



2025/26 Statement of Accounts

<b>NARRATIVE REPORT</b> .....	4
<b>STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS</b> .....	19
<b>CERTIFICATION BY CHAIR OF THE AUDIT COMMITTEE</b> .....	20
<b>AUDITOR’S REPORT</b> .....	21
<b>EXPENDITURE FUNDING ANALYSIS</b> .....	22
<b>COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT</b> .....	23
<b>MOVEMENT IN RESERVES STATEMENT</b> .....	24
<b>MOVEMENT IN RESERVES STATEMENT</b> .....	25
<b>BALANCE SHEET</b> .....	26
<b>CASHFLOW</b> .....	27
<b>Note 1 ACCOUNTING POLICIES</b> .....	28
<b>Note 2 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED</b> .....	43
<b>Note 3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES</b> .....	43
<b>Note 4 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY</b> .....	43
<b>Note5(i) NOTE TO THE EXPENDITURE FUNDING ANALYSIS – ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS</b> .....	45
<b>Note 5(ii) NOTE TO THE EXPENDITURE FUNDING ANALYSIS - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS</b> .....	47
<b>Note 6 EXPENDITURE AND INCOME ANALYSED BY NATURE</b> .....	57
<b>Note 7 DEPLOYMENT OF DEDICATED SCHOOLS GRANT</b> .....	58
<b>Note 8 OTHER OPERATING INCOME AND EXPENDITURE</b> .....	59
<b>Note 9 FINANCING AND INVESTMENT INCOME AND EXPENDITURE</b> .....	59
<b>Note 10 TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE</b> .....	60
<b>Note 11 MEMBERS’ ALLOWANCES</b> .....	60
<b>Note 12 REMUNERATION OF SENIOR STAFF</b> .....	60
<b>Note 13 RELATED PARTY TRANSACTIONS</b> .....	63
<b>Note 14 EXTERNAL AUDIT COSTS</b> .....	64
<b>Note 15 TRANSFERS TO/ FROM EARMARKED RESERVES</b> .....	65
<b>Note 16 PROVISIONS</b> .....	67
<b>Note 17 DEBTORS</b> .....	68

2025/26 Statement of Accounts

<b>Note 18</b>	<b>SHORT TERM CREDITORS</b> .....	68
<b>Note 19</b>	<b>USABLE RESERVES</b> .....	69
<b>Note 20</b>	<b>UNUSABLE RESERVES</b> .....	70
<b>Note 21</b>	<b>ANALYSIS OF GOVERNMENT GRANTS</b> .....	73
<b>Note 22</b>	<b>CONTINGENT LIABILITIES</b> .....	75
<b>Note 23</b>	<b>EVENTS AFTER THE BALANCE SHEET DATE</b> .....	75
<b>Note 24</b>	<b>HERITAGE ASSETS</b> .....	75
<b>Note 25</b>	<b>INTANGIBLE ASSETS</b> .....	76
<b>Note 26</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b> .....	77
<b>Note 27</b>	<b>SURPLUS ASSETS</b> .....	82
<b>Note 28</b>	<b>INFRASTRUCTURE ASSETS</b> .....	83
<b>Note 29</b>	<b>CAPITAL EXPENDITURE AND FINANCING</b> .....	84
<b>Note 30</b>	<b>CAPITAL COMMITMENTS</b> .....	84
<b>Note 31</b>	<b>FINANCIAL INSTRUMENTS</b> .....	85
<b>Note 32</b>	<b>DEFINED BENEFIT PENSION SCHEMES</b> .....	96
<b>NOTE 33</b>	<b>CASH AND CASH EQUIVALENTS</b> .....	102
<b>Note 34</b>	<b>OPERATING ACTIVITIES CASH FLOW STATEMENT</b> .....	102
<b>Note 35</b>	<b>INVESTING ACTIVITIES CASH FLOW STATEMENT</b> .....	102
<b>Note 36</b>	<b>FINANCING ACTIVITIES CASH FLOW STATEMENT</b> .....	103
<b>Note 37</b>	<b>NON CASH MOVEMENT CASH FLOW STATEMENT</b> .....	103
<b>NOTE 38</b>	<b>BETTER CARE FUND</b> .....	103
<b>NOTE 39</b>	<b>PRIOR PERIOD ADJUSTMENT</b> .....	104
	<b>HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT</b> .....	106
	<b>MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT</b> .....	107
	<b>NOTES TO THE HOUSING REVENUE ACCOUNT</b> .....	108
	<b>COUNCIL TAX</b> .....	111
	<b>NATIONAL NON-DOMESTIC RATES</b> .....	112
	<b>NOTES TO THE COLLECTION FUND</b> .....	114
	<b>GLOSSARY OF TERMS</b> .....	115

