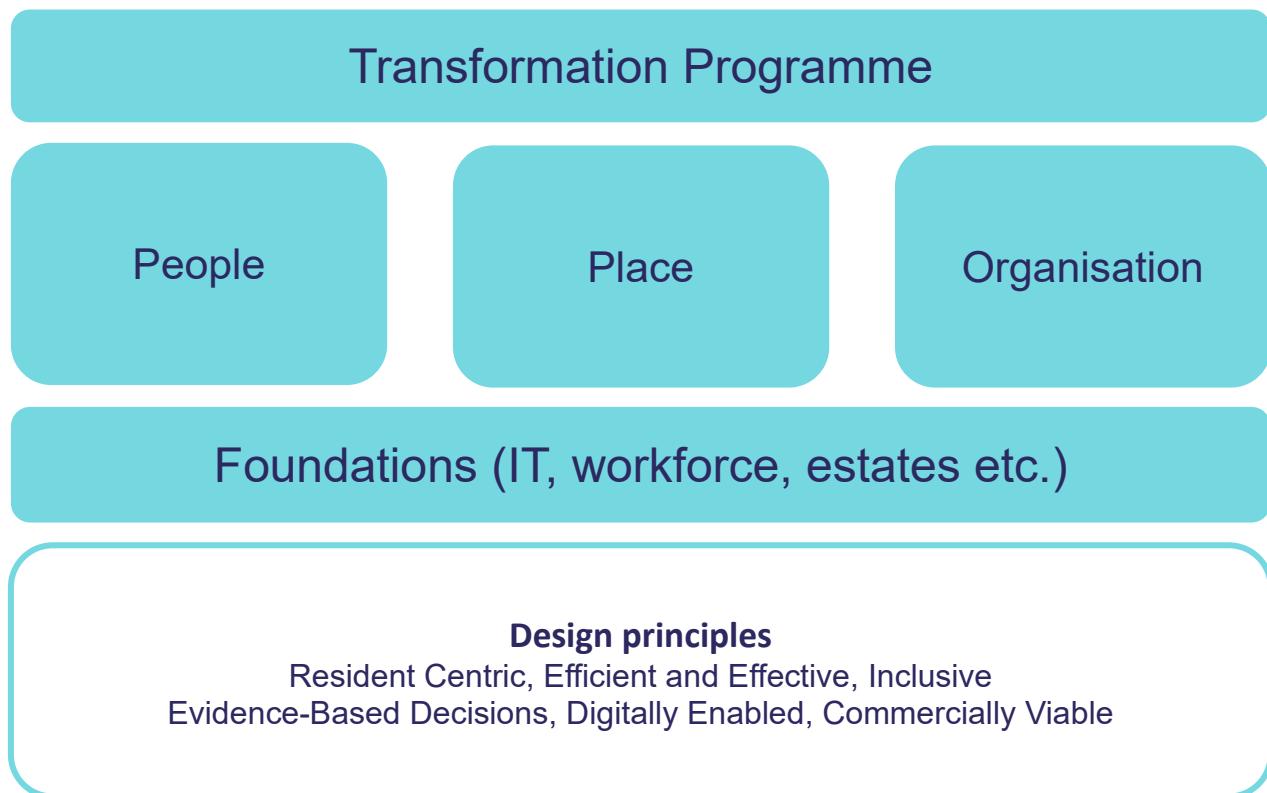
The overall level of net cost reduction required by Southend-on-Sea Council to bridge a medium to long term deficit by 2029/30 requires a programme of work that not only supports the development of net cost reduction and transformation opportunities at a service level, but that also considers how these opportunities can be integrated into a renewed, sustainable, operating model.

The Council now operates a Transformation Programme to improve service efficiency, productivity and value for money, whilst also supporting the delivery of financial sustainability over the medium to long term. The current programme is driven by the following guiding principles:

- **Resident Centric:** We will be resident centric, putting residents at the heart of everything we do and focusing on the experience of residents across all services. This is to ensure the best possible services for Southend-on-Sea residents, making sure their needs are met.
- **Efficient & Effective:** Working in ways that are streamlined, preventative, optimise resources, and prioritise the right things at the right times, providing the right results. This is to ensure staff are enabled to work in a proactive and productive manner, and that residents receive smooth and streamlined services.
- **Inclusive:** Promoting a positive culture within the Council and outside of it, accommodating the needs of all and creating a sense of true acceptance. This is to ensure there are no unspoken boundaries, and that everyone has equal opportunity and sense of belonging, regardless of who they are.
- **Evidence-Based Decisions:** We will make decisions based on reliable data and evidence to ensure the best possible outcome for residents and the Council. This is to ensure residents receive the best services, and staff are empowered by decisions backed by good and reliable evidence.
- **Digitally Enabled:** Digital by default, we will reduce our manual tasks and processes to optimise how we work and deliver services. This is to enable each service to use resources optimally and effectively to meet residents and staff needs.
- **Commercially Viable:** We will ensure that the Council is financially viable and sustainable for the future, taking a commercial approach and running as efficiently as possible to drive value for money whilst maintaining future viability.

Our transformation guiding principles (Figure 16) are the compass by which we will measure if an initiative helps the Council move towards the desired future state. They reflect the two sides of the organisation which are both important: Supporting vulnerable residents and protecting the Council.

Figure 16 Summary of Guiding Principles



Financial Compliance, Resilience and Future Sustainability

Financial compliance, resilience and future sustainability are clearly important considerations. We are an ambitious Council and our local area secured City status in 2022. We are committed to continually improving our performance and delivering better outcomes for residents through our Corporate Plan and contributions to the City's vision. Our desire to improve, learn and provide value for money is also predicated on acting responsibly and ensuring our plans are affordable and sensible. During 2024/25 the Council commissioned PWC to undertake an internal audit review of our approach and arrangements for developing and implementing its Medium Term Financial Strategy, this independent assessment concluded with a satisfactory opinion.

CIPFA's Financial Management Code came into effect from 1 April 2020, with the first full year of compliance being the 2021/22 financial year. The Council committed to complete an annual self-assessment against the expectations of the Code, with results reported to the Audit Committee every April, and with a six-monthly update on any resulting action plan between each self-assessment.

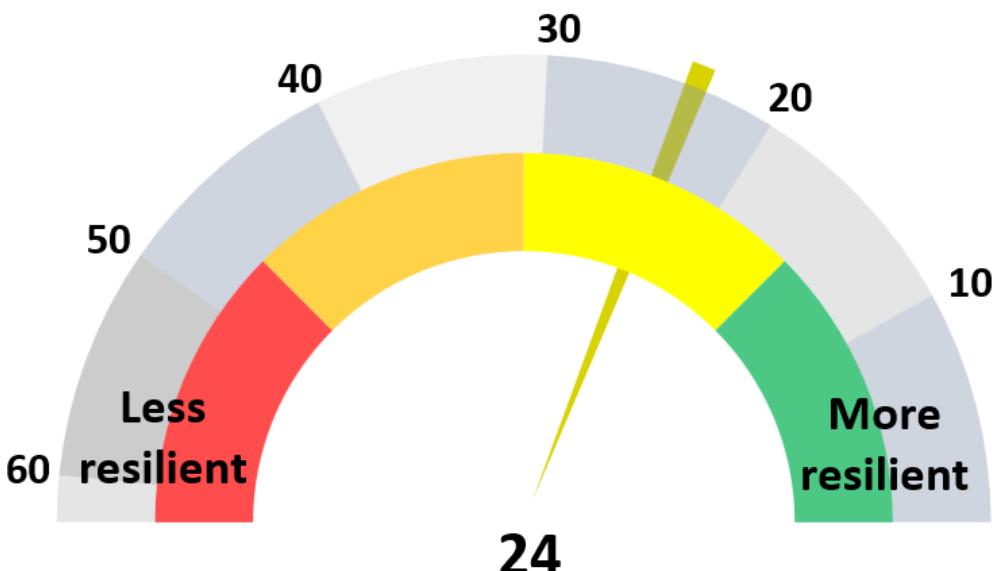
The 2024/25 annual self-assessment has been undertaken with the findings presented to Audit Committee in April 2025 confirming that the council achieved overall compliance with the expectations of the CIPFA Financial Management Code.

The council meets the minimum expectations for all 17 standards, with good compliance for 14 standards and demonstrable compliance, but with recognised scope for further improvement, for the remaining three standards.

The Chartered Institute of Public Finance and Accountancy (CIPFA) also produce an annual Financial Resilience Index which now uses eight (previously nine) primary indicators of financial stress. This assessment was first introduced prior to the COVID pandemic in 2019. It is clear and well reported that the financial resilience of the overall local government sector has been severely tested since that time. Analysis of the latest Resilience Index for 2024 shows Southend-on-Sea is within the upper half of all unitary authorities.

To establish our current position, we have taken all the indicator values for the 62 unitary authorities in England and assessed Southend-on-Sea's comparable resilience based on equal weighting of each indicator. The result for 2024 places Southend-on-Sea 24th out of 62 as shown in Figure 17, although ranking on the individual indicators ranges from 13th to 39th.

Figure 17 Southend's performance in CIPFA's Financial Resilience Index 2024



The variation in size and scale of unitary authorities both spatially and financially across the country is significant. Our relatively small size does present a disadvantage in financial resilience terms when compared with larger organisations. The Council's financial resilience and sustainability status will remain under constant review. The level of earmarked reserves used during 2024/25 is likely to reduce the Council's performance against some specific indicators and potentially impact our position against the resilience index for 2025.

Annual Governance Statement

Our Annual Governance Statement (which commences on page 190 of this publication) summarises the outcome of our review of the Governance Framework that has been in place during 2024/25. This statement demonstrates that we have effective governance arrangements in place and that we are satisfied that we have a robust system of internal control, which is a critical component of our overall governance arrangements.

Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptional hard work and dedication of employees across the Council. I would like to express my gratitude to all colleagues, particularly from my finance team but also from other services and organisations, who have assisted in the preparation of this document. I would also like to thank them for all their support and expertise during what was again a very challenging 2024/25 financial year.

My finance team, working with our external auditors, have also successfully managed to conclude all external audits for prior financial years. An exceptional achievement given the situation across the country and the challenges and demands experienced throughout the year. Our external audit opinions are now completely up to date and this position compares very favourably to the overall status across the local government sector. The final clean audit opinion on our 2023/24 Accounts was reported to the Council's Audit Committee on 27 February 2025.

I hope you find this narrative and accompanying statements clear and informative. If you require any further information or wish to make any comment on these accounts, then please contact us by any of the options listed below.



Joe Chesterton
Executive Director (Finance and Resources) (s151 Officer)
Date: 12 June 2025

This publication is issued by: Financial Services, Southend-on-Sea City Council
You can contact us in the following ways:

Visit our Website: southend.gov.uk
By Email: accountancyreturns@southend.gov.uk
By Telephone: 01702 215000
By Post: Southend-on-Sea City Council
Po Box 2
Civic Centre
Victoria Avenue
Southend-on-Sea
Essex
SS2 6ER

The Financial Statements

The information provided in this publication presents the financial position of Southend-on-Sea City Council as at 31 March 2025, and the financial results for the financial year 2024/25. As a large and diverse organisation, these accounts will by their nature be both technical and complex and the purpose of this foreword is to provide a guide to the accounting information and statements that follow and summarise the Council's performance for the year.

Since the introduction of IFRS (International Financial Reporting Standards) for local government accounting in 2010/11, the core financial statements comprise:

- **Comprehensive Income and Expenditure Statement;**
- **Movement in Reserves Statement;**
- **Balance Sheet;**
- **Cash Flow Statement.**

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

The Movement in Reserves Statement shows the movement in the year on the different reserves held by the Council. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council tax setting and dwellings rent setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

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

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

These four Statements are then followed by notes providing more detailed information of various elements within the statements.

The main Statements and their notes are supplemented by three further sections:

The Housing Revenue Account (HRA) reports separately on the Council's landlord activities, which are consolidated into the main accounts. Detailed notes follow these statements to expand on the information provided.

The Collection Fund reports separately on the collection and distribution of non-domestic rates and council tax.

Group Accounts consolidate the Council's main accounts with those of its Subsidiary and Associated Companies, Joint Ventures and Charitable Trusts.

STATEMENT OF RESPONSIBILITY FOR THE STATEMENT OF ACCOUNTS

Statement of Responsibility for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Executive Director (Finance and Resources) (s151 Officer).
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Executive Director (Finance and Resource's) Responsibilities

The Executive Director (Finance and 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 ('the Code').

In preparing this Statement of Accounts, the Executive Director (Finance and Resources) has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority Code.

The Executive Director (Finance and Resources) has also:

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

Executive Director (Finance & Resources) Certificate

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



Joe Chesterton, CPFA
Executive Director (Finance and Resources) (s151 Officer)
Approved by the Audit & Governance Committee on 20 October 2025
Signed: 13 January 2026

Approval of the Statement of Accounts

In accordance with the requirements of Regulation 9 of the Accounts and Audit Regulations 2015, I confirm that the Statement of Accounts was approved by resolution of the Audit and Governance Committee of Southend-on-Sea City Council on 20 October 2025.



Councillor Robert McMullan
Chair of Audit & Governance Committee
Approved by the Audit & Governance Committee on 20 October 2025
Signed: 13 January 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND-ON-SEA CITY COUNCIL

Opinion on the Financial Statements

REPORT ON THE AUDIT OF THE AUTHORITY'S FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Southend on Sea City Council ("the Authority") for the year ended 31 March 2025 which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, Group Comprehensive Income and Expenditure Statement, Group Movement in Reserves, Group Balance Sheet, Group Cash Flow Statement, Housing Revenue Account, The Collection Fund and the related notes, including the Expenditure and Funding Analysis and the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Group and the Authority as at 31 March 2025 and of the Group's and the Authority's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Executive Director Finance & Resources ("the Section 151 Officer") has prepared the financial statements on the going concern basis as they have not been informed by the government of the intention to either cease the Group and the Authority's services or dissolve the Group and the Authority without the transfer of their services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and internal audit as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance as a result of financial pressures in order to be able to set a balanced budget for future periods.
- Reading Authority and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, we performed procedures to address the risk of management override of controls in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to our assessment that there was limited opportunity for manipulation of revenue reported given the nature of the funding provided to the Group during the year.

We also identified a fraud risk related to revenue expenditure being fraudulently capitalised in response to the pressure on funding and the size of the Authority's capital program.

We performed procedures including:

- Identifying journal entries to test at the Group level for selected components based on risk criteria and comparing the identified entries to supporting documentation. We did not identify any high risk journals and therefore selected one journal to test.
- Testing a sample of capital expenditure incurred throughout the year by the Council to ensure it was appropriately capitalised.

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

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

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

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

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

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

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

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

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

Other information

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

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

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Statement of Accounts for the financial year is consistent with the financial statements.

Executive Director Finance & Resources' and Audit Committee's responsibilities

As explained more fully in the statement set out on page 41, the Section 151 Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the government of the intention to either cease the services provided by the Group and the Authority or dissolve the Group and the Authority without the transfer of their services to another public sector entity.

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

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

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

We have nothing to report in this respect.

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

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

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

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

Statutory reporting matters

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

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

We have nothing to report in this respect.

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

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

DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT

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

Until we have completed this work, we are unable to certify that we have completed the audit of Southend on Sea City Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice.



Jessica Hargreaves

For and on behalf of KPMG
LLP Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL
United Kingdom
13 January 2026

MAIN FINANCIAL STATEMENTS

Comprehensive Income and Expenditure Statement

2023/24			2024/25			
Gross Expenditure £000	Gross Income £000	Net Expenditure/ (Income) £000	Notes	Gross Expenditure £000	Gross Income £000	Net Expenditure/ (Income) £000
Reclassified	Reclassified	Reclassified				
28,034	(17,561)	10,473	Leader: Infrastructure and Corporate Strategy	33,248	(21,308)	11,940
8,218	(5,467)	2,751	Deputy Leader: Planning, Housing and the Local Plan	8,728	(5,191)	3,537
132,536	(78,650)	53,886	Children, Young People and SEND	149,051	(83,357)	65,694
24,400	(3,716)	20,684	Climate, Environment and Waste	25,349	(4,491)	20,858
7,051	(4,398)	2,653	Community Safety	7,007	(4,336)	2,671
20,005	(7,331)	12,674	Culture, Tourism and Business	29,263	(6,331)	22,932
82,612	(70,155)	12,457	Finance, Assets, Investments and Public Transport	78,757	(65,022)	13,735
			Regeneration, Major Projects and Regulatory Services	7,468	(6,001)	1,467
11,495	(4,378)	7,117	Social Care and Healthier Communities	113,921	(48,601)	65,320
107,411	(47,997)	59,414	Net Cost of General Fund Services	452,792	(244,638)	208,154
38,037	(32,527)	5,510	Local Authority Housing (HRA)	36,016	(43,590)	(7,574)
38,037	(32,527)	5,510	Net Cost of Housing Revenue Account Services	36,016	(43,590)	(7,574)
459,799	(272,180)	187,619	Cost of Services	488,808	(288,228)	200,580
11,677	0	11,677	Other Operating Income and Expenditure	10	1,434	(1,129)
23,461	(14,263)	9,198	Financing and Investment Income and Expenditure	11	18,062	(15,171)
0	(175,938)	(175,938)	Taxation and Non-Specific Grant Income	12	0	(196,120)
494,937	(462,381)	32,556	Deficit on Provision of Services	508,304	(500,648)	7,656
<i>Items that will not be reclassified to the Deficit on the Provision of Services</i>						
			Surplus/Deficit on Revaluation of Heritage and			
		9,018	Property, Plant and Equipment Assets	9		(25,399)
		841	Re-measurement of Net Pension Liability	9		1,192
		9,859	Other Comprehensive Income and Expenditure			(24,207)
		42,415	Total Comprehensive Income and Expenditure			(16,551)

Movement in Reserves Statement

Note	Revenue Reserves				Capital Reserves			Total Usable Reserves
	General Fund Balance	Housing Revenue Account	Earmarked Schools Budget Reserves	Other Earmarked Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	£000	£000	
Balance at 1 April 2023	11,000	3,502	14,734	99,872	18,005	9,916	40,270	197,299
Surplus / (Deficit) on the Provision of Services	(27,355)	(5,201)	0	0	0	0	0	(32,556)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	(27,355)	(5,201)	0	0	0	0	0	(32,556)
Adjustments between accounting basis and funding basis under regulations	19	22,841	4,918	0	1,324	620	(1,876)	27,827
Net Increase / (Decrease) before Transfers to earmarked reserves		(4,514)	(283)	0	1,324	620	(1,876)	(4,729)
Transfers to / (from) Earmarked Reserves	20	4,514	283	(971)	(2,826)	0	0	1,000
Transfers to / (from) Balances		(1,000)	0	0	0	0	0	(1,000)
Increase / (Decrease) in 2023/24		(1,000)	0	(971)	(2,826)	1,324	620	(1,876)
Balance at 31 March 2024	10,000	3,502	13,763	97,046	19,329	10,536	38,394	192,570

Note	Revenue Reserves				Capital Reserves			Total Usable Reserves £000
	General Fund Balance £000	Housing Revenue Account £000	Earmarked Schools Budget Reserves £000	Other Earmarked Reserves £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	
Balance at 31 March 2024	10,000	3,502	13,763	97,046	19,329	10,536	38,394	192,570
Movement in Reserves during 2024/25								
Surplus / (Deficit) on the Provision of Services	(15,058)	7,402	0	0	0	0	0	(7,656)
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	(15,058)	7,402	0	0	0	0	0	(7,656)
Adjustments between accounting basis and funding basis under regulations	19	(59)	(5,957)	0	268	1,125	2,566	(2,057)
Net Increase / (Decrease) before Transfers to earmarked reserves		(15,117)	1,445	0	268	1,125	2,566	(9,713)
Transfers to / (from) Earmarked Reserves	20	15,117	(1,445)	(5,653)	(9,019)	0	0	(1,000)
Transfers to / (from) Balances		1,000	0	0	0	0	0	1,000
Increase / (Decrease) in 2024/25		1,000	0	(5,653)	(9,019)	268	1,125	2,566
Balance at 31 March 2025	11,000	3,502	8,110	88,027	19,597	11,661	40,960	182,857

	Unusable Reserves								Total Authority Reserves £000
	Revaluation Reserve £000	Financial Instrument Revaluation Reserve £000	Pensions Reserve £000	Capital Adjustment Account £000	Deferred Capital Receipts £000	Collection Fund Adjustment Account £000	Accumulated Absences Account £000	Unusable Reserves £000	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2023	330,942	(3,725)	(3,712)	204,862	5,584	4,930	(3,577)	535,304	732,603
Surplus / (Deficit) on the Provision of Services	0	0	0	0	0	0	0	0	(32,556)
Other Comprehensive Income and Expenditure	(9,018)	0	(841)	0	0	0	0	(9,859)	(9,859)
Total Comprehensive Income and Expenditure	(9,018)	0	(841)	0	0	0	0	(9,859)	(42,415)
Adjustments between accounting basis and funding basis under regulations	(11,124)	(1,651)	1,131	(12,658)	(3,094)	(440)	9	(27,827)	0
Net Increase / (Decrease) before Transfers to earmarked reserves	(20,142)	(1,651)	290	(12,658)	(3,094)	(440)	9	(37,686)	(42,415)
Transfers to / (from) Earmarked Reserves	0	0	0	0	0	0	0	0	(1,000)
Increase / (Decrease) in 2023/24	(20,142)	(1,651)	290	(12,658)	(3,094)	(440)	9	(37,686)	(42,415)
Balance at 31 March 2024	310,800	(5,376)	(3,422)	192,204	2,490	4,490	(3,568)	497,618	690,188

	Unusable Reserves								Total Authority Reserves £000
	Revaluation Reserve £000	Financial Instrument Revaluation Reserve £000	Pensions Reserve £000	Capital Adjustment Account £000	Deferred Capital Receipts £000	Collection Fund Adjustment Account £000	Accumulated Absences Account £000	Unusable Reserves £000	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024	310,800	(5,376)	(3,422)	192,204	2,490	4,490	(3,568)	497,618	690,188
Movement in Reserves during 2024/25									
Surplus / (Deficit) on the Provision of Services	0	0	0	0	0	0	0	0	(7,656)
Other Comprehensive Income and Expenditure	25,399	0	(1,192)	0	0	0	0	24,207	24,207
Total Comprehensive Income and Expenditure	25,399	0	(1,192)	0	0	0	0	24,207	16,551
Adjustments between accounting basis and funding basis under regulations	(6,964)	6,486	1,646	1,256	(1,612)	(64)	1,309	2,057	0
Net Increase / (Decrease) before Transfers to earmarked reserves	18,435	6,486	454	1,256	(1,612)	(64)	1,309	26,264	16,551
Transfers to / (from) Earmarked Reserves	0	0	0	0	0	0	0	0	(1,000)
Transfers to / (from) Balances	0	0	0	0	0	0	0	0	1,000
Increase / (Decrease) in 2024/25	18,435	6,486	454	1,256	(1,612)	(64)	1,309	26,264	16,551
Balance at 31 March 2025	329,235	1,110	(2,968)	193,460	878	4,426	(2,259)	523,882	706,739

Balance Sheet

31 March 2024 £000	31 March 2025 £000	Notes
743,552	Property, Plant & Equipment (excluding Infrastructure and Right of Use assets)	21a
139,050	Infrastructure Assets	21b
0	Right of Use Assets	21c
32,793	Heritage Assets	23
38,850	Investment Property	24
7,325	Intangible Assets	22
28,355	Long Term Investments	25
2,381	Long Term Debtors	25
992,306	Long Term Assets	
		1,018,741
53,640	Short term Investments	25
0	Assets Held for Sale	
202	Inventories	
42,824	Short Term Debtors	26
33,265	Cash and Cash Equivalents	25, 27
129,931	Current Assets	
		109,044
(9,844)	Short Term Borrowings	25
(55,014)	Short Term Creditors	28
(6,205)	Provisions	29
(71,063)	Current Liabilities	
		(59,331)
(1,618)	Long Term Creditors	
(347,158)	Long Term Borrowing	25
(3,422)	Other Long Term Liabilities – Pensions	37
(8,788)	Other Long Term Liabilities – ECC Transferred Debt	25
(360,986)	Long Term Liabilities	
		(361,715)
690,188	Net Assets	706,739
192,570	Usable Reserves	30
497,618	Unusable Reserves	31
690,188	Total Reserves	706,739

Cash Flow Statement

2023/24	£000	Notes	2024/25	£000
32,556	Net Deficit on the Provision of Services			7,656
(62,532)	Adjustments to Net Deficit on the Provision of Services for non-cash Movements	40		(32,377)
21,739	Adjustments for items included in the Net Deficit on the Provision of Services that are Investing and Financing Activities	41		23,841
<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
(8,237)	Net cash outflows from Operating Activities			(880)
20,496	Investing Activities	42		9,981
(800)	Financing Activities	43		5,299
<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
11,459	Net Decrease in Cash and Cash Equivalents			14,400
(44,724)	Cash and Cash Equivalents at the beginning of the Reporting Period			(33,265)
<hr style="border-top: 3px double black;"/>	Cash and Cash Equivalents at the end of the Reporting Period	27	<hr style="border-top: 3px double black;"/>	(18,865)

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Note 1. Accounting Policies

General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by 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.

Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Where it does not materially affect the accounts, and a full year's income and expenditure is recorded, an accrual need not be raised.
- Accruals are not made for items under £5,000, except where in the opinion of the Executive Director (Finance and Resources) the absence of an accrual for a lesser amount would lead to a misrepresentation of the cost of a service.
- Where the Council acts as an agent, transactions will not be reflected in the Council's financial statements. Exceptions to this are in respect of cash received or expenditure incurred by the agent on behalf of the principal, in which case a debtor or creditor will be raised.

Cash and Cash Equivalents

Cash and Cash Equivalents are represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

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

Where the Council acts as an agent, transactions will not be reflected in the Council's financial statements. Exceptions to this are in respect of cash received or expenditure incurred by the agent on behalf of the principal, in which case the net cash position will be included in Financing Activities in the Cash Flow Statement.

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

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

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

Where a change is made, it is applied retrospectively (unless not material or 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.

There are no changes to accounting policies in 2024/25 which require restatement of prior periods.

Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

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

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

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 (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for council tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the 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.

Employee Benefits

Post Employment Benefits

Different groups of employees of the Council are members of three separate pension schemes:

- The Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The NHS Pension Scheme.
- The Local Government Pensions Scheme administered by Essex County Council.

All schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council.

However, the arrangements for the teachers' and NHS schemes mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. These schemes are therefore accounted for as if they were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children, Young People and SEND line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year and the Social Care and Healthier Communities line is charged with the employer's contributions payable to the NHS Pensions Scheme.

The Local Government Pension Scheme

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

- The liabilities of the Essex Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 5.80%. The discount rate is the annualised Merrill Lynch AA rated corporate bond yield curve (where the curve is assumed to be flat beyond the 30-year point). This is consistent with the approach used at the previous accounting date.
- The assets of the Essex Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value.

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

- Service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement
 - 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 – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Remeasurements comprising:
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
 - contributions paid to the Essex Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Discretionary Benefits

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

Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the Balance Sheet date 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.

Fair Value Measurement

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

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

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

When measuring the fair value of a non-financial asset, the Council 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 within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

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

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

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The authority holds financial assets measured at:

- amortised cost.
- fair value through profit or loss.

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

Financial Assets Measured at Amortised Cost

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

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

Expected Credit Loss Model

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

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

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at Fair Value through Profit or Loss are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the Council's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

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

Foreign currency translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Government Grants and Contributions

Where grants have been paid to the Council under Section 31 of the Local Government Act and where material, an assessment will be made as to whether to account for them as principal or agent transactions after considering how the grant operates and all the relevant facts and circumstances. Where the Council is acting as a distribution point only for grant monies to other bodies and has no control over the amount or determination of eligibility of grant allocated to a recipient, then the Council is likely to be acting as an agent. Where the Council is able to conclude that it has direct influence over the basis, value and distribution of the grant it would be deemed to be acting as a principal.

Where the Council acts as an agent, transactions will not be reflected in the Council's financial statements. Exceptions to this are in respect of cash received or expenditure incurred by the agent on behalf of the principal, in which case a debtor or creditor will be raised and the net cash position included in Financing Activities in the Cash Flow Statement.

Where the Council acts as a principal

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

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

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

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

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

Heritage Assets

Tangible and Intangible Heritage Assets (described in this summary of significant accounting policies as heritage assets).

The Council's Heritage Assets consist of historic seaside assets, heritage land and buildings, antiques/collectables, museum collections and memorials/statues/sculptures. These assets are held by the reporting entity in pursuit of its overall objectives in relation to the maintenance of the heritage. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant, and equipment (PPE). However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below. The Council's heritage assets are accounted for as follows.

Historic Seaside Assets

- The historic seaside assets comprise the pier, the cliff lift, and the cliff bandstand. These assets are considered to be part of the fabric of the city as a historic seaside resort and are treated in accordance with the Council's policies for PPE assets.

Heritage Land and Buildings

- These consist of the official mayor's residence, Porters, and Southchurch Hall, a grade I listed medieval manor house. These assets are considered to be part of the heritage of the city and are intended to be preserved for future generations because of their cultural, environmental, or historical associations. These are treated in accordance with the Council's policies for PPE assets.

Antiques / Collectables

- These comprise furniture and furnishings, panelling, carpets, textiles, clocks, silver, plated wares and gold, works of art, ceramics and glass, books, pictures and presentation and commemorative wares. These items are reported in the Balance Sheet at insurance valuation which is based on market values. These assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.
- The collection is relatively static, and acquisitions and donations are rare. Where they do occur, acquisitions are initially recognised at cost and donations are recognised at valuation.

Museum Collections

- The Council considers that obtaining valuations for the items that are exhibited within the city's museums would involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements. This is due to the diverse nature of the assets held and the lack of comparable values. The Council does not recognise these exhibits on the Balance Sheet.

- The Saxon King artefacts form part of the Council's heritage assets and have been valued by a specialist in archaeology. These items are reported in the Balance Sheet at this valuation which is based on sale prices of comparable material and museum valuations for loan purposes, where relevant. These assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Memorials, Statues and Sculptures

- These are a statue of Queen Victoria, a War Memorial and the Civic Fountain. The Council does not consider that reliable cost or valuation information can be obtained for the items due to the lack of comparable market values. Consequently, the Council does not recognise these assets on the Balance Sheet.

