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**David Marchant LLB** (Hons) BSc (Hons) CEng FICE FCMI  
**Chief Executive**

**A MEETING OF THE COUNCIL** of the Borough of Castle Point **will be held remotely via Microsoft Teams on WEDNESDAY, 25TH NOVEMBER, 2020 at 6.p.m** **Note new time** and all Members of the Council, listed below, are hereby summoned to attend to transact the undermentioned business.

Councillors, C.G. Riley, (The Worshipful the Mayor), Mrs P. Haunts, (Deputy Mayor), A.J. Acott, J. Anderson, D.A. Blackwell, Mrs.J.A Blissett, B. Campagna, S. Cole, D.T. Cross, J.M.Cutler, W.J.C. Dick, Ms.N.B.Drogman, Mrs B. Egan, E. Egan, M.J Fuller, P.C. Greig, S.Hart, N.R. Harvey, G.I. Isaacs, W. Johnson, C.A. MacLean, P.J. May, C.E. Mumford, B.A. Palmer, J.A. Payne, Mrs. J. Payne, Mrs C.J Sach, W.K.Sharp, A.G. Sheldon, T.F. Skipp, N.G. Smith, J.A. Stanley, A. Taylor, D.J.Thomas, Mrs J Thornton M.A Tucker, P.E.Varker, A.C.Walter, Mrs L. Wass, G.St.J. Withers and B.S. Wood.

**Chief Executive**

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## **AGENDA**

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### **PART I**

**(Business to be taken in public)**

- 1. Apologies for absence**
- 2. Members' Interests**
- 3. Minutes**  
To receive the following:
  - Minutes of the meeting of the Ordinary Council held on 29th July 2020.
- 4. Mayor's Announcements**  
The Mayor will report announcements if any at the meeting.
- 5. Questions from members of the public of which Notice has been received**  
There are none.
- 6. Questions from Members of the Council of which Notice has been received**

There are none.

**7. To deal with any business from the last Council Meeting**

There is none.

**8. Any explanations for urgent decisions taken by Cabinet**

There are none.

**9. Consideration of recommendations from Cabinet:**

The Cabinet meeting on 18.11.2020 is to refer a recommendation concerning the Local Council Tax Support (LCTS) Scheme for 2020/21 on which a report is attached.

**10. Any References from the Scrutiny/Policy and Scrutiny or Regulatory Committees**

There are none.

**11. Financial Results and Statement of Accounts for 2019/20**

The Council is asked to consider the financial out-turn results and Statement of Accounts for 2019/20 submitted for approval by Council. A report is attached.

**12. Report from the Leader of the Council/Cabinet Member**

The Leader is to report at the meeting.

**13. Notices of Motion**

These are none.

**14. Petitions submitted by Members of the Council of which Notice has been given.**

No Notice has been received.



## ORDINARY COUNCIL MINUTES

**29TH JULY 2020**

MINUTES of the Ordinary Meeting of the Council of the Borough of Castle Point held remotely via Microsoft Teams and broadcast live from the Council Chamber, Council Offices, Kiln Road, Thundersley on 29th July 2020.

### **PRESENT:**

Councillors Mrs P. Haunts,(Deputy Mayor), A.J. Acott, J. Anderson Mrs.J.A Blissett, B. Campagna, J.M.Cutler, W.J.C. Dick, Mrs B. Egan, E. Egan, M.J Fuller, P.C. Greig, S.Hart, G.I. Isaacs, W. Johnson, C.A. MacLean, P. May, B.A. Palmer, J.A.Payne, Mrs C.J Sach, W.K.Sharp, A.G. Sheldon, T.F. Skipp, N.G. Smith, J.A. Stanley, A. Taylor, D.J.Thomas, Mrs J Thornton, M.A Tucker, P.E.Varker, A.C.Walter, and G.St.J. Withers

Apologies for absence were received from Councillors Blackwell, Cole, Cross, Ms. Drogman, Hart, Harvey, Mumford, Mrs. Payne, Riley, Sharp, Sheldon Mrs L. Wass and Wood.

### **IN MEMORIAM: FREEMAN OF THE BOROUGH RON WILLIAMS**

At the beginning of the meeting the Deputy Mayor reported the recent death of Freeman of the Borough and former Councillor Ron Williams who was Chairman of Castle Point District Council between 1973 - 1974 and 1980 – 1981. Formal tribute to Ron Williams would be paid when Full Council meetings were resumed in the Council Chamber.

#### **64. MEMBERS' INTERESTS**

There were none.

#### **65. MINUTES**

The Minutes of the meeting held on 15th January 2020 and the Minutes of the Special Council meeting held on 19th February 2020 were taken as read and approved as a correct record.

#### **66. MAYOR'S ANNOUNCEMENTS**

There were none

#### **67. QUESTIONS FROM MEMBERS OF THE PUBLIC OF WHICH NOTICE HAD BEEN RECEIVED**

There were none.

**68. QUESTIONS FROM MEMBERS OF THE COUNCIL OF WHICH NOTICE HAD BEEN RECEIVED**

There were none

**69. TO DEAL WITH ANY BUSINESS FROM THE LAST COUNCIL MEETING:**

There was one.

**70. ANY EXPLANATIONS FOR URGENT DECISIONS TAKEN BY CABINET**

There were none.

**71. CONSIDERATION OF RECOMMENDATIONS FROM CABINET:**

This was dealt with under Minute 73.

**72. ANY REFERENCES FROM THE SCRUTINY/POLICY AND SCRUTINY OR REGULATORY COMMITTEES**

There were none.

**73. APPOINTMENT OF COMMITTEES ETC**

Council was requested to appoint the Local Plan Delivery Board and the Development Management Committee following consideration by Cabinet of a report on the work undertaken to implement the recommendations and actions arising from the Planning Improvement Peer Challenge undertaken by Local Government Association (LGA) in co-operation with the Planning Advisory Service (PAS).

At the Cabinet meeting on 22.7.2020 Cabinet approved the following to implement the recommendations of the Peer Challenge Report:

1. To note the progress on implementing the Local Plan and Development Management Committee Action plan and approve the revised actions.
2. To approve the arrangements for Local Plan Delivery Board.
3. To refer to the next meeting of the Council to appoint the Local Plan Delivery Board and Development Management Committee.
4. To approve the Development Management Committee Handbook as amended.
5. That the Peer Challenge Framework Delivery Group (Working Party) be asked to conduct a review in twelve months of the arrangements for the Local Plan Delivery Board and the Development Management Committee to identify any further adjustments or improvement to improve compliance with the recommendations of the Peer Challenge report, to demonstrate to Government and other agencies monitoring the Council that the Committee is fit for purpose.

The Local Plan Delivery Board provided Members with the vehicle to be involved in the delivery of the local plan, master planning and essential infrastructure. The Local Plan Delivery Board was to be formed of 9 members, including the Chairman of the Board. The membership of the Board was to be cross party with 6 Conservative Party Group members and 3 Canvey Island Independent Party Group members.

Council was reminded that two Cabinet Member appointed to the Development Management Committee could be members of this Board. One member of the Canvey Island Independent Party Group appointed to the Development Management Committee could be a member of this Board.

The Development Management Committee was to comprise of ten members reflecting the political balance of the Council.

Council was reminded that a specific member of the Cabinet was appointed to the Development Management Committee to act as liaison member reflecting formal guidance to ensure full exchange of information between the Executive and the Development Management Committee.

A maximum of two further Cabinet Members could be appointed to the Development Management Committee. However Cabinet members cannot form the majority of a planning committee at any time and a Cabinet Member cannot be Chairman of the Development Management Committee. (This was to ensure separation of the Executive and Regulatory functions of the Council.)

Two substitute members are permitted from each political group.

Council was also asked to appoint the Chairman of the Audit Committee and note changes to the Conservative Group nominees on the Audit, Scrutiny and Licensing Committees

**Resolved:**

1. To make the appointments as set out in the following resolutions.
2. To approve and appoint the Local Plan Delivery Board and that the membership and the appointment of the Chairman shall be as follows:

**Local Plan Delivery Board**

Conservative:

Councillors Dick\*, Hart, Johnson, MacLean, Mumford, Smith

Canvey Independent: TBA

Chairman: Councillor MacLean

\*Councillor Mrs Egan has now taken this allocation

3. To approve and appoint the Development Management Committee and that the membership and the appointment of the Chairman shall be as follows:

**Development Management Committee**

Conservative:

Councillors: Cutler Hart, Johnson, Mrs Thornton, Walter, Mrs. Wass.

*Substitutes:* Ms Drogman, Skipp

Canvey Independent:

Councillors: Acott, Anderson, Fuller, Taylor.

*Substitutes:* Palmer, Tucker

Chairman: Councillor Cutler

(And two non-voting members of the Canvey Island Town Council)

4. To note the changes to the membership of the Audit Committee and appoint the Chairman be as follows:  
**Conservative:**  
Councillors Cutler, Mumford, Skipp  
Substitutes: Councillors Ms Drogman, Walter.  
**Chairman:** Councillor Skipp.
5. To note Councillor Mumford was to replace Councillor Sharp on Scrutiny Committee.
6. To note Councillor Johnson was to replace Councillor Cutler on Licensing Committee.

#### **74. COVID-19 RECOVERY PROGRAMME**

The Deputy Leader of the Council presented a report providing an overview of work currently being undertake and planned in relation to the Council's Covid- 19 recovery.

The context of this report was unprecedented Covid-19 representing the biggest challenge to health and wellbeing since the Second World War.