## **NARRATIVE REPORT**

Welcome to the narrative report of the Statement for the Statement of Accounts for Thurrock Council for the fiscal year 2025/26. The accounts provide a true and fair view of the financial performance of the Council in the delivery of services to the residents of the Council. They also summarise the overall financial position of the borough for the year ended 31 March 2026.

This statement reflects the position across the fiscal year 2025/26 so does not take account of the political changes following the elections of May 2026.

### **Intervention and Inspection**

On 2 September 2022 in response to concerns about levels of financial risk and debt, and clear 'Best Value' failure in relation to our financial functions, the Government appointed Essex County Council as 'Best Value Commissioner' for Thurrock Council. The Commissioners have full control of the financial functions of Thurrock Council and powers to assess what action may be needed to limit any risks to our services.

On 16 March 2023, the Government issued a written ministerial statement confirming further Directions for Thurrock Council.

These expanded Directions confirmed the appointment of Dr Dave Smith as the Commissioner to function as Managing Director of Thurrock Council, fulfilling the role of Chief Executive. The Directions also set out the Commissioners' increased powers in making decisions about:

- employment matters related to senior managers.
- the council's staff structure and operating model.
- functions relating to scrutiny and transparency of strategic decision-making.

## 2025/26 Statement of Accounts

A Best Value Inspection conducted by inspectors appointed by the Secretary of State (Essex County Council) began on 10 October 2022 and the Best Value Inspection Report was published on 15 June 2023. The fourth commissioners' report in March 2025 noted rapid improvements in governance, with the May 2025 Budget setting and positive engagement between elected members and officers despite ongoing financial fragilities.

This intervention related to the Council's policy of purchasing commercial assets funded through borrowing. These financial statements provide information on the external debt and the commercial financial assets, coupled with the scope of the estimated and actual financial asset impairments up to 31 March 2026.

The previous four financial years' Council accounts outlined the early projections of the expected exposure to credit losses. These estimates have been updated in the 2025/26 accounts as more accurate estimates of proceeds from the likely sale of assets have become available. It will take some time for the full asset divestment strategy to be completed, and some residual assets held by the Council may be illiquid and not be marketable. Similar to prior years a combination of the impairments, higher debt interest costs and implementation of Government guidance on Minimum Revenue Provision (MRP) led to a budget gap in Councils 2025/26 budget and the Council could not fund its 2025/26 expenditure without exceptional financial support from the Government. A request to the Secretary of State (SoS) for exceptional financial support (EFS), initially, for 2022/23 was made and a response was received on 1st March 2023. The support was provisionally agreed in the form of a capitalisation direction which enables the Council to capitalise the budget shortfall over a 20-year period. This provides further time to assess the financial sustainability of the Council and work is ongoing with Commissioners and the Ministry for Housing, Communities and Local Government. The budgeted level of indicative exceptional financial support for 2025/26 is £72.128m.

Additional details and links to the Secretary of State's intervention at Thurrock Council are available on our website, [www.thurrock.gov.uk](http://www.thurrock.gov.uk).

## About Thurrock Council

Thurrock Council is a unitary authority in the ceremonial county of Essex. The Council is situated on the north side of the River Thames, within the ceremonial county of Essex, north of Kent and east of Greater London. Thurrock is an area of great contrast and unique opportunities, with a well-balanced mix of beauty, history, and business. Covering 165 square kilometres, the borough is a mix of green belt interspersed with rural villages and market towns.

Nature reserves, heritage locations and sites of special scientific interest abound. Thurrock is steeped in history. It has two historic forts, Tilbury Fort, where Queen Elizabeth, gave her famous "heart of a king" speech whilst amassing the fleet to face the Spanish Armada in 1588, and Coalhouse Fort, which was completed in 1874. Tilbury Docks was also the venue for the Empire Windrush's momentous disembarkation. Three major ports punctuate the eighteen miles of riverfront with associated cranes and container ships while industrial parks line the A13. Whilst our larger towns are Corringham, Grays, Purfleet-on-Thames, Stanford-le-Hope and Tilbury, Thurrock remains 70% greenbelt with rural villages such as Bulphan, Orsett and Horndon on the Hill.