Heritage Assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see "Property, Plant and Equipment" in this summary of material accounting policies. The proceeds of any disposals are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (see "Revenue Expenditure Funded from Capital under Statute" and "Property, Plant and Equipment" in this summary of material accounting policies).

Intangible Assets

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

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

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at cost less accumulated amortisation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund 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.

Interests in Companies and Other Entities

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

Investment Property

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

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions 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 arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Joint operations

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

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

Leases

The Council as lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

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

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

- fixed payments, including in-substance fixed payments

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made.

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

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

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

For these leases, the asset is carried at a revalued amount. In these financial statements assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the remaining lease term as at the date of adoption.

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

- there is a change in future lease payments arising from a change in index or rate
- there is a revised in-substance fixed lease payment.

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

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

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

Lease expenditure

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

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

The Council as Lessor

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

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

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.

Property, Plant and Equipment (including infrastructure assets)

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.

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

Other infrastructure assets include sea/coastal defences, offshore leisure facilities and cliffs stabilisation.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment, or the acquisition or replacement of components of Infrastructure Assets, 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.

For schools, capitalisation takes place for community and foundation schools only. Capital expenditure on voluntary aided schools or academies is treated as Revenue Expenditure Funded from Capital Under Statute.

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 Council does not generally capitalise borrowing costs incurred whilst assets are under construction, with the exception of major invest to save schemes where the financing is structured to allow the initial roll up of revenue costs prior to savings or income streams being realised.

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

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

- community assets, vehicles, plant, furniture and equipment, and assets under construction – depreciated historical cost.
- infrastructure assets are generally measured at depreciated historical cost; however, this is a modified form of historical cost. Opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost. Upon Local Government Reorganisation, on 1 April 1998 Southend City Council's infrastructure assets were transferred to the Council from Essex County Council at depreciated historical cost.
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- school buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value.
- surplus assets – the current value measurement base is fair value, estimated at highest and best use 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 current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

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

Assets included in the Balance Sheet at current value are revalued or have indexation adjustments applied sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum are revalued every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains might be credited to the Surplus of 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 by:

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

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

Impairment

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

Where impairment losses are identified, they are accounted for by:

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets from the 1 April immediately following their date of acquisition, 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 provided on the parts of the infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis.

Annual depreciation is the depreciation amount allocated each year.

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- vehicles, plant, furniture, and equipment – on a straight-line basis, as advised by a suitably qualified officer.
- infrastructure – useful lives of the various categories of infrastructure assets are assessed by the Head of Highways and Coastal using industry standards where applicable as follows:

Infrastructure Asset Category	Total Useful Economic Life Years
Carriageways	35
Footways and Cycle Tracks	40
Structures	100
Street Lighting	35
Bus Shelters	25
Street Furniture	30
Traffic Management Systems	20
Sea/Coastal Defences	45
Offshore Leisure Facilities	45
Cliff Stabilisation	12
Parking Controls	10
Security Management	40
Waste Infrastructure	40

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

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

When an asset or a component of the highways network asset is disposed of or decommissioned, the carrying amount of the asset or component in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line 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 (the amount depending on how many dwellings are sold and net of statutory deductions and allowances) 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.

Provisions

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the authority a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

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 for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

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, local taxation, retirement, and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

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.

Schools

The *Code of Practice on Local Authority Accounting in the United Kingdom* confirms that the balance of control for local authority maintained schools (i.e. those categories of school identified in the School Standards and Framework Act 1998, as amended) lies with the local authority. The Code also stipulates that those schools' assets, liabilities, reserves, and cash flows are recognised in the local authority financial statements (and not the Group Accounts). Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council.

VAT

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

Note 2. Accounting Standards that have been Issued but have not yet been Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2025/26 Code:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)
- IFRS 17 Insurance Contracts
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8.

The Code requires implementation from 1 April 2025. It is not anticipated that these accounting changes will have any material impact on the Council's Statement of Accounts.

Note 3. Critical Judgements in applying Accounting Policies

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There remains a high degree of uncertainty over future levels of funding for local government. Over the last few years the whole sector has experienced large inflationary pressures combined with increases in the volume and complexity of service demand pressures in the aftermath of the pandemic. The Local Government sector only received a one-year financial settlement for 2025/26 and there remains uncertainty regarding the impact of the Comprehensive Spending Review and the key areas of local government funding reform. However, the authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- A key area of judgement relates to who controls schools' assets. The following judgements have been made by management: All community schools are owned by the Council and the land and buildings used by the schools are included on the Council's Balance Sheet. For the foundation schools the control of the land and buildings is vested with the Governing Body and so they are included on the Council's Balance Sheet. For the Voluntary Aided schools the Diocese owns the title to the assets, the schools use the assets under "mere" licences which pass no interest to the school and the Diocese has not ceded control of the assets to the school, so the land and buildings used by the schools are not included on the Council's Balance Sheet. Academies are not considered to be maintained schools in the Council's control so the land and building assets are not owned by the Council and not included on the Council's Balance Sheet.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends, and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the authority's most difficult, subjective or complex judgements. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

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

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	<p>The effects on the net pensions' liability of changes in individual assumptions can be measured. As examples, an increase in life expectancy of retired employees of 1 year would increase the net pension liability by £17.4M, and an increase in the discount rate of 0.5% would decrease the net pension liability by £30.9M.</p> <p>The full effects on the net pensions' liability are fully disclosed in note 37 to the Accounts.</p>

Item	Uncertainties	Effect if actual results differ from assumptions
Fair Value Measurements	<p>When the fair values of non-financial assets and non-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 (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). 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. However, 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 employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties and surplus assets, the Council's external valuer). Information about the valuation techniques and inputs used in determining the fair value of the Council's Investment Properties and Surplus Assets are disclosed in notes 24 and 21a respectively.</p>	<p>The Council uses the discounted cash flow model to measure the fair value of its investment properties. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, occupancy levels, bad debt levels, maintenance costs and discount rates.</p> <p>The Council uses the comparative approach to measure the fair value of its surplus development plots using the sales price obtained for similar development plots in the past. The significant unobservable inputs used in the fair value measurement include the external valuers' professional judgement on current sales prices.</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 surplus assets.</p> <p>The ranges used, on a weighted average basis, are maintained on a consistent basis year on year.</p> <p>The Council's investment property portfolio and surplus assets are relatively stable and there has been no change in the valuation techniques used for Investment Properties or Surplus Assets in 2024/25 including the applicable ranges.</p>

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment (PPE) (including infrastructure and Right of Use assets) and Heritage Assets	<p>The Council operates a rolling programme of valuations which ensures that all PPE and heritage assets land and buildings which are able to be valued are valued by a Royal Institution of Chartered Surveyors (RICS) qualified property advisor at intervals of no greater than five years (see note 21 for details). The valuations are compiled using recognised measurement techniques, and in compliance with professional guidance. The underlying data is considered to be reliable, and the scope to use judgement and change assumptions is limited.</p> <p>The Council's PPE land and buildings portfolio comprises of specialised properties and non-specialised properties. The heritage assets that are valued are valued on a specialised property basis. Specialised properties are valued on a depreciated replacement cost basis, where the primary factors affecting value are build costs, floor area, location factors, obsolescence factors, rate of professional fees. Non-specialised properties are valued based upon the amount that would be paid for the asset in its existing use.</p> <p>The uncertainties arise because of the estimations used by the valuer. For specialised properties, the key areas of estimation are the obsolescence factor and the rate of professional fees. The basis of these estimations is set out in note 21 but different valuers could arrive at different results whilst still using the same basis for those estimations.</p> <p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.</p>	<p>The actual value of the asset only becomes apparent when it is sold. The accounting treatment is set out in the disposals paragraph of the Property, Plant and Equipment section of Note 1.</p> <p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge would increase by £1.2M for every year that useful lives had to be reduced.</p>

Note 5. Events after the Balance Sheet date

The Statement of Accounts was authorised for issue by the Executive Director (Finance and Resources) (s151 Officer) on 13 January 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The prevailing national operating environment, particularly for upper tier local authorities continues to be financially challenging. There remains concern and risk to the continued delivery and level of public services in many local authority areas. Locally, challenges remain with the effects of coping with the impact of the cost of living crisis on the Council and its partners. The increased service demand pressures, sustained level of higher costs will impact the ongoing financial position of the Council. During 2024/25 the rate of inflation fluctuated between 2.6% and 3.9% and still remains above the Bank of England's target rate. During the year the Bank of England cut the bank base rate three times but there remains uncertainty over the timing of any further rate cuts as the Monetary Policy Committee seeks to meet their inflation target of 2%. The key impacts on the 2024/25 financial year and the implications for the 2025/26 budget and Medium Term Financial Strategy are set out in the provisional revenue and capital outturn report for 2024/25 that will be presented to the Cabinet meeting on 16 June 2025.

At the end of March 2025, the 15 Councils in Greater Essex submitted an interim plan to the government in relation to Local Government Reorganisation. The plan acknowledged that a majority (10 out of 15) of Essex's council leaders had, in principle, decided that five new unitary authorities would be the best model for Essex's future local governance. This model aims to retain a sense of local place and community. In early May 2025, the government provided written feedback on the interim plan. The next step is to address this feedback while developing the business case for the five unitary authorities. This business case, along with any alternative proposals, must be submitted to the government by the deadline of 26 September 2025.

Notes Supporting the Comprehensive Income and Expenditure Statement

Note 6. 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 the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Net Expenditure Chargeable to the General Fund and HRA Balances	2023/24			Notes	2024/25		
	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	£000 Reclassified		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000 Reclassified	£000 Reclassified	£000 Reclassified	£000	£000	£000	£000	£000
(538)	11,011	10,473	Leader: Infrastructure and Corporate Strategy		(1,231)	13,171	11,940
2,852	(101)	2,751	Deputy Leader: Planning, Housing and the Local Plan		3,776	(239)	3,537
51,518	2,368	53,886	Children, Young People and SEND		62,894	2,800	65,694
21,559	(875)	20,684	Climate, Environment and Waste		21,459	(601)	20,858
2,750	(97)	2,653	Community Safety		2,539	132	2,671
7,839	4,835	12,674	Culture, Tourism and Business		8,948	13,984	22,932
7,288	5,169	12,457	Finance, Assets, Investments and Public Transport		4,724	9,011	13,735
2,094	5,023	7,117	Regeneration, Major Projects and Regulatory Services		355	1,112	1,467
58,971	443	59,414	Social Care and Healthier Communities		65,738	(418)	65,320
154,333	27,776	182,109	Net Cost of General Fund Services		169,202	38,952	208,154
(8,169)	13,679	5,510	Local Authority Housing (HRA)		(9,780)	2,206	(7,574)
(8,169)	13,679	5,510	Net Cost of Housing Revenue Account Services		(9,780)	2,206	(7,574)
146,164	41,455	187,619	Net Cost of Services		159,422	41,158	200,580
7,297	13,578	20,875	Other (Income) and Expenditure		31,568	(28,372)	3,196
(152,461)	(23,477)	(175,938)	Taxation and non-specific Grant Income		(191,990)	(4,130)	(196,120)
(145,164)	(9,899)	(155,063)	Total Other (Income) and Expenditure		(160,422)	(32,502)	(192,924)
1,000	31,556	32,556	(Surplus)/Deficit	7	(1,000)	8,656	7,656
14,502			Opening General Fund and HRA Balance		13,502		
(1,000)			Surplus/(Deficit) on General Fund and HRA Balance in Year		1,000		
13,502			Closing General Fund and HRA Balance		14,502		

The adjustments required to convert the accounts from the funding basis to the comprehensive income and expenditure statement are set out below.

IAS 19 Pension Adjustments	2023/24				IAS 19 Pension Adjustments	2024/25			
	Adjustments for Capital Purposes	Other Differences	Total Adjustments between the Funding and Accounting Basis	£000 Reclassified		Adjustments for Capital Purposes	Other Differences	Total Adjustments between the Funding and Accounting Basis	£000 Reclassified
	£000	£000	£000	£000		£000	£000	£000	£000
(235)	12,714	(1,468)	11,011	Leader: Infrastructure and Corporate Strategy	(402)	13,742	(169)	13,171	
(125)	0	24	(101)	Deputy Leader: Planning, Housing and the Local Plan	(201)	0	(38)	(239)	
(662)	2,496	534	2,368	Children, Young People and SEND	(1,107)	3,397	510	2,800	
(185)	2,009	(2,699)	(875)	Climate, Environment and Waste	(247)	1,892	(2,246)	(601)	
(59)	563	(601)	(97)	Community Safety	(259)	500	(109)	132	
(184)	5,019	0	4,835	Culture, Tourism and Business	(299)	14,356	(73)	13,984	
677	2,589	1,903	5,169	Finance, Assets, Investments and Public Transport	1,820	3,523	3,668	9,011	
(114)	5,137	0	5,023	Regeneration, Major Projects and Regulatory Services	(167)	1,335	(56)	1,112	
(414)	1,035	(178)	443	Social Care and Healthier Communities	(644)	438	(212)	(418)	
(1,301)	31,562	(2,485)	27,776	Net Cost of General Fund Services	(1,506)	39,183	1,275	38,952	
0	13,633	46	13,679	Net Cost of Housing Revenue Account Services	0	2,090	116	2,206	
(1,301)	45,195	(2,439)	41,455	Net Cost of Services	(1,506)	41,273	1,391	41,158	
169	(22,233)	35,642	13,578	Other (Income) and Expenditure	(140)	1,180	(29,412)	(28,372)	
	0	(23,477)	(23,477)	Taxation and non-specific Grant Income		(4,728)	598	(4,130)	
(1,132)	22,962	9,726	31,556	(Surplus) or Deficit	(1,646)	37,725	(27,423)	8,656	

a IAS19 Pension Adjustments

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

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

For **financing and investment income and expenditure** -- the net interest on the defined benefit liability is charged to the CIES.

b Adjustments for Capital Purposes

Adjustments for capital purposes – for **services** this column adds in depreciation, impairment and revaluation gains and losses in the services line and consolidates out interest payments and income for the HRA, 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. 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.

c Other Differences

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

For **services** this column adjusts for the accrued value of holiday entitlements not taken as at the balance sheet date, consolidates in the in-year activity of maintained schools and moves the value of traded services and investment properties to **financing and investment income and expenditure**.

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 NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Note 7. Expenditure and Income Analysed by Nature

The Council's expenditure and income as set out in the Comprehensive Income and Expenditure Statement is analysed as follows.

		2024/25	2023/24
	Notes	£000	£000
Income			
Fees, Charges and other Service Income	8	(95,945)	(99,915)
Interest and Investment Income	11	(6,243)	(6,755)
Increases in the Fair Value of pooled investments	11	(3,306)	0
Gains on Revaluation		(9,989)	(1,920)
Income from Council Tax	12	(105,295)	(99,716)
Income from Non-domestic Rates	12	(19,538)	(19,587)
Donated Assets	12	(4,728)	0
Government Grants and Contributions	18	(254,335)	(234,488)
Pensions Interest and Expected Return	11	(140)	0
Gains on the disposal of Assets	10	(1,129)	0
Total Income		(500,648)	(462,381)
Expenditure			
Employee Benefits Expenses		94,233	94,166
Other Service Expenses		338,815	319,014
Depreciation, Amortisation and Impairment		60,538	55,058
Interest Payments	11	13,124	13,037
Decreases in the Fair Value of pooled investments	11	0	1,651
Pensions Interest and Expected Return	11	0	169
Precepts and Levies	10	1,434	1,325
Losses on the disposal of Assets	10, 11	0	10,517
Losses on disposal of investment properties	11	160	0
Total Expenditure		508,304	494,937
Deficit on the Provision of Services		7,656	32,556

Note 8. Segmental Income

Fees, charges, and other income generated on a portfolio service basis is analysed as follows.

	2024/25	2023/24
	£000	£000
		Reclassified
Leader: Infrastructure and Corporate Strategy	(14,975)	(14,115)
Deputy Leader: Planning, Housing and the Local Plan	(1,063)	(1,027)
Children, Young People and SEND	(5,206)	(5,202)
Climate, Environment and Waste	(4,050)	(3,642)
Community Safety	(586)	(714)
Culture, Tourism and Business	(3,307)	(3,986)
Finance, Assets, Investments and Public Transport	(6,554)	(12,229)
Regeneration, Major Projects and Regulatory Services	(2,342)	(2,264)
Social Care and Healthier Communities	(18,544)	(18,715)
Total Income from General Fund Services	(56,627)	(61,894)
Local Authority Housing (HRA)	(35,169)	(32,072)
Total Income from Housing Revenue Account Services	(35,169)	(32,072)
Total Income from Services	(91,796)	(93,966)
Other Income and Expenditure	(4,149)	(5,949)
Total Income	(95,945)	(99,915)

Note 9. Material Items of Income and Expense

In relation to 2024/25:

- The Surplus on Revaluation of non-current assets of £25.399M consists of £30.240M of revaluation gains from the increase in the value of Property Plant and Equipment and Heritage Assets and £4.841M accumulated revaluation gains lost as a result of downwards revaluation and impairment losses to Property Plant and Equipment.
- The performance of the Essex Pension Fund during 2024/25 improved with the combination of an increase in the underlying value of scheme assets and a decrease in the present value of scheme liabilities. This has led to a pensions actuarial gain passing through the Comprehensive Income and Expenditure Statement of £78.822M. However, this has been offset by a net asset ceiling adjustment of £80.014M to recognise the pension scheme surpluses as nil, which is the extent to which they are considered recoverable.

- £8.893M was received from Government and allocated through the Better Care Fund and £11.454M was received in total from Essex County Council and Thurrock Council for the purposes of delivering the Essential Living Fund and Household Support Fund schemes. The Council only acted as an agent and had no control or influence over the basis or the actual amounts that were passported on to the intended recipients.

In relation to 2023/24:

- The Deficit on Revaluation of non-current assets of £9.018M consists of £9.324M of revaluation gains from the increase in the value of Property Plant and Equipment and £18.342M accumulated revaluation gains lost as a result of downwards revaluation and impairment losses to Property Plant and Equipment.
- The performance of the Essex Pension Fund during 2023/24 improved with the combination of an increase in the underlying value of scheme assets more than offsetting an increase in the present value of scheme liabilities. This has led to a pensions actuarial gain passing through the Comprehensive Income and Expenditure Statement of £57.406M. However, this has been offset by a net asset ceiling adjustment of £58.247M to recognise the pension scheme surpluses as nil, which is the extent to which they are considered recoverable.
- £8.417M was received from Government and allocated through the Better Care Fund. The Council only acted as an agent and had no control or influence over the basis or the actual amount that was passported on to the intended recipients.

Note 10. Other Operating Income and Expenditure

	2024/23 £000	2023/24 £000
Leigh Town Council Precept and Grant	467	462
Levies	967	863
(Gains)/Losses on the Disposal of Non-current Assets	(1,129)	10,352
Total	305	11,677

Note 11. Financing and Investment Income and Expenditure

	2024/25 £000	2023/24 £000
Interest Payable and Similar Charges	13,124	13,037
Interest on net pension liability	(140)	169
Interest Receivable and Similar Income	(6,243)	(6,755)
Movement in the Fair Value of pooled investments	(3,306)	1,651
Income and Expenditure in relation to Investment Properties and changes in their Fair Value	(3,911)	(1,949)
Loss on the Disposal of Investment Properties	160	165
Deficit on Traded Services	2,168	2,672
Other	1,039	208
Total	2,891	9,198

See also note 24 for more information on Investment Properties.

Note 12. Taxation and Non Specific Grant Incomes

	2024/25 £000	2023/24 £000
Council Tax Income	105,295	99,716
Retained Business Rates	19,538	19,587
Non-Ringfenced Government Grants	56,671	49,775
Donated Assets	4,728	0
COVID-19 Related Grants and Contributions	0	279
Capital Grants and Contributions	9,888	6,581
Total	196,120	175,938

Note 13. Pooled Budgets

The Better Care Fund, an agreement between Southend-on-Sea City Council and Mid and South Essex Integrated Care Board (previously Southend Clinical Commissioning Group), came into place for the 2015/16 financial year. The purpose of the fund is to encourage the integration of Health and Adult Social Care commissioning. The agreement is made in accordance with Section 75 of the National Health Service Act 2006 and any surplus or deficit generated will be the responsibility of the respective partner to whom it is attributable. The pooled budget is hosted by Southend-on-Sea City Council on behalf of the two partners in line with the agreement.

The Contributions into the pool are the minimum requirements under rules set by the Department of Health and Social Care and the Department for Levelling Up, Housing and Communities. The expenditure by each of the partners is negotiated between them each year and set within the Section 75 agreement referred to above.

In 2022/23 the Adult Social Care Discharge Fund was created and allocated from the Department of Health and Social Care to local authorities and health in order to achieve the maximum reduction in delayed discharge from hospital, with the requirement that this funding was pooled into the Better Care Fund.

	2024/25 £000	2023/24 £000
Funding provided to the pooled budget		
Southend-on-Sea City Council	(11,755)	(10,762)
NHS Mid and South Essex Integrated Care Board	(18,547)	(17,176)
Total Funding	(30,302)	(27,938)
Expenditure met from the pooled budget		
Southend-on-Sea City Council	19,743	18,323
NHS Mid and South Essex Integrated Care Board	10,559	9,615
Total Expenditure	30,302	27,938
Net Pooled Budget	0	0
Southend-on-Sea City Council share	0	0

Note 14. Members' Allowances

The Council paid the following amounts to Members of the Council during the year.

	2024/25 £000	2023/24 £000
Basic Allowances	541	527
Special Allowances	243	255
Travel and Subsistence	1	0
Total Members Allowances	785	782

A full list of the Members' allowances, including their travel and subsistence, is published in the Additional Financial Information Section.

Note 15. Officers' Remuneration

The remuneration paid to the Council's senior employees is as follows:

2024/25

Post holder information (Post title)	Salary (Including fees and Allowances)	Compensation for loss of employment	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding pension contributions 2024/25	Pension contribution	Total Remuneration including pension contributions 2024/25
	£	£	£	£	£	£
Chief Executive – Colin Ansell	224,797	0	0	224,797	42,970	267,767
Executive Directors						
Adults and Communities	134,813	0	0	134,813	26,845	161,658
Children and Public Health	134,813	0	0	134,813	28,715	163,528
Environment and Place	135,249	0	0	135,249	27,061	162,310
Finance and Resources	135,157	0	0	135,157	28,715	163,872
Strategy and Change	134,813	0	0	134,813	28,715	163,528
Directors						
Education, Inclusion and Early Years	115,024	0	0	115,024	24,500	139,524
Adult Social Care	116,580	0	0	116,580	0	116,580
Children's Social Care	114,580	0	0	114,580	24,406	138,986
Commissioning	104,464	0	0	104,464	22,251	126,715
Culture, Tourism & Delivery (9 th December 2024 - Current)	29,317	0	0	29,317	6,245	35,562
Digital & ICT	109,683	0	0	109,683	23,316	132,999
Financial Services	135,083	0	0	135,083	28,641	163,724
Infrastructure and Environment	110,995	0	0	110,995	23,642	134,637
Legal Services and Monitoring Officer	118,995	0	0	118,995	25,346	144,341
People and Transformation (17 th March 2025 – Current)	4,839	0	0	4,839	1,031	5,870
Planning and Economy	105,014	0	0	105,014	22,251	127,265
Interim Policy and Customer Experience (1 st December 2024 – Current)	31,760	0	0	31,760	6,765	38,525
Public Health	118,865	0	0	118,865	15,503	134,368
Regeneration, Housing and Regulatory Services	115,490	0	0	115,490	24,442	139,932
Transformation (to 6 th August 2024)	40,428	46,116	0	86,544	7,776	94,320

Post holder information (Post title)	Salary (Including fees and Allowances)	Compensation for loss of employment	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding pension contributions 2023/24	Pension contribution	Total Remuneration including pension contributions 2023/24
Chief Executive (5th February 2024 - Current)	30,541	0	0	30,541	6,505	37,046
Interim Chief Executive (25th July 2023 - 4th February 2024)	94,145	0	0	94,145	0	94,145
Chief Executive (1st April 2023 - 15th October 2023)	103,587	64,500	0	168,087	21,116	189,203
Executive Directors						
Adults and Communities	131,660	0	0	131,660	28,046	159,706
Children and Public Health	133,450	0	0	133,450	28,458	161,908
Environment and Place (4th September 2023 - Current)	133,450	0	0	133,450	28,402	161,852
Interim Growth and Housing (to 4th September 2023)						
Interim (Neighbourhoods and Environment (22nd June 2023 - 4th September 2023)						
Interim Neighbourhoods and Environment (to 22nd June 2023)	60,027	0	0	60,027	0	60,027
Finance and Resources	139,273	0	0	139,273	29,698	168,971
Strategy and Change (18th September 2023 - Current)	70,512	0	0	70,512	15,019	85,531
Strategy and Change and Governance (to 9th July 2023)	42,765	0	0	42,765	8,124	50,889
Directors						
Education, Inclusion and Early Years	107,128	0	0	107,128	22,822	129,950
Adult Social Care	115,957	0	0	115,957	0	115,957
Children's Social Care	113,755	0	0	113,755	24,218	137,973
Commissioning (2nd October 2023 - Current)	50,684	0	0	50,684	10,796	61,480
Commissioning (to 21st May 2023)	16,823	0	0	16,823	3,375	20,198
Culture, Tourism & Delivery (to 2nd June 2023)	23,605	51,777	0	75,382	4,055	79,437
Digital & ICT	108,841	0	0	108,841	23,216	132,057
Financial Services	116,916	0	0	116,916	24,765	141,681
Infrastructure and Environment (11th July 2023 - Current)	78,420	0	0	78,420	16,703	95,123
Legal Services and Monitoring Officer (20th February 2024 - Current)	13,050	0	0	13,050	2,780	15,830
Legal Services and Monitoring Officer - Interim (28th August 2023 - 23rd February 2024)	135,700	0	0	135,700	0	135,700
Legal Services and Monitoring Officer (to 31st July 2023)	46,281	68,052	0	114,333	7,408	121,741
Planning and Economy	101,806	0	0	101,806	22,117	123,923
Public Health	116,361	0	0	116,361	15,225	131,586
Public Protection (to 31st May 2023)	27,199	0	0	27,199	4,298	31,497
Regeneration, Housing and Regulatory Services	103,841	0	0	103,841	22,151	125,992
Transformation (18th September 2023 - Current)	54,638	0	0	54,638	11,638	66,276

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

	2024/25			2023/24		
	Number of Staff			Number of Staff		
	Council	Schools	Total	Council	Schools	Total
£50,000 to £54,999	118	32	150	84	13	97
£55,000 to £59,999	85	5	90	71	5	76
£60,000 to £64,999	31	5	36	51	6	57
£65,000 to £69,999	36	6	42	16	3	19
£70,000 to £74,999	9	4	13	15	3	18
£75,000 to £79,999	16	6	22	16	3	19
£80,000 to £84,999	8	3	11	6	3	9
£85,000 to £89,999	5	1	6	2	3	5
£90,000 to £94,999	2	4	6	2	1	3
£95,000 to £99,999	0	1	1	1	0	1
£100,000 to £104,999	0	0	0	2	0	2
£105,000 to £109,999	1	0	1	2	0	2
£110,000 to £114,999	0	0	0	1	0	1
£115,000 to £119,999	2	0	2	1	0	1
£120,000 to £124,999	0	0	0	1	0	1
£125,000 to £129,999	0	0	0	2	0	2
£130,000 to £134,999	1	0	1	2	0	2
£135,000 to £139,999	2	0	2	1	0	1
£175,000 to £179,999	0	0	0	1	0	1
£180,000 to £184,999	0	0	0	1	0	1
£185,000 to £189,999	0	0	0	1	0	1
£225,000 to £229,999	1	0	1	0	0	0
£245,000 to £249,999	1	0	1	0	0	0
£310,000 to £314,999	0	0	0	1	0	1
Total	318	67	385	280	40	320

Remuneration includes all sums paid to or receivable by employees, expense allowances chargeable to tax, severance payments and the money value of benefits.

Exit package cost band including special payments

	Total number of exit packages by cost band						Total cost of exit packages	
	2024/25			2023/24			2024/25 £	2023/24 £
	Compulsory	Other	Total	Compulsory	Other	Total		
Council Staff								
£0 - £19,999	5	17	22	10	13	23	195,923	209,698
£20,000 - £39,999	2	2	4	2	12	14	121,670	438,910
£40,000 - £59,999	1	4	5	0	6	6	271,888	293,303
£60,000 - £79,999	0	3	3	1	5	6	208,005	411,296
£80,000 - £99,999	0	1	1	0	4	4	89,501	337,635
£100,000 - £149,999	1	1	2	0	3	3	238,079	402,132
£150,000 - £199,999	0	1	1	0	0	0	156,698	0
£200,000 - £249,999	1	0	1	0	1	1	236,444	230,510
Sub-Total	10	29	39	13	44	57	1,518,208	2,323,484
School Staff								
£0 - £19,999	3	11	14	2	2	4	103,769	18,143
£20,000 - £39,999	0	5	5	1	0	1	126,589	21,519
£60,000 - £79,999	2	1	3	0	0	0	137,025	0
Sub-Total	5	17	22	3	2	5	367,383	39,662
Total	15	46	61	16	46	62	1,885,591	2,363,146

Note 16. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts provided by the Council's external auditors:

	2024/25 £000	2023/24 £000
Fees payable with regard to external audit services	459*	372
Fees payable for the audit of Government returns	6	6
Total Audit Costs	465	378

* External audit fee includes £58k of fee variations agreed in year relating to the 2023/24 audit.

Note 17. Dedicated Schools Grant

The Council's expenditure on schools and early years childcare is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG). An element of DSG is recouped by the Department to fund academy schools in the Council's area. DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget and for early years childcare, as defined in the School and Early Years Finance (England) Regulations 2018.

Details of the deployment of DSG receivable are as follows:

	2024/25 Central Expenditure £000	2024/25 Individual Schools Budget £000	2024/25 Total £000	2023/24 Total £000
Final DSG before academy recoupment			207,763	189,301
Academy figure recouped			(140,905)	(129,489)
Total DSG after academy recoupment			66,858	59,812
Plus: Brought forward from prior year			11,648	11,918
Less: Carry forward to following year, agreed in advance			(7,034)	(9,179)
Total DSG available			71,472	62,551
Agreed initial budget distribution	31,785	39,687	71,472	62,551
In year adjustments (early years)	(144)		(144)	(130)
Final budget distribution	31,641	39,687	71,328	62,421
Less: Actual central expenditure			(31,959)	(31,959)
Less: Actual ISB deployed to Schools and providers			(39,305)	(39,305)
Carry forward to following year	(318)	382	64	2,469
Plus: Carry forward agreed in advance			7,034	9,179
Total DSG Carried Forward			7,098	11,648

Note 18. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25.