In response, the Council had been working collaboratively with partners and the community where there had been an unparalleled mobilisation of collective resources and volunteers to face this challenge head on. This response had helped to significantly mitigate the impact, had saved lives and supported the most vulnerable in the community.

Whilst acknowledging that the threat of Covid-19 has not yet passed and would continue to have a fundamental influence on day-to-day lives of residents and business communities in Castle Point, the Council was preparing and implementing its plans for recovery. The plans for recovery must have a wider focus than Council-run or Council-commissioned operations.

Since the report to Cabinet on 24 June 2020, further work had been undertaken to develop the recovery programme, with work falling under the following themes: Service Recovery; Local Economy and Community Resilience.

Regarding Service Recovery while not all services had been suspended during lockdown and many of the services had continued to function, albeit with necessary adjustments for safety reasons. The Deputy Leader drew attention to the work undertaken not only to resume services but to consider new ways of delivering services taking advantage of digital solutions.

The Deputy Leader highlighted services which had resumed including:

Car Parks: All car parks were operational although demand had remained low, particularly in the usually busy commuter car park at School Lane; Open Spaces: Now fully open; Public Conveniences: Public toilets all open except mobile WC at Thorney Bay and toilets in the Knightswick Centre as it was not possible to meet adequate social distancing requirements; Leisure: Gyms at Runnymede and Waterside Farm had re-opened on 25 July; Housing: Resumed letting of Council homes to people on the housing register, non-emergency repairs were being undertaken where safe to do so; Test & Trace: Work to support test and trace was operating seven days a week; Customer Appointments: Restricted face-to-face appointment service for customers had commenced; Revenues Recovery Action: Commenced 'soft' reminders for Council Tax had commenced in May, Non-Domestic Rates (NDR) recovery was still scheduled to start in August, with Enforcement action still subject to re-opening of Courts. Latest information available on the council website.

Council was reminded that there has been a significant financial impact on the Council's spending plans because of Covid-19 both from additional costs incurred in the Council's response to the pandemic and also through lost revenue. The financial impact had been covered in detail in financial update reports to Cabinet, the latest of which was reported at Cabinet on 22 July 2020.

Turning to the Local Economy the Deputy Leader reported on action being taken to provide support for those facing unemployment. Attention was drawn among other matters to the government grants scheme administered by the Council to support small businesses and the retail, hospitality and leisure businesses.

In addition, the Government also gave the Council £775k for a discretionary scheme and, following an application process, the Council paid out £768k to 73 qualifying applicants by 17 June. Alongside paying out grants, the Revenues and Benefits team moved quickly to provide business rates relief and issue revised business rates bills to 320 retail businesses awarding total relief of £8,778,230 and a further £80,301 in nursery (childcare) discount to 8 qualifying businesses.

The Deputy Leader reported on the projects being delivered by the Council which would have short- and longer-term benefits for the local economy including such initiatives as reopening the high streets and the continuation of the Council projects for Canvey seafront and the Town Centre.

The Deputy Leader then dealt with community resilience and acknowledged the Council was in a fortunate position with a third sector with a broad range of community and partner organisations who had worked with the Council to respond to Covid -19. This response had helped to significantly to mitigate the impact, has saved lives and supported the most vulnerable in the community.

The third sector must continue to feature in any recovery plans and work was underway to establish the local skills and capacity that exist in this sector and to coordinate the support offer to residents as their needs change over time.

In conclusion, the Deputy Leader restated that the threat of Covid 19 had not passed and would continue to have a fundamental influence on day-to-day lives of residents and business communities in Castle Point. However the Council would continue to plan for recovery across the three themes of Service Recovery, Local Economy and Community Resilience. The Council response was terrific being proactive, efficient working with others pulling together to respond and work towards recovery.

In commenting on the report Councillors acknowledged and thanked the voluntary sector and community groups for their magnificent support for the community.

**Resolved** to note the report

**75. REPORT OF THE LEADER OF THE COUNCIL/CABINET MEMBER**

The Leader on behalf of the Council thanked Council staff who had continued to maintain council services mentioning specifically the refuse collection service and revenues and benefits staff who had worked so hard to get financial assistance quickly to businesses and the community during this difficult time.

The Leader endorsed the comments made regarding the contribution of the third sector and thanked the voluntary sector and community groups.

**76. NOTICES OF MOTION**

There were none.

**77. PETITIONS**

There were none.

**Mayor**



**ORDINARY COUNCIL**

**25th November 2020**

**Subject: Local Council Tax Support (LCTS) Scheme for 2021/22**

**Cabinet Member: Councillor Varker – Resources**

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**1. Purpose of Report**

To present recommendations from the Cabinet meeting held on 18.11.2020 in respect of the Proposed Local Council Tax Support scheme for 2021/22.

**2. Links to Council's priorities and objectives**

This report is linked to the Council's priority of 'A Commercial and Democratically Accountable Council'. Sound and strategic financial management is essential in order to ensure that resources are available to support the Council's priorities and maintain or improve services.

**3. Recommendations made by Cabinet**

1. To note the information regarding Covid-19 and consultation, summarised in Section 5 of this report.
2. To note the impact of the proposed 2021/22 LCTS Scheme, summarised at Appendix A.
3. To note the content of the Stage 2 Equality Impact Assessment, at Appendix B.
4. That there are no changes to the Local Council Tax Support Scheme for 2021/22.

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**4. Background Information**

- 4.1 The former Council Tax Benefits scheme was replaced by a discretionary, Local Council Tax Support scheme (LCTS) in April 2013, following a Government announcement in the 2010 spending review that support for Council Tax would be localised. At the same time, the level of funding provided by government was reduced nationally by an average of 10% which translated locally to a reduction of 15%.

- 4.2 In December 2012, Council approved the local scheme for Castle Point for 2013/14. The scheme was designed to be cost neutral, based largely on an Essex wide framework developed jointly by Essex Benefit and Finance Officers.
- 4.3 The current scheme is generally still in line with the original 2013/14 scheme, with only minor changes made since then (where necessary) to align it with technical and legislative changes to Housing Benefit and Welfare Reform.
- 4.4 Key aspects of the current scheme are set out in paragraph 6.1.
- 4.5 The Council is required to approve future year's Local Council Tax Support schemes annually by 11<sup>th</sup> March each year, regardless of whether there are proposals to change the scheme or not.

## **5. Covid-19 & Consultation**

- 5.1 As part of its response to COVID-19, the Government announced in the Budget on 11 March that it would provide local authorities in England with £500m of new grant funding in the form of a Hardship Fund to provide council tax relief, alongside existing Local Council Tax Support schemes, for economically vulnerable people and households in their local area.
- 5.2 In line with Government expectations, all Castle Point residents eligible for Local Council Tax Support during 2020/21 are receiving relief against their Council Tax liability of up to £150.
- 5.3 Despite the economic impacts of Covid-19 there has not been a significant increase in the working age caseload – cases currently stand at 2,100, compared to 2,071 in February 2020.
- 5.3 The ongoing impact of Covid-19 is still very unpredictable and subject to rapid change, making it very difficult to know with any certainty whether similar emergency support measures or potential changes to the scheme might be required in 2021/22.
- 5.4 Additionally, there is a legal requirement for Local Authorities to consult with residents and other interested parties in relation to the scheme before any changes can be imposed, however maintaining core services and delivering the various emergency Covid-19 measures to support residents and businesses throughout this period has taken priority.
- 5.5 Consequently, no consultation has been undertaken for changes to the scheme for 2021/22.

## **6. Proposed Local Council Tax Support Scheme for 2021/22**

- 6.1 The following elements are already incorporated in the 2020/21 scheme for Castle Point:

- 1 As directed by central government, all pensioners are treated as protected, meaning that the financial impact of changes falls on working age households only.
- 2 The scheme is means tested, using many of the principles of the previous Council Tax Benefit scheme, which enables specific protections to be applied to vulnerable groups, households with children, and households with disabilities.
- 3 The scheme incentivises work by disregarding £25 per week of earned income.
- 4 Child Benefit is counted in full as income when calculating entitlement.
- 5 Claims for Local Council Tax Support cannot be back dated.
- 6 As far as possible the scheme allows for expected growth in demand and is easy to claim and administer.
- 7 Second Adult Rebate, previously available under Council Tax Benefit, is not part of the scheme for working age claimants.
- 8 The savings limit is £6,000, meaning that claimants with capital exceeding this value are not entitled to Local Council Tax Support.
- 9 Non-Dependant deductions, previously applicable under Council Tax Benefit, are not included in the scheme for working age claimants.
- 10 In conjunction with the Council's 'Local War Pensioner' scheme, income received in respect of War Pensions for disablement or bereavement is fully disregarded when calculating entitlement.
- 11 Support is capped at Council Tax band D and at 70% of Council Tax liability for working age claimants, meaning all working age Council Tax Payers are required to pay a minimum of 30% of their weekly council tax bill and those living in properties banded E to H will be assessed as though they are living in a Band D property.
- 12 Underlying Entitlement, previously awarded when an overpayment occurred under Council Tax Benefit, is not applicable in the scheme for work age claimants.
- 13 The Family Premium, previously awarded under Council Tax Benefit, no longer applies to new working age claims made from 1st April 2017 onwards.
- 14 The period for which a person can be absent from Great Britain and still receive Local Council Tax Support is limited to a maximum of 4 weeks (subject to specific exceptions).
- 15 The Severe Disability Premium, previously awarded under Council Tax Benefit, no longer applies where another person is paid Universal Credit (Carers Element) to look after them.