Thurrock has a diverse and growing population which has increased by over 10% each decade. In 2001 the population was 143,300, in 2011 it was 158,300 and the latest Office of National Statistics (ONS) data from the 2021 Census estimates the population at 176,000.

Population section Estimate

<b>Male</b>	<b>49.0%</b>
<b>Female</b>	<b>51.0%</b>
<b>0 to 15 year-olds</b>	<b>22.5%</b>
<b>15 to 24 year-olds</b>	<b>10.0%</b>
<b>25 to 49 year-olds</b>	<b>36.3%</b>
<b>50 to 64 year-olds</b>	<b>17.6%</b>
<b>65 year-olds and older</b>	<b>13.6%</b>

## 2025/26 Statement of Accounts

The ONS estimates that in April 2021 there are 69,537 dwellings in Thurrock. The borough has a target to build 30,000 new homes by 2037 to meet the demand expected from people wanting to live in Thurrock. Thurrock has a stock of approximately 9,700 Council houses, including 1,200 sheltered and extra care homes.

<b>HOUSING STATUS</b>	<b>ESTIMATE</b>
OWNER-OCCUPIER	64.0%
RENTED FROM THE COUNCIL OR HOUSING ASSOCIATION	17.7%
RENTED PRIVATELY	18.3%

### **Our services**

Thurrock Council is a Unitary Council. The following core services are provided by the Council:

- Adult Care
- Public Health Services
- Children and Families
- Housing
- Education
- Place
  - Waste & Recycling
  - Parks & Open Spaces
  - Highways & Transportation
  - Property
  - Homelessness
  - Planning
  - Economic Growth & Partnerships
- Revenues & Benefits
- Support Services
- Council and democracy.

## 2025/26 Statement of Accounts

These services are either provided directly by the Council or are commissioned from and delivered by other organisations. A significant level of these services is statutory in nature which means the council must provide them.

### **Governance**

Thurrock has forty-nine councillors across twenty wards. Each councillor has an overriding duty to the community, and a special duty to residents in their ward.

The Council's political make-up in May 2025 was as follows:

<b>Party</b>	<b>Elected Members</b>
Conservative	13
Labour	26
Independent	10

Approximately 2,000 employees work at the Council to support the achievement of the Council's objectives.

### **Corporate and Improvement Plan 2025-2029**

In July 2024, the Council adopted its Corporate Plan, *A Fresh Start for Thurrock* — the first Corporate Plan approved in several years. Alongside this, the Council separately monitored progress on the actions required to address the failings identified in the Best Value Inspection Report. These actions were tracked through the Improvement and Recovery Plan. In line with Directions from the Secretary of State, during 2025/26 the Corporate Plan was refreshed to incorporate the work of the Improvement and Recovery Plan. Adopted in October 2025, the refreshed and renamed Corporate and Improvement Plan provides alignment of our activity and allows for SLT, elected Members and Commissioners to have a complete overview of how the council is delivering services alongside improvement.

Published quarterly performance reporting tracks how the Council is delivering its commitments in the Corporate and Improvement Plan. Alongside this, reporting our progress against the intervention and improvement continues to be

scrutinised by the improvement boards as part of ongoing reporting to Commissioners.

**Our purpose is to:**

- lead our communities, bringing local residents, businesses, community groups and partners together to better understand the opportunities and needs of the borough and individual neighbourhoods
- bring together and engage all who can make a contribution to supporting local people with their needs, and to realise opportunity
- provide high quality analysis to support open and transparent decision-making on strategic and operational priorities
- be consistent and comprehensive in analysing and evaluating the impact of our collective strategies at addressing need and opportunity to enable us to learn how to improve

**Our values**

To achieve the ambitions of this plan, the whole council needs to sign up to shared values, which cover how we will work within the council, with our communities, and with partners.