	2024/25 £000	2023/24 £000
Credited to Taxation and Non Specific Grant Income		
Non-Ringfenced Government Grants		
Business Rates Top Up and Section 31 Grants	27,851	25,087
Adult Social Care Grant	17,333	13,197
Revenue Support Grant	7,590	7,118
Adult Social Care Market Sustainability and Improvement Fund	3,605	1,929
Services Grant	246	1,427
Other non-ringfenced government grants	20	936
New Homes Bonus	26	81
COVID-19 Related Grants and Contributions		
Business Rates Reliefs	0	20
COVID-19 Income Compensation Scheme	0	259
	56,671	50,054
Capital Grants and Contributions		
Highways and Infrastructure	4,579	1,825
Levelling Up Fund	1,700	0
Housing	1,510	2,515
Schools	952	1,009
Environment	872	0
Culture	148	391
Enterprise and Regeneration	121	0
Social Care	6	0
Works to Property	0	639
Airport Business Park	0	207
Energy Saving	0	(5)
	9,888	6,581
Total	66,559	56,635

	2024/25	2023/24
	£000	£000
Credited to Services		
Dedicated Schools Grant	66,374	59,812
Housing Benefits	53,419	53,691
Public Health Grant	10,552	10,401
Other grants and third party contributions funding REFCUS	10,204	9,684
Better Care Fund	7,989	7,561
Other Service Grants and Contributions	7,868	7,026
Improved Better Care Fund	7,778	7,797
Education and Skills Funding Agency	7,028	5,304
Household Support Fund	2,826	2,826
Homelessness/Rough Sleeper Initiatives	2,638	2,555
Pupil Premium	2,077	2,219
Unaccompanied Asylum Children	1,907	1,769
Adult Social Care Discharge Fund	1,822	1,093
Funding from Integrated Care Boards	1,432	1,137
Supplementary Substance Misuse Treatment and Recovery Grant	743	0
Universal Infant Free School Meals Grant	740	500
UK Shared Prosperity Fund	686	0
Housing Benefit Administration	590	609
Troubled Families	582	538
Resettlement Programme	521	1,302
Market Sustainability & Improvement Fund - Workforce Fund	0	1,253
Mainstream Schools Additional Grant	0	776
Total	187,776	177,853

The Council has recognised all of the grants and contributions received as income through the Comprehensive Income and Expenditure Statement, as any conditions attached to the grants and contributions that may have required the monies or property to be returned to the giver have been met.

Notes Supporting the Movements in Reserves Statement

Note 19. 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 sets out a description of the reserves that the adjustments are made against.

General Fund Balance

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

Housing Revenue Account Balance

The Housing Revenue Account 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 that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Major Repairs Reserve

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

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.

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.

	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account						
Reversal of items debited or credited to the comprehensive income and expenditure statement						
Charges for depreciation of non-current assets	13,460	7,893	0	0	0	(21,353)
Revaluation and impairment losses on property, plant and equipment and intangible assets	17,578	1,738	0	0	0	(19,316)
Movements in the market value of investment properties	(1,068)	(116)	0	0	0	1,184
Amortisation of intangible assets	2,971	0	0	0	0	(2,971)
Capital grants and contributions applied	19,331	1,250	0	0	(29,809)	9,228
Donated assets	(4,728)	0	0	0	0	4,728
Revenue expenditure funded from capital under statute	7,993	101	0	0	0	(8,094)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the comprehensive income and expenditure statement	345	1,499	0	0	0	(1,844)
Change in fair value of pooled investments taken to Financial Instruments Revaluation Reserve	(6,486)	0	0	0	0	6,486
Insertion of items not debited or credited to the comprehensive income and expenditure statement						
Statutory provision for the financing of capital investment	(7,452)	0	0	0	0	7,452
Capital expenditure charged against the General Fund and HRA Balances	(506)	(5,373)	0	0	0	5,879
Adjustments primarily involving the Capital Grants Unapplied Account						
Capital grants and contributions unapplied credited to the comprehensive income and expenditure statement	(38,120)	(2,553)	0	0	40,673	0
Application of grants to capital financing transferred to the capital adjustment account	0	0	0	0	(8,585)	8,585
Adjustments Primarily involving the Major Repairs Reserve						
Reverse MRA credited to HRA	0	(7,893)	0	0	0	7,893
Reversal of HRA Depreciation credited to the Major Repair Reserve	0	0	0	7,893	0	(7,893)
Use of the major repairs reserve to finance new capital expenditure	0	0	0	(6,768)	0	6,768
Adjustments primarily involving the Deferred Capital Receipts Account						
Transfer of deferred capital receipt recognised as income in the Comprehensive Income and Expenditure Account	(175)	0	1,500	0	287	(1,612)

	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Receipts Reserve						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the comprehensive income and expenditure statement	(311)	(2,503)	2,814	0	0	0
Use of the capital receipts reserve towards administrative costs of non-current asset disposals	0	0	0	0	0	0
Use of the capital receipts reserve to repay borrowing	0	0	(1,500)	0	0	1,500
Use of the capital receipts reserve to finance new capital expenditure	0	0	(2,546)	0	0	2,546
Contribution from the capital receipts reserve to finance the payments to the government capital receipts pool	0	0	0	0	0	0
Adjustments primarily involving the Pensions Reserve						
Reversal of items relating to the retirement benefits debited or credited to the comprehensive income and expenditure statement (see note 37)	13,758	0	0	0	0	(13,758)
Employer's pensions contributions and direct payments to pensioners payable in the year	(15,404)	0	0	0	0	15,404
Adjustments primarily involving the Collection Fund Adjustment Account						
Amount by which council tax and business rate income credited to the comprehensive income and expenditure statement is different from council and business rate income calculated for the year in accordance with statutory requirements	64	0	0	0	0	(64)
Adjustments Primarily involving the Accumulated Absences Account						
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with the statutory requirements	(1,309)	0	0	0	0	1,309
Total Adjustments	(59)	(5,957)	268	1,125	2,566	2,057

	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account						
Reversal of items debited or credited to the comprehensive income and expenditure statement						
Charges for depreciation of non-current assets	13,091	7,997	0	0	0	(21,088)
Revaluation and impairment losses on property, plant and equipment and intangible assets	5,074	13,026	0	0	0	(18,100)
Movements in the market value of investment properties	631	(46)	0	0	0	(585)
Amortisation of intangible assets	2,394	0	0	0	0	(2,394)
Capital grants and contributions applied	22,458	(382)	0	0	(32,935)	10,859
Revenue expenditure funded from capital under statute	10,871	101	0	0	0	(10,972)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the comprehensive income and expenditure statement	14,278	460	0	0	0	(14,738)
Change in fair value of pooled investments taken to Financial Instruments Revaluation Reserve	1,651	0	0	0	0	(1,651)
Insertion of items not debited or credited to the comprehensive income and expenditure statement						
Statutory provision for the financing of capital investment	(6,016)	0	0	0	0	6,016
Capital expenditure charged against the General Fund and HRA Balances	(506)	(5,331)	0	0	0	5,837
Adjustments primarily involving the Capital Grants Unapplied Account						
Capital grants and contributions unapplied credited to the comprehensive income and expenditure statement	(36,130)	(2,211)	0	0	38,341	0
Application of grants to capital financing transferred to the capital adjustment account	0	0	0	0	(7,335)	7,335
Adjustments Primarily involving the Major Repairs Reserve						
Reverse MRA credited to HRA	0	(7,997)	0	0	0	7,997
Reversal of HRA Depreciation credited to the Major Repair Reserve	0	0	0	7,997	0	(7,997)
Use of the major repairs reserve to finance new capital expenditure	0	0	0	(7,377)	0	7,377
Adjustments primarily involving the Deferred Capital Receipts Account						
Transfer of deferred capital receipt recognised as income in the Comprehensive Income and Expenditure Account	(734)	0	3,775	0	53	(3,094)

	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Receipts Reserves						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the comprehensive income and expenditure statement	(3,521)	(699)	4,220	0	0	0
Use of the capital receipts reserve towards administrative costs of non-current asset disposals	0	0	0	0	0	0
Use of the capital receipts reserve to repay borrowing	0	0	(3,775)	0	0	3,775
Use of the capital receipts reserve to finance new capital expenditure	0	0	(2,896)	0	0	2,896
Contribution from the capital receipts reserve to finance the payments to the government capital receipts pool	0	0	0	0	0	0
Adjustments primarily involving the Pensions Reserve						
Reversal of items relating to the retirement benefits debited or credited to the comprehensive income and expenditure statement (see note 37)	13,041	0	0	0	0	(13,041)
Employer's pensions contributions and direct payments to pensioners payable in the year	(14,172)	0	0	0	0	14,172
Adjustments primarily involving the Collection Fund Adjustment Account						
Amount by which council tax and business rate income credited to the comprehensive income and expenditure statement is different from council and business rate income calculated for the year in accordance with statutory requirements	440	0	0	0	0	(440)
Adjustments Primarily involving the Accumulated Absences Account						
Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with the statutory requirements	(9)	0	0	0	0	9
Total Adjustments	22,841	4,918	1,324	620	(1,876)	(27,827)

Note 20. Transfers to / from Earmarked Reserves

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

Earmarked Reserves	Balance at 31 March 2023 £000	Transfers		Balance at 31 March 2024 £000	Transfers		Balance at 31 March 2025 £000
		To £000	From £000		To £000	From £000	
School Balances	2,816	0	(701)	2,115	0	(1,103)	1,012
General Fund Reserves							
Capital Investment Reserves	19,506	3,150	(1,742)	20,914	2,673	(13,548)	10,039
Insurance Reserves	5,422	0	0	5,422	0	(1,205)	4,217
Corporate Reserves	20,021	3,756	(6,634)	17,143	12,483	(10,154)	19,472
Service Reserves	9,803	1,777	(1,659)	9,921	14,672	(12,861)	11,732
Grants Reserves	10,551	3,282	(4,473)	9,360	2,350	(4,874)	6,836
Dedicated Schools Grant	11,918	2,976	(3,246)	11,648	1,231	(5,781)	7,098
Monies held in Trust	53	0	0	53	0	0	53
Total GF Reserves	77,274	14,941	(17,754)	74,461	33,409	(48,423)	59,447
HRA Service Reserves	34,516	5,048	(5,331)	34,233	6,989	(5,544)	35,678
Total Earmarked Reserves	114,606	19,989	(23,786)	110,809	40,398	(55,070)	96,137

Schools Balances

The school's balances for both revenue and capital are all committed to be spent on the education service. The amounts disclosed in the balance sheet represent an amalgamation of unspent and overspent balances.

Capital Investment Reserves

Amounts set aside to fund future capital projects.

Insurance Reserve

A reserve that covers potential claim liabilities arising from the Employers' Liability, Public Liability, Property, and other insurable risks retained by the Council.

Corporate Reserves

Amounts set aside to fund the costs of corporate, non-service specific activities, such as business transformation, interest equalisation and pensions.

Service Reserves

Amounts set aside to fund the costs of service specific activities, such as adult social care, children's social care and waste management. Separate service reserves are held for General Fund and Housing Revenue Account services.

Grants Reserves

In compliance with Recommended Practice, service grant income received in the year has been fully recognised, even where it has not necessarily been or planned to be spent. In these cases, the spending power of the grant has been preserved through the use of earmarked reserves.

Section 31 Grants

As part of the Government's support for businesses during the cost of living crisis, the Business Rate Multiplier was increased by less than the rate of inflation. Local businesses pay rates that are calculated by multiplying their rateable value by that amount. To compensate the Council for the loss of the under-indexing of Business Rate income the Government provided financial support with an equivalent value of Section 31 grant.

Monies held in Trust

The Council holds monies in respect of two trust funds and on behalf of several children pending them reaching the age of 18.

Notes Supporting the Balance Sheet

Note 21. Property, Plant and Equipment

Note 21a Property, Plant and Equipment (excluding infrastructure assets and right of use assets)

Movements in 2024/25	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Community Assets £000	Surplus Assets £000	Assets under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation as at 1 April 2024	464,737	284,149	21,682	4,173	15,109	5,780	795,630
IFRS 16 implementation - reclassification of existing finance leased assets to Right of Use assets	0	(8,244)	(523)	0	0	0	(8,767)
Additions	12,003	4,678	1,049	0	0	4,065	21,795
Revaluations via Revaluation Reserve	7,213	8,770	0	0	(1,894)	0	14,089
Revaluations recognised in the CIES	(1,727)	(7,827)	(291)	0	(362)	0	(10,207)
Disposals	(1,676)	0	(874)	0	(680)	0	(3,230)
Transfers	3,930	(1,921)	(110)	0	191	(3,255)	(1,165)
Gross Book Value as at 31 March 2025	484,480	279,605	20,933	4,173	12,364	6,590	808,145
Accumulated Depreciation as at 1 April 2024	(27,941)	(10,706)	(11,997)	0	(1,434)	0	(52,078)
IFRS 16 implementation - reclassification of existing finance leased assets to Right of Use assets	0	1,188	337	0	0	0	1,525
Depreciation	(7,759)	(4,617)	(822)	0	(40)	0	(13,238)
Written out to Revaluation Reserve	5	3,672	0	0	803	0	4,480
Written out to the CIES	3	729	0	0	12	0	744
On Disposals	178	0	688	0	680	0	1,546
On Transfers	0	34	0	0	(34)	0	0
Accumulated Depreciation at 31 March 2025	(35,514)	(9,700)	(11,794)	0	(13)	0	(57,021)
Net Book Value as at 31 March 2024	436,796	273,443	9,685	4,173	13,675	5,780	743,552
Net Book Value as at 31 March 2025	448,966	269,905	9,139	4,173	12,351	6,590	751,124

Movements in 2023/24

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant, Furniture and Equipment £000	Community Assets £000	Surplus Assets £000	Assets under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation as at 1 April 2023	477,684	287,778	27,044	4,173	14,928	4,320	815,927
Additions	15,661	4,425	1,026	42	0	5,309	26,463
Revaluations via Revaluation Reserve	(15,168)	4,081	0	0	2,087	0	(9,000)
Revaluations recognised in the CIES	(12,952)	(3,962)	(355)	(42)	0	(90)	(17,401)
Disposals	(488)	(10,224)	(6,033)	0	(2,155)	0	(18,900)
Transfers	0	2,051	0	0	249	(3,759)	(1,459)
Gross Book Value as at 31 March 2024	464,737	284,149	21,682	4,173	15,109	5,780	795,630
Accumulated Depreciation as at 1 April 2023	(20,105)	(6,522)	(15,616)	0	(1,300)	0	(43,543)
Depreciation	(7,863)	(4,705)	(1,441)	0	(134)	0	(14,143)
Written out to Revaluation Reserve	0	(29)	0	0	11	0	(18)
Written out to the CIES	0	121	0	0	0	0	121
On Disposals	27	418	5,060	0	0	0	5,505
On Transfers	0	11	0	0	(11)	0	0
Accumulated Depreciation at 31 March 2024	(27,941)	(10,706)	(11,997)	0	(1,434)	0	(52,078)
Net Book Value as at 31 March 2023	457,579	281,256	11,428	4,173	13,628	4,320	772,384
Net Book Value as at 31 March 2024	436,796	273,443	9,685	4,173	13,675	5,780	743,552

Depreciation

The useful lives disclosed below are the number of years remaining, over which the asset is depreciated on a straight-line basis (where applicable):

2024/25		2023/24
Useful economic Life	Fixed Asset Category	Useful Economic Life
Years		Years
Between 1 and 60	Council Dwellings	Between 1 and 60
Between 8 and 60	Other Land & Buildings	Between 9 and 60
Between 1 and 45	Vehicles, Plant, Furniture and Equipment	Between 1 and 46
Not applicable	Community Assets	Not applicable
Between 19 and 59	Surplus Assets	Between 17 and 60
Not applicable	Assets Under Construction	Not applicable

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. Valuations were carried out using external valuers. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

Valuations of vehicles, plant, furniture, and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The following table shows the progress of the Council's rolling programme for the revaluations of fixed assets.

Year of Rolling Programme	Internal/External Valuation	Valuer	Assets Revalued
2020/21	External	Whybrow and Dodds	Housing Revenue Account council dwellings, investment properties, garages and hostels. Car parks, clubs, travel centre, community centres, depots, libraries, museum, leisure centres, shelters, theatres, public conveniences, care homes, cemetery offices and the crematorium.
2021/22	External	Whybrow and Dodds	Schools, Sports Pavilions, Park WCs, Park Messrooms, Day Centres, Marine Activity Centre and Lagoon WCs.
2022/23	External	Whybrow and Dodds	Parks, pier assets (excluding structure), Southend Adult Community College, Council administrative buildings, cemetery buildings, nursery schools.
2023/24	External	Whybrow and Dodds	No assets revalued
2024/25	External	Whybrow and Dodds	Southchurch Hall, the Cliff Lift, cliff bandstand, pier structure, Porters, community centres, depots, libraries, museum, leisure centres, shelters, cemetery offices, Council administrative buildings, sports pavilions, travel centre, Airport Business Park development plots.

The basis for valuation is set out in the statement of accounting policies.

A variety of assets were revalued as at 1 April 2024. The main assets were Southchurch Hall, the Cliff Lift, cliff bandstand, pier structure, Porters, community centres, depots, libraries, museum, leisure centres, shelters, cemetery offices, Council administrative buildings, sports pavilions, travel centre, Airport Business Park plots. The significant assumptions applied by the valuer in estimating their current values were:

- The data provided by the Council was accurate at 1 April 2024.
- The Council has good title to the asset, free from onerous covenant and other encumbrances.
- There are no planning proposals that are likely to have an effect on the value of the properties.
- All properties are at a suitable level of condition for service provision and that all internal and external repairs and maintenance have been carried out.
- No deleterious or hazardous material has been used in the construction of the properties or has since been incorporated.
- No contaminative or potentially contaminative uses have ever been carried out on the property.
- The use of relevant data from the Building Cost Information Service of RICS (BCIS).
- The Valuer, with reference to The Red Book, IFRS and the CIPFA Code, has adopted a standard policy with regard to applying obsolescence to Property, Plant and Equipment and heritage assets land and buildings valued on a depreciated replacement cost basis. If the asset is less than 10 years old, no obsolescence has been applied. Once the asset has been operational for 11 years, the Valuer has applied 1% per annum every year up to a cap of 50%. Where properties are in a poor state this cap has been ignored in order to take this into account. In this instance the Valuer has looked at it on a property by property basis. The Valuer has discussed this with the Council and, in some cases, it has been agreed that a higher or lower percentage should be applied as a result of the individual circumstances. Examples would include assets where there are known structural defects or assets which have been subject to comprehensive refurbishment.
- Professional fees of 19% apply to the depreciated replacement cost of all specialised assets.

Indexation

A market review is undertaken by the external valuers at each year-end leading to the valuer advising indexation adjustments to the Council. The Council applies these index percentages to the assets affected to ensure that the carrying amount of relevant assets is not materially different from their current value at the year-end.

Fair Value of Surplus Assets

The Council's surplus assets consist of fourteen development plots at the Airport Business Park (£6.874M) and seven other land and building assets which are no longer in operational use (£5.477M).

The fair value of the development plots has been measured using the comparative approach, by means of calculating an expected value per acre, using the sales price obtained for similar development plots in the past and applying this to the acreage of the development plots held.

Third party resources have been used to value these assets. Typical valuation inputs which have been analysed in arriving at the fair valuations include:

- transaction data from previous development plot sales.
- prices at which development plots can currently achieve on the market.
- acreage of the development plots held.
- external valuers' professional judgement on current sales prices.

The Council's surplus assets are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (see the accounting policy for Fair Value Measurement in note 1). There is no reasonably available information that indicates that market participants would use different assumptions.

In estimating the fair value of the Council's surplus assets, the highest and best use of the properties is their future potential use following disposal. The assets are not currently in use and therefore the current use is not considered to be the highest and best use.

The approach to surplus asset valuation in respect of development plots has been developed using the Authority's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows relating to historical sales of the Authority's own development plots, market value growth observed in the Authority's wider asset portfolio, occupancy levels of similar assets held as investment properties, bad debt levels, and maintenance costs. The ranges used, on a weighted average basis, are maintained on a consistent basis year on year. The ranges are sensitive to significant changes in market prices which can result in a significantly lower or higher fair value. The Council's development plot portfolio is relatively stable and there has been no change in the valuation techniques used for these assets in 2024/25 other than the applicable ranges, which have been increased to reflect the impact of inflation.

The fair value of the Authority's surplus asset portfolio is measured as part of a five-year rolling programme. The development plots at the Airport Business Park were subject to valuation in 2024/25. A valuation increase of £0.554M was recognised in the revaluation reserve as a result of these revaluations. All valuations are carried out externally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Authority's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

Note 21b Infrastructure Assets

Accounting for subsequent expenditure on infrastructure assets has been subject to heightened focus nationally, and specifically whether local authorities should be assessing if there is any undepreciated cost remaining in the balance sheet for replaced components that needs to be derecognised. This may also lead to issues relating to the reporting of gross historical cost and accumulated depreciation (depreciated historical cost). As a result, CIPFA issued an "Update to the Code and Specifications for Future Codes for Infrastructure Assets".

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

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

Net Book Value (modified historical cost)	2024/25	2023/24
At start of year	139,050	137,486
Additions	10,684	7,973
Impairment	(125)	(111)
Depreciation	(6,518)	(6,298)
At end of year	143,091	139,050

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

Depreciation

CIPFA also issued Bulletin 12: "Accounting for Infrastructure Assets – Temporary Solution". In accordance with that guidance the useful lives of the various categories of infrastructure assets have been assessed by the Council's highways and coastal team, which resulted in the useful lives set out in the accounting policy disclosure note 1.

The useful lives disclosed below are the number of years remaining, over which the various parts of the highways network are depreciated on a straight-line basis (where applicable):

2024/25 Remaining Useful Economic Life Years	Infrastructure Asset Category	2023/24 Remaining Useful Economic Life Years
Between 11 and 39	Carriageways	Between 12 and 40
Between 19 and 40	Footways and Cycle Tracks	Between 20 and 40
Between 80 and 100	Structures	Between 81 and 100
Between 20 and 35	Street Lighting	Between 21 and 35
Between 10 and 25	Bus Shelters	Between 11 and 25
Between 15 and 30	Street Furniture	Between 16 and 30
Between 1 and 20	Traffic Management Systems	Between 2 and 19
Between 22 and 45	Sea/Coastal Defences	Between 23 and 45
Between 32 and 33	Offshore Leisure Facilities	Between 33 and 34
Between 10 and 12	Cliff Stabilisation	Between 1 and 12
Not applicable	Parking Controls	1 year
Between 34 and 39	Security Management	Between 35 and 40
27 years	Waste Infrastructure	28 years
Between 36 and 38	Masts	Between 37 and 39

Note 21c Right of Use Assets

Movements in 2024/25	Other Land and Buildings £'000	Vehicles, Plant, Furniture and Equipment £'000	Total Right of Use Assets £'000
IFRS 16 implementation - reclassification of existing finance leased assets to Right of Use assets	8,244	523	8,767
IFRS 16 implementation - adjustments for existing operating leases / subleases	6,433	875	7,308
Revaluations via Revaluation Reserve	1,161	0	1,161
Revaluations recognised in the CIES	(2,395)	0	(2,395)
Remeasurements of the lease liability	366	(2)	364
Gross Book Value as at 31 March 2025	13,809	1,396	15,205
IFRS 16 implementation - reclassification of existing finance leased assets to Right of Use assets	(1,188)	(337)	(1,525)
Depreciation	(743)	(296)	(1,039)
Written out to Revaluation Reserve	278	0	278
Written out to the CIES	910	0	910
Accumulated Depreciation at 31 March 2025	(743)	(633)	(1,376)
Net Book Value as at 31 March 2025	13,066	763	13,829

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2024. This change in accounting policy is made in accordance with the transitional provisions in the Code for the adoption of IFRS 16.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Authority on initial application are detailed in the leases accounting policy in note 1.

Lease liabilities created for existing operating leases on 1 April 2024 were discounted using the weighted average incremental borrowing rate determined by the average PWLB new annuity rate during 2023/24 determined for each lease based on the lease end date.

Note 22. Intangible Assets

The movement on Intangible Asset balances during the year is as follows:

	2024/25	2024/25	2024/25	2023/24	2023/24	2023/24
	Assets Under Construction	Other	Total	Assets Under Construction	Other	Total
	£000	£000	£000	£000	£000	£000
Gross carrying amount at start of year	466	13,227	13,693	46	16,548	16,594
Accumulated amortisation	0	(6,368)	(6,368)	0	(8,692)	(8,692)
Net carrying amount at start of year	466	6,859	7,325	46	7,856	7,902
Additions	470	2,015	2,485	420	2,731	3,151
Impairment	0	(9)	(9)	0	(131)	(131)
Disposals	0	(2,406)	(2,406)	0	(5,921)	(5,921)
Transfers	0	110	110	0	0	0
<u>Amortisation</u>						
Written out to CIES	0	2,406	2,406	0	4,718	4,718
For Current Year	0	(2,971)	(2,971)	0	(2,394)	(2,394)
Gross carrying amount at end of year	936	12,937	13,873	466	13,227	13,693
Accumulated amortisation	0	(6,933)	(6,933)	0	(6,368)	(6,368)
Net carrying amount at end of year	936	6,004	6,940	466	6,859	7,325

The useful lives for these assets (the number of years remaining over which they are depreciated) are between 1 and 18 years (*between 1 and 19 years for 2023/24*).

Note 23. Heritage Assets

The Council's Heritage Assets consist of historic seaside assets, heritage land and buildings, antiques/collectables, museum exhibits and memorials/statues.

Historic Seaside Assets

The historic seaside assets comprise the pier, the cliff lift, and the cliff bandstand. These assets are considered to be part of the fabric of the city as an historic seaside resort.

Heritage Land and Buildings

These consist of the official mayor's residence, Porters, and Southchurch Hall, a grade I listed medieval manor house. These assets are considered to be part of the heritage of the city and are intended to be preserved for future generations because of their cultural, environmental, or historical associations.

Antiques / Collectables

These comprise furniture and furnishings, panelling, carpets, textiles, clocks, silver, plated wares and gold, works of art, ceramics and glass, books, pictures and presentation and commemorative wares. These antiques/collectables date from between the 16th Century and the 20th Century.

Museum Collections

The Council considers that obtaining valuations for the items that are exhibited within the city's museums would involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements. This is because of the diverse nature of the assets held and the lack of comparable values. The Council does not recognise these exhibits on the Balance Sheet.

The exception is the Saxon King artefacts which form part of the Council's heritage assets and have been valued by a specialist in archaeology. These items are reported in the Balance Sheet at this valuation which is based on sale prices of comparable material and museum valuations for loan purposes, where relevant. The valuations also take into account the condition of the objects, their rare or unique nature and their relationship to material from other high-status burial contexts such as Sutton Hoo and Taplow. These assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Memorials, Statues and Sculptures

These are a statue of Queen Victoria which was presented to the city to mark the Queen's Jubilee in 1897, a Lutyens War Memorial to commemorate lives lost in the First World War which was built in 1920 and a Faircrete sculpture and fountain, known as the Civic Fountain, which was initially installed in 1967 with standing sculptural panels added in 1971 and is the only known Faircrete sculpture by William Mitchell in the public domain. The Council does not consider that reliable cost or valuation information can be obtained for the items due to the lack of comparable market values. Consequently, the Council does not recognise these assets on the balance sheet.

Reconciliation of the carrying value of heritage assets held by the Council:

Movements in 2024/25

	Historic Seaside Assets £'000	Heritage Land and Buildings £'000	Antiques and Collectables £'000	Museum Collections £'000	Total Heritage Assets £'000
Cost or Valuation as a 1 April 2024	31,954	1,244	896	1,557	35,651
Additions	684	79	0	0	763
Revaluations via Revaluation Reserve	3,095	280	0	0	3,375
Revaluations recognised in the CIES	(8,997)	(79)	0	0	(9,076)
Gross Book Value as at 31 March 2025	26,736	1,524	896	1,557	30,713
Accumulated Depreciation as at 1 April 2024	(2,703)	(155)	0	0	(2,858)
Depreciation	(519)	(39)	0	0	(558)
Written out to Revaluation Reserve	1,861	155	0	0	2,016
Written out to CIES	842	0	0	0	842
Accumulated Depreciation as at 31 March 2025	(519)	(39)	0	0	(558)
Net Book Value as at 31 March 2024	29,251	1,089	896	1,557	32,793
Net Book Value as at 31 March 2025	26,217	1,485	896	1,557	30,155

Movements in 2023/24

	Historic Seaside Assets £'000	Heritage Land and Buildings £'000	Antiques and Collectables £'000	Museum Collections £'000	Total Heritage Assets £'000
Cost or Valuation as a 1 April 2023	30,753	1,244	896	1,557	34,450
Additions	1,742	37	0	0	1,779
Revaluations recognised in the CIES	(541)	(37)	0	0	(578)
Gross Book Value as at 31 March 2024	31,954	1,244	896	1,557	35,651
Accumulated Depreciation as at 1 April 2023	(2,088)	(123)	0	0	(2,211)
Depreciation	(615)	(32)	0	0	(647)
Accumulated Depreciation as at 31 March 2024	(2,703)	(155)	0	0	(2,858)
Net Book Value as at 31 March 2023	28,665	1,121	896	1,557	32,239
Net Book Value as at 31 March 2024	29,251	1,089	896	1,557	32,793

Basis of valuation

Asset	Date of last valuation	Valuer	Qualification	Method of Valuation
Cliff Lift	01/04/2024	Whybrow and Dodds	MRICS	Depreciated replacement cost
Porters	01/04/2024	Whybrow and Dodds	MRICS	Depreciated replacement cost
Porters contents	16/08/2013	Webb Valuations Fine Art Ltd	FRICS	Current replacement cost
Southchurch Hall	01/04/2024	Whybrow and Dodds	MRICS	Depreciated replacement cost
Pier structure	01/04/2024	Whybrow and Dodds	MRICS	Depreciated replacement cost
Bandstand	01/04/2024	Whybrow and Dodds	MRICS	Depreciated replacement cost
Saxon King artefacts	01/10/2009	Lesley Webster FSA – Society for Medieval Archaeology	FSA	Current replacement cost

Note 24. Investment Properties

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property. The following table summarises the movement in the fair value of investment properties over the year:

	2024/25 £000	2023/24 £000
Balance at start of the year	38,850	38,143
Additions: Subsequent Expenditure	56	(2)
Disposals	(160)	(165)
Transfers:		
Transfers (to)/from Property, Plant and Equipment	0	58
Transfers (to)/from Assets Under Construction	0	1,401
Revaluations and impairments	1,184	(585)
Balance at end of the year	39,930	38,850

All the Council's investment properties are categorised as commercial.