- 16 The Work-Related Activity Component is no longer included when calculating entitlement for new applicants who receive Employment and Support Allowance (ESA) and who fall within the Work-Related Activity Group.
  - 17 The number of Dependant Child Applicable Amounts used when calculating entitlement is limited to a maximum of two (subject to specific exceptions).
- 6.2 In light of uncertainty over the future impacts of Covid-19, it is recommended that the scheme should not be changed for 2021/22.

## **7. Corporate Implications**

### **a. Financial Implications**

#### Funding

- 7.1 The reduced tax yield arising directly from the council tax support scheme discount was originally compensated for by a government grant. With the exception of the Town Council, each precepting organisation received their equivalent grant directly and it was specifically identified within the overall finance settlement. An amount was paid over from this Council to the Town Council based on an estimate of the amount relating to them. From 2015/16 the grant has not been specified separately and the scale of reductions applied to Revenue Support Grant (RSG) means that local authorities are now required to fund this scheme entirely from their own resources.
- 7.2 The overall impact on the Council Tax Base for each financial year since introduction of the scheme is shown in the table below:

Year	Outturn £000s	Projected £000s
2013/14	5,798	
2014/15	5,282	
2015/16	4,874	
2016/17	4,804	
2017/18	4,686	
2018/19	4,666	
2019/20		4,659
2020/21		4,657

- 7.3 The number of discounts awarded under the local scheme has steadily reduced throughout the period since the scheme was launched in April 2013. Caseload will be influenced by changes in the local economy.

#### Collection

- 7.4 On introduction, the scheme resulted in a number of residents receiving full or partial Council Tax bills for the first time and, as expected, some residents have had difficulty in making payment. The Council has seen a reduction in the

overall council tax collection rate, and an increase in the number of payment arrangements which extend payment into subsequent financial years.

- 7.5 Financial implications over and above the target cost of the scheme, positive or negative, would be shared with the major precepting organisations.

#### Council Tax Reserve

- 7.6 The Council has preserved an amount of **£114k** in an earmarked reserve from scheme underspends in previous years.

#### **b. Legal Implications**

- 7.8 The Local Government Finance Act 1992 made provision for local authorities to implement a council tax reduction scheme based on financial need criteria. This legislation also placed responsibility on the billing authority before introducing or implementing changes to their scheme to undertake consultation on the various options enabling consultees to express meaningful views on the proposals. As no changes are proposed since the introduction of the 2019/20 scheme no consultation was required in respect of the 2020/21 scheme.

#### **c. Human resources/equality/human rights**

- 7.9 A stage 2 Equality Impact Assessment for the proposed 2021/22 scheme has been completed. A copy is attached at **Appendix B** of this report.

#### **d. Timescale for implementation and risk factors**

- 7.10 The 2021/22 Scheme needs to be finalised by 11th March 2021. The new scheme must be operational from 1<sup>st</sup> April 2021.

Key project milestones are as follows:

<b>Milestone</b>	<b>Timeframe</b>	<b>Purpose</b>
Grant published	Dec 19	
Cabinet Report	18.11.20	Proposed scheme to be recommended to Council
Report to Ordinary Council	25.11.20	Final scheme approval
2021/22 Scheme in place	31.03.21	Adoption and implementation
2021/22 Scheme in operation	01.04.21	Operation

### **8. Background Papers:**

**Appendix A** Impact of the Proposed 2021/22 Scheme

**Appendix B** Stage 2 Equality Impact Assessment

#### **Report Author:**

Eddie Mosuro – Head of Customer & Digital Services

**Impact of the Proposed 2021/22 LCTS Scheme**

Assuming an overall increase in 2021/22 of 4.00% for mainland properties and 4.00% for properties in Canvey Island Parish for next year's Council Tax, the impact of a **no change recommendation** for 2021/22 based on a tax payer receiving the highest rate of Local Council Tax Support (70%) and residing in a band D property on a full charge would be as follows:-

**Canvey Island Parish**

	<b>2020/21</b>	<b>2021/22</b>	
Property Band D liability	£1,877.85	£1,952.96	(4% estimated increase)
Maximum LCTS award (70%)	£1,314.49	£1,367.07	
Net Liability	£ 563.36*	£ 585.89	

The taxpayer would be required to pay at least £22.53 more in 2021/22, compared to the amount they were required to pay in 2020/21.

**Mainland**

	<b>2020/21</b>	<b>2021/22</b>	
Property Band D liability	£1,856.79	£1,931.06	(4% estimated increase)
Maximum LCTS award (70%)	£1,299.75	£1,351.74	
Net Liability	£ 557.04*	£ 579.32	

The taxpayer would be required to pay at least £22.28 more in 2021/22, compared to the amount they were required to pay in 2020/21.

This equates to an increase of 43p per week for customers receiving maximum Local Council Tax Support.

\* During 2020/21 working age customers who were awarded Local Council Tax Support also received an additional Covid-19 Hardship Fund award of up to £150, to offset some their Net Council Tax liability for the year 2020/21. This has not been netted against the figures shown and is not therefore reflected in the increases stated in the text. To date we have not been informed whether the Hardship Fund will continue in 2021/22.



## **Local Council Tax Support Scheme 2021-22**

### **Equality Impact Assessment (EqIA)**

**Nov 2020**

# Strategy and Policy EqIA

All strategies and policies must be initially screened for their positive and negative equality impacts.

This initial screening will determine whether or not it is necessary to carry out a full EqIA for the strategy or policy.

This template has been designed to help you initially screen your strategy or policy and, if necessary, undertake a full EqIA .

<b>Title of strategy or policy:</b>	Local Council Tax Support Scheme
<b>Person undertaking EqIA:</b>	Nick Bale
<b>Head of Service:</b>	Eddie Mosuro
<b>Department:</b>	Customer & Digital Services
<b>Date EqIA completed:</b>	26.10.20



# Strategy and policy overview

Strategy and policy overview	
What is the strategy or policy intending to achieve?	To fulfil the Local Authorities legal obligation under the Localism Act to provide a Localised Council Tax Support Scheme with effect from 1.4.21.
What are the summary aims and objectives of the strategy or policy?	<p>Since 1<sup>st</sup> April 2013, the Council has maintained a Local Council Tax Support (LCTS) scheme. This replaced the national Council Tax Benefit scheme, which ended on 31<sup>st</sup> March 2013. LCTS helps provide support to council taxpayers who have a low income. It supports the taxpayers by providing a reduction in the actual amount in Council Tax payable.</p> <p>The Council has the ability to determine the level of support given to working age applicants only. The scheme for pension age applicants is determined by Central Government and therefore the ability of the Council to vary that part of the scheme is limited and can only enhance the national scheme in any event.</p> <p>When LCTS was first introduced, Central Government provided a specified level of grant, which was approximately 10% lower than the amounts previously given (pre 1<sup>st</sup> April 2013). This has now been replaced by a general duty to provide a scheme and funding is not separately identified within the grants given to the Council.</p> <p>After the original consultation, the Council decided to introduce an LCTS scheme that differed from the original Council Tax</p>

	<p>Benefit in that instead of granting a maximum level of support of 100% it would limit the maximum support to 70%.</p> <p><b>Changes since 2013</b>          Since the introduction of LCTS, the overall scheme adopted by the Council has remained broadly the same, with only applicable amounts for Pension Age and Working Age people being up-rated annually in line with Central Government.</p> <p>Some technical changes were introduced in 2017/18 to mirror changes being made within Housing Benefit legislation.</p> <p>Income from Universal Credit is treated in line with non-passported claims and attracts the same disregards, applicable amounts, and premiums detailed below.</p> <p><b>The Proposed Scheme for 2021/22</b>          The Council is minded not to make changes to the working age scheme for 2021/22.</p> <p>The scheme benefits those on low incomes by providing them with support to pay their Council Tax. In particular it provides full protection to Pensioners (as prescribed within the requirements of the Localism Act) and includes locally determined protections for vulnerable groups and incentives to encourage people into work.</p> <p>This Policy supports the Council's corporate priority of being 'A Commercial and Democratically Accountable Council' by ensuring the Council is 'fit for purpose by meeting national and local requirements to agreed timescales and to optimum performance standards' and 'ensuring the organisation has the</p>
Who will benefit from implementing the strategy or policy?	
What are the links to the Council's corporate priorities?	

What are the links to other Council strategies and policies?	right capacity and resources in place for effective customer focussed services whilst ensuring a balanced budget for 2021/22 and future years'.  Corporate Debt Recovery Policy Exceptional Hardship Policy Homelessness Strategy Action Plan Vulnerability Policy
What are the links to other community strategies and policies?	National Child Poverty Strategy: <a href="https://www.gov.uk/government/publications/a-new-approach-to-child-poverty-tackling-the-causes-of-disadvantage-and-transforming-families-lives">https://www.gov.uk/government/publications/a-new-approach-to-child-poverty-tackling-the-causes-of-disadvantage-and-transforming-families-lives</a>

## Equality Act 2010

The Equality Act 2010 introduces 2 specific statutory duties on public bodies such as local authorities:

- **Socio-economic duty:**
  - Have due regard when making strategic decisions to the need to reduce inequalities of outcome which result from socio-economic disadvantage
- **Single (integrated) equality duty:**
  - Eliminate discrimination, harassment and victimisation or any other conduct prohibited by the Act
  - Advance equality of opportunity between persons who share a “protected characteristic” and those who do not
  - Foster good relations between people who share a “protected characteristic” and those who do not

The Equality Act 2010 brings together all of the different equality strands and refers to them as “**protected characteristics**”:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

## Initial screening

This initial screening template will determine whether or not the strategy or policy requires a full EqlA  
If any of the answers to the 6 screening questions is “yes”, then a full EqlA will be required.