Our shared values are:

- together, we hold ourselves to account to get things done. We do this by demonstrating accountability and integrity
- together, we make possible what cannot be achieved alone. We do this by being collaborative and focusing on impact
- together, we will listen and act to continually improve. We do this by being responsive to local people and the issues they raise, and adapting our approach to achieve better outcomes

**Our 2025-29 priorities**

We have organised the plan into three themes with ten priorities in total:

Themes	Priorities
<p><b>Improving and Enabling</b></p>	<ul style="list-style-type: none"> <li>➤ Continue to <b>fix the foundations</b></li> <li>➤ Modernise and digitise services so they are <b>accessible, financially sustainable and fit for the future</b></li> <li>➤ Develop a new culture of <b>listening to our community</b> and <b>enabling our partners</b></li> </ul>
<p><b>People</b></p>	<ul style="list-style-type: none"> <li>➤ <b>Collaborate and innovate</b> with partners and communities</li> <li>➤ Focus on <b>early intervention and prevention</b></li> <li>➤ <b>Unlock improved life chances</b> through education, employment and training</li> </ul>
<p><b>Place</b></p>	<ul style="list-style-type: none"> <li>➤ Set the <b>vision for our Place</b> and its future infrastructure needs</li> <li>➤ Collectively create and promote Thurrock as a place of <b>inclusive growth</b></li> <li>➤ Improve and protect our <b>environment and public spaces</b></li> <li>➤ Ensure access to <b>safe, sustainable, and affordable housing</b></li> </ul>

**Council Tax 2025/26**

The net budget requirement for local government represents the total amount of funding a local authority needs to raise through council tax and other sources to cover its planned spending after accounting for government grants and other income. This figure is crucial for determining the council tax precept, which is the amount residents pay in council tax to fund local services. In 2025/26 Council Tax

## 2025/26 Statement of Accounts

income was budgeted at £96,931k (for 2024/25 the equivalent figure was £91,623k).

The 2025/26 Band D Council Tax for Thurrock residents was £2,145.06 (including Essex Fire and Police authorities, for 2024/25 the equivalent figure was £2,040.66). The calculated amount was based on an estimated Council Tax Base (after allowing for irrecoverable debts and the local Council Tax support scheme) of Band D equivalent properties.

### **Operational Model**

Elected Members, SLT and our Commissioners were clear that to deliver the priorities set out in the Corporate and Improvement Plan, the council needed to implement a new operating model. This is centred on delivering efficient resident services

During 2025/26 the Transformation Roadmap was developed and has identified the activities needed to ensure we operate differently and deliver the savings required by our MTFS and strict debt reduction plan. The Roadmap is led by Directors working across Directorates. The delivery phase has started with projects confirmed and resources being identified.

### **Risks and Opportunities**

#### **Key Strategic Risks and Opportunities**

The Council operates within a complex and evolving financial, economic and regulatory environment. The following table summarises the key strategic risks and opportunities that may influence Thurrock Council's ability to deliver its Corporate Plan objectives and maintain financial sustainability.

2025/26 Statement of Accounts

<b>Strategic Area</b>	<b>Key Risk</b>	<b>Potential Impact</b>	<b>Council Response/Opportunity</b>
<b>Financial sustainability</b>	High historic borrowing levels and ongoing debt servicing costs following previous commercial investment activity	Pressure on revenue budgets and reliance on Exceptional Financial Support (EFS)	Continued divestment of commercial assets and strengthened treasury management oversight
<b>Government intervention</b>	Ongoing oversight by Commissioners following Best Value intervention	Constraints on local decision-making but necessary oversight of financial recovery	Opportunity to strengthen governance, transparency and financial management practices
<b>Demand for statutory services</b>	Increasing demand in Adult Social Care, Children's Services and housing support	Rising service costs and pressure on the General Fund budget	Service transformation, integrated working with health partners and improved commissioning
<b>Economic environment</b>	Inflationary pressures, supply chain challenges and labour shortages	Increased contract costs and operational expenditure	Strengthened contract management and efficiency programmes
<b>Housing demand</b>	Continued population growth and housing pressures	Increased demand for housing services and temporary accommodation	Housing development programmes and regeneration initiatives
<b>Economic growth</b>	Strategic location within the Thames Estuary growth corridor	Potential economic volatility but also growth potential	Opportunities linked to the Thames Freeport and economic regeneration initiatives

## **Financial Resilience**

Maintaining financial resilience remains a key priority for Thurrock Council. The Council continues to operate within a challenging financial environment following the historic commercial investment strategy that resulted in high levels of borrowing and financial risk.