The fair value of these assets has been measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream.

Third party resources have been used to value these assets. Typical valuation inputs which have been analysed in arriving at the fair valuations include:

- rental incomes.
- CBRE UK Property Investment Yields.
- external valuers' professional judgement on yields.

The Council's investment properties are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (see the accounting policy for Fair Value Measurement in note 1). There is no reasonably available information that indicates that market participants would use different assumptions.

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

The approach to investment property valuation has been developed using the authority's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, and maintenance costs. The ranges used, on a weighted average basis, are maintained on a consistent basis year on year. The ranges are sensitive to significant changes in rental income and rent growth; vacancy levels or discount rate which can result in a significantly lower or higher fair value. The Council's investment property portfolio is relatively stable and there has been no change in the valuation techniques used for Investment Properties in 2024/25 including the applicable ranges.

The fair value of the authority's investment property is measured annually at each reporting date. All valuations are carried out externally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The authority's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

Note 25. Financial Instruments

Categorisation of Financial Assets under IFRS9

Amortised cost

The Council holds various term deposits and instant access accounts with banks and other financial institutions and has made loans to other members of its group or to companies in accordance with the Getting Building Fund grant from Government. These are held at amortised cost and the Council considers these a normal part of its operations and cash flow and holds the instruments to collect contractual cash flows.

Fair value through profit or loss

The Council holds units in money market funds, an enhanced cash fund, short-dated bond funds and property funds at fair value. These are classified as fair value through profit or loss as the income is not solely from principal and interest.

Categories of Financial Instruments

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

	Non-Current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	£000	£000	£000	£000
Investments, Cash and Cash Equivalents				
Financial Assets at Amortised Cost	7	10	36,812	53,011
Financial Assets at Fair Value Through Profit or Loss	31,524	28,345	28,005	33,894
Total Investments	31,531	28,355	64,817	86,905
Debtors				
Financial Assets at Amortised Cost	2,141	2,381	44,497	47,790
Total Debtors	2,141	2,381	44,497	47,790
Borrowings				
Financial Liabilities at Amortised Cost	355,267	355,946	1,863	9,844
Total Borrowings	355,267	355,946	1,863	9,844
Creditors				
Financial Liabilities at Amortised Cost	34	41	41,012	44,287
Total Creditors	34	41	41,012	44,287

Reclassifications

There were no reclassifications of financial instruments during 2024/25.

Income, Expense, Gains and Losses

2024/25	Financial Liabilities measured at: Amortised Cost	Financial Assets measured at:			Total
		Amortised Cost	Fair Value Through Profit or Loss	£000	
Interest Expense	12,471	0	0	0	12,471
Fee Expense	5	0	129	129	134
Total Expense in Surplus or Deficit on the Provision of Services	12,476	0	129	12,605	
Interest Income	0	(2,526)	(6,573)*	(9,099)	
Total Income in Surplus or Deficit on the Provision of Services	0	(2,526)	(6,573)	(9,099)	
Net (Gain)/Loss for the year	12,476	(2,526)	(6,444)	3,506	

* This includes a £3.306M net increase in the fair value due to increases in the unit price of all the externally managed funds.

2023/24

	Financial Liabilities measured at: Amortised Cost	Financial Assets measured at:			Total
		Amortised Cost	Fair Value Through Profit or Loss	£000	
Interest Expense	12,502	0	0	0	12,502
Fee Expense	4	0	155	155	159
Total Expense in Surplus or Deficit on the Provision of Services	12,506	0	155	12,661	
Interest Income	0	(2,890)	(1,932)*	(4,822)	
Total Income in Surplus or Deficit on the Provision of Services	0	(2,890)	(1,932)	(4,822)	
Net (Gain)/Loss for the year	12,506	(2,890)	(1,777)	7,839	

* This includes a £1.652M net decrease in the fair value due to decreases in the unit price of the externally managed property funds, offset by increases in the unit price of the externally managed enhanced cash fund and short dated bond funds.

Fair Values of Assets and Liabilities

Financial liabilities, financial assets (except for those classified as fair value through profit and loss) and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- estimated ranges of interest rates at 31 March 2025 of 4.81% to 5.99% for loans from the Public Works Loan Board (PWLB) based on new lending rates for equivalent loans at that date.
- no early repayment or impairment is recognised.
- where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

The fair values calculated are the same as the carrying amount except where shown below:

The fair value of the financial liabilities are categorised as Level 2 in the fair value hierarchy as the measurement technique uses inputs other than quoted prices included within Level 1 that are observable for the loans.

The financial liabilities where the fair value differs from the carrying value are held with PWLB and market lenders. All these borrowings were not quoted on an active market and a Level 1 valuation is not available. To provide a fair value which provides a comparison to the carrying amount a financial model valuation has been used. This valuation applies the net present value approach, which provides an estimate of the value of payments in the future in today's terms as at the balance sheet date. Our accounting policy uses new loan borrowing rates to discount the future cash flows.

	31 March 2025		31 March 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
Financial Liabilities	398,142	278,752	410,077	328,966
Long Term Creditors	34	34	41	41

The fair value of the liabilities is lower than the carrying amount because the Council's portfolio of loans includes several fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders below current market rates.

	31 March 2025	31 March 2024
	Carrying Amount	Carrying Amount
	£000	£000
Financial Assets	140,845	163,050
Long Term Debtors	2,141	2,381

Fair Value through Profit and Loss

The fair value of two of the three property funds, the short-dated bond funds, the enhanced cash fund, and the money market funds have been measured using the quoted price of units. These assets have therefore been categorised as Level 1 in the fair value hierarchy as they have unadjusted quoted prices in active markets for identical assets that the authority can access at the measurement date. The third property fund has been measured using information from the fund manager regarding the value as at 31 March 2025. This asset has therefore been categorised as Level 2 in the fair value hierarchy as its value has been measured using observable inputs other than quoted prices. The table below sets out the input level in the fair value hierarchy and the valuation techniques for each type of fund.

Recurring Fair Value Measurements	Input level in Fair Value Hierarchy	Valuation Technique used to Measure Fair Value	Source of Prices or Inputs	31 March 2025	31 March 2024
				£000	£000
Fair Value Through Profit or Loss:					
Money Market Funds	Level 1	Unadjusted quoted prices in active markets for identical assets	Unit price of fund	8,064	14,091
Enhanced Cash Fund	Level 1	Unadjusted quoted prices in active markets for identical assets	Unit price of fund	5,054	5,034
Short Dated Bond Funds	Level 1	Unadjusted quoted prices in active markets for identical assets	Unit price of fund	14,887	14,769
Property Funds	Level 1	Unadjusted quoted prices in active markets for identical assets	Unit price of fund	30,470	28,606
Property Fund	Level 2*	Observable inputs other than quoted prices	Value provided by fund manager	1,269	0
Total Fair Value Through Profit or Loss				59,744	62,500

* This has been transferred from Level 1 to Level 2, please see the disclosure note on partial derecognition below.

All movements in the Fair Value have been credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the financial reporting period in which the movement occurred.

Partial Derecognition of Property Fund

The Lothbury Property Trust terminated on 30 May 2024 and no longer has a quoted price in an active market for identical assets. The redemption value at that date was set at the amount of the 30 April 2024 valuation statement. The fund managers have undertaken an orderly and planned sales programme. As the assets are sold distributions are being paid to unitholders pro rata to the number of units they hold in the fund as at the termination date. As at 31 March 2025 88.3% of the redemption amount had been distributed. That proportion of the balance held in the Financial Instruments Revaluation Reserve has been debited to Movement in Reserves Statement.

The fund manager advised that the value of the remaining investment as at 31 March 2025 was higher than the amount of the redemption value less the distributions up to 31 March 2025. The reasons for this difference are:

- the changes in capital values of the remaining assets in the fund compared with the figures at 30 May 2024.
- realised gains or losses on the sales of the assets made since the termination date on 30 May 2024.

This gain has been credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Note 26. Short Term Debtors

	31 March 2025 £000	31 March 2024 £000
Central government bodies	13,474	10,214
Local authorities	3,115	2,319
NHS bodies	989	1,246
Public corporations and trading funds	4	2
Other entities and individuals	25,357	29,043
Total Debtors	42,939	42,824
Value of impairment included above	(19,919)	(18,655)

Note 27. Cash and Cash Equivalents

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

	31 March 2025 £000	31 March 2024 £000
Cash and cash equivalents held by the Council	13,172	27,081
Other cash and cash equivalents held by the Council	5,693	6,184
(Bank current accounts held by schools)		
Total Cash and Cash Equivalents	18,865	33,265

Note 28. Short Term Creditors

	31 March 2025 £000	31 March 2024 £000
Central government bodies	3,839	6,243
Other local authorities	4,428	5,216
NHS bodies	380	2,423
Other entities and individuals	40,849	41,132
Total Creditors	49,496	55,014

Note 29. Provisions

	Insurance £000	Redundancy £000	Business Rate Appeals £000	Other Provisions £000	Total £000
Balance at 1 April 2023	2,513	145	1,829	246	4,733
Additional provisions made in year	2,237	579	1,577	0	4,393
Amounts used in year	(738)	(90)	0	(227)	(1,055)
Unused amounts reversed in year	0	(55)	(1,811)	0	(1,866)
Balance at 31 March 2024	4,012	579	1,595	19	6,205
Additional provisions made in year	1,205	286	1,375	1,300	4,166
Amounts used in year	(962)	(465)	(902)	0	(2,329)
Unused amounts reversed in year	0	(70)	0	0	(70)
Balance at 31 March 2025	4,255	330	2,068	1,319	7,972

Insurance Provision

This reflects the total value of claims outstanding at the year-end for which the Council has a future liability of uncertain timing. In addition the Council keeps an insurance reserve (shown in Note 20) to mitigate against the risk of potential claims arising in the future.

Redundancy Provision

A provision has been made at 31 March 2025 for known management decisions regarding redundancies that were made in 2024/25 that have led to an obligation arising at 31 March 2025 that had not been paid by the year end date and where there is uncertainty over the timing or amount.

Business Rates Appeals Provision

This reflects the Council's share of the potential for successful appeals by local businesses against the rateable value of the premises they use, and therefore the potential need for the Council to refund rates paid in 2024/25 and prior years. The overall liability is shared with Central Government and the Essex Fire Service.

Note 30. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and Notes 19 and 20.

Note 31. Unusable Reserves

Movements in the Council's unusable reserves are detailed in the Movement in Reserves Statement and in the individual tables below.

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

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

	2024/25 £000	2023/24 £000
Balance at 1 April	310,800	330,942
Upward revaluation of assets	30,240	9,324
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the provision of services	(4,841)	(18,342)
Surplus or (Deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the provision of services	25,399	(9,018)
Difference between fair value and historical cost depreciation	(6,216)	(5,784)
Balance attributable to disposal/write offs	(748)	(5,340)
Amount written off to the capital adjustment account	(6,964)	(11,124)
Balance at 31 March	329,235	310,800

Capital Adjustment Account

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

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

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 19 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2024/25 £000	2023/24 £000
Balance at 1 April	192,204	204,862
<i>Reversal of items relating to capital expenditure debited or credited to the comprehensive income and expenditure statement</i>		
Charges for depreciation and revaluation gains and losses and impairment losses on non-current assets	(39,184)	(39,188)
Amortisation of intangible assets	(2,971)	(2,394)
Revenue expenditure funded from capital under statute	(8,094)	(10,972)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the comprehensive income and expenditure statement	(1,844)	(14,738)
	<hr/> (52,093)	<hr/> (67,292)
Adjusting amounts written out of the revaluation reserve	6,964	11,124
Net written out amount of the cost of non-current assets consumed in the year	(45,129)	(56,168)
<i>Capital financing applied in the year</i>		
Use of the capital receipts reserve to finance new capital expenditure	2,546	2,896
Use of the major repairs reserve to finance new capital expenditure	6,768	7,377
Capital grants and contributions credited to the comprehensive income and expenditure statement that have been applied to capital financing	17,813	18,194
Statutory provision for the financing of capital investment charges against the general fund and HRA balances	7,452	6,016
Use of the capital receipts reserve to repay borrowing	1,500	3,775
Capital expenditure charges against the general fund and HRA balances	5,879	5,837
	<hr/> 41,958	<hr/> 44,095
Movement in the market value of investment properties debited or credited to the comprehensive income and expenditure statement	1,184	(585)
Movements in the market value of Right of Use assets debited or credited to the comprehensive income and expenditure statement	(1,485)	0
Donated assets	4,728	0
Balance at 31 March	193,460	192,204

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. A debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. Conversely a credit balance on the Pensions Reserve shows a surplus in the benefits earned by past and current employees over the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2024/25 £000	2023/24 £000
Deficit at 1 April	(3,422)	(3,712)
Remeasurements of the net defined benefit (liability)/asset	(1,192)	(841)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Service in the Comprehensive Income and Expenditure Statement	(13,758)	(13,041)
Employer's pensions contributions and direct payments to pensioners payable in the year	15,404	14,172
Deficit at 31 March	(2,968)	(3,422)

Note 32. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, i.e. borrowing, 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.

	2024/25 £000	2023/24 £000
Capital Investments		
Property, Plant and Equipment (excluding Infrastructure Assets)	21,795	26,463
Infrastructure Assets	10,684	7,973
Right of Use Assets	2,580	0
Investment Assets	56	(2)
Intangible Assets	2,485	3,151
Heritage Assets	763	1,779
Revenue Expenditure Funded from Capital Under Statute	8,094	10,972
Total Capital Investment	46,457	50,336
Sources of Finance		
Usable Capital Receipts	2,546	2,896
Government Grants and other Contributions	17,813	18,194
Sums set aside from Revenue:		
Direct Revenue Contributions	5,879	5,837
Major Repairs Reserve	6,768	7,377
Total Financing from Internal Resources	33,006	34,304
Credit arrangements	2,580	106
Un-supported Capital Borrowing	10,871	15,926
Total Financing from Borrowing/Credit Arrangements	13,451	16,032
Total Capital Financing	46,457	50,336
	2024/25 £000	2023/24 £000
Opening Capital Financing Requirement	449,798	443,157
Explanation of Movement in Year		
Borrowing (unsupported by Government financial assistance)	10,871	15,926
Assets acquired under leases	2,580	106
Remeasurement of lease liabilities	364	0
Lease Disposals	0	(25)
Capital receipts to repay borrowing	(1,503)	(3,777)
Minimum Revenue Provision	(7,012)	(5,589)
Closing Capital Financing Requirement	455,098	449,798
of which		
General Fund CFR	353,850	348,712
Housing Revenue Account CFR	101,248	101,086
	455,098	449,798

Note 33. Leases

Council as Lessor

Operating Leases

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

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

The future minimum lease payments receivable under non-cancellable operating leases in future years are:

	31 March 2025 £000	31 March 2024 £000
Not later than one year	3,702	3,666
Later than one year and not later than five years	12,487	12,916
Later than five years	121,848	118,888
	138,037	135,470

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as rental payments that vary with turnover. In 2024/25 no contingent rents were estimated to be receivable by the Council (2023/24 nil estimated).

Note 34. Downward Revaluation and Impairment Losses

In relation to 2024/25:

Various assets were revalued at 1 April 2024 as part of the rolling revaluation programme which led to a downward valuation or impairment loss of £16.210M in total.

Investment Properties were revalued at 31 March 2025 which led to a downward valuation or impairment loss of £0.092M in total.

A market review was carried out at 31 March 2025 which led to a downward valuation or impairment loss of £2.246M in total.

An impairment review was also undertaken of capital additions of which £10.000M was considered not to increase the asset value and therefore was impaired.

As a result of the regular review of the fixed asset register downward revaluations and impairments of £2.152M were identified within the Other Land and Buildings, Surplus Assets and Council Dwellings categories of assets.

As a result of the revaluation of assets transferred from the Asset Under Construction category downward revaluations of £2.262M were identified within the Council Dwellings category of assets.

In the Comprehensive Income and Expenditure Statement, £27.973M of these impairment losses were recognised in the deficit on the provision of services, £0.148M were recognised in Financing and Investment Income and Expenditure and £4,841M were recognised in Other Comprehensive Income and Expenditure and taken to the revaluation reserve.

In relation to 2023/24:

Investment Properties were revalued at 31 March 2024 led to a downward valuation or impairment loss of £2.137M in total.

A market review was carried out at 31 March 2024 which led to a downward valuation or impairment loss of £27.131M in total.

An impairment review was also undertaken of capital additions of which £7.875M was considered not to increase the asset value and therefore was impaired.

As a result of the regular review of the fixed asset register downward revaluations and impairments of £0.091M were identified within the Other Land and Buildings and Assets Under Construction categories of assets.

As a result of the revaluation of assets transferred from the Asset Under Construction category downward revaluations of £1.711M were identified within the Other Land and Buildings category of assets.

In the Comprehensive Income and Expenditure Statement, £20.603M of these impairment losses were recognised in the deficit on the provision of services and £18.342M were recognised in Other Comprehensive Income and Expenditure and taken to the revaluation reserve.

Note 35. Termination Benefits

The Council continues to develop and implement a transformational programme which will lead to significant service redesign involving, amongst other things, future potential redundancy payment obligations that, although not yet identified, if required will be charged on an accruals basis against the appropriate provision or to the appropriate service area.

Note 36. Pension Schemes Accounted for as Defined Contribution Schemes

Teachers' Pension Scheme

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

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded, and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25 the Council paid £3.4M (2023/24 £2.9M) to Teachers' Pensions in respect of teachers' retirement benefits, representing 28.68% of pensionable pay (2023/24 23.68%). There were £18 of contributions remaining payable at the year end.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis. There were added years payments of £1,097 awarded in respect of the teachers' pension scheme in 2024/25 (2023/24 £4,197).

It is estimated that the Council will pay £3.6m to the Teachers' Pension Scheme in 2025/26 at a continued contribution rate of 28.68%.

NHS Staff Pension Scheme

A number of NHS staff transferred to the Council as of 1 April 2013 as part of the transfer of Public Health from the NHS. There have also been further transfers of NHS staff as Public Health contracted services have been reviewed and the services brought in-house. These staff have maintained their membership in the NHS Pension Scheme. The Scheme provides these staff with specified benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is an unfunded defined benefit scheme. However, the Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25, the Council paid £0.248M (£0.241M in 2023/24) in respect of retirement benefits to NHS Pensions in respect of staff who have transferred into the Council from the NHS, representing 23.78% (20.68% in 2023/24) of pensionable pay. It is estimated that the Council will similarly pay £0.254M to NHS Pensions in 2025/26.

Note 37. Defined Benefit Pension Schemes

Participation in Pensions Schemes

As part of the terms and conditions of employment of its officers and other employees, the Council makes contributions towards the cost of post-employment (retirement) 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 the Local Government Pension Scheme (LGPS) administered by Essex County Council. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level to balance the pension liabilities with investment assets.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law.

It was not previously clear whether the Virgin Media ruling would apply to the LGPS but, following the publication of draft legislation, we do not now expect the ruling to give rise to any additional liabilities.

Transactions relating to post-employment benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2024/25 £000	2023/24 £000
Comprehensive Income and Expenditure Statement		
Cost of Services		
Current Service Cost	11,935	12,076
(Gain)/Loss from Settlement	0	87
Cost of Curtailments	1,538	269
Administrative Expense	425	440
Financing and Investment Income and Expenditure		
Net Interest Expense	(140)	169
Total post-employment benefit charged to the surplus or deficit on the provision of services	13,758	13,041
Other post-employment benefit charged to the comprehensive income and expenditure statement		
Return on plan assets in excess of interest	(1,368)	(47,415)
Change in financial assumptions	(74,616)	(4,504)
Change in demographic assumptions	(1,354)	(7,103)
Experience (gain)/loss on defined benefit obligation	(1,484)	1,616
Changes in effect of asset ceiling	80,014	58,247
Remeasurement and Other Comprehensive Income and Expenditure	1,192	841
Total post-employment benefit (credited)/charged to the Comprehensive Income and Expenditure Statement	14,950	13,882
Movement in Reserves Statement		
Reversal of net charges made to the surplus or deficit for the provision of services for post-employment benefits in accordance with the code	(14,950)	(13,882)
Actual amount charges against the General Fund Balance for Pensions in the year		
Employer's contributions payable to scheme	15,404	14,172

Pension 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:

	31 March 2025 £000	31 March 2024 £000
Present Value of the defined benefit obligation	460,340	519,740
Fair Value of Plan Assets	(737,611)	(707,190)
Impact of asset ceiling	280,239	190,872
Net Liability arising from defined benefit obligation	2,968	3,422

Pension scheme surpluses as at 31 March 2025 and as at 31 March 2024 are recognised to the extent that they are considered recoverable and deficits are recognised in full. The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. The Council does not have an unconditional right to a refund of surplus on the basis that such a payment would be at the discretion of the Essex Pension Fund. The net liability arising from the funded obligation is therefore deemed to be nil. The net liability remaining at 31 March 2025 and at 31 March 2024 is the present value of the unfunded obligation.

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

	2024/25 £000	2023/24 £000
Opening Balance at 1 April	519,740	511,453
Current Service Cost	11,935	12,076
Interest Cost	25,037	24,148
Contributions by Scheme Participants	4,515	4,493
Actuarial gains arising from changes in demographic assumptions	(1,354)	(7,103)
Actuarial (gains)/losses arising from changes in financial assumptions	(74,616)	(4,504)
Other	(1,484)	1,616
Losses of Curtailments	1,538	269
Benefits Paid	(24,971)	(20,873)
Liabilities extinguished on Settlements	0	(1,835)
Closing Balance at 31 March	460,340	519,740

Reconciliation of fair value of the scheme assets

	2024/25 £000	2023/24 £000
Opening Balance at 1 April	707,190	633,984
Interest Income	34,530	30,361
The return on plan assets, excluding the amount included in the net interest expenses	1,368	47,415
Employers Contributions	15,404	14,172
Contributions by Scheme Participants	4,515	4,493
Benefits Paid	(24,971)	(20,873)
Settlement prices received / (paid)	0	(1,922)
Administrative Expense	(425)	(440)
Closing Balance at 31 March	737,611	707,190

Local Government Pension Scheme assets

The asset allocation as at 31 March is as follows:

	31 March 2025 £000	31 March 2024 £000		
Equity Investments	404,986	54.9%	391,714	55.4%
Government Bonds	11,180	1.5%	12,635	1.8%
Property	59,539	8.1%	48,813	6.9%
Cash/Liquidity	14,385	1.9%	17,446	2.4%
Alternative Assets	111,180	15.1%	107,518	15.2%
Other Managed Funds	136,341	18.5%	129,064	18.3%
	737,611	100%	707,190	100%

The equities allocation consists of 50.6% overseas listed investments and 4.3% of unlisted private equity.

The Government Bonds allocation consists entirely of UK index linked government securities.

Of the Property allocation, 19% is listed.

The Alternative Assets allocation is made up of 65% in Infrastructure, 20% in Timber, 15% in Private Debt/Direct Lending.

Other Managed Funds are invested in Multi Asset Investment Grade Credit.

Basis for Estimating Assets and Liabilities

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

The Pension Fund liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates being based on the last full revaluation of the scheme as at 31 March 2022.

The significant assumptions used by the actuary have been:

	2024/25	2023/24
Mortality assumptions:		
Longevity at 65 for Current Pensioners		
Men	20.7	20.8
Women	23.3	23.3
Longevity at 65 for Future Pensioners		
Men	22.0	22.0
Women	24.7	24.7
Rate of Inflation (RPI)	3.20%	3.25%
Rate of Inflation (CPI)	2.90%	2.95%
Rate of increases in salaries	3.90%	3.95%
Rate of increase in pensions	2.90%	2.95%
Rate for discounting scheme liabilities	5.80%	4.90%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies of the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the Defined Benefit Obligation in the Scheme	Increase in Assumption	Decrease in Assumption
	£000	£000
Longevity (increase or decrease in 1 year)	17,373	(16,654)
Rate of inflation (increase or decrease by 0.5%)	33,570	(29,850)
Rate of increase in salaries (increase or decrease by 0.5%)	2,125	(2,043)
Rate of increase in pensions (increase or decrease by 0.5%)	33,570	(29,850)
Rate of discounting scheme liabilities (increase or decrease by 0.5%)	(30,926)	34,835

Impact on the Council's Cash Flows

One of the objectives of the scheme is to keep employers' contributions at as constant a rate as possible. The 31 March 2022 valuation set the contribution rates from 2023/24 to

2025/26. At 31 March 2022, the funding level for the whole fund was estimated at 102%. This positive performance has enabled the Council to formally agree a reduced level of employer pension contributions over the years 2023/24 to 2025/26.

The next triennial valuation as at 31 March 2025 is currently underway and will take effect from the 2026/27 financial year. The scheme currently provides benefits based on career average revalued earnings.

The Council anticipates paying a £14.912M contribution to the scheme in 2025/26.

The weighted average duration of the defined benefit obligation for scheme members is 15 years (16 years 2023/24).

Note 38. Nature and Extent of Risks Arising from Financial Instruments

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

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

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Council in the annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and has set treasury management indicators to control key financial instruments risks.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. The risk with banks and financial institutions is minimised through the Annual Treasury Management Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, the credit ratings being set by Moody, Standard & Poors and Fitch Ratings Services. Regard is also given to rating watches and outlooks and relevant market information as appropriate. The Annual Treasury Management Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category.

The credit criteria in respect of financial assets held by the Council are as detailed in the Annual Treasury Management Investment Strategy.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies of £37M cannot be assessed generally, as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all the Council's deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise.

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets, based on experience of default and uncollectability over the last five financial years, adjusted to reflect current market conditions.

Credit Risk	Amounts	31 March 2025			31 March 2024	
		Historical experience of default	Historical experience adjusted for market conditions	Estimated maximum exposure to default and uncollectability	Estimated maximum exposure to default and uncollectability	
		£000	%	£000	£000	£000
Deposits With Banks And Other Financial Institutions	36,819	0.00%	0.00%	0	0	0
Bonds and Other Securities	59,529	0.00%	0.00%	0	0	0
Customers	46,182	0.65%	1.51%	600	325	

No credit limits were exceeded during the reporting period. Although the unit price of the externally managed property funds increased during 2024/25, the value of these funds can increase or decrease but they are being held into the medium to long term. Over that period the Council does not expect any losses from non-performance by any of its active counterparties in relation to deposits and bonds. Regarding the Lothbury Property Trust, once the outstanding redemption amount has been distributed, the remaining balance held in the Financial Instruments Revaluation Reserve will be debited to the Movement in Reserves Statement. (Please see Financial Instruments note 25, the Partial Derecognition of Property Fund disclosure within the Fair Value through Profit and Loss section.)

The past due but not impaired amount can be analysed by age as follows:

	31 March 2025	31 March 2024
	£000	£000
Less Than Three Months	7,746	9,457
Three To Six Months	1,485	1,666
Six Months To One Year	1,512	1,399
More Than One Year	6,022	6,327
Total	16,765	18,849

Expected Credit Losses

Credit risk at the balance sheet date is assessed by using credit ratings where available and applying the weighted default rate to the balance. Where credit ratings are not available the nature of the financial instrument is considered together with the likelihood that the future cash flows will materialise.

Low risk is considered to be where the credit ratings are A3 and above, where the counterparty is an important partner to the Council with access to external funds or where the Council has a stake in a 100% owned subsidiary where the Council has access to the company cash flow forecasts. Where this is the case the 12-month expected credit loss method will be used. All non-trivial balances were assessed as low risk.

The Council applies the rebuttable presumption that credit risk will have increased significantly since initial recognition when contractual payments are more than 30 days past due.

Where a possible default has been identified, where applicable it has been calculated using the credit ratings agencies weighted corporate default rate and applying this to the balance.

For short- and long-term trade debtors the credit risk cannot be assessed individually, so these have been grouped and a collective assessment made by means of a provision matrix.

Expected losses are an allowance based on all reasonably possible future events that could result in default, weighted by likelihood of occurrence. They are calculated by comparing the net present value of all contractual cash flows that are due with the net present value of all cash flows that are expected to be received. There were no non-trivial expected losses identified.

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from other Local Authorities and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The Council sets limits on the proportion of its fixed rate borrowing during specified periods. The strategy for long term borrowing is to ensure that not more than 40% of loans are due to mature between 2 and 5 years, through a combination of careful planning of new loans taken out and (where it is economic to do so) making early repayments. The maturity analysis of financial liabilities is as follows:

	31 March 2025	31 March 2024
	£000	£000
Less than 1 year	12,143	20,519
Between 1 and 2 years	33,452	12,143
Between 2 and 5 years	66,951	70,581
Between 5 and 10 years	106,783	120,159
Between 10 and 15 years	71,799	78,518
Between 15 and 20 years	36,664	42,239
More than 20 years	238,699	242,851
Total Cost of Loans Over Their Life	566,491	587,010
This total consists of:		
Principal Amount of Loans	347,158	355,365
Future Interest Element	219,333	231,645
Total Cost of Loans Over Their Life	566,491	587,010

These amounts are higher than those recognised in note 25 as they include the interest for each year of the loans, included in the year it falls due.

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

Market Risk

Interest rate risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

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

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus of Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance.

The Council has several strategies for managing interest rate risk. Policy is to keep an appropriate mix of fixed and variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

The treasury management team, together with its advisers, has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, at 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	(1,278)
Increase in government grant receivable for financing costs	0
Impact on Surplus or Deficit on the Provision of Services	(1,278)
Share of overall impact debited to the HRA	(496)
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	0
Decrease in fair value of fixed rated borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	(22,238)

Price Risk

The Council has no investments in equity shares and therefore has no exposure to losses arising from movements in the price of such shares.

The Council holds investments in property funds, short-dated bond funds and an enhanced cash fund and therefore has exposure to losses arising from movements in the price of the units of those funds. However, under statute the Financial Instrument Revaluation Reserve must be used to capture the change in fair value of these funds, therefore not impacting the General Fund Balance.