Initial screening		
Does the strategy or policy aim to reduce inequalities of outcome which result from socio-economic disadvantage?	<b>Yes / No</b>	The Policy fundamentally aims to provide financial assistance in meeting Council Tax costs for those disadvantaged by socio-economic factors.
Does the strategy or policy aim to eliminate discrimination, harassment and victimisation?	<b>Yes / No</b>	The scheme is prescribed for pension age people, however the scheme for working age people is less prescribed. Guidance has been given on treatment of vulnerable groups and work incentives. The design of the working age scheme has sought to eliminate discrimination.

## Appendix B

Does the strategy or policy aim to advance equality of opportunity?	<b>Yes / <del>No</del></b>	The Policy fundamentally aims to provide support with Council Tax for those who are socio-economically disadvantaged whilst also encouraging people into work. It has been recognised that in this regard opportunities for some groups may not be equal and therefore the Policy has been designed to provide protection for those groups where advancement of equal opportunity would be restricted.
Does the strategy or policy aim to foster good community relations?	<del>Yes</del> / <b>No</b>	No evidence available – not applicable.
Does the strategy or policy have the potential to make a negative contribution to equality?	<b>Yes / <del>No</del></b>	The scheme may fundamentally make a negative contribution to equality for certain groups – children, families, lone parents etc.
Does the strategy or policy make a positive contribution to equality?	<b>Yes / <del>No</del></b>	Pension age people are specifically protected under Government Regulations.
Initial screening outcome	<b>Full EqIA is required</b>	Initial screening outcome

# Full assessment

Information gathering	
What quantitative and qualitative information is there?	<p>Appendix A from the November 2020 Cabinet Report details the relative financial impact that the proposed scheme will have on Canvey Island Parish Council and non-Parish residents:</p> <p>This is based on the assumption that:</p> <ul style="list-style-type: none"> <li>• Council Tax will increase by 4%,</li> <li>• The property is Band D,</li> <li>• A full charge applies,</li> <li>• The customer is entitled to the maximum LCTS award (70%),</li> <li>• No changes are made to the scheme for 2021/22.</li> </ul>
What additional information is required?	No further information is required.
What are the outcomes of any internal and/or external consultation with stakeholders?	As no changes are proposed for 2021/22 no formal consultation was required.
What further consultation is required?	Not applicable.

<p>What examples are there of existing good practice?</p>	<p>Some elements of the current working age scheme (i.e. Band restriction, % liability reduction, removal of Second Adult Rebate) have been agreed as part of the overarching Pan Essex scheme.</p> <p>Other current scheme elements have been designed to meet specific needs within Castle Point.</p> <p>All of the technical changes, previously introduced in 2017/18, mirror changes which have been introduced as part of Central Governments wider Welfare Reforms.</p> <p>Guidance from DCLG outlining good practice with regards to treatment of vulnerable groups (published May 2012) and incentives to work (published May 2012) were previously used to inform the scheme design;</p> <p><a href="http://www.communities.gov.uk/publications/localgovernment/lscvulnerablepeople">http://www.communities.gov.uk/publications/localgovernment/lscvulnerablepeople</a></p> <p><a href="http://www.communities.gov.uk/publications/localgovernment/lscworkincentives">http://www.communities.gov.uk/publications/localgovernment/lscworkincentives</a></p> <p>The Local Government Finance Bill: Localizing Support for Council Tax – Updated Impact Assessment (published Aug 2011) also informed the scheme design;</p> <p><a href="http://www.communities.gov.uk/publications/localgovernment/lgfblocalisingcounciltax">http://www.communities.gov.uk/publications/localgovernment/lgfblocalisingcounciltax</a></p> <p>Each Local Authority is required to adopt their 2020/21 scheme by 11<sup>th</sup> March 2021.</p>
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Making a judgement	
How will the strategy or policy eliminate discrimination, harassment and victimisation?	<p>Higher Rate Disability Benefits will continue to be disregarded thereby protecting those with specific long term conditions.</p> <p>People with disabilities will continue to receive additional premiums as part of the calculation of their award and also may receive additional financial support through the Exceptional Hardship Fund.</p> <p>Without these elements the policy could potentially be discriminatory to those who fall within the 'disability' characteristic group.</p> <p>No other impacts on protected groups have been identified.</p>
How will the strategy or policy advance equality of opportunity?	<p>The Policy is compliant with prescribed Regulations that protect Pension Age people. This advances equality of opportunity for those who fall within the 'age' characteristic group (specifically those of Pension age) who would otherwise be disadvantaged by the schemes fundamental incentives to work.</p> <p>Parents will continue to receive a Dependant's Applicable Amount (limited to a maximum of two children in line with other Welfare Reforms) and working parents will continue to receive an earnings disregard, as part of the calculation of their award.</p> <p>Higher Rate Disability Benefits will continue to be disregarded thereby protecting those with specific long term conditions.</p>



## Appendix B

	<p>People with disabilities will continue to receive additional premiums as part of the calculation of their award and may also receive additional financial support through the Exceptional Hardship Fund.</p> <p>This advances equality of opportunity for those who fall within the 'disability' characteristic group who would otherwise be disadvantaged and may have less opportunity to improve their financial circumstances through work.</p> <p>No other impacts on protected groups have been identified.</p>
How will the strategy or policy foster good community relations?	No impacts on protected groups identified – not applicable.
<p>Does the strategy or policy have the potential to make a negative contribution to equality?</p> <p>If so, which groups with “protected characteristics” will be affected and what are the reasons?</p>	<p>Working Age people aged over 18 will be required to pay more than those of Pension Age.</p> <p>People with disabilities who are below pensionable age will need to pay more than those above pension age. This is due to the Prescribed Regulations which automatically protect people of Pension Age.</p> <p>The locally funded nature of the scheme that applies to those of working age, compared to the Prescribed Regulations that apply to those of pension age, mean it is not financially viable to completely protect all protected characteristic groups from the full effects of this scheme.</p>
What can be done to address any contribution to inequality caused by the strategy or policy?	<p>Working Age people aged over 18 will be required to pay more:</p> <p>The Council actively supports customers with information and advice on income maximisation, financial capability, and debt</p>

## Appendix B

	<p>management. The Flat Rate earnings disregard has been maintained in the scheme design to incentivise work.</p> <p>People with disabilities who are below pensionable age will need to pay more:</p> <p>Higher Rate Disability Benefits will continue to be disregarded thereby protecting those with specific long term conditions.</p> <p>A discretionary Exceptional Hardship Fund is available to provide additional financial assistance to those who are particularly vulnerable and suffering exceptional financial hardship.</p>
What can be done to assist understanding of the strategy or policy?	<p>Details of the scheme will be publicised on the council website <a href="http://www.castlepoint.gov.uk">www.castlepoint.gov.uk</a> , and will be provided in hard copy and alternative formats (i.e. Braille, Large Print, Audio) on request.</p> <p>An on-line 'Calculator' is available to assist those who want to find out if they would be entitled to LCTS.</p> <p>First Contact customer service staff are available to explain the scheme to any individuals or organisations who require assistance.</p> <p>Partners, national bodies, and local advice and support agencies are notified of the scheme adopted each year.</p>

## Appendix B

Action plan					
Equality objective	Action(s)	Lead responsibility	Resources	Timescale(s)	Outcome(s)
Assist understanding of the Policy	Refresh website information once 2021/22 Scheme is formally adopted.	First Contact Manager	Staff time	Jan '21 – Mar '21	All affected groups fully aware of the Policy and how it will affect them.
Assist understanding of the Policy	Notify Peabody, CAB, and local advice and support groups of the Policy.	Benefit & Compliance Manager	Staff time	Jan '21 - Mar '21	All local advice and support groups fully aware of the policy and how it will affect their customers.
Advancing equality of opportunity	Proactively identify suitable cases for Exceptional Hardship awards using internal knowledge of debts identified in 2020/21.	Revenues Manager	Staff time, provision of discretionary funding pot	Apr '21 – Mar '22	Reduce impact of the scheme on those suffering exceptional financial hardship.
Advancing equality of opportunity	Maintain a range of support services and referral arrangements to provide effective assistance with financial capability, budgeting, and/or debt management advice.	Head of Customer & Digital Services	Staff time, funding for support services	Apr '21 – Mar '22	Customers adequately supported and equipped with skills to manage financial impact.

**ORDINARY COUNCIL**

**25th November 2020**

**Subject: Financial Results and Statement of Accounts for 2019/20**

**Cabinet Member: Councillor Varker – Resources**

**Note for Members:** Questions on the Statement of Accounts are invited in advance of the meeting in order to ensure that replies are available at the meeting. Please submit questions to Chris Mills – Strategic Director (Resources).

**1 Purpose of Report**

- 1.1 This report submits the financial results and audited Statement of Accounts for 2019/20, for approval by Council.
- 1.2 The Statement of Accounts is supported by separate annexes intended to aid interpretation.

**2 Links to Council's priorities and objectives**

- 2.1 This report is linked to the Council's priority of A Commercial and Democratically Accountable Council. Sound and strategic financial management is essential in order to ensure that resources are available to support the Council's priorities and maintain or improve services.

**3 Recommendations**

- 3.1 That following scrutiny:
  - 1. The financial results for 2019/20 and explanations of budget variances and significant items are noted.
  - 2. To delegate authority to the Council's Section 151 Officer (Chris Mills - Strategic Director (Resources)) to approve and publish the Statement of Accounts for 2019/20 as soon as reasonably practicable after receipt of the Auditors final findings.