The Council's financial recovery programme focuses on strengthening governance, improving financial management and reducing exposure to commercial investment risk. As part of this process, the Council has continued its programme of commercial asset divestment, reducing the size of the investment portfolio and associated borrowing levels.

Despite these actions, the Council remains reliant on Exceptional Financial Support (EFS) provided by central government through capitalisation directions. These directions allow the Council to spread certain revenue pressures over a longer period, providing time to stabilise its financial position while longer-term reforms are implemented.

The Council continues to strengthen its financial controls and oversight arrangements, including improvements to treasury management, financial reporting and budget monitoring processes. These improvements are supported by the oversight of Commissioners appointed by the Secretary of State and by enhanced governance arrangements within the Council.

Reserves remain an important element of financial resilience. The Council continues to review its reserves strategy to ensure that reserves are maintained at prudent levels while supporting the delivery of essential services.

In the medium term, the Council's financial resilience will depend on several factors, including successful completion of the commercial asset disposal programme, continued government support where required, delivery of planned efficiencies and service transformation programmes, and effective management of demand pressures in statutory services.

## **Outlook**

The Council continues to focus on financial recovery and organisational improvement as part of its Corporate Plan and Improvement and Recovery Programme.

In the medium term, the Council's financial outlook will be influenced by several key factors, including the pace of the commercial asset divestment programme, the level of government support available through Exceptional Financial Support arrangements and the Council's ability to deliver planned efficiency savings.

Demand for statutory services, particularly in social care and housing, is expected to continue increasing. Managing these pressures while maintaining service quality will remain a key challenge for the Council. Work is ongoing to redesign services, strengthen commissioning arrangements and increase collaboration with partners such as the NHS.

At the same time, the Council will continue to pursue opportunities for economic growth and regeneration across the borough. Investment in infrastructure, housing development and economic initiatives linked to the Thames Estuary growth agenda may contribute to improving the borough's long-term economic prospects.

The Council's improvement journey remains ongoing. Progress reported by the Commissioners indicates improvements in governance, decision-making and financial management. However, sustained focus will be required over the coming years to restore financial resilience, strengthen organisational capacity and ensure the Council can deliver high-quality services for residents.

## STATEMENT OF ACCOUNTS & FINANCIAL PERFORMANCE

### Statement of Accounts

The Statement of Accounts comprise of the following statements:

- i. **The Comprehensive Income and Expenditure Statement (CIES)** shows the accounting cost in the year of providing services in accordance with proper accounting practices (rather than the amount to be funded from taxation). The taxation position is shown in the Movement in Reserves Statement.
- ii. **The Movement in Reserves Statement (MiRS)** shows the movement in the year on the different reserves held by the Council, analysed into Usable Reserves and Unusable Reserves. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account Balance for Council Tax setting and housing rent setting purposes.
- iii. **The Balance Sheet** shows the value of the assets and liabilities of 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:
  - a. Usable Reserves – those 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.
  - b. Unusable Reserves – those the Council cannot use to provide services. These include reserves that hold unrealised gains and losses that would only become available to provide services if assets are sold; and reserves that hold adjustments between accounting and funding certain transactions which are permitted under regulations.
- iv. **The Cash Flow Statement** shows the changes in cash and cash equivalents, net of bank overdrafts that are repayable on demand,

during the reporting period. The Statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing or financing activities.

- v. **The Housing Revenue Account (HRA)** Income and Expenditure Statement shows the annual economic cost of providing housing services in accordance with proper accounting practices, rather than simply the amount to be funded from rents and government grants.
- vi. **The Collection Fund Statement** records the Council Tax and business rates transactions in the fiscal year. Billing authorities are required by statute to maintain a separate Collection Fund Statement. The actual costs of administering collection are accounted for in the Council's General Fund; the amount is an allowance fixed in accordance with the relevant regulation.

### **The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26**

These accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting 2025/26 (The Code), published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This Code defines proper accounting practice for local authorities.

## **FINANCIAL PERFORMANCE**

### **Overall Position - The Financial Outturn 2025/26**

This report provides a summary of the financial outturn for 2025/26 for the General Fund and the Housing Revenue Account, also including capital and treasury management outturn positions.

#### **General Fund**

In 2025/26 the council required a budget of £240.656m to fund the provision of services and debt financing costs. The council budgeted to receive core funding (council tax, business rates and non-ringfenced grants) of £168.528m. Therefore, the indicative exceptional financial support requirement was £72.128m.