Foreign Exchange Risk

The Council has very limited exposure to loss arising from movements in exchange rates.

Notes Supporting the Cash Flow Statement

Note 39. Cash Flow Statement - Interest Paid and Received

The interest paid and received figures are included within the Net (Surplus) or Deficit on the Provision of Services line of the Cash Flow Statement. The amounts are as follows:

	2024/25	2023/24
	£000	£000
Interest paid	12,710	12,281
Interest received	(6,174)	(5,834)
Dividends received	(150)	0
Net Cash Flows from Interest Paid and Received	6,386	6,447

These figures differ from the Interest Payable and Similar Charges and Interest Receivable and Similar Income figures in Note 11, as they do not include accruals and other non-cash items.

Note 40. Cash Flow Statement – Non-Cash Movements

The Cash flows for non-cash movements include the following items:

	2024/25	2023/24
	£000	£000
Depreciation of Non-Current Assets	(21,353)	(21,088)
Downward Revaluation and Impairment Losses on Non-Current Assets	(19,316)	(18,100)
Donated Assets	4,728	0
Amortisations	(2,971)	(2,394)
Increase in impairment for provision for bad debts	(497)	(1,553)
(Increase)/Decrease in Creditors	4,891	3,313
Decrease in Debtors	(1,233)	(8,731)
Increase/(Decrease) in Inventories	31	1
Net retirement benefits per IAS19	1,646	1,131
Carrying amount of assets disposed/sold	(1,844)	(14,738)
Reverse out the movement on the provision debited or credited to the Comprehensive Income and Expenditure Statement and replace with the cash payments made in the year out of the provision	(1,767)	(1,472)
Movements in the value of investment properties	1,184	(585)
Removal of Council Tax and Business Rates Agency Adjustments from Comprehensive Income and Expenditure Statement	4,124	1,684
Net Cash Flow Adjustments	(32,377)	(62,532)

Note 41. Cash Flow Statement - Adjustments for items included in the Net Deficit on the Provision of Services that are Investing and Financing Activities

	2024/25	2023/24
	£000	£000
Capital Grants credited to deficit on the provision of services	20,092	16,265
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	2,814	4,220
Proceeds from short-term and long-term investments	935	1,254
Net Cash Flow Adjustments	23,841	21,739

Note 42. Cash Flow Statement - Investing Activities

	2024/25	2023/24
	£000	£000
Purchase of property, plant and equipment, investment property and intangible assets	35,326	38,886
Purchase of short-term and long-term investments	25,000	22,500
Proceeds from the sale of property, plant and equipment, investment properties and intangible assets	(2,814)	(4,220)
Proceeds from short-term and long-term investments	(30,127)	(20,405)
Other receipts from investing activities	(17,404)	(16,265)
Net Cash Flow from Investing Activities	9,981	20,496

Note 43. Cash Flow Statement - Financing Activities

	2024/25	2023/24
	£000	£000
Cash payments for the reduction of the outstanding liabilities relating to finance leases	0	268
Capital element of lease liability repayments	543	0
Interest element of lease liability repayments	232	0
Repayments of short and long-term borrowing	8,207	189
Council Tax and Non-Domestic Rates agency adjustments	(4,124)	(1,684)
Repayments of ECC transferred debt	441	427
Net Cash Flow from Financing Activities	5,299	(800)

Other Notes

Note 44. Related Parties

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

Central UK Government

Central UK government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments, and other areas of the public sector, used in 2024/25 and those received but not yet applied as at 31 March 2025 are set out in Note 18.

In addition, the Council works in partnership with NHS Mid and South Essex Integrated Care Board through a pooled budget arrangement.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2024/25 is shown in Note 14.

Two members acted as Board members to one of the Council's joint ventures – Southend-on-Sea Forum Management Limited.

As part of their roles, Members are often appointed to be the Council's representatives on outside bodies, and occasionally hold similar roles in their own right. Separately the Council may commission services from these organisations, or potentially grant aid them under its voluntary sector grants programme. Contracts were entered into with full procurement rules compliance and awards made with proper consideration of declarations of interest. The relevant Members did not take part in any discussion or decision relating to the grants. Details of all these transactions are recorded in the Register of Members' Interest, which is available on the Council's website.

It is considered that these transactions do not constitute related party transactions.

Officers

One officer acted as Board member to the Council's wholly owned subsidiary - Southend Housing Limited which had yet to trade as at the balance sheet date. Two officers acted as Board members to Vecteo Ltd. The officers do not hold any pecuniary stake in the companies, nor take any director fee.

Two officers acted as Board members to two of the Council's joint ventures – Porters Place Southend-on-Sea LLP and Airport Business Park Southend Management Ltd.

Entities Controlled or Significantly Influenced by the Council

Southend-on-Sea City Council has a dominant influence over South Essex Homes Limited, which manages the Council's housing stock. During the financial year, three Councillors occupied the three reserved positions on the board of South Essex Homes Limited. All material transactions with the company are recorded in the notes to the consolidated group accounts.

Under IAS19 South Essex Homes Limited must account for the net surplus or deficit arising from its share of the pension assets and liabilities in respect of its employees who are members of the Essex County Council Pension Fund. As at 31 March 2025 there was a net surplus of £27.920M (*net surplus of £20.893M at 31 March 2024*) in respect of South Essex Homes Limited's pension assets. The pension assets for South Essex Homes Limited have been recognised to the extent that they are considered recoverable and have been disclosed as nil. As at 31 March 2025 South Essex Homes Limited had a retained surplus of £4.633M (*retained surplus of £3.969M at 31 March 2024*) in respect of its Profit and Loss reserve. Southend-on-Sea City Council undertakes to provide continuing financial support to enable the financial statements of South Essex Homes Limited to be prepared on a going concern basis.

Southend-on-Sea City Council also has a dominant influence over Southend Care Ltd, which provides adult social care services to the Council. During the course of the financial year no Councillors or Officers acted as Director on the board of Southend Care Ltd. All material transactions with the company are recorded in the notes to the consolidated group accounts.

Under IAS19 Southend Care Ltd must account for the net surplus or deficit arising from its share of the pension assets and liabilities in respect of its employees who are members of the Essex County Council Pension Fund. As at 31 March 2025 there was a net surplus of £7.845M (*net surplus of £5.208M as at 31 March 2024*) in respect of Southend Care Limited's pension assets. The pension assets for Southend Care Ltd have been recognised to the extent that they are considered recoverable and have been disclosed as nil. As at 31 March 2025 Southend Care Ltd also had a retained surplus of £2.109M (*retained surplus of £1.599M at 31 March 2024*) in respect of its Profit and Loss reserve. Southend-on-Sea City Council undertakes to provide continuing financial support to enable the financial statements of Southend Care Ltd to be prepared on a going concern basis.

Given the nature of the two companies, and the fact that they substantially only work to provide services to the Council, in the event of failure of a company the Council would need to secure the continuance of service provision through other means. In such an eventuality, it would mean that any pension surplus or deficit would simply transfer from group to the single entity at that point.

Note 45. Contingent Liabilities

The Council has no contingent liabilities.

Note 46. Reclassification of Prior Year Comparatives

Prior period adjustments have been made to the comparative 2023/24 amounts in relation to the following:

The portfolio structure of the Council

The 2023/24 comparatives have been reclassified to reflect changes made to the portfolio structure of the Council in 2024/25, following the May 2024 elections. As a result the breakdown of income and expenditure into the segmental information as disclosed in the Comprehensive Income and Expenditure Statement, note 6 (expenditure and funding analysis table) and note 8 (segmental information) for the current year has been changed and the comparatives have been reclassified for consistency purposes. The comparative totals in each case, for example, Net Cost of General Fund Services for Gross Expenditure and Gross Income are the same as the figures in the 2023/24 Statement of Accounts.

The 2023/24 figures as presented in the 2023/24 Comprehensive Income and Expenditure Statement:

	Gross Expenditure £000	Gross Income £000	Net Expenditure/ (Income) £000
Leader: Special Educational Needs & Disability and Constitutional Affairs	49,314	(29,426)	19,888
Deputy Leader: Environment	22,654	(1,635)	21,019
Arts, Culture, Heritage and Leisure	14,712	(3,610)	11,102
Children's Services, Education and Learning	101,993	(57,846)	44,147
Community Safety and Public Protection	10,711	(7,958)	2,753
Economic Growth and Investment	2,487	(990)	1,497
Highways, Transport and Parking	79,875	(70,385)	9,490
Housing and Planning	23,920	(15,584)	8,336
Public Health and Adult Social Care	105,988	(45,972)	60,016
Regulatory Services	10,108	(6,247)	3,861
Net Cost of General Fund Services	421,762	(239,653)	182,109

The 2023/24 figures as presented in the 2024/25 Comprehensive Income and Expenditure Statement:

	Gross Expenditure £000	Gross Income £000	Net Expenditure/ (Income) £000
Leader: Infrastructure and Corporate Strategy	28,034	(17,561)	10,473
Deputy Leader: Planning, Housing and the Local Plan	8,218	(5,467)	2,751
Children, Young People and SEND	132,536	(78,650)	53,886
Climate, Environment and Waste	24,400	(3,716)	20,684
Community Safety	7,051	(4,398)	2,653
Culture, Tourism and Business	20,005	(7,331)	12,674
Finance, Assets, Investments and Public Transport	82,612	(70,155)	12,457
Regeneration, Major Projects and Regulatory Services	11,495	(4,378)	7,117
Social Care and Healthier Communities	107,411	(47,997)	59,414
Net Cost of General Fund Services	421,762	(239,653)	182,109

HOUSING REVENUE ACCOUNT

HRA Income and Expenditure Statement

	2023/24	2024/25
	£000	£000
Income		
(29,759)	Dwelling Rents (Gross)	(32,415)
(1,447)	Non Dwelling Rents (Gross)	(1,972)
(1,322)	Charges for Services and Facilities	(1,225)
(50)	Revaluation Gains (to reverse previous impairment charges)	(8,117)
(32,578)	Total Income	(43,729)
Expenditure		
6,880	Repairs and Maintenance	8,216
8,446	Supervision and Management	8,981
895	Rents, Rates, Taxes and other Charges	1,101
566	Provision for Bad and Doubtful Debts	(117)
20,773	Depreciation and impairment on Council Dwellings	(HRA Note 3) 17,451
255	Depreciation and impairment on Other Assets	(HRA Note 3) 181
23	Debt Management Expenses	22
37,838	Total Expenditure	35,835
5,260	Net cost of HRA services as included in the whole authority Comprehensive Income and Expenditure Account	(7,894)
204	HRA services share of Corporate and Democratic Core	204
5,464	Net Cost of HRA Services	(7,690)
(239)	Profit on Sale of HRA Long Term Assets	(1,004)
4,363	Interest Payable and Similar Charges	4,347
(2,138)	General Grants	(861)
(2,249)	Interest Receivable	(2,194)
5,201	(Surplus)/deficit for the year on HRA services	(7,402)

Movement on the HRA Balance

This Statement takes the outturn on the HRA Income and Expenditure Account and reconciles it to the surplus or deficit for the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

	2023/24	2024/25
	£000	£000
5,201	(Surplus)/deficit for the year on the Housing Revenue Account Income And Expenditure Account	(7,402)
(4,918)	Net additional amount required by statute to be debited/(credited) to the HRA Balance for the year	5,957
(283)	Transfer to/(from) Earmarked Reserves	1,445
0	Decrease/(Increase) in the Housing Revenue Account Balance	0
(3,502)	Housing Revenue Account - Balance Brought Forward	(3,502)
(3,502)	Housing Revenue Account - Balance Carried Forward	(3,502)

Calculation of Movement on the HRA Balance

	2023/24	2024/25
	£000	£000
Amounts included in the HRA Income And Expenditure Account but required by statute to be excluded when determining the Movement on the HRA Balance for the year		
239	Profit on Sale of HRA Long Term Assets	1,004
2,593	General Grants / Service Grants	1,303
Amounts not included in the HRA Income And Expenditure Account but required to be included by statute when determining the Movement on the HRA Balance for the year		
(12,980)	Transfer to/(from) Capital Adjustment Account - Revaluations	(1,622)
(101)	Transfer from Capital Adjustment Account - REFCUS	(101)
5,331	Revenue Contribution to Capital	5,373
(283)	Transfer to/(from) Earmarked Reserves	1,445
(5,201)	Net Additional Amount required to be debited/credited to the Housing Revenue Account Balance for the year	7,402

Notes to the HRA

HRA Note 1. Analysis of Housing Stock

	Number of Properties 31 March 2025	Number of Properties 31 March 2024
Houses And Bungalows	2,107	2,102
Flats	3,862	3,862
Total Houses and Flats	5,969	5,964
Homelessness Hostel Bedsits - Room only	125	125
	6,094	6,089

HRA Note 2. Major Repairs Reserve

The Reserve consists of depreciation charged to the HRA transferred to the account via the Capital Adjustment Account. The balance on the reserve is available to fund future capital expenditure within the HRA.

	2024/25 £000	2023/24 £000
Balance at 1 April	10,536	9,916
Transfers In	7,893	7,997
Used To Fund Capital (Council Dwellings)	(6,768)	(7,377)
Balance at 31 March	11,661	10,536

HRA Note 3. Depreciation

Depreciation – a charge for depreciation has also been made covering dwellings. The useful economic life for Dwellings, other buildings and non-operational assets are in accordance with the componentisation policy and in line with those shown in note 21. The Major Repairs Allowance (MRA) is matched against the cost of depreciation. Land is not depreciated due to having an indefinite life.

	2024/25	2023/24
	£000	£000
Item 8 Debit		
<u>Depreciation</u>		
Council Dwellings	7,734	7,837
Other Assets	159	160
<u>Impairment</u>		
Council Dwellings	9,717	12,936
Other Assets	22	94
Total Depreciation and Impairment	17,632	21,027
Debt Management Expenses	22	23
Loan Interest Payable	4,347	4,363
Item 8 Credit		
Interest Receivable	(2,194)	(2,249)
<u>Revaluation Gains</u>		
Council Dwellings	7,979	0
Other Assets	138	50
Appropriation To/(From) Capital Adjustment Account - Revaluations	(1,622)	(12,980)
Appropriation From Capital Adjustment Account - REFCUS	(101)	(101)
Net Effect On HRA	26,201	10,133

HRA Note 4. Property, Plant and Equipment

The Fixed Assets for the Housing Revenue Account are shown in the table below.

The assets are shown at existing use value to reflect the fact that they are used for social housing and are less than market value.

The Open Market Value (OMV) of council dwellings at 1 April 2024 amounted to £702.2M. It should be noted that the difference between the vacant possession value, or the OMV above, and the balance sheet value of dwellings within the HRA show the economic cost to Government of providing council housing at less than market value.

	Council Dwellings £000	Other Land & Buildings £000	Assets Under Construction £000	Non-Operational Investment Properties £000	Total £000
Gross Book Value as at 31 March 2024	463,083	11,113	1,314	1,090	476,600
Accumulated Depreciation as at 31 March 2024	(27,894)	(671)	0	0	(28,565)
Net Book Value as at 31 March 2024	435,189	10,442	1,314	1,090	448,035
Additions	12,003	0	2,948	0	14,951
Disposals	(1,676)	0	0	0	(1,676)
Transfers	4,124	0	(3,255)		869
Revaluations via Revaluation Reserve	7,171	0	0	0	7,171
Revaluations recognised in I&E	(1,741)	0	0	116	(1,625)
<u>Depreciation</u>					
For Current Year	(7,734)	(159)	0	0	(7,893)
Disposals	178	0	0	0	178
Transfers	(11)	0	0	0	(11)
Revaluations via Revaluation Reserve	5	0	0	0	5
Revaluations recognised in I&E	3	0	0	0	3
Gross Book Value as at 31 March 2025	482,964	11,113	1,007	1,206	496,290
Accumulated Depreciation as at 31 March 2025	(35,453)	(830)	0	0	(36,283)
Net Book Value as at 31 March 2025	447,511	10,283	1,007	1,206	460,007

HRA Note 5. Capital Expenditure

	2024/25 £000	2023/24 £000
Purchase, construction or enhancement of Council Dwellings	14,951	16,698
REFCUS	101	101
Total HRA Capital Expenditure	15,052	16,799
<u>Financed by:-</u>		
Usable Capital Receipts	1,830	1,643
Total Financed By Capital Receipts	1,830	1,643
<u>Revenue contributions:-</u>		
General Reserves	5,373	5,331
Major Repairs Reserve	6,768	7,377
Third Party	244	326
Capital Grant	718	1,914
Total Revenue Contributions	13,103	14,948
<u>Funded by Borrowing</u>	119	208
Total Capital Expenditure	15,052	16,799

THE COLLECTION FUND

The Collection Fund

2023/24 Council Tax	2023/24 £000 NNDR	2023/24 £000 Total		INCOME	2024/25 £000 Council Tax	2024/25 £000 NNDR	2024/25 £000 Total	Collection Fund Note
120,080	0	120,080	Income from Council Tax		127,082	0	127,082	1
0	38,439	38,439	Income Collectable from Business Ratepayers adjusted for Transitional Payment Protection payable		0	39,283	39,283	2
120,080	38,439	158,519	Total Income		127,082	39,283	166,365	
EXPENDITURE								
Precepts and Demands								
97,961	0	97,961	Southend-on-Sea City Council		103,962	0	103,962	
13,948	0	13,948	Essex Police Authority		14,886	0	14,886	
4,796	0	4,796	Essex Fire Authority		4,991	0	4,991	
Business Rates								
0	20,060	20,060	Payments to Government		0	19,982	19,982	
0	401	401	Payments to Fire Authority		0	400	400	
0	19,659	19,659	Payments to Southend-on-Sea City Council		0	19,583	19,583	
0	214	214	Costs of Collection		0	214	214	
Doubtful Debt and Appeals Provisions								
853	478	1,331	Top-up of Doubtful Debt Provision		1,648	331	1,979	
0	30	30	Write-off of Debt		0	0	0	
0	3,218	3,218	NNDR Provisions for Appeals		0	2,805	2,805	
0	(3,696)	(3,696)	NNDR Settlement of Appeals		0	(1,840)	(1,840)	
117,558	40,364	157,922	Total Expenditure		125,487	41,475	166,962	
USE OF BALANCES								
Council Tax								
2,000	0	2,000	Southend-on-Sea City Council		1,000	0	1,000	
280	0	280	Council Tax – Essex Police Authority		142	0	142	
96	0	96	Council Tax – Essex Fire Authority		49	0	49	
Business Rates								
0	(401)	(401)	Government		0	(691)	(691)	
0	(393)	(393)	Southend-on-Sea City Council		0	(678)	(678)	
0	(8)	(8)	Essex Fire Authority		0	(14)	(14)	
146	(1,123)	(977)	Surplus/(Deficit) for the year		404	(809)	(405)	

2023/24 Council Tax	2023/24 £000 NNDR	2023/24 £000 Total	2023/25 Council Tax	2024/25 £000 NNDR	2024/25 £000 Total
COLLECTION FUND BALANCE					
7,737	(3,220)	4,517	Balance brough forward at 1 April	7,883	(4,343)
146	(1,123)	(977)	(Deficit)/Surplus for the year (as above)	404	(809)
7,883	(4,343)	3,540	Balance Carried Forward at 31 March	8,287	(5,152)
ALLOCATED TO:					
0	(2,171)	(2,171)	Government	0	(2,576)
946	0	946	Police Authority	1,000	0
319	(44)	275	Fire Authority	336	(52)
6,618	(2,128)	4,490	Southend-on-Sea City Council	6,951	(2,524)
7,883	(4,343)	3,540	Balance Carried Forward at 31 March	8,287	(5,152)

Notes to the Collection Fund

Collection Fund Note 1 Income from Council Tax

Council Tax derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands using estimated 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Essex Police Authority, Essex Fire Authority and Southend-on-Sea City Council for the forthcoming year and dividing this by the Council Tax Base. The basic amount for a Band D property (£2,094.03 for the Leigh-on-Sea Town Council area and £2,042.28 for all other parts of the City) is multiplied by the proportion specified for the particular band to give an individual amount due.

The amount per band is as follows:

Valuation Band	Range of Values £	Council Tax 2024/25		Ratio to Band D
		Leigh-on-Sea Town Council Area £	All other parts of the City £	
A	Up to and including 40,000	1,396.02	1,361.52	6/9
B	40,001 - 52,000	1,628.69	1,588.44	7/9
C	52,001 - 68,000	1,861.36	1,815.36	8/9
D	68,001 - 88,000	2,094.03	2,042.28	1
E	88,001 - 120,000	2,559.37	2,496.12	11/9
F	120,001 - 160,000	3,024.71	2,949.96	13/9
G	160,001 - 320,000	3,490.05	3,403.80	15/9
H	More than 320,000	4,188.06	4,084.56	18/9

Band D	2023/24	2024/25	Increase
	£	£	%
Southend-on-Sea City Council	1,631.88	1,713.24	4.99
Essex Police Authority	233.46	246.42	5.55
Essex Fire Authority	80.28	82.62	2.91
Total for Other than Leigh-on-Sea Town Council Area	1,945.62	2,042.28	4.97
Leigh-on-Sea Town Council	50.58	51.75	2.31
Total for Leigh-on-Sea Town Council Area	1,996.20	2,094.03	4.90

The number of chargeable dwellings for council tax in each Valuation Band (adjusted for dwellings where discounts apply) for the year was as follows:

	Number of Dwellings	Ratio	Equivalent Number of Dwellings
Valuation Band - A*	4.43	5/9	2.46
Valuation Band - A	10,946.80	6/9	7,297.87
Valuation Band - B	12,420.08	7/9	9,660.06
Valuation Band - C	20,758.26	8/9	18,451.79
Valuation Band - D	11,553.18	9/9	11,553.18
Valuation Band - E	6,194.48	11/9	7,571.02
Valuation Band - F	3,449.67	13/9	4,982.86
Valuation Band - G	1,531.37	15/9	2,552.28
Valuation Band - H	103.00	18/9	206.00
	66,961.27		62,277.52

Less:

Adjustment for Collection of Rates and anticipated changes during the year for successful Appeals against Valuation Banding, New Properties, Demolitions, Disabled Persons Relief and Exempt Properties. 1,868.33

* Reductions For Band A Disabled.

Council Tax Base	60,409.19
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Collection Fund Note 2 Non-Domestic Rates

Non-Domestic Rates are organised on a national basis. The Government specified an amount of 54.6p in 2024/25 (*51.2p in 2023/24*) with a small business rate of 49.9p in 2024/25 (*49.9p in 2023/24*) and, subject to the effects of transitional arrangements, local businesses pay rates that are calculated by multiplying their rateable value by that amount.

The Council is responsible for collecting rates due from the ratepayers in its area but pays 50% of the proceeds over to the Government for onward redistribution in line with need. The Council retains 49% of the proceeds, with the final 1% being passed over to Essex Fire Authority.

After relief and provisions, the Non-Domestic Rates income collectable was £37,773,039 for 2024/25 (*£38,194,641 for 2023/24*). The year-end rateable value for the Council's area was £124,199,865 at 31 March 2025 (*£124,805,105 at 31 March 2024*).

Collection Fund Note 3 Provisions for Non-collection and NNDR Appeals

Within the Collection Fund there are the following provisions.

- A provision of £8.093M as at 31 March 2025 for bad and doubtful debts for Council Tax (*£6.917M as at 31 March 2024*). Under Council Tax Requirement arrangements, 83.85% of this is attributable to the Council.
- A provision of £0.961M as at 31 March 2025 for bad and doubtful debts for NNDR (*£0.752M as at 31 March 2024*). Under business rate retention arrangements, 49% of this provision is attributable to the Council.
- A provision of £4.221M as at 31 March 2025 for the potential impact of successful appeals by businesses against their rateable values (*£3.256M as at 31 March 2024*). Under business rate retention arrangements, 49% of this provision is attributable to the Council.

Collection Fund Note 4 Collection Fund Balance

The Community Charge Collection Fund was closed at 31 March 2007 and any income received after this date has been included in the Council Tax Collection Fund. The balance of £8.287M on the Council Tax Collection Fund is split between Essex Police Authority, Essex Fire Authority and this Council, in proportion to the value of the respective precept demands made by the three authorities on the Collection Fund and will be reflected in future year's council tax.

Under Business Rates retention, the deficit balance of £5.152M on the NNDR Collection Fund is split between Central Government, Essex Fire Authority, and this Council, in the statutory proportions 50%, 1% and 49% respectively.

	31 March 2025 £000	31 March 2024 £000
Council Tax - Southend-on-Sea City Council	6,951	6,618
Council Tax - Essex Police Authority	1,000	946
Council Tax - Essex Fire Authority	336	319
NNDR - Southend-on-Sea City Council	(2,524)	(2,128)
NNDR – Government	(2,576)	(2,171)
NNDR - Essex Fire Authority	(52)	(44)
Total	3,135	3,540

Shown on Balance Sheet as:	31 March 2025 £000	31 March 2024 £000
Collection Fund Adjustment Account	4,427	4,490
Creditors Falling Due Within One Year	(1,292)	(950)
Total	3,135	3,540

Collection Fund Note 5 Impact of Business Rates Multiplier Under Indexing on Collection Fund

An integral part of the Government's fiscal response, initially to the pandemic and more recently to the impact of the prevailing economic conditions, was to provide support (via Councils) to local businesses in the form of under indexing the Business Rates Multiplier (whereby the multiplier increases by less than the rate of inflation). Local businesses pay rates that are calculated by multiplying their rateable value by that amount.

This national policy response restricted the increase in the value of business rate income available to be collected at a local level. This meant that the level of business rate income collectable within the Council's Collection Fund was lower than it would otherwise have been. To compensate the Council for this reduction an equivalent value of Section 31 grant was received from the Government into the General Fund.

THE GROUP ACCOUNTS

Introduction

Many local authorities now provide services through partner organisations which operate under the control of the Council.

The Code requires that, where a Council has material financial interests and a significant level of control over one or more entities, it should prepare Group Accounts.

Southend-on-Sea City Council has reviewed the relationships it has with its partner organisations to determine the scope of the Council Group.

Wholly Owned Subsidiaries

As at 31 March 2025, the Council had five wholly owned companies that it considers to fall within the legal definitions of group accounts. These are:

- South Essex Homes Limited (Company registration number 05453601)
- Southend Care Ltd (Company registration number 10138562)
- Porters Place Southend-on-Sea LLP (Company registration number OC427026)
- Southend Housing Limited (Company registration number 10181058), and
- Vecteo Ltd (Company registration number 12087470) (formerly LHCS and Southend Travel Partnership Ltd)

Southend-on-Sea City Council established an Arm's Length Management Organisation registered as South Essex Homes Limited on 16 May 2005 and transferred responsibility for the management of its housing stock to the company on 24 October 2005. South Essex Homes Limited has no share capital, is limited by guarantee and is controlled by the Council. The Council is committed to meet all accumulated deficits or losses.

Southend Care Ltd is a company that has been established to deliver a range of adult social care services previously provided by the Council directly. The Council transferred several of its provider services to the company as at 1 April 2017.

Porters Place Southend-on-Sea LLP is one of the joint ventures in which the Council participates, with the purpose to regenerate the Queensway Estate and surrounding environs. It was a 30-year partnership with Swan Housing Association and their wholly owned subsidiary Swan BQ Limited. Swan BQ Limited exited as a member of Porters Place Southend-on-Sea LLP on 28 November 2023 and Southend Housing Limited was appointed as a member on 19 June 2024. The Council has 99.9% of the voting rights with Southend Housing Limited having the remaining 0.1%. As Southend Housing Limited is a wholly owned subsidiary of the Council, Porters Place Southend-on-Sea LLP has been treated as a wholly owned subsidiary for the purposes of these group accounts.

Southend Housing Limited has yet to trade but was appointed as a member of Porters Place Southend-on-Sea LLP on 19 June 2024.

LHCS and Southend Travel Partnership Limited was incorporated on 5th July 2019 and was established as a vehicle through which the Council can provide passenger transport. The company commenced trading on 1 March 2020. The company was a partnership between Southend-on-Sea City Council and London Hire Community Services Ltd and the Council had a 49% holding. On 12 May 2023 the Council became the 100% shareholder of the company. On 20 December 2024 the company changed its name to Vecteo Ltd.

Of the five companies, South Essex Homes Limited and Southend Care Limited are the only subsidiary companies that have been judged to be material to the Council in both the current and the previous year. The other subsidiaries are immaterial in total and are hence excluded from the consolidation.

Joint Ventures

As at 31 March 2025 the Council participated in two joint ventures, where it has a significant level of control. These are:

- Southend-on-Sea Forum Management Limited (Company registration number 07830172)
- Airport Business Park Southend Management Ltd (Company registration number 11441062)

Southend-on-Sea Forum Management Limited has been established as a vehicle through which The Forum Southend-on-Sea is managed. The Forum Southend-on-Sea is a partnership between Southend-on-Sea City Council, the University of Essex, and South Essex College. The Forum Southend-on-Sea is also the home of the Focal Point Gallery. The Council has equal voting rights to the other two partners.

Airport Business Park Southend Management Ltd has been established as a vehicle through which the Airport Business Park will be managed. The development is a partnership between Southend-on-Sea City Council and Henry Boot Developments Limited. The Council has a majority shareholding linked to its majority land ownership and shares are distributed with plots as they are sold. The Council is not a director on this company but does attend all management company meetings.

For both these joint ventures, the Council's proportions of net assets are immaterial to the accounts and therefore have not been consolidated into the group accounts.

Trust Funds

The Council is responsible for administering several trust funds. These funds are not Council assets, so they are not included in the Council's own balance sheet. The Council prepares the accounts for these trusts which are subject to audit or examination in accordance with the requirements of the Charity Commission.

At the 31 March 2025, the Council was sole trustee of eight trust funds. Although the Council would require the agreement of the Charity Commission to alter the aims and objectives of the Charities, or indeed to dispose of any charity assets, the Council does have significant control over the day to day operations.

The purpose of each trust fund is set out below:

Beecroft Art Trust

The promotion of the study of art, music and literature.

Jones Memorial Recreation Ground Trust

The provision and maintenance of a recreation ground for the benefit of children and young persons who have not reached the age of 25 years and are resident in the city of Southend-on-Sea, without distinction of political, religious or other opinions.

The Palace Theatre Charity

The Palace Theatre was conveyed to the Council by Mrs GE Mouillot in a deed of gift as an

expression of her interest and goodwill towards the then County Borough Council.