**Resolution required.**

**4 Background**

- 4.1 The Council has a duty to approve and publish an Annual Statement of Accounts within statutory timescales. The regulations, which allow more time than in previous years due to COVID-19, require that:

**31<sup>st</sup> August** The un-audited Statement of Accounts is signed by the Council's responsible financial officer to certify that the

accounts give a true and fair view of the Council's financial position and financial performance and are published.

**30<sup>th</sup> November** Subsequent to the independent audit by the Council's external auditors, the accounts are re-certified by the responsible financial officer, approved by Council Members (by way of resolution at a meeting) and subsequently published.

- 4.2 The Statement of Accounts must be prepared in accordance with International Financial Reporting Standards (IFRS) and proper accounting requirements, as set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and the associated Guidance notes for Practitioners, both published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

## **5 Public inspection, audit and publication of the Statement of Accounts**

- 5.1 The Council's external auditors, Ernst and Young, undertook their audit of the Statement of Accounts during the period August to November 2020. There were also rights of public inspection of the accounts and relevant supporting documents during the period 17 August to 28 September 2020. Draft unaudited accounts were published on the Council's website prior to the start of the inspection period. Subsequent to formal approval at this meeting, the final audited Statement of Accounts will be published on the Council's website.
- 5.2 At the time of preparing this report the external audit was still in progress. An update on the outcome of the audit will be made at the Council meeting.

## **6 Scrutiny of the Statement of Accounts**

- 6.1 The Statement of Accounts is an important document and is subject to a robust process of scrutiny prior to approval. It is recognised that the accounts and supporting notes are complex and therefore to assist Council Members in fulfilling the process of scrutiny, Officers have produced the following additional guidance:
- **Annexe A** - A summary of 2019/20 financial results for the Council's three main funds: the General Fund, the Housing Revenue Account and the Capital Programme, including details of unspent budgets carried forward to 2020/21 and comments on budget variances. The Annexe is split into 5 separate sections.
  - **Annexe B** - Supporting information for the benefit of Members including an analysis of figures and disclosures presented in the accounts. It is recommended that this annexe is considered alongside the full Statement of Accounts to aid interpretation.
- 6.2 The actual Statement of Accounts 2019/20 is the final annexe of this report.
- 6.3 A separate report already presented to Audit Committee in November 2020, and also to be subsequently presented to Cabinet in November 2020, summarises the Council's Treasury Management activity for 2019/20.

## **7 Corporate Implications**

### **a) Legal implications**

As set out in sections 4 and 5 above. The Council's Constitution and Financial Procedure Rules require approval of the Statement of Accounts by Council.

### **b) Financial implications**

The financial implications are set out throughout the report.

### **c) Human resource and equality implications**

No new implications.

### **d) Timescale for implementation and risk factors**

Following the Statement of Accounts receiving approval from Council, they will be published on the Council's website no later than 30<sup>th</sup> November 2020.

**Report Author: Lance Wosko, Financial Services Manager**

### **Background Papers:**

CIPFA: Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and associated Guidance Notes.

## **2019/20 Summary Financial Results**

### **1 Overview**

1.1 Annexe A provides a summary of the 2019/20 financial results for the Council's three main funds: the General Fund, the Housing Revenue Account and the Capital Programme.

1.2 The annexe has the following sections:

**Section 1** A summary of the year end position for each main Fund.

**Section 2** A summary of budgets approved by the Strategic Director (Resources) for carry forward into the 2020/21 financial year or transfer into earmarked reserves.

**Section 3** Variances on the General Fund in excess of **£10k**, including comments on the variances.

**Section 4** Variances on the Housing Revenue Account in excess of **£10k**, including comments on the variances.

**Section 5** Variances on the Capital Expenditure programme in excess of **£10k**, including comments on the variances.

### **2 General Fund Revenue Account (GF)**

2.1 The General Fund Revenue Account is the account that is charged with expenditure incurred on delivering the Council's services except those relating to the Housing Revenue Account (as described below), and credited with income generated through those services. The net of this expenditure and income is funded by grants and contributions from central government, council tax collected from residents and business rates from organisations in the borough.

2.2 The year end position on the General Fund after unspent budgets approved to be carried forward was an underspend of **£238k** compared to the revised budget for the year. The balance on the main General Fund reserve at 31 March 2020 was **£5.523m**. Any allocation of reserves above the recommended minimum level of **£2m** must be considered in the context of the Financial Planning Strategy and Medium Term Financial Forecast as well as consider the likely lasting impact of COVID-19.

2.3 Annexe A Section 3 shows General Fund variances in excess of plus or minus **£10k** after approval of budgets transferred into earmarked reserves or carried forward into the 2020/21 financial year, including comments on the variances.

### **3 Housing Revenue Account (HRA)**

3.1 The Housing Revenue Account records the income and expenditure relating to the Council's stock of dwellings and garages. Income received from tenants of these

properties is receipted into the HRA. The Council is required to maintain the HRA as a separate account, distinct from the General Fund.

- 3.2 The final year end position on the HRA after unspent budgets approved to be carried forward was an underspend of **£12k** compared to the revised budget for the year. The balance on the main HRA reserve at 31 March 2020 was **£3.122m**. Any allocation of reserves above the recommended minimum level of **£533k** must be considered in the context of the long term HRA business plan.
- 3.3 Annexe A Section 4 shows HRA variances in excess of plus or minus **£10k** after approval of budgets carried forward into the 2020/21 financial year, including comments on the variances.

## 4 Capital Programme

- 4.1 The Capital Programme records the acquisition or enhancement of non-current (long term) assets, which are assets with a usable life of greater than 1 year, such as property, land, vehicles and equipment. The programme covers non-current assets relating to both the General Fund and Housing Revenue Account.
- 4.2 The year end position on the Capital Programme after unspent budgets approved to be carried forward was an underspend of **£19k** on General Fund capital expenditure. HRA capital expenditure was an underspend of **£573k**.
- 4.3 Annexe A Section 5 shows variances in excess of plus or minus **£10k** after approval of budgets carried forward into the 2019/20 financial year, including comments on the variances.



**Summary financial results statement 2019/20**

<b>General Fund (GF) revenue expenditure</b>	<b>£</b>	
Actual net expenditure	(1,105,545)	
Budget carried forward to 2020/21 (Annexe A section 2)	178,200	
Budget transferred to earmarked reserves (Annexe A section 2)	245,600	
Other transfers to / (from) earmarked reserves	197,400	
<b>Net total</b>	<b>(484,345)</b>	
Net revised budget	(245,954)	
<b>Final variance</b>	<b>(238,391)</b>	Underspend
Variance as a percentage of the gross expenditure and gross income budgets (£111.0m).	-0.22%	
See annexe A section 3 for an explanation of the General Fund variances.		

<b>Housing Revenue Account (HRA) expenditure</b>	<b>£</b>	
Actual net expenditure	(406,001)	
Budget carried forward to 2020/21 (Annexe A section 2)	129,400	
Other transfers to / (from) earmarked reserves	778,000	
<b>Net total</b>	<b>501,399</b>	
Net revised budget	513,300	
<b>Final variance</b>	<b>(11,901)</b>	Underspend
Variance as a percentage of the gross expenditure and gross income budgets (£15.1m).	-0.08%	
See annexe A section 4 for an explanation of the HRA variances.		

<b>Capital Expenditure Programme - GF</b>	<b>£</b>	
Actual gross expenditure	14,326,353	
Budget carried forward to 2020/21 (Annexe A section 2)	562,200	
<b>Gross total</b>	<b>14,888,553</b>	
Gross revised budget	14,907,900	
<b>Final variance</b>	<b>(19,347)</b>	Underspend
Variance as a percentage of the GF Capital Programme budget	-0.13%	
See annexe A section 5 for an explanation of the General Fund capital variances.		

<b>Capital Expenditure Programme - HRA</b>	<b>£</b>	
Actual gross expenditure	2,421,223	
Budget carried forward to 2020/21 (Annexe A section 2)	796,400	
<b>Gross total</b>	<b>3,217,623</b>	
Gross revised budget	3,790,700	
<b>Final variance</b>	<b>(573,077)</b>	Underspend
Variance as a percentage of the HRA Capital Programme budget.	-15.12%	
See annexe A section 5 for an explanation of the HRA capital variances.		

**Budgets carried forward to 2020/21**

In accordance with the Council's Financial Regulations, the following budgets have been approved by the Strategic Director (Resources) for carry forward into 2020/21 or transfer into earmarked reserves.

<b>General Fund</b>		<b>£</b>
<b>Central and Corporate Services</b>		
1	Corporate Costs	87,200
		<u>87,200</u>
<b>Communities and Housing</b>		
2	Revenue Services and Benefits	37,600
3	Partnerships and Community Engagement	15,900
		<u>53,500</u>
<b>Environment</b>		
4	Street Scene and Operational Services	61,700
5	Refuse and Recycling Collection	1,500
6	Parks and Open Spaces	66,500
7	Leisure Centres, Golf Course and Halls	54,500
		<u>184,200</u>
<b>Governance, Law, Planning and Regeneration</b>		
8	Planning and Regeneration	42,800
9	Civic Governance and Elections	6,000
		<u>48,800</u>
<b>Resources</b>		
10	Information Technology Unit	10,700
11	Facilities Management	(1,600)
12	Human Resources	1,700
		<u>10,800</u>
<b>Other Operating Income and Expenditure</b>		
13	Other Operating Income and Expenditure	39,300
		<u>39,300</u>
<b>Total</b>		
<b>General Fund total:</b>		<u><b>423,800</b></u>
Of the above total £52,100 (12.3%) relates to unspent external grant funding.		