## 2025/26 Statement of Accounts

At year-end, the Council is reporting a reduced need for exceptional financial support to support its general fund budget, the full details of which will be reported to Cabinet on 15 July. The Council's outturn figures remain provisional until the external audit of these accounts is concluded.

The General Fund capital programme also saw slippage of £82.209m, primarily due to delays in projects major regeneration, infrastructure and school expansion schemes, and £5.253m in reduced programme spend.

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

The Housing Revenue Account was broadly in balance at outturn, with a small underspend driven by one-off factors, while underlying pressures in repairs and income continue to present medium-term risks. This resulted in a transfer to the HRA Balance of £1.702m reflecting the application of the in-year revenue surplus. The overall position is driven mainly by favourable financing conditions and savings in Supervision and Management, particularly from lower interest costs, staff vacancies, and additional income streams. These savings are partly offset by pressures in Repairs and Maintenance due to backlog works, void costs, and compliance activity, alongside a timing-related shortfall in rental income.

### **Treasury Management**

This element of the report is prepared in accordance with the requirements of the CIPFA Prudential Code and presents details of treasury management activity for the year to 31 March 2026. During 2025/26 the objective of reducing the commercial investment portfolio continued through the Council's divestment programme. One asset was subject to full disposal with some partial receipts on others. A total of £1.752m of capital receipts and £8.7m of revenue income was raised during the year. The closing debt balance of £857m increased from £847m on 31 March 2025, with short-term investments remaining broadly stable. The treasury outturn position saw interest payable on borrowings at £37.4m (£43.9m 2024/25), and investment income £2.49m (2024/25 £8.0m).

## 2025/26 Statement of Accounts

### **Pensions**

Thurrock Council is a member of the Local Government Pension Scheme that is administered by Essex County Council. There are a number of entries included within the accounts that are further explained in Note 32 to the accounts but, in summary, the Comprehensive Income and Expenditure Statement includes the amounts due for the year whilst the Balance Sheet includes the outstanding liability on the fund.



Dawn Calvert  
Chief Finance Officer (S151 Officer)

Date: 30 June 2026

## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### The Council's Responsibilities

The Council is required to:

- plan 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 Chief Finance Officer.
- manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts, which the Council has delegated to its Audit Committee.

### The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts the Chief Finance Officer has:

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

The Chief Finance Officer Delivery has also:

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

### The Chief Finance Officer's Certificate

I certify that Statement of Accounts present a true and fair view of the financial position of the Council at the reporting date and of its income and expenditure for the year ended 31 March 2026.



Dawn Calvert  
Chief Finance Officer (S151 Officer)

Date: 30 June 2026

## 2025/26 Statement of Accounts

### **CERTIFICATION BY CHAIR OF THE AUDIT COMMITTEE**

I confirm that these accounts were approved by the Audit Committee.

Councillor Ian Croom  
Chair of the Audit Committee

Date: XX XXX XXXX

**AUDITOR'S REPORT**

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## 2025/26 Statement of Accounts

### EXPENDITURE FUNDING ANALYSIS

The Expenditure and Funding Analysis (EFA) shows how annual expenditure is used and funded from resources (Government grants, rents, Council Tax and Business Rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Directorates/Services/Departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