The Theatre is used for the general benefit of the inhabitants of Southend-on-Sea.

Prittlewell Priory Museum Trust

To provide a museum for the general benefit of the inhabitants of Southend-on-Sea.

Priory Park Trust

To be dedicated, held, used and enjoyed as and for the purposes of a public park for the benefit of the inhabitants of the City of Southend-on-Sea and the recreation of the public area.

The Shrubbery Trust

For the enjoyment of the public as an open space under the Open Spaces Act 1906.

Victory Sports Ground Trust

A public park to be known as the "Victory Sports Ground" for the benefit of the inhabitants of the City of Southend-on-Sea and the recreation of the public.

Youth Commemoration Ground Trust

The provision and maintenance of a recreation ground for the benefit of children and young persons who have not reached the age of 25 years and are resident in the City of Southend-on-Sea.

The assets of these trusts were donated by individuals to provide facilities for the good of the local community.

Group Accounting Policies

South Essex Homes Limited, Southend Care Limited and the Trust Fund accounting policies are consistent with the Group accounting policies with the following exceptions:

The accounts of South Essex Homes Limited and Southend Care Limited are both prepared in accordance with the requirements of the Companies Act.

The Group accounting policy is that Cash and Cash Equivalents are represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. South Essex Homes Limited's accounting policy is that cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours and cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Group Balance Sheet, the figures for Short Term Investments and Cash and Cash Equivalents have been aligned to the Group accounting policy.

Southend-on-Sea City Council owns Brook Meadows House, the care home that is run by Southend Care Ltd, and the asset is therefore included in the Council's single entity accounts. Under the IFRS16 Leases standard Southend Care Ltd have included Brook Meadows House within their accounts too. In preparing these group accounts this duplication has been removed. In the Group Comprehensive Income and Expenditure Account, the gross expenditure and gross income figures for Social Care and Healthier Communities have been adjusted. In the Group Balance Sheet, the figures for Property, Plant and Equipment, Short Term Creditors, Long Term Borrowing and Usable Reserves have been adjusted.

Group Comprehensive Income and Expenditure Statement

Gross Expenditure £000	2023/24			2024/25		Net Expenditure £000
	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	
Reclassified	Reclassified	Reclassified				
28,034	(17,561)	10,473	Leader: Infrastructure and Corporate Strategy	33,248	(21,308)	11,940
8,582	(6,286)	2,296	Deputy Leader: Planning, Housing and the Local Plan	9,766	(6,560)	3,206
132,536	(78,650)	53,886	Children, Young People and SEND	149,051	(83,357)	65,694
24,052	(3,262)	20,790	Climate, Environment and Waste	25,028	(4,108)	20,920
7,051	(4,398)	2,653	Community Safety	7,007	(4,336)	2,671
19,357	(6,540)	12,817	Culture, Tourism and Business	28,852	(5,478)	23,374
82,612	(70,155)	12,457	Finance, Assets, Investments and Public Transport	78,757	(65,022)	13,735
11,495	(4,378)	7,117	Regeneration, Major Projects and Regulatory Services	7,468	(6,001)	1,467
107,871	(49,558)	58,313	Social Care and Healthier Communities	114,064	(49,814)	64,250
421,590	(240,788)	180,802	Net Cost of General Fund Services	453,241	(245,984)	207,257
32,778	(27,254)	5,524	Local Authority Housing (HRA)	28,505	(37,183)	(8,678)
32,778	(27,254)	5,524	Net Cost of Housing Revenue Account Services	28,505	(37,183)	(8,678)
454,368	(268,042)	186,326	Cost of Services	481,746	(283,167)	198,579
		11,677	Other Operating Expenditure			305
		8,716	Financing and Investment Income and Expenditure			2,762
		(175,938)	Taxation and Non-Specific Grant Income			(196,120)
		30,781	Deficit on Provision of Services			5,526
		0	Tax Expenses of Subsidiary			0
		30,781	Group Deficit			5,526
		6,844	(Surplus)/Deficit on Revaluation of Property, Plant and Equipment Assets			(25,401)
		926	Actuarial (gains)/losses on Pension Assets/Liabilities			2,201
		7,770	Other Comprehensive Income and Expenditure			(23,200)
		38,551	Total Comprehensive Income and Expenditure			(17,674)

Group Movement in Reserves

	Usable Reserves £'000	Unusable Reserves £'000	Total Group Reserves £'000
Balance at 31 March 2023	207,554	552,072	759,626
Movement in Reserves during 2023/24			
Deficit on the Provision of Services	(30,781)	0	(30,781)
Other Comprehensive Income and Expenditure	0	(7,770)	(7,770)
Total Comprehensive Income and Expenditure	(30,781)	(7,770)	(38,551)
Adjustments between accounting basis and funding basis under regulations	26,644	(26,644)	0
Net Increase before Transfers to reserves	(4,137)	(34,414)	(38,551)
Transfers to / from Earmarked Reserves	0	1	1
Increase in 2023/24	(4,137)	(34,413)	(38,550)
Balance at 31 March 2024	203,417	517,659	721,076
Movement in Reserves during 2024/25			
Deficit on the Provision of Services	(5,526)	0	(5,526)
Other Comprehensive Income and Expenditure	0	23,200	23,200
Total Comprehensive Income and Expenditure	(5,526)	23,200	17,674
Adjustments between accounting basis and funding basis under regulations	(2,571)	2,571	0
Net Increase/(Decrease) before Transfers to reserves	(8,097)	25,771	17,674
Transfers to / from Earmarked Reserves	0	0	0
Increase/(Decrease) in 2024/25	(8,097)	25,771	17,674
Balance at 31 March 2025	195,320	543,430	738,750

Group Balance Sheet

31 March 2024 £000		31 March 2025 £000
	Property, Plant & Equipment	
758,570	(excluding infrastructure assets)	765,769
139,050	Infrastructure Assets	143,091
0	Right of Use Assets	13,829
36,453	Heritage Assets	33,694
39,416	Investment Property	40,498
7,325	Intangible Assets	6,940
28,355	Long Term Investments	31,531
2,381	Long Term Debtors	2,141
1,011,550	Long Term Assets	1,037,493
57,479	Short term Investments	49,713
0	Assets Held for Sale	1,055
202	Inventories	233
36,856	Short Term Debtors	41,997
39,292	Cash and Cash Equivalents	24,056
133,829	Current Assets	117,054
(9,844)	Short Term Borrowings	(1,863)
(47,203)	Short Term Creditors	(44,182)
(6,205)	Provisions	(7,972)
(63,252)	Current Liabilities	(54,017)
(1,683)	Long Term Creditors	(3,545)
(347,158)	Long Term Borrowing	(346,920)
	Other Long Term Liabilities -	
(3,422)	Pensions	(2,968)
(8,788)	Other Long Term Liabilities - Other	(8,347)
(361,051)	Long Term Liabilities	(361,780)
721,076	Net Assets	738,750
203,417	Usable Reserves	195,320
517,659	Unusable Reserves	543,430
721,076	Total Reserves	738,750

Group Cash Flow Statement

	2023/24 £000	2024/25 £000
30,781	Net Deficit on the Provision of Services	5,526
(58,404)	Adjustments to Net Surplus or Deficit on the Provision of Services for non-cash Movements	(29,632)
21,605	Adjustments for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	23,945
(6,018)	Net cash flows from Operating Activities	(161)
19,696	Investing Activities	9,934
(642)	Financing Activities	5,463
13,036	Net (Increase)/Decrease in Cash and Cash Equivalents	15,236
(52,328)	Cash and Cash Equivalents at the beginning of the Reporting Period	(39,292)
(39,292)	Cash and Cash Equivalents at the end of the Reporting Period	(24,056)

Notes to the Group Accounts

The notes have only been produced where they are materially different to the notes supplied with the Council's primary statements, or where it adds significant contextual information.

Group Note 1 Details of Subsidiary Companies

South Essex Homes Limited – Company registration number 05453601

Southend Care Limited – Company registration number 10138562

Group Note 2 Financial Performance

Subsidiary Companies

	2024/25			2023/24		
	South Essex Homes Ltd £000	Southend Care Ltd £000	Total £000	South Essex Homes Ltd £000	Southend Care Ltd £000	Total £000
Income	(17,842)	(11,544)	(29,386)	(17,799)	(11,248)	(29,047)
Expenditure	16,135	10,938	27,073	17,103	10,326	27,429
Long Term Assets	27	3,466	3,493	0	3,961	3,961
Current Assets	7,891	4,339	12,230	9,323	5,260	14,583
Current Liabilities	(3,285)	(2,304)	(5,589)	(5,332)	(3,869)	(9,201)
Long Term Liabilities	0	(3,392)	(3,392)	0	(3,754)	(3,754)
Net Assets	4,633	2,109	6,742	3,991	1,598	5,589
Usable Reserves	4,633	2,109	6,742	3,991	1,598	5,589
Unusable Reserves	0		0	0	0	0
Total Reserves	4,633	2,109	6,742	3,991	1,598	5,589

Trust Funds

2024/25	Beecroft Art Gallery	Jones Memorial Trust	Palace Theatre Charity	Prittlewell Priory Museum Trust	Priory Park Trust	The Shrubbery Trust	Victory Sports Ground Trust	Youth Commemoration Ground Trust	Total Trusts
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income	(213)	(53)	(61)	(124)	(240)	(28)	(36)	(496)	(1,251)
Expenditure	213	46	100	272	277	9	36	494	1,447
Property, Plant and Equipment	0	22	1,219	463	479	0	10	12,425	14,618
Heritage Assets	1,969	0	0	1,570	0	0	0	0	3,539
Investment Property	0	0	0	0	84	484	0	0	568
Other Current Assets	1,288	148	1	6	1	604	1	4,283	6,332
Other Liabilities	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(4)	(11)
Net Assets	3,256	169	1,219	2,038	563	1,087	10	16,704	25,046
Usable Reserves	0	147	0	468	0	604	0	4,279	5,498
Unusable Reserves	3,256	22	1,219	1,570	563	483	10	12,425	19,548
Total Reserves	3,256	169	1,219	2,038	563	1,087	10	16,704	25,046

2023/24	Beecroft Art Gallery	Jones Memorial Trust	Palace Theatre Charity	Prittlewell Priory Museum Trust	Priory Park Trust	The Shrubbery Trust	Victory Sports Ground Trust	Youth Commemoration Ground Trust	Total Trusts
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income	(197)	(67)	(50)	(100)	(245)	(73)	(47)	(473)	(1,252)
Expenditure	197	60	66	248	282	8	47	201	1,109
Property, Plant and Equipment	0	22	1,258	491	516	0	10	12,721	15,018
Heritage Assets	1,969	0	0	1,691	0	0	0	0	3,660
Investment Property	0	0	0	0	84	482	0	0	566
Other Current Assets	1,288	141	1	6	1	629	1	3,985	6,052
Other Liabilities	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(4)	(11)
Net Assets	3,256	162	1,258	2,187	600	1,110	10	16,702	25,285
Usable Reserves	0	140	0	495	0	628	0	3,981	5,244
Unusable Reserves	3,256	22	1,258	1,692	600	482	10	12,721	20,041
Total Reserves	3,256	162	1,258	2,187	600	1,110	10	16,702	25,285

Group Note 3 Intercompany transactions

South Essex Homes Limited

The Council paid fees of £7.678M to South Essex Homes Limited for the management of its housing stock, £5.800M as service charges, together with £0.469M in respect of other services.

The Council provides several services for its subsidiary for which South Essex Homes Limited paid £1.500M. These transactions have been removed from the Group Comprehensive Income and Expenditure Statement.

Southend Care Limited

The Council paid fees of £9.760M to Southend Care Limited for the provision of adult social care services.

The Council provides several services for its subsidiary for which Southend Care Limited paid £0.280M. These transactions have been removed from the Group Comprehensive Income and Expenditure Statement.

Trust Accounts

The Trusts generate little or no income in their own right. As such the Council provides either free services or a direct operating subsidy, by way of a grant. In addition, the Council paid interest on cash balances held. In total the Council supported the operation of the Trusts by £2.179M in 2024/25. These transactions have been removed from the Group Comprehensive Income and Expenditure Statement

All intra company debtor and creditor balances in the individual entities primary statements have been removed from the Group Balance Sheet.

Group Note 4 Property, Plant and Equipment

The Property, Plant and Equipment line of the Group Balance Sheet is materially different from the single entity's Balance Sheet. The categories of asset affected are as follows:

	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000
Movements in 2024/25		
Cost or Valuation as at 1 April 2024	297,696	24,203
IFRS 16 implementation - reclassification of existing finance leased asset to Right of Use assets	(8,244)	(523)
Additions	4,678	1,080
Revaluations via Revaluation Reserve	8,770	0
Revaluations recognised in the CIES	(7,827)	(291)
Disposals	0	(874)
Transfers	(1,921)	(110)
Gross Book Value as at 31 March 2025	293,152	23,485
Accumulated Depreciation as at 1 April 2024	(11,470)	(12,285)
IFRS 16 implementation - reclassification of existing finance leased asset to Right of Use assets	1,188	337
Depreciation	(4,889)	(952)
Written out to Revaluation Reserve	3,672	0
Written out to the CIES	729	0
On Disposals	0	688
On Transfers	34	0
Accumulated Depreciation as at 31 March 2025	(10,736)	(12,212)
Net Book Value as at 31 March 2024	286,226	11,918
Net Book Value as at 31 March 2025	282,416	11,273

Movements in 2023/24	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000
Cost or Valuation as at 1 April 2023	300,423	29,421
Additions	4,443	1,026
Revaluations via Revaluation Reserve	4,983	144
Revaluations recognised in the CIES	(3,980)	(355)
Disposals	(10,224)	(6,033)
Transfers	2,051	0
Gross Book Value as at 31 March 2024	297,696	24,203
Accumulated Depreciation as at 1 April 2023	(7,986)	(16,237)
Depreciation	(4,771)	(1,469)
Written out to Revaluation Reserve	737	361
Written out to the CIES	121	0
On Disposals	418	5,060
On Transfers	11	0
Accumulated Depreciation as at 31 March 2024	(11,470)	(12,285)
Net Book Value as at 31 March 2023	292,437	13,184
Net Book Value as at 31 March 2024	286,226	11,918

Group Note 5 Heritage Assets

The Heritage Assets line of the Group Balance Sheet is significantly different from the single entity's Balance Sheet. The categories of asset affected are as follows:

	Historic Seaside Assets £000	Heritage Land & Buildings £000	Antiques & Collectables £000	Museum Collections £000	Total Heritage Assets £000
Movements in 2024/25					
Cost or Valuation as at 1 April 2024	31,954	4,857	2,865	1,557	41,233
Additions	684	79	0	0	763
Revaluations via Revaluation Reserve	3,095	280	0	0	3,375
Revaluations recognised in the CIES	(8,997)	(79)	0	0	(9,076)
Gross Book Value as at 31 March 2025	26,736	5,137	2,865	1,557	36,295
Accumulated Depreciation as at 1 April 2024	(2,703)	(2,077)	0	0	(4,780)
Depreciation	(519)	(160)	0	0	(679)
Written out to Revaluation Reserve	1,861	155	0	0	2,016
Written out to the CIES	842	0	0	0	842
Accumulated Depreciation as at 31 March 2025	(519)	(2,082)	0	0	(2,601)
Net Book Value as at 31 March 2024	29,251	2,780	2,865	1,557	36,453
Net Book Value as at 31 March 2025	26,217	3,055	2,865	1,557	33,694

	Historic Seaside Assets	Heritage Land & Buildings	Antiques & Collectables	Museum Collections	Total Heritage Assets
Movements in 2023/24	£000	£000	£000	£000	£000
Cost or Valuation as at 1 April 2023	30,753	4,857	2,865	1,557	40,032
Additions	1,742	37	0	0	1,779
Revaluations via Revaluation Reserve	0	0	0	0	0
Revaluations recognised in the CIES	(541)	(37)	0	0	(578)
Gross Book Value as at 31 March 2024	31,954	4,857	2,865	1,557	41,233
Accumulated Depreciation as at 1 April 2023	(2,088)	(1,924)	0	0	(4,012)
Depreciation	(615)	(153)	0	0	(768)
Written out to Revaluation Reserve	0	0	0	0	0
Written out to the CIES	0	0	0	0	0
Accumulated Depreciation as at 31 March 2024	(2,703)	(2,077)	0	0	(4,780)
Net Book Value as at 31 March 2023	28,665	2,933	2,865	1,557	36,020
Net Book Value as at 31 March 2024	29,251	2,780	2,865	1,557	36,453

Group Note 6 Defined Benefit Pension Schemes

Alongside the Council, South Essex Homes and Southend Care participates in the Local Government Pension Scheme (LGPS) administered by Essex County Council. The nature of the scheme is set out in full in note 37 to the single entity accounts, and this note should be read in conjunction with that. The tables below set out where the Group Accounts are materially different from the single entity balance sheet.

Transactions relating to post-employment benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The following transactions have been made in the Group Comprehensive Income and Expenditure Statement and the Statement of Funds / General Fund Balance via the Movement in Reserves Statement during the year:

	2024/25 £000	2023/24 £000
Comprehensive Income and Expenditure Statement		
Cost of Services		
Current Service Cost	12,564	12,830
(Gain) / Loss from Settlement	(843)	87
Cost of Curtailments	1,745	269
Administration Expense	472	488
Financing and Investment Income and Expenditure		
Net Interest Expense	(215)	169
Total post-employment benefit charged to the surplus or deficit on the provision of services	13,723	13,843
Other post-employment benefit charged to the comprehensive income and expenditure statement		
Return on plan assets in excess of interest	(1,468)	(52,629)
Other actuarial gains on assets	0	0
Change in financial assumptions	(81,696)	(5,184)
Change in demographic assumptions	(1,447)	(7,770)
Experience (gain)/loss on defined benefit obligation	(1,576)	1,775
Changes in effect of credit ceiling	88,399	64,734
Remeasurements and Other Comprehensive Income and Expenditure	2,212	926
Total post-employment benefit (credited) / charged to the Comprehensive Income and Expenditure Statement	15,935	14,769
Movement in Reserves Statement		
Reversal of net charges made to the surplus or deficit for the provision of services for post-employment benefits in accordance with the code	(15,935)	(14,769)
Actual amount charged against the General Fund Balance for Pensions in the year		
Employer's contributions payable to scheme	16,379	15,059

Pension Assets and Liabilities recognised in the Balance Sheet

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

Actuarial Gains/(Losses)	2024/25 £000	2023/24 £000
Present Value of the defined benefit obligation	508,243	571,148
Fair Value of Plan Assets	(821,279)	(784,699)
Impact of Asset Ceiling	316,004	216,973
Net Liability arising from defined benefit obligation	2,968	3,422

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

	2024/25 £000	2023/24 £000
Opening Balance at 1 April	571,148	562,727
Current Service Cost	12,564	12,830
Interest Cost	27,609	26,565
Contributions by Scheme Participants	4,718	4,730
Remeasurement Gains and Losses		
Actuarial gains arising from changes in demographic assumptions	(1,447)	(7,770)
Actuarial (gains) / losses arising from changes in financial assumptions	(81,696)	(5,184)
Other	(1,576)	1,775
Losses on Curtailments	1,745	269
Benefits Paid	(27,896)	(22,959)
Liabilities extinguished on Settlements	3,074	(1,835)
Closing Balance at 31 March	508,243	571,148

Reconciliation of fair value of the scheme assets

Local Government Pension Scheme assets

The estimated asset allocation as at 31 March is as follows:

	2024/25 £000	2023/24 £000
Opening Balance at 1 April	784,699	703,953
Interest Income	38,466	33,697
The return on plan assets, excluding the amount included in the net interest expense	1,468	52,629
Other Actuarial Gains	0	0
Employer Contributions	16,379	15,059
Contributions by Scheme Participants	4,718	4,730
Benefits Paid	(27,896)	(22,959)
Payment of Bulk Transfer Value	3,917	(1,922)
Administrative Expense	(472)	(488)
Closing Balance at 31 March	821,279	784,699

Impact on the Council's Cash Flows

The Group anticipates paying a £15.649M contribution to the scheme in 2025/26.

Group Note 7 Accounts

The financial accounts of South Essex Homes Limited can be obtained from the Chair of the Board, South Essex Homes Limited, Civic Centre, Victoria Avenue, Southend-on-Sea, Essex, SS2 6ER.

The financial accounts of Southend Care Limited can be obtained from the Chair of the Board, Southend Care Limited, Civic Centre, Victoria Avenue, Southend-on-Sea, Essex, SS2 6ER.

The financial accounts of the Trusts can be obtained from the Executive Director (Finance and Resources), Southend-on-Sea City Council, PO Box 6, Civic Centre, Victoria Avenue, Southend-on-Sea, Essex, SS2 6ER.

Group Note 8 Reclassification of Prior Year Comparatives

Prior period adjustments have been made to the comparative 2023/24 amounts in relation to the following:

The portfolio structure of the Council

The 2023/24 comparatives have been reclassified to reflect changes made to the portfolio structure of the Council in 2024/25, following the May 2024 elections. As a result the breakdown of income and expenditure into the segmental information as disclosed in the Group Comprehensive Income and Expenditure Statement for the current year has been changed and the comparatives have been reclassified for consistency purposes. The comparative totals for the Net Cost of General Fund Services for Gross Expenditure and Gross Income are the same as the figures in the 2023/24 Statement of Accounts.

The 2023/24 figures as presented in the 2023/24 Group Comprehensive Income and Expenditure Statement:

	Gross Expenditure £000	Gross Income £000	Net Expenditure/ (Income) £000
Leader: Special Educational Needs & Disability and Constitutional Affairs	49,314	(29,426)	19,888
Deputy Leader: Environment	22,306	(1,181)	21,125
Arts, Culture, Heritage and Leisure	14,064	(2,819)	11,245
Children's Services, Education and Learning	101,993	(57,846)	44,147
Community Safety and Public Protection	10,711	(7,958)	2,753
Economic Growth and Investment	2,487	(990)	1,497
Highways, Transport and Parking	79,875	(70,385)	9,490
Housing and Planning	24,284	(16,403)	7,881
Public Health and Adult Social Care	106,448	(47,533)	58,915
Regulatory Services	10,108	(6,247)	3,861
Net Cost of General Fund Services	421,590	(240,788)	180,802

The 2023/24 figures as presented in the 2024/25 Group Comprehensive Income and Expenditure Statement:

	Gross Expenditure	Gross Income	Net Expenditure/ (Income)
	£000	£000	£000
Leader: Infrastructure and Corporate Strategy	28,034	(17,561)	10,473
Deputy Leader: Planning, Housing and the Local Plan	8,582	(6,286)	2,296
Children, Young People and SEND	132,536	(78,650)	53,886
Climate, Environment and Waste	24,052	(3,262)	20,790
Community Safety	7,051	(4,398)	2,653
Culture, Tourism and Business	19,357	(6,540)	12,817
Finance, Assets, Investments and Public Transport	82,612	(70,155)	12,457
Regeneration, Major Projects and Regulatory Services	11,495	(4,378)	7,117
Social Care and Healthier Communities	107,871	(49,558)	58,313
Net Cost of General Fund Services	421,590	(240,788)	180,802

ADDITIONAL FINANCIAL INFORMATION

Members' Allowances (unaudited)

Councillors' Allowances		Basic Allowances	Special Allowances	Travel & Subsistence	Total
		£	£	£	£
Elected Councillors					
Allen	S	9,710.12	0.00	104.40	9,814.52
Allen	S	9,710.12	0.00	0.00	9,710.12
Aylen	S	10,632.71	0.00	0.00	10,632.71
Badger	S	9,710.12	426.39	0.00	10,136.51
Beggs	B	922.58	0.00	0.00	922.58
Berry	M	10,632.71	2,299.60	0.00	12,932.31
Borton	M	10,628.27	2,299.60	0.00	12,927.87
Boyd	H	922.58	1,291.61	0.00	2,214.19
Buck	K	10,632.71	2,007.87	0.00	12,640.58
Buckley	S	922.58	0.00	0.00	922.58
Burton	L	10,628.27	12,949.38	0.00	23,577.65
Campbell	C	10,632.71	2,126.12	0.00	12,758.83
Carty	O	10,632.71	0.00	0.00	10,632.71
Collins	P	10,632.71	13,236.56	0.00	23,869.27
Courtenay	J	10,632.71	8,329.06	294.39	19,256.16
Cowan	D	10,632.71	33,629.14	462.69	44,724.54
Cowdrey	T	922.58	691.93	0.00	1,614.51
Cox	T	10,632.71	7,656.01	0.00	18,288.72
Davidson	M	10,632.71	2,581.55	0.00	13,214.26
Dear	A	10,632.71	788.81	0.00	11,421.52
Dent	M	10,632.71	12,878.01	0.00	23,510.72
Evans	M	10,632.71	358.55	0.00	10,991.26
Faulkner Hatt	M	9,710.12	461.39	0.00	10,171.51
Ferguson	I	9,710.12	426.39	0.00	10,136.51
Folkard	N	10,632.71	3,609.54	0.00	14,242.25
Garston	D	10,632.71	2,007.87	0.00	12,640.58
George	S	922.58	0.00	0.00	922.58
Gilbert	I	10,632.71	8,931.99	0.00	19,564.70
Habermel	S	10,632.71	1,721.47	0.00	12,354.18
Harland	J	10,632.71	531.67	0.00	11,164.38
Hyde	L	10,632.71	12,878.01	143.10	23,653.82
Jarvis	D	922.58	1,291.61	0.00	2,214.19
Jones	A	10,632.71	16,915.93	0.00	27,548.64
Jones	D	10,632.71	501.97	0.00	11,134.68
Kinsella	P	9,710.12	0.00	0.00	9,710.12
Lamb	J	922.58	1,291.61	0.00	2,214.19
Leroy	G	1,733.34	0.00	0.00	1,733.34
Line	A	922.58	0.00	0.00	922.58
Longstaff	R	10,632.71	0.00	0.00	10,632.71
McMahon	J	9,710.12	0.00	0.00	9,710.12
McMullen	R	10,632.71	2,299.60	0.00	12,932.31
Moyies	J	10,632.71	0.00	0.00	10,632.71
Mulroney	C	10,628.27	6,467.28	0.00	17,095.55

Councillors' Allowances		Basic Allowances	Special Allowances	Travel & Subsistence	Total
		£	£	£	£
Murphy	C	10,632.71	71.71	0.00	10,704.42
Nadeem	S	9,710.12	0.00	0.00	9,710.12
Nelson	D	9,766.04	2,789.92	0.00	12,555.96
Nevin	C	10,632.71	6,395.91	0.00	17,028.62
Norman	J	9,710.12	2,299.60	0.00	12,009.72
Poulton	D	9,710.12	426.39	0.00	10,136.51
O'Connor	M	10,632.71	3,219.52	0.00	13,852.23
Richardson	D	10,632.71	5,059.12	0.00	15,691.83
Robinson	K	10,632.71	10,341.70	0.00	20,974.41
Sadza	M	11,499.38	12,878.01	0.00	24,377.39
Salter	L	9,710.12	1,517.55	0.00	11,227.67
Stafford	M	922.58	230.65	0.00	1,153.23
Terry	M	10,632.71	13,236.56	132.89	24,002.16
Wakefield	S	10,632.71	6,594.68	0.00	17,227.39
Walker	C	922.58	0.00	0.00	922.58
Ward	N	10,632.71	10,632.71	0.00	21,265.42
Warren	J	10,632.71	860.52	0.00	11,493.23
Webster	C	7,880.35	0.00	0.00	7,880.35
Wexham	P	922.58	0.00	0.00	922.58
Woodley*	R	10,632.71	1,075.65	0.00	11,708.36
Co-opted Members					
Morgan	J	0.00	1,329.07	0.00	1,329.07
Pandya	K	0.00	108.33	0.00	108.33
Tetley	J	0.00	1,329.07	0.00	1,329.07
Total		541,235.76	243,283.19	1,137.47	785,656.42

* Councillor Woodley served as Mayor from May 2024 and opted to donate the Mayoral Allowance of £15,600 to the Mayor's Charity Fund.

ABBREVIATIONS and GLOSSARY

Abbreviations

ALMO	Arm's Length Management Organisation
ASELA	Association of South Essex Local Authorities
CIPFA	Chartered Institute of Public Finance and Accountancy
DfE	Department for Education
DSG	Dedicated Schools Grant
HRA	Housing Revenue Account
IFRS	International Financial Reporting Standard
LLP	Limited Liability Partnership
LGPS	Local Government Pension Scheme
MRICS	Member of the Royal Institute of Chartered Surveyors
MRP	Minimum Revenue Provision
MRR	Major Repairs Reserve
NNDR	National Non-Domestic Rates (Business Rates)
NPV	Net Present Value
OFSTED	Office for Standards in Education, Children's Services and Skills
OMV	Open Market Value
PWLB	Public Works Loan Board
REFCUS	Revenue Expenditure Financed From Capital Under Statute
SEH	South Essex Homes Limited
SOLACE	Society of Local Authority Chief Executives
UEL	Useful Economic Life
VAT	Value Added Tax
VFM	Value For Money

Glossary

Accounting Period	The period of time covered by the accounts, normally a period of twelve months, commencing on 1 April for local Council accounts. The end of the accounting period is the balance sheet date.
Accounting Statements	The Council's Core Financial Statements, Notes and Supplementary Financial Statements.
Accrual	A sum included in the final accounts attributable to the accounting period but for which payment has yet to be made or income received.
Accumulating Absences Account	Accumulating absences are those that are carried forward and can be used in future periods if the current period entitlement is not used in full. In local authorities, annual leave, flexitime, and time in lieu would usually be accumulating. Accumulating absences are typically earned by employees as they provide services. The Government has issued regulations which mean that the Council is only required to fund holiday pay and similar benefits when they are used, rather than when employees earn the benefits. Amounts are transferred to the Accumulated Absences Account until the benefits are used.
Actuary	A suitably qualified independent consultant employed to advise the Council upon the financial position of the Pension Fund.
Amortisation	Amortisation is the writing down of costs to the Comprehensive Income and Expenditure Statement over a number of years.
Appropriations	Appropriations are the transfer of resources between, to and from the various reserves.
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. inventory or short-term debtors) can readily be converted into cash.
Balance Sheet	A financial statement that summarises the Council's assets, liabilities, and other balances at the end of the accounting period.
Billing Authority	A local authority such as Southend-on-Sea City Council charged by statute with responsibility for the collection of and accounting for council tax and non-domestic rates (NNDR; Business Rates).
Budget	A budget is a financial statement that expresses a Council's service delivery plans and capital investment programmes in monetary terms, covering the financial year.