<b>Housing Revenue Account</b>	<b>£</b>
<b>Other Operating Income and Expenditure</b>	
1 Capital and Other Adjustments	129,400
	<u>129,400</u>
<b>Total</b>	
<b>Housing Revenue Account total:</b>	<b><u>129,400</u></b>

<b>Capital Programme</b>	<b>£</b>
<b>GENERAL FUND</b>	
<b>Environment</b>	
1 Vehicle replacement programme	208,500
<b>Governance, Law, Planning and Regeneration</b>	
2 The Crown	147,300
3 Seafront Regeneration	65,000
<b>Communities and Housing</b>	
4 Hatley Gardens	141,400
<b>General Fund total:</b>	<b><u>562,200</u></b>
<b>HOUSING REVENUE ACCOUNT (HRA)</b>	
5 Church Close	510,900
6 Windsor Gardens	111,300
7 Total annual programmes for replacement and repair	174,200
<b>HRA total:</b>	<b><u>796,400</u></b>
<b>Total</b>	
<b>Overall Capital Programme total:</b>	<b><u>1,358,600</u></b>

General Fund			
Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2020/21, or transferred into earmarked reserves.			
		Variance Over/(under) £	Commentary
<b>Communities and Housing</b>			
1	Homelessness & Housing Advice	247,118	This overspend is predominately due to a larger than expected contribution to the bad debt provision ( <b>£208k</b> ). A full review of outstanding debt has been completed and identified rent which has been invoiced for where there is now no prospect of collection, and subsequently this is expected to become bad debt. The remainder of the overspend is due to staffing.
2	Land Charges	(17,062)	Income from charges was <b>£10k</b> (9%) higher than budgeted. Costs of highways searches was <b>£5k</b> lower than budget and <b>£3k</b> for system upgrades was not required.
3	Partnerships, Licensing and Community Engagement	(50,379)	Income from fees and charges in Licensing was <b>£34k</b> (20%) higher than budgeted and staffing within the Licensing team was under spent by <b>£21k</b> .
<b>Environment</b>			
4	Street Scene and Operational Services	(27,893)	The underspend is predominately within staffing ( <b>£21k</b> ), with a further <b>£6k</b> underspend on maintenance and utility costs for public conveniences.
5	Refuse and Recycling Collection	34,655	The overspend within refuse and recycling is due to staffing costs being <b>£62k</b> higher than budget which is wholly due to greater than expected use of agency staff during the year. These costs are offset by underspends on transport costs ( <b>£17k</b> ) and bin/bag purchases ( <b>£12k</b> ).
6	Parks and Open Spaces	24,017	The overspend is predominately due to rental income on foreshore not being received ( <b>£17k</b> ) due to negotiations taking place during the year. The remainder of the overspend is due to higher than expected repairs and maintenance costs of <b>£6k</b> ,
7	Leisure Centres, Golf Course and Halls	(27,955)	There are a number of factors leading to the underspend. Within Halls, income is short of budget by <b>£48k</b> (25%), with underspends on repairs and maintenance ( <b>£21k</b> ), security ( <b>£7k</b> ) and other operational running costs ( <b>£15k</b> ) reducing the overspend within halls to <b>£5k</b> . Within Leisure services, income is <b>£10k</b> higher than budgeted (mostly due to use of the furlough scheme), whilst there are also underspends on staffing ( <b>£14k</b> ) and IT related purchases ( <b>£8k</b> ).

General Fund (continued)		
Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2020/21, or transferred into earmarked reserves.		
	Variance Over/(under) £	Commentary
<b>Governance, Law, Planning and Regeneration</b>		
8 Planning Services and Regeneration	(63,019)	This underspend is due to Knightswick, with an equal and offsetting adjustment within the other operating income and expenditure line relating to interest payable, meaning that Knightswick overall has no variance.
9 Democratic Services and Elections	(36,660)	Whilst there is a <b>£10k</b> overspend on staffing, there are offsetting underspends on legal fees <b>£24k</b> and printing and postage within registration of electors ( <b>£12k</b> ), as well as legal fee income being <b>£10k</b> higher than budgeted.
<b>Resources</b>		
10 Information Technology Unit	(59,084)	Reduced costs around licences and maintenance for some systems, underspends have been swept into the IT Reserve for future years. Purchase of a server capitalised at year end.
11 Facilities Management	(23,259)	Of the total underspend, <b>£16k</b> relates to staffing. The remainder is due to a variety of small variances
12 Audit and Investigations Unit	(14,999)	Due to the original internal audit plan not being fully completed, the charge from Southend is lower than budgeted.
<b>Other Operating Income and Expenditure</b>		
13 Other Operating Income and Expenditure	(393,285)	Receipts relating to NNDR and Council Tax were <b>£153k</b> higher than budgeted, whilst there is also grant funding ( <b>£143k</b> ) and net interest receivable ( <b>£33k</b> ) which are higher than budgeted. In addition to these, provisions totalling <b>£69k</b> for repairs and maintenance and recycling have not been required.
Net total of all other variances	169,414	
Net General Fund over / (under) spend	<u><u>(238,390)</u></u>	

**Housing Revenue Account**

Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2020/21.

		<b>Variance Over/(under) £</b>	<b>Commentary</b>
<b>Income</b>			
1	Rents	(14,568)	Small variance impacted by lower than anticipated voids over the year as well as timing and type of right to buy sales
2	Charges for Services and Facilities	(32,083)	There was an increase in the amount recoverable from Leaseholders for the management and maintenance of properties (£19k) and as a result of increased recovery activity the recharging of court costs (£11k), combined with small increase in other charges due to reduction in voids.
<b>Expenditure</b>			
3	Supervision and Management	(100,629)	Security arrangements for a Council building cost less than anticipated (£14k), whilst Direct Employee costs were under budget (£111k) this was offset by increased Investment in IT (£15k) and a variety of smaller variance such as contract management costs (£5k), Transfer Incentive Scheme payments (£3k) and Recruitment costs (£3k)
4	Repairs and Maintenance	91,078	Works to Void properties were higher than anticipated (£54k) and reactive maintenance work was above budget (£116k), but this is offset by an increase in insurance income (£51k), the budgeted housing condition survey not being undertaken (£20k) and small underspends on Planned and Cyclical maintenance (£10k)
5	Other Service Expenditure	80,064	There was an increase required in the provision for Bad Debts (£15k), there was also an increase in Rents, Rates and Taxes expenditure due to increased utility costs and council tax charges (£67k)
<b>Other Operating Income and Expenditure</b>			
6	Capital items and other adjustments	(35,762)	Increased interest received on HRA balances above budgeted levels and reduced requirement for revenue contribution to capital expenditure, partly offset by asset valuation adjustments.
Net total of all other variances		0	
<b>Net HRA over / (under) spend</b>		<u><u>(11,901)</u></u>	

Capital Expenditure Programme		
Comments on variances in excess of £10,000 between actual expenditure and revised budget after approval of budgets carried forward into 2020/21.		
	Variance Over/(under) £	Commentary
<b>General Fund</b>		
<b>Central and Corporate Services</b>		
1 ICT Intangibles	89,912	£80k relates to the installation costs of the CivicaPay system. These costs were offset by a draw from the IT Reserve.
<b>Environment</b>		
1 Disabled Facilities Grants	(52,951)	Less grants than anticipated were completed in year, the COVID19 lockdown impacted on this. Government funding for these will be carried forward to meet costs in future years.
<b>Cultural Services</b>		
1 Tewkes Creek Demolition	27,300	The costs the demolition of the Sea Scout jetty at Tewkes Creek.
<b>Planning Services</b>		
1 Knightswick Shopping Centre purchase	(76,097)	Professional fees relating to the purchase of the centre were less than estimated.
<b>Housing Revenue Account</b>		
<b>New developments and annual programmes for replacement and repair</b>		
1 Kitchen Improvements	(244,781)	Capacity issue with contractor which led to delays. Programme requirements will be delivered in 20/21 within budget provision.
2 Doors	(38,381)	Lower number of doors required than anticipated.
3 Bathroom Improvements	(200,565)	Capacity issue with contractor which led to delays. Programme requirements will be delivered in 20/21 within budget provision.
4 Unallocated Provision	(50,000)	Unplanned works not required.
5 Central Heating	(11,314)	Contract included provision for boiler breakdowns, general underspend based on demand.
6 Window Replacement	(11,785)	Delayed commencement of contract, completion of programme can be achieved within in 20/21 budgets.
<b>Total of all other variances</b>		
	(23,762)	There were a number of other smaller variances on HRA repairs where works were delayed or came in under budget.
<b>Capital Programme over / (under) spend</b>	<b>(592,424)</b>	

## Supporting information for the benefit of Members

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### Introduction and overview

The Statement of Accounts has been prepared in accordance with proper accounting practices. These practices primarily comprise The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, based on International Financial Reporting Standards (IFRS) (“the Code”), and the associated Guidance Notes for Practitioners, both published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

These accounting practices are not optional and are intended to ensure that similar transactions are treated in the same manner within the accounts of all organisations.

The Statement of Accounts is a lengthy and extremely detailed document; therefore the purpose of this document is to:

- Provide answers to potential items of interest arising from the accounts;
- Present information in a less technical way to aid understanding; and
- Explain the purpose of each of the key financial statements.

It is intended that this document be referred to alongside the full Statement of Accounts, which includes supporting notes required by the code as well as the Summary of Significant Accounting Policies, on pages 32 to 48 of the Statement of Accounts. These policies set out the accounting treatments which have been adopted by the Council in producing the Statement of Accounts. The Narrative Report that opens the main Statement of Accounts document also provides further supporting information to assist users of the accounts.