RESTATED (directorates changes)				2025/26		
2024/25				2025/26		
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
44,829	(208)	44,621	Adults; Social Care and Health	49,325	(2,553)	46,772
5,643	(577)	5,066	Assistant Chief Exec's Office	6,046	(903)	5,143
1,563	0	1,563	Chief of Staff	2,148	0	2,148
46,906	(43)	46,863	Children's Services	49,359	4,514	53,873
1,970	(683)	1,287	Corporate Costs	(904)	(1,925)	(2,829)
15,691	314	16,005	Corporate Services	14,573	(602)	13,971
14,130	(93)	14,037	Finance	11,583	(370)	11,213
32,908	10,638	43,546	Place	36,682	11,121	47,803
<b>163,640</b>	<b>9,348</b>	<b>172,988</b>	<b>General Fund</b>	<b>168,812</b>	<b>9,282</b>	<b>178,094</b>
<b>(16,275)</b>	<b>1,235</b>	<b>(15,040)</b>	<b>Housing Revenue Account</b>	<b>(12,950)</b>	<b>(1,354)</b>	<b>(14,304)</b>
<b>147,365</b>	<b>10,583</b>	<b>157,948</b>	<b>Cost of Services</b>	<b>155,862</b>	<b>7,928</b>	<b>163,790</b>
(159,918)	53,321	(106,597)	Other Income and Expenditure	(165,367)	24,754	(140,613)
<b>(12,553)</b>	<b>63,904</b>	<b>51,351</b>	<b>(Surplus) or Deficit</b>	<b>(9,505)</b>	<b>32,682</b>	<b>23,177</b>
<b>(85,795)</b>			Opening General Fund and HRA Balance 31 March*	<b>(98,348)</b>		
<b>(12,553)</b>			Add Surplus on General Fund and HRA Balance in Year	<b>(9,505)</b>		
<b>(98,348)</b>			<b>Closing General Fund and HRA Balance 31 March*</b>	<b>(107,853)</b>		

\*For a split of the balance between the General Fund and the HRA – see the Movement in Reserves Statement.

## 2025/26 Statement of Accounts

### COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

RESTATED				2025/26		
2024/25						
Gross Expenditure	Gross Income	Net Expenditure	Notes	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
105,240	(60,619)	44,621	Adults; Social Care and Health	112,781	(66,009)	46,772
10,030	(4,964)	5,066	Assistant Chief Exec's Office	30,705	(25,562)	5,143
1,699	(136)	1,563	Chief of Staff	2,266	(118)	2,148
134,985	(88,122)	46,863	Children's Services	152,552	(98,679)	53,873
30,021	(28,734)	1,287	Corporate Costs	23,602	(26,431)	(2,829)
28,922	(12,917)	16,005	Corporate Services	27,629	(13,658)	13,971
18,028	(3,990)	14,038	Finance	14,127	(2,914)	11,213
57,307	(70,238)	(12,931)	Housing Revenue Account	57,342	(69,464)	(12,122)
68,861	(25,316)	43,545	Place	75,847	(28,044)	47,803
<b>455,093</b>	<b>(295,036)</b>	<b>160,057</b>	<b>Cost of Services</b>	<b>496,851</b>	<b>(330,879)</b>	<b>165,972</b>
28,663	(15,836)	12,827	Other operating income and expenditure	57,054	(36,651)	20,403
92,858	(11,295)	81,563	Financing and Investment income and expenditure	33,852	(11,088)	22,764
3,133	(206,229)	(203,096)	Taxation and non-specific grant income and expenditure	(2,369)	(183,593)	(185,962)
<b>579,747</b>	<b>(528,396)</b>	<b>51,351</b>	<b>Deficit on Provision of Services</b>	<b>585,388</b>	<b>(562,211)</b>	<b>23,177</b>
0	(92,713)	(92,713)	(Surplus) on revaluation of Property, Plant and Equipment assets	0	(38,381)	(38,381)
0	(279,586)	(279,586)	Remeasurement of the net defined benefit liability	0	304,599	304,599
<b>0</b>	<b>(372,299)</b>	<b>(372,299)</b>	<b>Other Comprehensive Income and Expenditure</b>	<b>0</b>	<b>266,218</b>	<b>266,218</b>
<b>579,747</b>	<b>(900,695)</b>	<b>(320,948)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>585,388</b>	<b>(295,993)</b>	<b>289,395</b>

## 2025/26 Statement of Accounts

### MOVEMENT IN RESERVES STATEMENT

		General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance on 31 March 2024</b>	<b>Note</b>	<b>(72,885)</b>	<b>(12,910)</b>	<b>(41,885)</b>	<b>(43,639)</b>	<b>(171,319)</b>	<b>(428,749)</b>	<b>(600,068)</b>
<b>Movement in reserves during 2024/25</b>								
Total Comprehensive Income and Expenditure		37,050	14,302	0	0	51,352	(372,299)	(320,947)
Adjustments from income & expenditure charged under the accounting basis to the funding basis		(44,662)	(19,243)	734	(33,030)	(96,201)	96,201	0
<b>(Increase) or decrease in 2024/25</b>		<b>(7,612)</b>	<b>(4,941)</b>	<b>734</b>	<b>(33,030)</b>	<b>(44,849)</b>	<b>(276,098)</b>	<b>(320,947)</b>
<b>Balance on 31 March 2025 carried forward</b>	<b>5</b>	<b>(80,497)</b>	<b>(17,851)</b>	<b>(41,151)</b>	<b>(76,669)</b>	<b>(216,168)</b>	<b>(704,847)</b>	<b>(921,015)</b>