Budget Requirement	The estimated revenue expenditure on general fund services that needs to be financed from the Council tax after deducting income from fees and charges, certain specific grants, and any funding from reserves.
Capital Charges	A charge to service revenue accounts to reflect the cost of non-current assets used in the provision of services, such as depreciation.
Capital Expenditure	(or capital spending) – Section 40 of the Local Government and Housing Act 1989 defines ‘expenditure for capital purposes’. This includes spending on the acquisition of assets either directly by the Council or indirectly in the form of grants to other persons or bodies. Expenditure that does not fall within this definition must be charged to a revenue account.
Capital Financing	The raising of money to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, direct revenue financing, usable capital receipts, capital grants, capital contributions and revenue reserves.
Capital Investment Programme	The capital schemes the Council intends to carry out over a specified period.
Capital Receipt	The proceeds from the disposal of land and other assets, so long as the amount is £10,000 or more. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government. They cannot be used for revenue purposes without Secretary of State approval.
CIPFA	Chartered Institute of Public Finance and Accountancy. The principal accountancy body dealing with local government finance.
Collection Fund	A separate fund maintained by a billing authority that records the expenditure and income relating to council tax and non-domestic rates, along with payments to precepting authorities, the national pool of non-domestic rates and its own general fund.
Community Assets	Assets that the Council intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions in their disposal. Examples of community assets are parks and historical buildings.
Comprehensive Income and Expenditure Statement	An account which summarises resources generated and consumed in the provision of services.
Consistency	The concept that the accounting treatment of like items within an accounting period and from one period to the next is the same.

Contingent Liability	A possible obligation arising 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. Alternatively, a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of that obligation cannot be measured with sufficient reliability.
Council Tax	The main source of local taxation to local authorities. Council tax is levied on households within its area by the billing Council and the proceeds are paid into its Collection Fund for distribution to precepting authorities and for use by its own General Fund.
Council Tax Benefit	Assistance provided by billing authorities to adults on low incomes to help them pay their Council Tax bill. The cost to authorities of Council Tax benefit is largely met by government grant.
Creditor	Amounts owed by the Council for works done, goods received, or services rendered before the end of the accounting period but for which payments have not been made by the end of that accounting period.
Debtor	Amounts due to the Council for works done, goods received, or services rendered before the end of the accounting period but for which payments have not been received by the end of that accounting period.
Depreciation	The measure of the cost of the benefits of a non-current asset which have been consumed during the period. Consumption includes the wearing out, using up or other reduction in the useful life of the asset whether arising from use, passage of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.
Dedicated Schools Grant (DSG)	Grant funding system for schools through specific grant.
Events after the Balance Sheet Date	Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the Statement of Accounts is authorised for issue. Also referred to as Post Balance Sheet Events.
Exceptional Items	Material items which derive from events or transactions that fall within the ordinary activities of the Council and which need to be disclosed separately by virtue of their size or incidence so that the financial statements give a true and fair view.
External Audit	The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Council has made proper arrangements to secure economy, efficiency, effectiveness and equity in its use of resources.

Lease	A lease is defined as a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. It is treated in the Government's capital control system as a credit arrangement as if it were like borrowing. The value of the Right of Use asset is held on the Council's Balance Sheet
Financial Instruments	A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.
Financial Regulations	A written code of procedures approved by the Council, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative procedures, and budgeting systems.
General Fund	The main revenue fund of a billing Council. Day-to-day spending on services is met from the fund. Spending on the provision of Council Dwellings, however, must be charged to a separate Housing Revenue Account.
Gross Expenditure	The total cost of providing the Council's services before taking into account income from government grants and fees and charges for services.
Housing Benefits	A system of financial assistance to individuals towards certain housing costs administered by local authorities and subsidised by central Government.
Housing Revenue Account (HRA)	A separate, statutory account inside the General Fund which includes the expenditure and income arising from the provision of housing accommodation by the Council acting as landlord.
Infrastructure Assets	Non-current assets belonging to the Council which do not necessarily have a resale value (e.g. highways).
Internal Audit	An independent appraisal function established by the management of an organisation for the review of the internal control system as a service to the organisation. It objectively examines, evaluates, and reports on the adequacy of internal control as a contribution to the proper, economic, efficient, and effective use of resources.
International Financial Reporting Standard (IFRS)	International Financial Reporting Standards cover particular aspects of accounting practice, and set out the correct accounting treatment, for example, of depreciation. Compliance with these standards is mandatory and any departure from them must be disclosed and explained. The standards originated in the commercial sector and some are not directly relevant to local authority accounts.
Inventory	These comprise one or more of the following categories: goods or other assets purchased for resale; consumable stores; raw materials and components purchased for incorporation into products for sale; products and services in intermediate stages of completion; long term contract balances and finished goods.

Minimum Revenue Provision (MRP)	This is the amount to be set aside for the repayment of debt. Each local Council has a general duty to make an MRP charge to its revenue account each year, which it considers to be prudent.
National Non-Domestic Rate (NNDR)	A standard rate in the pound set by the Government payable on the assessed rateable value of properties used for business purposes. Also known as Non-Domestic or Business Rates.
Net Expenditure	Gross expenditure less specific service income.
Non-Operational Assets	Fixed assets held by the Council but not directly occupied, used, or consumed in the delivery of services. Examples are investment properties or assets surplus to requirements, pending sale or redevelopment.
Operational Assets	Non-current assets held and occupied, used, or consumed by the Council in the direct delivery of those services for which it has a statutory or discretionary responsibility.
Outturn	Actual income and expenditure in a financial year.
Pension Fund	An employees' pension fund maintained by a Council, or group of authorities, in order to make pension payments on retirement of participants. It is financed from contributions from the employing Council, the employee and investment income.
Precept	The levy made by Precepting authorities on billing authorities, e.g. Southend-on-Sea City Council. The major precepting authorities are Essex Police and Crime Commissioner and Essex Fire Authority. The Leigh-on-Sea Town Council also raise money by means of a precept on the billing authority.
Public Works Loan Board (PWLB)	A central government agency which provides long- and medium-term loans to local authorities at interest rates only slightly higher than those at which the Government itself can borrow. Local authorities can borrow a proportion of their requirements to finance capital spending from this source, subject to them being able to afford the interest and principal repayments.
Provision	An amount set aside for liabilities or losses that are certain to arise but owing to their inherent nature cannot be quantified with absolute certainty.
Prudential Code	The Prudential Code, initially introduced in April 2004 and most recently revised in 2021, sets out the arrangements for capital finance in local authorities. It constitutes 'proper accounting practice' and is recognised as such by statute.
Rateable Value	The annual assumed rental value of a property that is used for business purposes.

Revenue Expenditure Financed from Capital under Statute (REFCUS)	Capital expenditure which may be properly treated as such, but which does not result in, or remain matched with, tangible fixed assets. An example of REFCUS would be capital expenditure on improvement grants.
Reserves	The accumulation of surpluses and deficits over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council.
Revenue Support Grant	A grant paid by the Government to Councils, contributing towards the costs of their services, as opposed to specific grants, which may only be used for a specific purpose.
Right of Use Asset	This represents a lessee's right to use an underlying asset during the lease term. It is subject to depreciation and impairment similar to other fixed assets.
Section 151 Officer	Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a S151 Officer, also known as a Chief Finance Officer, to have responsibility for those arrangements.
Section 31 Grants	A grant issued by a Minister of State under Section 31 of the Local Government Act 2003.
Specific Grants	The term used to describe all government grants – including supplementary and special grants – to local authorities that are to be used for a particular purpose, as opposed to non-service specific grants such as revenue support grant.
Subjective Analysis	This is an analysis of income or expenditure according to type. Such expenditure headings are wages and salaries, capital charges, building maintenance, consumable materials. On the income side, the examples are government grant, fees, and charges.
Supplementary Financial Statements	Additional financial statements comprising the Housing Revenue Account and Collection Fund. Together with the Core Financial Statements they comprise the Council's Accounting Statements.
Trust Funds	Funds administered by the Council for such purposes as charities and specific projects usually resulting from individual legacies and donations.
Value for Money (VFM)	A term that describes a service or product that demonstrates a good balance between its cost, quality, and usefulness to the customer. A VFM audit considers the economy, efficiency, effectiveness and equity of a Council service, function, or activity.

ANNUAL GOVERNANCE STATEMENT

Annual Governance Statement for the Year Ended 31 March 2025

Introduction

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

In discharging this overall responsibility, the council is responsible for ensuring the proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk, are in place. This responsibility extends to satisfying itself that there are robust governance arrangements between the council and its subsidiaries.

Southend's Local Code of Governance was reviewed in 2023/24 and the format updated to reflect the seven principles of the CIPFA / SOLACE framework "Delivering Good Governance in Local Government 2016".

This Annual Governance Statement explains how the council has complied with its Local Code of Governance, and meets the requirements of Section 6 of the [Accounts and Audit Regulations 2015](#) in relation to the production and publication of an Annual Governance Statement.

The Purpose Of The Annual Governance Statement

The council is required by statutory regulations to undertake an annual review of the effectiveness of its system of internal control. The outcome is published in an annual governance statement (AGS).

The aims of the AGS are to report the arrangements for stewardship of the Council to support good governance, compliance with the Council's Local Code of Governance, reflect the changes affecting governance in local government, encourage robust reviews of governance arrangements and improve accountability to stakeholders, including local communities.

The Governance Framework

The governance framework comprises the structures, systems, processes, culture, and values, by which the council is directed and controlled and the activities through which it is accountable to, engages with, and leads the community. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The council's Governance Framework is reviewed annually to ensure its continuing effectiveness regarding the seven CIPFA / SOLACE principles of delivering good governance.

Key highlights from the Governance Framework in place are shown against each of the seven principles below. These seven principles echo the seven Principles of Public Life also known as the Nolan Principles and form a key part of the Code of Conduct for Councillors in the Council's constitution.

The governance framework has been in place at the council for the year ended 31 March 2025 and up to the date of approval of the Annual Statement of Accounts.

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

The council's Monitoring Officer is recognised as a key role within the council and sits within the Corporate Leadership Team (CLT) where their advice and expertise can oversee and inform all issues of strategic importance. The role is responsible for upholding ethical standards, which includes the maintenance of the Constitution and for reviewing its relevance and effectiveness, ensuring that it is always fit for purpose. All but minor changes to the Constitution will be considered by the Standards Committee which will recommend appropriate changes to Council. The approval of Council is required before any substantive changes to the Constitution are implemented. The Monitoring Officer has authority to make changes required by law plus typographical and grammatical amendments and corrections to the Constitution. The Constitution is reviewed regularly, and a full refresh was undertaken in 2024/25. The Monitoring Officer also has a duty to report unlawfulness under s 5 of the Local Government and Housing Act 1989.

The council's financial management arrangements comply with the governance requirements of the [CIPFA "Statement on the Role of the Chief Financial Officer in Local Government"](#) (2016). The Chief Financial Officer (CFO) occupies a key position in managing the council's finances and ensuring that resources are used wisely to secure positive results and desired outcomes. They have statutory responsibility for the proper management of the council's finances and is a key member of the Corporate Leadership Team.

The Chief Finance Officer is responsible for ensuring that the annual Statement of Accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in The United Kingdom.

The publication of the 2022/23 audited accounts took place on 28 November 2024. 37% of all Local Authorities' 2022/23 audits were still outstanding as of 30 November 2024.

The audit of the 2023/24 accounts is complete and the audited accounts were published on 27 February 2025, thereby meeting the statutory backstop date of 28 February 2025. As a result, this Council has caught up with the backlog of unaudited accounts in time for the closedown and publication of the 2024/25 Statement of Accounts and their subsequent audit.

The council's cross-party Standards Committee promotes and maintains ethical standards of conduct for elected members, helping to oversee the Councillors' Code of Conduct and to monitor the effectiveness of the Councillors' Code of Conduct whilst also dealing with formal complaints against councillors. This year, the Monitoring Officer resolved all Code of Conduct complaints in line with the Constitution without need for escalation to the Standards Committee. The Standards Committee also conducted the Member-led full review of the Council's constitution during 2024.

The council has introduced an online system for the submission of complaints under the Code of Conduct against Councillors. This has made it easier for Complainants to access the complaints system and distinguishes it more clearly from that for general complaints. The ability to submit a complaint by email or in hardcopy remains.

Section 28 of the Localism Act 2011 requires that each local authority appoint at least one Independent Person. The Monitoring Officer undertook a refreshed recruitment of Independent Persons (IP's) which resulted in the appointment of three IP's who will hold office for four years.

Policies and procedures on councillor and officer declarations of interests and of gifts and hospitality are publicly available, and the requirements are set out clearly within the Code of Conduct for Councillors. Declaration of interests remain a standing item on all Committee, Cabinet and Full Council meeting agendas. Regular prompts are sent to councillors regarding maintaining formal declarations to form an accurate Register of Interests and the Monitoring Officer maintains the Register, which is [published](#) on the website.

The council's key governance and business planning processes are also subject to audit on a risk assessed basis. Such work completed during the year forms part of the evidence in support of the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the council's system of internal control.

A complaints procedure and a whistleblowing policy are in place and made available to members of the public, employees, partners and contractors. They are kept under review to enable issues to be raised by public, staff, councillors, and co-opted councillors, when they feel appropriate standards have not been met. Staff are made aware of the policies as part of the induction process. Complaints received and investigated effectively under the policy show good awareness of an effective policy and appropriate investigations.

A report analysing complaints, comments and compliments is submitted to Audit Committee annually. Within the report the Monitoring Officer also reports on the council's annual feedback from the Local Government and Social Care Ombudsman and the outcome of investigations during the year by the Ombudsman where fault was found. This report is made to the October Audit Committee to align with the Ombudsman's publication of their annual letter and supporting data. This year the Ombudsman is to trial sending data in two parts, with the first part being earlier than before. It is yet to be seen whether this will enable reporting to an earlier Audit Committee in future years. Should an investigation reveal fault of a serious nature (as defined by the Ombudsman) it would be reported separately to Cabinet or the relevant Committee.

In addition to the annual report, Audit Committee may receive updates and supplementary reports by request, although this was not required in 2024/25.

The Corporate Finance and Performance Board (CFPB) receive a monthly complaints performance report. Outstanding and overdue complaints are reported to Corporate Leadership Team and their assistance sought with resolution as required. The general complaints process was reviewed in 2024/25 to be more closely aligned with the Ombudsman's new Complaint Handling Code and guidance. Further work will be undertaken prior to its full adoption which is required by April 2026. This will include a review of the governance arrangements for the general complaints process.

Over the past year the council has continued its work to significantly improve its assurance in several areas of activity including data security, complaints handling and Freedom of Information requests and Subject Access Requests. The Information Governance Update and Senior Information Risk Owner (SIRO) Annual Report 2024/25 provides a summary of the council's key actions regarding information governance and information risk management during 2024/25 and is reported to Audit Committee.

The council was notified in October 2023 that personal data relating to past and present council employees had been published on an external website. A series of practice improvements have been introduced since the incident.

The breach was reported to the Information Commissioner when it was discovered. Following their investigation, in October 2024 the ICO issued a reprimand to the Council for the infringements caused by the incident. Their decision was shared with Audit Committee.

A significant improvement in response times to Freedom of Information (FOI) requests has been achieved during 2024/25. The required level of 90% or more of requests being responded to in time has been consistently achieved with 94.67% of requesters receiving a reply on time. The Task and Finish Group set up during 2023 has been stood down and this area is now operating as business as usual. More detail will be provided in the SIRO's annual report to Audit Committee.

The number of Subject Access Requests (SAR) received has increased by 40% from last year, from 151 requests to 211. Although during 2024/25 the council did not meet its obligations to process all requests within the timescales prescribed by the Data Protection Act, compliance has improved. The increased volume has been absorbed and the number of cases being replied to on time increased. The backlog has reduced from a peak of 73 overdue responses at the end of 2022/23 to 17 at the end of 2024/25. More detail will be provided in the SIRO's annual report to Audit Committee.

Increased funding for the service allowed an additional post to be deployed and for the temporary use of specialist SAR services. This along with continuous review of work practice facilitated improved performance. Continued focus and innovation during 2025/26 will further improve the situation.

Principle B: Ensuring openness and comprehensive stakeholder engagement

The council's Communications Strategy aims to communicate clearly, honestly and persuasively with residents and other stakeholders in the council's complex local environment. Key principles include anticipating, enabling, engaging, informing, and celebrating. The strategy was updated in 2024 and will be refreshed in 2025 to align with the council's vision and priorities.

The council follows a media protocol, which has due regard for the national Publicity Code and the council's own Constitution and ensures fair and objective communication. Sign-off processes for proactive media releases and reactive media enquiries involve senior officers and cabinet members, with exceptions during pre-election periods where cabinet members may be briefed or updated if appropriate.

A vast array of information is accessible to the public via the council's website in an understandable style appropriate to the intended audience.

The council has an FOI publication scheme on its website and also [publishes certain information in line with the Local Government Transparency Code 2015](#). The council's [Annual Statement of Accounts](#) is published online. The Council prioritises ensuring that information is available on the council's website. It is acknowledged that there are accessibility issues with some website content, which are being reviewed and addressed.

Council, Cabinet and committee meetings are open to the public and guidance on attending and speaking at public meetings is available in the Constitution. A [calendar of meetings](#) ensures that timely reports are submitted to, published by, and distributed by Democratic Services to ensure councillors' information needs, and relevant statutory deadlines, are met. Meetings are [webcast](#) and committee reports are published on the council's [Democracy platform](#), through the website. Notices of Key Decisions, Executive Decisions and Urgent Decisions are also issued in advance / made available on this platform (as appropriate).

The Corporate Plan 2024-28 outlines our commitment to listen to and work together with residents and communities, partners and stakeholders to redesign services, focusing on honesty, openness, transparency and strong relationships.

The [Co-production Framework 2023](#) uses the ladder of participation to explain different approaches which can be considered when engaging with residents depending on the topic. It encourages staff to consider how they can move their approach up the ladder towards co-design and co-production.

We run consultations on the council's engagement platform, [Your Say Southend](#). Once concluded - the results, analysis, accompanying report and decision is published on the democracy site as a pack for decision makers and is available to the public.

The dates of public meetings and major decisions are communicated via the council newsletter and press releases. Once the decision is taken a link to the Democracy site and short summary are included on the consultation platform with the project and on the dedicated "Together We Did" subpage with additional details for actions which have been informed by the feedback. For projects where registration was required the system updates participants using the details they provided with updates to the project.

We have plans to review the online engagement platform, 'Your Say Southend', and develop a consistent approach for working with communities and residents; reaching out to voices seldom heard; and involving residents in the design and delivery of services to help increase the capacity for communities to come together to enhance their environment. The review will ensure the platform aligns to the new website policy, which aims to improve the ability of search engines to find data; facilitates standard security measures; and ensures that accessibility standards are applied consistently. Understanding the knowledge and experiences that people gain in their lives is crucial to co-producing local solutions. We will build trust and relationships with residents and communities, work jointly on challenges, provide support and training, and where possible, share power and resources.

The annual preparation for election periods continues to present challenges and risks to the sustainability of longer-term service and financial planning, as reported in the Local Government Association's (LGA) Corporate Peer Challenge (CPC) [findings](#) in October 2022. Following a nine-week consultation with residents and partners seeking their views on the election-cycle a report was presented to Council on 13th June 2024. Council resolved that there be no change to the election cycle and the Council continues to be elected by thirds.

After a change in national government, the new administration chose to extend the UK Shared Prosperity Fund (UKSPF) programme for an additional interim year into 2025/26 whilst working on a replacement programme. This saw a reduced budget envelope awarding to all authorities, with Southend receiving £437,986. Due to a delayed funding announcement and with increased flexibility around funding guidelines, the Council has decided to build on previous project successes which support the civic pride agenda as well as the city vision. In summary fifteen external projects are being supported each with a reduced allocation along with six internal civic pride projects.

Following the General Election in July 2024, the Council reiterated its desire to secure a devolution agreement with central Government by submitting an Expression of Interest to the Secretary of State for Housing, Communities and Local Government. This was followed by the submission of an Expression of Interest in a place on the Government's Devolution Priority Programme in January 2025, a fast-track programme for mayoral devolution for those areas that were willing to implement mayoral devolution and local government reorganisation at the earliest opportunity. The Council, along with its regional upper tier constituent authorities, Essex County Council (ECC) and Thurrock Council (TC), were accepted onto the Devolution Priority Programme in February 2025. This meant that the Council is committed to working to establish a mayoral combined county authority, and providing a mayoral election, by May 2026.

The Greater Essex Devolution Programme is therefore in progress. The Council, along with ECC and TC, have established a programme of work to provide for the establishment of the Greater Essex Mayoral Combined County Authority (GEMCCA) and an inaugural mayoral election in May 2026.

A Greater Essex Devolution Steering Group, comprising the Leaders and Chief Executives from the three constituent councils and representatives from Greater Essex's 12 city, district and borough councils, oversees this programme under a clear governance structure.

A Programme Board drawn from the three constituent councils manages a series of workstreams to operationalise the new powers and funding. Dedicated programme capacity is in place to deliver the plans that are in place, subject to the passing of the Regulations that will legally establish a GEMCCA.

The Council is leading on the Devolution Programme's Legal and Governance workstream, one of four within the Programme structure along with Finance, GEMCCA Design and Policy workstreams. It will develop a suitable, representative governance structure and a scrutiny, assurance and accountability framework for the new GEMCCA, and reports into the Devolution Steering Group via the Devolution Programme Management Office.

A cross-party Devolution and Local Government Reorganisation Working Party has also been established to provide co-design and oversight opportunities for elected members, fulfilling a commitment to openness and high quality, timely stakeholder engagement made by the Leader of the Council in early 2025. This working party will meet regularly until the establishment of the GEMCCA and the election of a mayor in Spring 2026.

ECC has, in line with MHCLG's transition agreement requirements and post Local Enterprise Partnership disaggregation, once more assumed the role of Accountable Body for legacy capital projects oversight / reporting to central government with the Council and TC taking responsibility for reporting on their projects into ECC.

As an interim voting / legacy project management solution the three respective S151 officers have an equal vote to decide on how legacy funding / project change requests are managed / agreed.

The Transition Agreement between ECC, Thurrock and SCC was completed and signed in May 2025.

After a recent funding announcement from MHCLG and Department for Business and Trade for 2025/26 only, ECC will continue to lead on the Growth Hub service provision, going out to market for tenders.

From April 2024, as agreed with the Southend Health and Wellbeing Board, the Southend Health Protection Board will only meet when required. All health protection matters are managed jointly with the UK Health Security Agency (UKHSA) and assurance is provided to the Public Health Senior Management Team (via a fortnightly report which highlights key data points, initiative approaches, risks and emerging issues) this information allows for an assessment to establish if escalation is required and channelled through to the Corporate Leadership Team and Cabinet member for Public Health.

Any case where a local health protection outbreak is declared will result in the Health Protection Board being convened and an assurance report provided by the Director of Public Health to the Southend Health and Wellbeing Board. All East of England upper tier local authorities have adopted a Memorandum of Understanding with the UKHSA which describes when UKHSA will call an outbreak. This consistency of embedding a framework means that all involved better understand the expectations of individuals and organisations and the process required.

The Council had established a long-term joint venture partnership (Porters Place Southend-on-Sea LLP) to deliver the Better Queensway regeneration development in central Southend. The partnership was between the Council and Swan BQ, a subsidiary of Swan Housing Association. Following the acquisition of Swan by Sanctuary Housing, it was hoped they would step in to Swan's role to work with the Council to deliver Better Queensway.

Unfortunately, following a period of due diligence by Sanctuary Housing, they decided to focus on managing their new and existing tenants and on developments which were already on-site. They therefore declared that they wished to step away from Better Queensway and the partnership with the council.

Officers have worked hard with key stakeholders such as Homes England and have maintained investment and have been engaging with the market to inform the reprogramming of the regeneration scheme, responding both to the recent building safety requirements and market forces which are relevant to the proposed development. This work is progressing.

From a company perspective, the council has brought Southend Housing Ltd alongside the council as the other joint venture partner within the LLP to ensure that the LLP remains compliant with company law.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

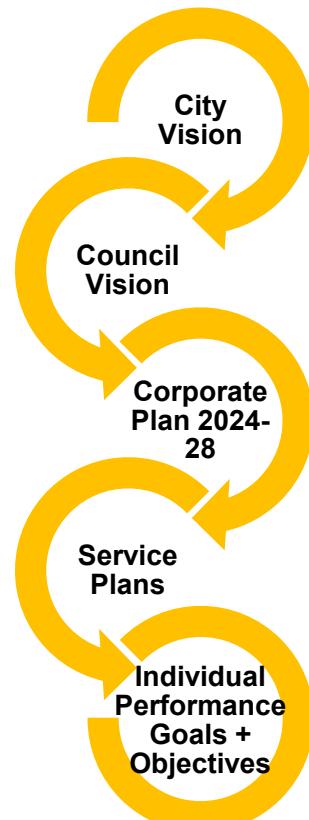
The council has a [Corporate Plan](#) for 2024 to 2028, which sets out four strategic priorities for the council. These priorities set out the council's high-level ambitions for sustainable economic, social and environmental benefits. Our four strategic priorities are as follows:

A city that is:

- Proud and prosperous
- Safe, clean and green
- Caring with a good quality of life for all
- Led by a transformative, responsive council

The council embeds these priorities through an approach described as the 'golden thread', where goals are articulated throughout onward plans. For 2025/26, this includes the corporate plan, executive directorate plans and individual performance goals and objectives. High-level executive directorate plans set out the business activities of each executive directorate and enable better coordination across the organisation. They inform key corporate planning processes like the Cabinet Forward Plan, Policy Register, Corporate Delivery Plan, Corporate Performance Report and Corporate Risk Register.

Individual performance agreements complete the golden thread, linking individual performance to service tactics and organisational strategy.



In 2024/25, we developed and launched a council vision statement, which sets out a compelling future for the organisation that all council employees can get behind. Our council vision is as follows:

At Southend-on-Sea City Council, we are proud to be part of a modern, vibrant coastal city that values its heritage.

We listen, with our city's many voices shaping what we do. We have the confidence to innovate, embrace connection and seek opportunity, and are building a sustainable future together.

In 2024/25, we also worked with partners in the Southend City Partnership to create a new vision for the city. The Southend City Partnership, which comprises the council and City Family, Essex County Fire and Rescue Service, Essex Police, London Southend Airport, Metal, South East Essex Alliance, South Essex Homes, Southend Association of Voluntary Services, Southend Business Partnership, South Essex Colleges Group, Southend Tourism Partnership, Southend Business Improvement District, Southend Pubwatch and University of Essex, consulted with businesses, organisations, students, residents and visitors in the development of a new 10-year vision and priorities for the city, owned by local partners, businesses, organisations, residents and communities. Over 2,000 responses were received as part of the consultation for the City Vision in 2024.

The new city vision is:

Southend: Our City, Our Future

Southend-on-Sea is a vibrant, welcoming and well-connected coastal city brimming with opportunities, seamlessly blending its rich heritage with a contemporary, creative outlook.

Together, we are creating a city that not only meets the needs of today's residents but also sparks imagination, fosters creativity and encourages entrepreneurship inspiring future generations to live, learn, work, and visit here.

Southend City is a place where children, families and people of all ages thrive and feel empowered to contribute to a brighter, sustainable future.

This vision reflects the shared aspirations and priorities of our diverse community, including residents, workers, business owners, visitors, and students.

A financially sustainable Capital Investment Programme is maintained by ongoing challenge and review. The resulting changes to the programme are presented to Cabinet for approval via the regular integrated financial monitoring reports (covering both revenue and capital). These provide comprehensive analysis and explanations of any significant variances from approved budgets. The Investment Board considers both revenue and capital investment and reviews and challenges business cases.

The council operates a five-year Capital Investment Programme, with the application of a 'gateway review' process, enabling items on a reserved list to be subject to further and proportionate consideration before being included in the approved programme. This approach enables consideration of the levels of required resourcing to be applied to projects, both in terms of affordability and the capacity of the council to deliver them, and in alignment with the priorities outlined in the Corporate Plan.

Two rounds of capital challenge sessions were held with the Cabinet Member for Finance, Assets, Investments and Public Transport and the Leader of the council in 2024/25. The session in July 2024 targeted a review of key strategic schemes and several sessions held in early October 2024 reviewed the progress and status of all schemes in the Capital Investment Programme.

The council seeks to ensure that its services are planned to be sustainable and achieve the right economic, social and environmental benefits by consulting with the council's service users to understand more about their needs - see [Principle B](#).

More than 40 consultations and engagements were conducted, attracting over 42,000 site visitors and generating over 5,000 contributions from residents, service users, and other stakeholders. Topics included Leisure Centres, Play Area Improvements, the Local Electric Vehicle Infrastructure Project, Hackney Carriage Unmet Demand, Marine Parade Sustainable Water Management, Period Poverty, Public Health Funerals, Public Spaces Protection Orders renewals and Careers Guidance Outcomes in Southend Schools.

Consultation and engagement over the past year have significantly contributed to the review and refresh of the Corporate Plan 2024-28, shaping its priorities.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

The Corporate Leadership Team (CLT) comprises of the Chief Executive, Executive Directors and Director of Law and Governance (Monitoring Officer). This executive management function provides strategic oversight and leadership across the whole council.

CLT meets weekly with a clear framework which puts in place strong governance and assurance. The framework operates over a monthly cycle, with standing bi-monthly and quarterly items which include risk management, internal audit & fraud, ICT & Digital (including information and cyber security), policy horizon scanning and employee networks. CLT convenes monthly as the Transformation Board.

CLT also forms the Corporate Finance & Performance Board (CFPB), made up of CLT members and other key officers, which meets monthly. The CFPB's role is to ensure that the council has a robust method of scrutiny and appraisal to ensure delivery of the council's Corporate Plan and internal business health and intelligence. The Board also considers any other areas identified as a priority for monitoring and intervention across the council; has oversight on the council's finance and resources and corporate budget monitoring; monitors organisational health; deep dives into performance issues and impacts on service delivery.

The Policy and Performance Team is responsible for the development and oversight of the Policy Register. This is aligned to the ICO recommendations and supports more timely FOI request responses and open data sources.