### Changes of significance shown within the Statement of Accounts

For the 2019/20 accounts there are no changes of significance to note.

### Key financial statements

There are 4 core financial statements and 3 supplementary financial statements included within the full Statement of Accounts.

#### Core financial statements:

- Comprehensive Income and Expenditure Statement (CI&ES) – pages 22 and 23;
- Movement in Reserves Statement (MIRS) – pages 24 and 25;
- Balance Sheet – pages 26 and 27, and the
- Cash Flow Statement – pages 28 and 29.

#### Supplementary financial statements:

- Housing Revenue Account (HRA) Income and Expenditure Statement – page 95;
- Movement on the Housing Revenue Account (HRA) Statement – page 96, and
- Collection Fund Income and Expenditure Account – pages 99 and 100.

The statements are supported by a series of notes as prescribed by the Code and these notes are indexed on the face of each core and supplementary financial statement as appropriate.



**Comprehensive Income and Expenditure Statement (CI&ES) - Pages 22 and 23**

This statement reports the net cost for the year of the revenue functions for which the Council is responsible and shows how that cost has been financed from general government grants, Council Tax and Non-domestic rates.

For all of the Council's revenue services, on both the General Fund and the Housing Revenue Account, the surplus or deficit for the financial year represents the degree to which income is greater or less than expenditure. The total surplus or deficit amount includes accounting entries such as:

- those representing the use of Non-current assets (land and property) in the provision of services;
- revaluation and impairment losses and adjustments of those assets, and
- the projected value of retirement benefits earned by employees in the year.

These entries are required in order to comply with the Code, and to represent the financial results for the year on an accounting basis. However, as these items do not form part of the charge made to local taxpayers and rent payers, they are removed for the purposes of calculating Council Tax. These reversals, along with other statutory entries are reported through the "Adjustments between accounting basis and funding basis under regulations" line on the Movement in Reserves Statement. They are also analysed in full in note 11 to the Core Financial Statements, on pages 61 to 62 of the Statement of Accounts.

The tables on the following pages of this annexe provides an analysis of high-level summary movements between 2018/19 and 2019/20 on the amounts reported on the CI&ES. A summary of variances against revised budgets for 2019/20 with explanations can be found in Annexe A.

Members are advised that the changes mentioned below relating to capital accounting entries and pension costs generally have no impact on the charge made to Council Taxpayers for the General Fund and to Housing Rents for the Housing Revenue Account.

<b>Environment:</b>	£000s
This includes Refuse and Recycling, Open Spaces, Leisure Centres, Halls, Car Parks, Street Scene and Environmental Health.	
• Changes in staffing costs, including agency and pension costs	77
• Changes in premises and land costs, including utilities and repairs / maintenance	292
• Changes in travel and transport costs	(52)
• Changes in supplies, services, equipment and similar costs	98
• Changes in computer and ICT related costs	(47)
• Changes in contracts and other external payments	192
• Changes in grants and donations to voluntary and other organisations	12
• Changes in grounds maintenance and street cleansing contract costs	68
• Changes in capital related costs	50
• Changes in income from fees and charges, rents, etc.	(108)
• Changes in grants and contributions and other income received	(56)
• Net total of all other changes in income and expenditure	10
<b>Total net increase/(decrease) from 2018/19 to 2019/20</b>	<b>536</b>

<b>Governance, Law, Planning and Regeneration</b>	£000s
This includes Building Control, Development Control, Planning Policy, Regeneration, Civic Governance, Elections and Law.	
• Changes in staffing costs, including agency and pension costs	79
• Changes in premises and land costs, including utilities and repairs / maintenance	7
• Changes in travel and transport costs	0
• Changes in supplies, services, equipment and similar costs	3
• Changes in computer and ICT related costs	(43)
• Changes in contracts and other external payments	(176)
• Changes in grants and donations to voluntary and other organisations	0
• Changes in election expenses	182
• Changes in bad debt provisions	27
• Changes in capital related costs	870
• Changes in income from fees and charges, rents, etc	(439)
• Changes in grants and contributions and other income received	(195)
• Net total of all other changes in income and expenditure	(10)
<b>Total net increase/(decrease) from 2018/19 to 2019/20</b>	<b>305</b>

<b>Housing and Communities – General Fund:</b>		£000s
This includes Homelessness and Housing Advice, Revenues, Benefits, First Contact, Land Charges, Partnerships and Licencing.		
• Changes in staffing costs, including agency and pension costs		166
• Changes in premises and land costs, including utilities and repairs / maintenance		(6)
• Changes in travel and transport costs		(3)
• Changes in supplies, services, equipment and similar costs		(66)
• Changes in computer and ICT related costs		4
• Changes in contracts and other external payments		(27)
• Changes in grants and donations to voluntary and other organisations		7
• Changes in net homelessness costs		372
• Changes in net housing benefits expenditure and subsidy		(185)
• Changes in bad debt provisions		205
• Changes in capital related costs		37
• Changes in income from fees and charges, rents, etc		(55)
• Changes in grants and contributions and other income received		73
• Net total of all other changes in income and expenditure		63
<b>Total net increase/(decrease) from 2018/19 to 2019/20</b>		<b>585</b>

<b>Housing and Communities – Housing Revenue Account (HRA):</b>		£000s
This includes all costs and income relating to the Council's housing stock.		
• Changes in staffing costs, including agency and pension costs		151
• Changes in premises and land costs, including utilities and repairs / maintenance		119
• Changes in travel and transport costs		2
• Changes in supplies, services, equipment and similar costs		3
• Changes in computer and ICT related costs		(24)
• Changes in contracts and other external payments		109
• Changes in bad debt provisions		92
• Changes in capital related costs		126
• Changes in income from fees and charges, rents, etc		(189)
• Changes in grants and contributions and other income received		(1)
• Net total of all other changes in income and expenditure		7
<b>Total net increase/(decrease) from 2018/19 to 2019/20</b>		<b>395</b>

See pages 22 to 23 of this annexe for further commentary on the HRA.

<b>Resources:</b>	£000s
This includes Facilities Management, Financial Services, Human Resources, Internal Audit and Information & Communication Technology, as well as the cost of some Council assets such as the main Council Offices.	
• Changes in staffing costs, including agency and pension costs	96
• Changes in premises and land costs, including utilities and repairs / maintenance	70
• Changes in travel and transport costs	(1)
• Changes in supplies, services, equipment and similar costs	2
• Changes in computer and ICT related costs	229
• Changes in contracts and other external payments	(18)
• Changes in capital related costs	152
• Changes in income from fees and charges, rents, etc	(2)
• Changes in grants and contributions and other income received	(3)
• Net total of all other changes in income and expenditure	3
<b>Total net increase/(decrease) from 2018/19 to 2019/20</b>	<b>528</b>

<b>Central and Corporate Services:</b>	£000s
This includes the Chief Executive, Members and also other miscellaneous corporate costs.	
• Changes in staffing costs, including agency and pension costs	582
• Changes in premises and land costs, including utilities and repairs / maintenance	1
• Changes in travel and transport costs	(1)
• Changes in supplies, services, equipment and similar costs	(7)
• Changes in computer and ICT related costs	(2)
• Changes in external auditor fees	34
• Changes in bad debt provisions	(151)
• Changes in members allowances and other members costs	(6)
• Changes in contracts and other external payments	17
• Changes in capital related costs	0
• Changes in income from fees and charges, rents, etc	(20)
• Changes in grants and contributions and other income received	0
• Net total of all other changes in income and expenditure	1
<b>Total net increase/(decrease) from 2018/19 to 2019/20</b>	<b>448</b>

**Other operating expenditure:****(Gain) / loss on disposal / derecognition of non-current (long term) assets:**

Two types of transaction are reported in this line:

- The first is the gain or loss on disposal of non-current assets, for example properties sold to residents through the Right to Buy scheme. These transactions take into account the carrying value of the asset sold compared with the sale proceeds.
- The second type of transaction relates to a specific requirement under IFRS. When carrying out works to enhance non-current assets, the Council must remove (de-recognise) from the asset an estimated amount equal to the previous value recorded for that part of the asset that has had enhancement works performed.

These adjustments are recorded in 2019/20 in relation to works which took place during the year on the Council's housing stock.

The above transactions are reversed through the Movement in Reserves Statement (MIRS) and therefore have no impact on Council Taxpayers or Housing rents.

**Payment of Housing Pooled Capital Receipts to the Government Pool:**

The Council is required to pay part of the capital receipts received from the sale of council houses to the Government. The transaction is reversed through the MIRS and therefore has no impact on Council Taxpayers, or Housing rents.

**Financing and Investment income and expenditure:****Interest payable on debts and finance leases, and similar charges:**

This is primarily interest paid by the Council in respect of debt held with the Public Works Loans Board (PWLb).

**Interest and investment income receivable, and similar income:**

The average interest rate for 2019/20 was 0.74%. The average funds invested during the year were £34.7m. A separate item to Audit Committee in October 2020 and Cabinet in November 2020 reported on Treasury Management activity for the financial year.

**Investment Properties - income, expenditure, changes in the fair value of assets, and (gains)/losses on disposal or derecognition:**

Investment Properties are those assets of the Council which are rented out under leasing and similar arrangements, or are being held for capital appreciation purposes, as opposed to those used by the Council in the provision of services. The expenditure relates to structural repairs undertaken by the Council as part of the relevant rental agreements. Investment properties are revalued on an annual basis, and the changes in value are also reported in this line, as well as disposal and derecognition adjustments similar to those included in the Other Operating Expenditure category above for non-current assets. These amounts are reversed through the Movement in Reserves Statement.