Resourcing the council's strategic priorities as set out in the Corporate Plan will require tough choices and careful consideration over the coming years. Decisions are underpinned by the Financial Sustainability Strategy and the Medium Term Financial Strategy, helping to target resources and effectively consider and manage a range of financial impacts.

As described in Figure 1 above, the 'golden thread' provides a mechanism for intended outcomes to be articulated and monitored throughout key plans and strategies, including those which guide the council's departments and staff. These include Directorate and Departmental Service Plans, providing data and intelligence to inform prioritisation activities. They also collate budget, key risks, and KPIs for the service area, informing resource planning. As well as annual Performance and development conversations.

During the past year the council has developed the Transformation Programme. The key outputs and successes for 2024/25 have included:

- Transformation Board oversight of the delivery of circa £17m of savings and income generation initiatives as part of the approved budget package for 2024/25 to ensure that council remains financially sustainable.
- Established a set of Foundation Projects within the programme. These projects enable the wider Transformation of the organisation and include Business World (internal ERP), My Southend (online customer portal), Data Transformation, Workforce Modernisation and Future Estate.
- Scoped and mobilised service transformation projects including:
 - One Council: systematic redesign of services across the council to improve resident experience, improve efficiency, reduce manual processes and transform the culture.
 - Social Care Demand Management: managing demand for children's and adult social care, to realise both financial benefits, by reducing in year costs and contributing to cost avoidance in future years, and non-financial benefits, to ensure residents receive the support they need, when they need it, in a way that maximises their independence.
 - Commissioning and Contract Management: driving greater value from third party spend; embedding a more holistic and strategic approach to the end-to-end commissioning, procurement and contract management cycle; and establishing robust processes and governance.
- Developed and implemented a Leadership Change Management Framework as a tool to support and uplift consistent change management practice across the organisation.

In the coming year the Director of People and Transformation will develop the programme further, including the following:

- Develop a Transformation Strategy, business case, and launch a refreshed Transformation programme building on the already well-established and in-delivery portfolio of projects currently being delivered.
- Successfully deliver the OneCouncil programme across Council Services, delivering expected products, changes and benefits in line with the OneCouncil business case.
- Develop and implement a review of the Transformation function, and secure CLT agreement to the new model, investment needed and capabilities required to deliver the Transformation Plan.

- Deliver the Workforce Transformation programme of work incorporating implementation of a new redesigned service, new HR Strategies, embedding changes to policies / processes across the Council.
- Deliver the 2025/2026 Organisational Development and Culture programme to ensuring Southend's workforce is ready for the significant changes to come, and ensuring we are aligning our workforce around our values, staff survey outcomes and workforce change readiness.

The Transformation Board plays a critical role in driving effectiveness and innovation by working across the council.

Digital transformation continues at pace; the focus has shifted to transforming data to enable automation and the safe and secure use of Artificial Intelligence (AI), while continuing to enhance resident facing and key business platforms and applications.

The current digital strategy is focused on improving resident services, empowering officers, and using data, dovetailing neatly with the data strategy.

The AI policy and guidance are intended to ensure that AI adoption is conducted safely and securely and that it is functioning as it should. Two AI proof of concept projects are being tested against this policy. Further work on websites standards will take place to support the website policy, with a focus on standardisation and streamlining of information, as well as ensuring consistency of accessibility, while keeping data and information secure.

An established governance framework escalates digital and data related issues to the Digital Steering Group as required. Transformational projects are tracked by the Transformation Board to ensure alignment with transformation principles. Involvement from other service areas is encouraged to strengthen governance further and ensure that all needs are considered as part of decision making.

Principle E: Developing the council's capacity, including the capability of its leadership and the individuals within it

The May 2024 local election returned No Overall Control. The Labour Party, as the largest minority group, consequently formed a new joint administration with the Independent and Liberal Democrat groups, with a new Leader and new portfolio holders.

The Council's Corporate Leadership Team has remained stable and unchanged during 2024/25.

The People Vision is the council's vision for all officers and councillors to be healthy, content and work in an environment that is conducive to delivering their roles effectively and maintaining their wellbeing. It sets out the strategy for delivering the Corporate Plan and for creating the workforce conditions to successfully deliver the transformation required. It is shaped by the council's experiences during the pandemic and is structured to reflect the employee life cycle model. Each of the eight core components contain detailed plans to fulfil core deliverables over the next three years, and its framework structure enables each service area to shape its workforce plans according to locally specific strategic priorities, recognising that "one size" does not fit all and that service areas need to develop specific recruitment and targeted development programmes to achieve their priorities.

A core part of the People Vision is the implementation of the council's Equality Diversity and Inclusion strategy, which includes a set of commitments to work towards between 2023-2026 (published 9 April 2024.)

The council currently has nine employee networks, which give officers an opportunity to support each other, share ideas and make friends in a safe environment, as well as playing a valuable role in consulting on and shaping council policies and guiding a range of matters.

The People Vision also has an ambition to enhance the council's leadership capability, creating an infrastructure that enables officers and councillors to develop the skills of 21st Century Councillors and Public Servants. A core focus to support the uplift of our leadership capability is the implementation of a leadership pathway to include investment in apprenticeships and the roll out of a comprehensive mandatory learning programme.

A comprehensive induction and training programme has been implemented for 2024/25 to support the induction of the council's councillors and officers showing the council's clear commitment to developing capacity and capability.

In support of developing a high-performance culture within the council's approach to performance for 2024/25, our performance conversations have been rebranded to performance and development reviews to reinforce performance is continual with renewed emphasis on our refreshed values and the importance of goal setting for the forthcoming year. Additionally, to reflect feedback from the Employee Engagement Survey inclusion of development goals and what's next in relation to career development.

All Cabinet Portfolio and Shadow Portfolio councillors are provided with regular briefing opportunities from key officers across the relevant departments. Monthly group leader meetings are held by the Chief Executive, with the intention to build trusting and effective working relationships between councillors and officers.

The Standards Committee reviewed Overview and Scrutiny Arrangements (Part 5) as part of the Constitution review exercise in October 2024. The Committee discussed the appropriate number of Overview and Scrutiny Committees and the merits of a separate Health Overview and Scrutiny Committee (October 2024), following which it was resolved that the number of Overview & Scrutiny Committees be changed to four, one of which was the creation of a new Health Overview & Scrutiny Committee. This was to ensure that workloads and responsibilities were more evenly and appropriately allocated. The Standards Committee also proposed that the membership of the four Overview and Scrutiny Committees be reduced from 17 Councillors to 9 Councillors. This was considered by Council in December 2024, where it was agreed and the new provision were adopted from the date of the Annual Appointments Council on 12 May 2025. New Overview and Scrutiny Terms of Reference and a new Overview and Scrutiny Protocol were also agreed at the Annual Meeting. Work will continue with the Scrutiny Coordination Group to further develop the culture, skills and work programme of the scrutiny function. It is anticipated that this new protocol, which includes an Executive-Scrutiny Protocol has been developed in consultation with Members, will contribute to stronger governance in decision making and the effective discharge of the Overview and Scrutiny function.

To support implementation of the new procedures, training will be provided to Members through the Overview and Scrutiny Focus Group and Member training programme.

The new constitution includes a clear delegation scheme from the Leader to Cabinet Members enabling them to make individual Cabinet Member decisions in their portfolio areas.

The Council meeting is a public debate between all councillors. To engage effectively with the public, rules are set out to govern the debate, known as standing orders.

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

The council recognises that risk management is one of the key principles of effective corporate governance, it is a vital activity that underpins and forms part of the council's vision, values, and strategic objectives. Risk management is a fundamental contributor to a sound internal control environment as monitored and assessed through this Annual Governance Statement.

The Corporate Risk Register sets out the key risks to the successful delivery of the council's priorities and objectives and outlines the key management arrangements in place to mitigate and reduce the likelihood of the risks crystallising or maximise the likelihood of the opportunities being achieved. Updates to the Corporate Risk Register are discussed with Executive Directors, reported to CLT and the summary position is reported to Cabinet twice a year. Project risk and departmental risk registers are reviewed by service area departmental management teams.

In 2024/25, a review and refresh of the council's risk management framework and register was carried out with the support of Zurich (one of the council's insurers) using accumulated risk funds. The revised risk management framework was endorsed by Audit Committee.

The Head of Internal Audit Annual Report to Audit Committee confirms that an effective internal audit service is resourced and maintained and provides an annual opinion on the adequacy of the council's governance, risk management and internal control arrangements. The risk-based Internal Audit Plan is aligned to the Corporate Plan priorities and the council's corporate risks. The Head of Internal Audit's Annual Opinion is included below on page 208.

The Senior Information Risk Officer (SIRO) is responsible for overseeing the strategic management of information related risks and ensuring alignment with business objectives. This is a multifaceted role, which encompasses risk management, data protection and adherence to regulatory standards such as the Caldicott principles. The SIRO identifies, assesses, prevents, and mitigates where possible, potential threats to information security and integrity.

As the use of data transformation strategy is delivered, and the use of artificial intelligence evolves, the need to balance the risk of using data while keeping it secure, is growing and for this reason the SIRO, together with the Data Protection Officer have an annual workplan to drive forwards ongoing improvements to data processes, aligned to the take-up of data use. The Information Risk policy, approved within the year is intended to further improve the controls, management of data, and procedures related to data and its management.

The Data Protection by Design and Default Policy provides for risks related to the processing of personal data to be assessed with the help of the Data Protection Risk support service. Those matters which are considered high risk are reviewed before being signed off by the Senior Information Risk Owner or Caldicott Guardian.

Performance reports are either published internally only or made available on the council's website alongside Scrutiny Committee reports. The council is using Microsoft Power BI to produce and visualise performance reports, enabling senior leaders to monitor the council's performance on a self-serve basis.

The council's performance is monitored by the following mechanisms:

- Live Power BI dashboards provide self-serve access for CFPB to real-time corporate performance data.

- The Corporate Plan Performance Dashboard and Annual Report reporting schedule is reported to the CFPB, bringing focus and ownership for Executive Directors, improving target setting processes and ensuring consistency and accuracy. Detail about the role of CFPB is provided under Principle D above.
- The Corporate Plan Performance Report is reported to Scrutiny Committees and to Cabinet quarterly.
- The People dashboard is reported to the CFPB quarterly.
- Management Dashboards are scrutinised at Departmental Management Team level.
- The Annual Report, showing year end measures for key activities, is reported to Scrutiny Committees and Cabinet.

The People dashboard provides oversight, scrutiny and assurance of the health of the council. It provides detailed data on relevant employee related data, including:

- Mandatory training compliance.
- Sickness absence.
- Grievance, capability, disciplinary.
- Health and safety - number of incidents and near misses.
- Gender / ethnicity per pay range.
- Turnover and reasons for leaving.

The Information Management Strategy has been reviewed and updated and will be taken through the governance processes. This is aligned to existing policies and procedures as well as the data strategy. The Information Risk Policy ensures that the further use of data will have robust information controls and governance processes in place. The SIRO's workplan for this year is in support of the data transformation work, and to improve maturity of processes in support of a safe and secure data transformation.

An assessment of the quality, compliance and security arrangements in place around data is taking place this year. This supports the data transformation strategy and will provide an action plan to address any concerns. The council's Data Protection Policy and its supporting policies and procedures provide instruction concerning the correct handling and processing of personal data.

Effective arrangements are in place to enable lawfully sharing data with other bodies when appropriate. Formal Information Sharing Agreements or similar are entered into where required, with support provided by the Data Protection Risk support service. Information sharing arrangements which otherwise would be considered high risk are signed off by the Senior Information Risk Owner or Caldicott Guardian.

The council's [Financial Procedure Rules](#) are set out in Part 7 (Section 7) of the Constitution available on the council's website.

CIPFA's Financial Management Code came into effect from 1 April 2020, with the first full year of compliance being the 2021/22 financial year. The Council committed to complete an annual self-assessment against the expectations of the Code, with results reported to the Audit Committee every April, and with a six-monthly update on any resulting action plan between each self-assessment.

The 2024/25 annual self-assessment has been undertaken, against the six core principles and 17 standards contained within the Code. Officers reviewed the evidence of the council's current arrangements compared to the Code's expectations and expressed their degree of confidence about how well these arrangements met the Code's expectations.

The findings for 2024/25 that were presented to Audit Committee in April 2025 confirmed that the council achieved overall compliance with the expectations of the CIPFA Financial Management Code.

The council meets the minimum expectations for all 17 standards, with good compliance for 14 standards and demonstrable compliance, but with recognised scope for further improvement, for the remaining three standards. In April 2025 Audit Committee endorsed an action to deliver further improvements.

The budget process for 2025/26 began in June 2024, after the Local Elections. The Corporate Leadership Team considered the financial challenges facing the Council which led to detailed budget development work taking place with senior officers across all service areas. During the summer of 2024 the Council's political administration invited all councillors to share any budget ideas to help address the financial challenges. Budget Development sessions were held from August to December between the Cabinet and the Corporate Leadership Team, to identify, develop and refine savings and agree budget assumptions. A report to Cabinet in December 2024 put forward intentions and budget considerations in relation to fees and charges. The provisional Local Government Finance Settlement was published for consultation by the Government on 19 December 2024. The final Local Government Finance Settlement for 2025/26 was published on 3 February 2025. The draft budget was launched in January, and a balanced budget was approved by Full Council in February and in accordance with statutory timescales.

A cross-party Members Resource Sub-Group was established in 2024/25, to undertake analysis on key risk areas of the budget, evaluate financial challenges, and generate ideas for risk mitigation. The Panel will scrutinise financial recovery plans over the medium-term period, to ensure a balanced and sustainable organisational position. The Panel will be supported by the Corporate Leadership Team Transformation Board and the Corporate Leadership Team Finance and Performance Board, with outputs fed into budget monitoring and budget setting processes. This will allow for appropriate Member oversight and enable strong and robust governance of the council's financial position.

At the start of the 2024/25 financial year, the council had a capital investment programme budget of £73million, £21million of which was financed by borrowing. Following capital challenge sessions this was reduced to £51million at February 2025, £15million of which was financed by borrowing. This is a reduction in borrowing of £6million, which resulted in the increase in financing costs for 2025/26 being reduced by £0.4million.

Financial monitoring reports have kept councillors informed of the capital budget variations and the projected outturn position of the council's finances.

The cross-party Shareholder Board, which oversees the governance of the council's companies and joint ventures, is chaired by the Leader and reports to Cabinet. The Board met three times in 2024/25 and received reports on the accounts and business plans of the Airport Business Park, Porters Place LLP, South Essex Homes, Southend Care Ltd., Vecteo and the Forum Management Company.

Additionally, it received reports on major regeneration programmes (e.g. Better Queensway) and reports on any other appropriate Council group entities.

Work to bring forward Better Queensway continues to be prioritised, with initial highways aspects contracted and completed during 2024-25, and further works programmed during 2025-26. Business planning for the residential elements of the scheme continues, with Porters Place LLP, being a key element of this. The route to market for the first residential phases is expected to be confirmed during 2025/26.

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

The council's [Publication Scheme](#) contains details of the types of information to which the public have the right of access, ensuring transparency and underpinning accountability. Each category contains direct links to information either on the council's website or elsewhere. The structure and content of the Publication Scheme has been revised to ensure it complies with the model provided by the Information Commissioner's Office. The content of the Publication Scheme has been expanded with more policies, plans and procedures added. Work is continuing to enhance its content.

The council's [Annual Report for 2023/24](#) was endorsed by Cabinet in July 2024 and provides a high-level overview of the successes and achievements leading into 2024/25, setting the context in which we were operating. It aligned with the financial year end-report reports and the Annual Governance Statement, and annual data for the council's corporate performance indicators was presented, grouped by the four corporate priorities. In this way the Annual Report forms part of the council's Golden thread.

CLT has full oversight of all Cabinet papers; and one meeting per month is designated to operate as a Transformation Governance Board. Regular performance reporting received by CLT gives oversight and assurance of the health, corporate priorities, and the finances of the council.

In 2023/24, the Adult Social Care Service's staffing structure was reorganised and undertook both internal and public consultations. The public consultation was undertaken in line with the [LGA guidance: Section 4: Consulting residents | Local Government Association](#). Significant resident engagement with the consultation has resulted in the initial plans being amended with adaptions taking account of residents' needs. As part of this process the services have also reviewed, updated and evaluated all Job Descriptions in line with council policies.

The Care Quality Commission (CQC) is the independent regulator of healthcare, adult social care and primary care services in England, with objectives to protect and promote the health, safety and welfare of people who use health and social care services and ensure the efficient and effective use of resources in the provision of health and social care service. The CQC has been given powers under the Health and Care Act 2022 to assess how Local Authorities deliver against key aspects of their duties under Part 1 of the Care Act 2014.

The Council has developed its self-assessment and prepared its evidence base in order to share our areas of strengths as well as areas of opportunity to improve.

In December 2024 the CQC advised the council of its intention to carry out a full assurance visit. This visit took place in May 2025. It is likely that we will receive our report and assurance grading at the end of the summer.

Recently Ofsted announced it would no longer be giving a single judgment to schools under inspection. As a result, schools currently receive four judgments (Quality of education, Behaviour and attitudes, Personal development, Leadership and management) and schools with a 6th form get an additional judgement on that provision. It is anticipated following the implementation of a revised framework, currently under consultation that a report card system will be introduced for all schools looking at ten categories for inspection. Inspection results for all schools are available online via the Ofsted website.

In June 2024 Southend's youth justice service was inspected by His Majesty's Inspectorate of Probation delivering a 'Requires improvement' judgement. A Youth Justice Improvement plan is in place to address the recommendations made within the inspection report and will continue to be delivered during 2025/26.

The council's children's services were officially rated as 'Good' following an Ofsted Inspection of Local Authority Children's Services (ILACS) in October 2024. The inspection said that services in Southend-on-Sea had undergone many significant changes since the last full ILACS inspection in July 2019 when the services were found to require improvement.

In April 2025, the council's housing services were inspected by the Regulator for Social Housing assessing our performance against the four Consumer Standards (previously the Housing Standards). The two-day inspection followed an initial data submission. The outcome of the inspection was published in September and the Council was allocated a grading of C3 which means that we have work to do to improve some aspects of our role as a landlord. Since the inspection, the Council has continued to work to bring us into a position of compliance with the Consumer Standards and has developed an Improvement Plan which will form the basis of our engagement with the Regulatory Engagement Manager.

Review of Effectiveness

The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

The review of effectiveness is informed by:

- the work of the Senior Leadership Network which has responsibility for the development and maintenance of the governance environment
- the work of Cabinet and the Committees, including the Audit Committee, Scrutiny Committees
- the Head of Internal Audit's annual report
- comments made by external auditors and other external agencies and inspectorates.

The Chief Executive has the responsibility for overseeing the implementation and monitoring of the Local Code of Corporate Governance.

Regular reports to CLT and the Audit Committee set out weaknesses identified in the governance arrangements and any corrective action necessary to resolve concerns identified.

The Annual Governance Statement has been prepared through engagement with a range of officers across the council.

The council's Local Code of Corporate Governance underwent review in 2023/24.

As well as the annual review, the governance and control frameworks are maintained and reviewed by a series of comprehensive processes throughout the year. These include:

- A robust Internal Audit function where the planned work is based on identified key risk areas.
- The council's Internal Audit Service arrangements conformed to Public Sector Internal Audit Standards for 2024/25, replaced by the Global Internal Audit Standards from 1 April 2025.
- A risk management process which ensures corporate risks are captured and reported to CLT and councillors.
- A comprehensive budget monitoring process with reporting regularly to CLT and Cabinet.
- An evidenced based self-assessment against each of the 17 standards contained within the CIPFA Financial Management Code (see Principle F).

The outcome of this review of effectiveness is presented in [Review of Actions](#) below, which detail areas for improvement during 2024/25.

Internal Audit

The annual risk-based Audit Plan was prepared in consultation with Directors and the Chief Executive. It was developed by the Head of Internal Audit and approved by the Audit Committee. Terms of Reference and reports for specific audits are discussed with relevant Service Managers, Heads of Service, Directors, Executive Directors or the Chief Executive before being finalised, with the recommended actions required to mitigate risks summarised in an action plan.

Internal Audit revisits action plans where the report found either Partial or Minimal assurance. These actions are retested, and the result of this work is reported to management and the Audit Committee as part of the Quarterly Performance Report.

Head of Internal Audit Opinion for the year ended 31 March 2025

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. Such arrangements can take many forms and still be effective. Assurance is then required that these processes are fit for purpose and being applied throughout the council.

During 2024/25 the council continued to be challenged by the external environment that it operates within, particularly in respect of the ongoing issues with the wider economic situation, the impact of inflation and increasing demand for services, creating additional financial pressures for the council, residents, the supply chain, and other stakeholders. Significant changes that have occurred to the operations of the council are becoming embedded, but with further significant change being planned through the Transformation Programme. The changes implemented enabled the council to deliver what was required by the challenges of recent years but focus on further change needs to continue to be applied to the financial challenges that the council continues to face, so that the council can address the recognised medium-term budget gap that exists and bring the council back into an ongoing financially sustainable position.

The council continued to build on the work that has been undertaken to create the shared Vision for the city, and desired outcomes for its residents, visitors, students, and other stakeholders, including through the adoption of the updated Corporate Plan with refreshed priorities that aim to provide the necessary focus so that the council's resources can be applied to the delivery of those priorities.

The Transformation programme is beginning to be worked through to provide the focus that will be necessary to make the further changes that are required to transform the culture and the way that the council operates, so that the council shifts to a culture, a focus, a structure, and ways of working that are most appropriate, effective and financially sustainable to deliver the priorities in the challenging circumstances faced by the council.

During the year the Greater Essex area Councils were accepted onto the Government's Devolution Priority Programme, meaning the Councils are committed to working to establish a mayoral combined county authority, and subsequent reorganisation of all the Councils in Essex into new unitary authorities. There is a significant amount of work and resource required to deliver the transition for both elements and the Council is alert to the risk that the diversion of resources required to deliver these changes impacts on the ongoing delivery of services to residents and other stakeholders.

Management needs to continue to monitor both the actual and potential impact of these pressures, the progress against delivery of the Transformation programme to drive change that arises, as well as delivery of the Corporate Plan. Management and councillors need to be ready to adjust, if necessary, as the situation continues to evolve and the understanding of the impact on future needs becomes clearer.

The council is working to deliver and meet these multiple challenges. As a result, there continues to be updates made to way the council is operating and therefore there is a need for changes arising to have the opportunity to be established and embedded before assurance can be provided that they are working effectively as intended. Management continues to work in the context of ongoing change and challenges arising from the external environment, which makes it difficult to achieve a period of stability that would assist with implementing and embedding revised arrangements.

With regards to the assurance provided by audit work undertaken in these areas, the results of the work indicate that the design of the council's risk management can be provided with satisfactory assurance, but partial assurance in respect of operation, as there is a need for further embedding of the arrangements within the departments so that there is increased understanding of the need to capture the conversations about risk that are happening, to provide increased visibility, transparency and accountability for decision making around the risks below those on the corporate risk register.

The design and operation of internal control can be provided with satisfactory assurance, and improvements that have been implemented in respect of the governance framework as operated for the year indicate this is becoming more effective and can be considered to be satisfactory overall, with a need for this to become fully embedded in ongoing ways of working for the Council. Work to further improve the governance framework and arrangements is being undertaken, as reflected in the Annual Governance Statement [action plan](#), and will be reported to councillors later in 2025/26.

The basis for forming this opinion is an assessment of:

- the design and operation of the underpinning governance and assurance framework

- the range of individual opinions arising from risk based and other audit assignments that have been reported during the year, taking into account the relative significance of these areas
- whether management properly implement actions arising from audit work completed, to mitigate identified control risks within reasonable timescales
- observations from advisory and support work undertaken
- changes to the council's Corporate Plan, management structure and use of technology
- assurance from other providers including independent regulators and peer reviews
- the quality and performance of the Internal Audit service and the extent of compliance with the Public Sector Internal Audit Standards.

The Head of Internal Audit has not reviewed all risks and assurances relating to the council's activities in coming to this opinion.

Compliance with Professional Standards, Head of Internal Audit Opinion

I can confirm that I have maintained an appropriate Quality and Improvement Programme (QAIP) during the year for the in-house team and work undertaken by contractors when being managed by the in-house team. As required by the Standards, this consisted of:

- on-going supervision and review of individual audit assignments completed by in-house staff or contractors working to in-house staff
- reporting on a limited set of performance targets to the Audit Committee (for all work done including that of external suppliers)
- reviewing the independent external assessment of compliance with the Standards which is required at least every five years and updating for the position for this year.

I have received assurance from external suppliers used that where they have undertaken work using their own audit approach, that are also compliant with the Standards.

Issues for the Annual Governance Statement

No issues have come to internal audit's attention this year, other than those already disclosed, that we believe need including in the council's Annual Governance Statement.

Review of actions from the 2023/24 Annual Governance Statement

Ref.	Issue and actions	Lead Officer	Progress made and planned
1-2023/24	Continue with the review of constitution, finalise the decision on whether to change to an all-out election cycle and modernise operating systems with particular focus on those that will support application of the governance framework, including review of the pre-Cabinet scrutiny arrangements, the general complaints process and delivering further improvements to digital governance.	Director Law and Governance Director of Digital and ICT	Between July and November 2024 the new constitution was drafted through a series of Standards Committee meetings and member engagement activities. The draft proposed constitution was considered and agreed at Full Council on 12th December 2024. Adoption of the main body of the constitution took effect from 1 January 2025 with additional elements coming into force after the Annual Meeting of the Council in May 2025.
2-2023/24	Review and refresh of the council's risk management framework and register and deliver a programme of training for senior leaders and councillors, to support embedding the risk management arrangements within services.	Head of Internal Audit and Counter Fraud Head of Corporate Strategy	The revised Risk Management Framework was approved by Audit Committee on 23 rd October 2024. The new format Corporate Risk Register was considered by Cabinet on 18 th November 2024.
3-2023/24	Proceed with the Transformation programme of work that will revise the Council's operating model, structure and focus on aligning transformation activity to the council's action plans with its strategic objectives, to ensure that every investment is delivered in a coordinated, efficient, and effective manner that	Executive Director Strategy and Change	Transformation Programme has been developed to align with the Corporate Plan. Momentum maintained on the delivery of the programme whilst recruitment progressed for the Director of People and Transformation role who joined the Council in March 2025.

	produces better outcomes for the residents of Southend.		
4-2023/24	Establish the Members Resources Panel, to oversee the Transformation Board's and Performance & Finance Board work, undertake analysis on key risk areas of the budget, evaluate financial challenges, and generate ideas for risk mitigation, with outputs fed into budget monitoring and budget setting processes.	Executive Director of Finance and Resources Director of Financial Services	During 2024/25 the Members Resources Panel was renamed as the Members Resource Sub-Group Their remit is to undertake analysis on key risk areas of the budget, evaluate financial challenges, and generate ideas for risk mitigation. The Panel will scrutinise financial recovery plans over the medium-term period, to ensure a balanced and sustainable organisational position. The Panel will be supported by the Corporate Leadership Team Transformation Board and the Corporate Leadership Team Finance and Performance Board, with outputs fed into budget monitoring and budget setting processes. This will allow for appropriate Member oversight and enable strong and robust governance of the council's financial position.
5-2023/24	Deliver the aims of the People Vision to achieve the desired outcomes to support delivery of the Corporate Plan, effective decision-making, culture shift, a proactive approach to employee wellbeing, and overall creating the workforce conditions, capacity and capability to successfully deliver the Transformation programme and a high-performance organisation.	Head of People and Organisation Executive Director of Strategy and Change	Elements of the People Vision continue to be delivered. Extensive progress has been made on the refresh of HR policies which supports effective decision making. A proactive approach to Health, Safety and Wellbeing (with a refreshed H&S Policy and assurance framework) have been delivered. Work continues on the delivery of the pay strategy and a new JE scheme has been implemented to ensure transparency and equity for job roles. Performance management has been updated and refreshed, supported by an extensive learning offer.

6-2023/24	Review and coordinate across services the Information Management Strategy, its alignment to the Data Strategy, the SIRO's operational plan, and implement the Policy Register to improve transparency, accessibility and accountability of the council's policies, strategies and guidance	Executive Director Strategy & Change Director of Digital and ICT Director Law and Governance	The information strategy has been reviewed and updated and aligned with the new information risk policy and the SIRO operating plan. This revised strategy will be taken through the governance structures in this year.
7-2023/24	Implement the proposed recommendations identified through the independent review of two of the council's wholly owned companies, Southend Care Ltd. and Vecteo, with the Shareholder Board monitoring progress against the recommendations action plan and utilising for the other Council companies as appropriate.	Executive Director Strategy & Change Director Law and Governance	Southend Care Ltd. recommendations complete. Vecteo recommendations subject to the transition of the Company board which will commence in April 2025.

Further actions to strengthen the Council's governance arrangements for 2025/26

Ref.	Area	Action	Date of implementation	Responsible Officer
1-2024/25	Review of the new Constitution	At the request of Council, officers will review the effectiveness of the new constitution at a date at least six months after its final adoption in May 2025.	November 2025	Director Law and Governance

Ref.	Area	Action	Date of implementation	Responsible Officer
2-2024/25	General complaints process	Continue the review of governance arrangements for the general complaints process to align with the Ombudsman's new Complaint Handling Code and guidance prior to full adoption by April 2026.	April 2026	Director Law and Governance
3-2024/25	Refresh of councils Communication Strategy	Refresh the councils Communication Strategy to align with the council's vision and priorities and continue to communicate clearly, honestly and persuasively with residents and other stakeholders in the council's complex local environment.	March 2026	Director of Policy and Customer Experience
4-2024/25	Greater Essex Mayoral County Combined Authority governance	Lead on the Greater Essex Devolution Programme's Legal and Governance workstream, working to develop a suitable, representative governance structure and a scrutiny, assurance and accountability framework for the new Greater Essex Mayoral County Combined Authority.	March 2026	Executive Director Strategy & Change
5-2024/25	Risk Management Framework	Continue to embed the revised Risk Management Framework with a particular focus on departmental risk management processes.	March 2026	Director of Policy and Customer Experience

Certification

We have been advised on the result of the review of effectiveness of the governance framework by the Audit Committee and, although the arrangements fundamentally achieve their aims and meet the needs of the council, it is recognised that there is scope for further development to ensure these are as effective as possible. Work is underway to make the necessary improvements, as set out in the action plan for 2025/26.

Signed on Behalf of the Council



Colin Ansell
Chief Executive &
Town Clerk
16 July 2025



Councillor Daniel Cowan
Leader of the Council

16 July 2025