**Pensions – net interest on the defined benefit liability:**

This line reflects the interest costs of financing the pension deficit for the Council, partly offset by the expected return on pension investment activities throughout the year (based on information provided by Essex County Council and the pension fund actuaries). These transactions are reversed through the Movement in Reserves Statement and therefore have no impact on Council Taxpayers and Housing rents.

**Taxation and non-specific grant income and expenditure:**

The Council's income from Council Tax, Non-domestic Rates (NNDR), and general Central Government grants are reported in this section. (Central Government grants which are specific to an individual service are reported within the relevant service line). Tariffs and levies to Central Government on NNDR are also charged here as well.

This section also includes Capital grants. However, these grants are reversed through the Movement in Reserves Statement and therefore have no impact on Council Taxpayers and Housing rents.

**Other comprehensive income and expenditure:**

The two items reported in this section represent other gains and losses that impact on the net worth of the Council as shown in the Balance Sheet. However, although both are required to be reported on the Comprehensive Income and Expenditure Statement neither is actually recognised in the General Fund or Housing Revenue Account, so as a result neither directly affects the level of Council Tax or Housing rents.

**Movement in Reserves Statement (MIRS) – Pages 24 and 25**

The Movement in Reserves Statement summarises the changes in the financial year across each of the reserves and balances held by the Council. These arise both from incurring expenses and generating income through the Council's services, as well as from changes in the fair values of assets held by the Council, and changes in the pension fund liability.

The MIRS is split between Usable and Unusable Reserves. The difference between these 2 categories is described on page 21 of this annexe.

**Balance Sheet - Pages 26 and 27**

The Balance Sheet summarises the assets and liabilities held by the Council as at the end of the financial year, i.e. at 31 March 2020. It shows the value of the assets in the Council's ownership, the money owed to and by the Council and the level of reserves held by the Council at that date.

**Non-current (long term) assets:**

Revaluations of non-current assets (excluding council houses and investment properties) are carried out on a rolling five-year programme, and some Property, Plant and Equipment (PPE) assets were revalued as at 1 April 2019, with other specific assets also revalued at 31 December 2019 and 31 March 2020. Investment Properties were revalued at 1 April 2019 and Council Houses were revalued as at 31 December 2019. Council Houses were revalued again as at 31 March 2020. Changes in the values of the Council's non-current assets are reflected in this section of the Balance Sheet as well as in the Total Reserves section of the statement. They represent unrealised gains, so form part of Unusable Reserves, until such time as any assets are disposed of. Revaluations do not impact on the charge made to Council Taxpayers or Housing rents.

**Current assets:****Short term investments:**

Within the day-to-day cash management no distinction is made between revenue cash and capital cash. Investments held by the Council at the end of the financial year increased by £2.6m, including accrued interest.

**Short term debtors:**

The amounts included in short term debtors are analysed into categories in note 14 on page 74 of the Statement of Accounts.

The Council follows prudent procedures for the recovery of debt and does not write any debt off until it has exhausted all options for recovery. The Council maintains a provision for bad debts in line with best recommended practice.

**Current and non - current liabilities:****Short term creditors:**

The amounts included in short term creditors are analysed into categories in note 17 on page 75 of the Statement of Accounts.

**Revenue and Capital Grants Receipts in Advance:**

This line represents grants received or receivable by the Council that have outstanding conditions which could require the grants to be repaid back to the grant providers if those conditions were not complied with. When the grant conditions are satisfied the grants are transferred into either the relevant service line or Taxation and Non-Specific Grant Income.

**Current and non - current liabilities (continued):****Provisions:**

Current provisions consist of Non-Domestic Rates appeals. Further information can be found in Note 21 on page 91 of the Statement of Accounts.

**Short Term and Long Term Borrowing and Finance Lease Liabilities:**

Borrowing is divided between long and short-term debt on the Balance Sheet and represents amounts borrowed from the Public Works Loan Board (PWLb), and accrued interest payments.

**Liability related to defined benefit pension scheme:**

This line shows the underlying commitment that the Council has in the long run to pay future retirement benefits. It is offset by the Pensions Reserve line within the Total Reserves section of the Balance Sheet. There is no impact on Council Taxpayers or Housing Rents.

**Total Reserves:**

Reserves are reported in two categories:

- **Usable Reserves** are those reserves that the Council may use to provide services and meet future expenditure, both revenue and capital in nature. These are subject to the need to maintain a prudent level of reserves for the current and future financial years, and also any statutory limitation on the use of specific reserves (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The total Usable Reserves as at 31 March 2020 is £28.1m.  
General Fund and HRA reserves represent those sums set aside to cushion the Council against future possible events based on the strategic, operational and financial risks facing the Council and should be viewed on a medium to longer term basis.  
The Council maintains several earmarked reserves, set aside from the General Fund and HRA balances to fund specific future expenditure plans. Individual earmarked reserves of a significant value are supported by detailed spending forecasts and may span several financial years. There is a schedule of balances on page 63 of the Statement of Accounts. Further information can also be found in the Policy Framework and Budget Setting report for 2020/21.
- **Unusable Reserves** are those reserves that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations." These represent the differences between the outcome of applying proper accounting practices, and the requirements of statutory arrangements for funding expenditure from Council Tax and Housing Rent receipts. The total Unusable Reserves as at 31 March 2020 is £107.8m.



## Cash Flow Statement - Pages 28 and 29

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.

Cash and cash equivalents, as shown on the Cash Flow statement and also within Current Assets on the Balance Sheet, are those sums held for the purposes of meeting short term cash commitments, as opposed to those sums held for investment and other purposes. There are no strict criteria set in the Code for local authorities to follow relating to the nature and maturity of items treated as cash equivalents and therefore it is down to local authorities to determine a suitable policy themselves. The Council's policy for determining the composition of cash and cash equivalents is as follows:

- Cash and cash equivalents shall include the Council's net balance or overdraft on its current and call accounts with Lloyds Bank. These play an integral part in the Council's cash management procedures; and
- Cash and cash equivalents shall also include any amounts held in petty cash floats.

The total movement in cash and cash equivalents during 2019/20 was a decrease of £527k.

## Housing Revenue Account (HRA) Income and Expenditure Statement – Page 95 & Movement on the Housing Revenue Account (HRA) Statement – Page 96

The HRA Income and Expenditure Statement details the income and expenditure on HRA services, expenditure in accordance with accounting practices. These items are generally also included in the whole Council Comprehensive Income and Expenditure Statement, as described above. The Movement on the HRA Statement reports the adjustments necessary to arrive at the final balance on the HRA for the year.

### Income:

#### Gross dwelling rents and non-dwelling rents:

The year on year increase in income from dwelling rents is primarily due an increase in average weekly rents of £0.26 to £87.31. Void losses also reduced to 1.19% which contributed to the increase in income.

#### Charges for services and facilities:

Direct income from charges for services and facilities in 2019/20 increased from 2018/19, partly because of increased charges to leaseholders, but also as a result of the general year on year increase in rent charges and the reduction in void losses.

### Expenditure:

#### Repairs and maintenance:

Repair and maintenance expenditure was £28k lower than the previous year, due to updated stock condition work not being required in 2019/20.

#### Supervision and management:

The cost of supervision and management for the year rose by £241k reflecting predominately an increase in salary costs and support service recharges.

**Rents, rates, taxes and other charges:**

There was an increase in costs of £38k on rents, rates and taxes compared to the previous year due to utility costs and council tax payments being higher in 2019/20.

**Interest Payable:**

This represents the annual interest cost of the debt taken out in March 2012 as part of the self-financing reform of HRA.

**Depreciation, revaluation and impairment of non-current (long term) assets:**

This category represents the capital cost of providing housing assets for the year and consists of annual depreciation charges as well as any revaluation or impairment increases or decreases which have been applied to the HRA rather than to the revaluation reserve. The valuer advised a 2% increase in the value of the Housing Stock at 31 March 2020 and this increase is reflected within this line.

Changes in valuation are reversed through the Movement in Reserves Statement, and do not therefore impact on HRA reserves or Housing rents.

Within the full Statement of Accounts further information can be found in Note 3 to the HRA, on page 98.

**Change in provision for bad debts:**

The value of this provision is recalculated annually on tenant's arrears and for 2019/20 has been increased by £95k.

**Housing Revenue Account surplus carried forward:**

The minimum level of reserves recommended by the Strategic Director (Resources) at 31 March 2020 was £533k. At that date HRA reserves exceeded this level, at £3.122m, with the balance remaining reducing slightly from the previous year.

HRA reserves represent those sums set aside to cushion the Council against future possible events based on the strategic, operational and financial risks facing the Council and should be viewed on a medium to longer term basis.

A summary of HRA variances to revised budget for the year with explanations may be found in Annexe A section 4.

**Collection Fund Income and Expenditure Account – Pages 99 and 100**

The Collection Fund is an agent's statement that reflects the statutory obligation for the Council, as a billing authority, to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and Central Government of Council Tax and National Non-domestic Rates (NNDR).

At the end of 2019/20 the Collection Fund reported a surplus on Council Tax of £517k and a deficit on National Non-Domestic Rates of £69k. These amounts will be shared between the Council, Central Government and the other major precepting authorities (Essex County Council, Essex Fire Authority and the Police and Crime Commissioner for Essex) in subsequent years. Any balance on the fund is restricted to being used to lower or increase the amount required from local Taxpayers in future years.