## 2025/26 Statement of Accounts

### MOVEMENT IN RESERVES STATEMENT

		General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31 March 2025</b>		<b>(80,497)</b>	<b>(17,851)</b>	<b>(41,151)</b>	<b>(76,669)</b>	<b>(216,168)</b>	<b>(704,847)</b>	<b>(921,015)</b>
<b>Movement in reserves during 2025/26</b>								
Total Comprehensive Income and Expenditure		8,794	14,384	0	0	23,178	266,218	289,396
Adjustments from income & expenditure charged under the accounting basis to the funding basis	5	(16,600)	(16,083)	(1,111)	(7,098)	(40,894)	40,893	1
<b>(Increase) or Decrease in 2025/26</b>		<b>(7,806)</b>	<b>(1,699)</b>	<b>(1,111)</b>	<b>(7,098)</b>	<b>(17,716)</b>	<b>307,111</b>	<b>289,395</b>
<b>Balance at 31 March 2026 carried forward</b>	<b>5</b>	<b>(88,303)</b>	<b>(19,550)</b>	<b>(42,262)</b>	<b>(83,767)</b>	<b>(233,884)</b>	<b>(397,736)</b>	<b>(631,620)</b>

## 2025/26 Statement of Accounts

### BALANCE SHEET

31 March 2025		Notes	31 March 2026
£000			£000
1,157,590	Property, Plant & Equipment	26	1,160,042
257,852	Infrastructure Assets	28	258,491
0	Intangible Assets	25	0
1,212	Heritage Assets	24	1,212
82,547	Long Term Investments	31	59,928
10,657	Long Term Debtors	31	2,871
<b>1,509,858</b>	<b>Long Term Assets</b>		<b>1,482,544</b>
6,033	Short Term Investments	31	18,033
161	Assets Held for Sale		1,356
348	Inventories		334
38,818	Short Term Debtors	17	51,864
38,619	Cash and Cash Equivalents	33	54,886
<b>83,979</b>	<b>Current Assets</b>		<b>126,473</b>
(668,615)	Short Term Borrowing	31	(668,469)
(53,852)	Short Term Creditors	18	(57,237)
(811)	Short Term Leasing Liability		(859)
(8,462)	Short Term Provisions	16	(2,831)
<b>(731,740)</b>	<b>Current Liabilities</b>		<b>(729,396)</b>
(2,012)	Long Term Provisions	16	(221)
(187,151)	Long Term Borrowing	31	(215,476)
276,577	Pension Liability	32	(4,096)
(13,554)	Long Term Leasing Liability		(12,275)
(358)	Long Term Creditors		(354)
(14,584)	Capital Grants Receipts in Advance	21a	(15,579)
<b>58,918</b>	<b>Long Term Liabilities</b>		<b>(248,001)</b>
<b>921,015</b>	<b>Net Assets</b>		<b>631,620</b>
(216,168)	Usable reserves	19	(233,884)
(704,847)	Unusable Reserves	20	(397,736)
<b>(921,015)</b>	<b>Total Reserves</b>		<b>(631,620)</b>

I certify that the statement of accounts gives a true and fair view of the financial position of the Authority on 31 March 2026 and its income and expenditure for the year ended 31 March 2026.

Dawn Calvert  
 Chief Finance Officer (S151 Officer)  
 Date: XX XXX XXXX

## 2025/26 Statement of Accounts

### CASHFLOW

2024/25 £'000		Notes	2025/26 £'000
(51,352)	Net (deficit) on the provision of services		(23,177)
92,478	Adjustment to deficit on the provision of services for non cash movements		45,191
(58,786)	Adjust for items included in the net deficit on the provision of services that are investing and financing activities		(73,088)
<b>(17,660)</b>	<b>Net Cash flows from operating activities</b>	<b>37</b>	<b>(51,074)</b>
43,448	Investing Activities	35	41,627
(390,043)	Financing Activities	36	25,714
<b>(364,255)</b>	<b>Net increase or decrease in cash and cash equivalents</b>		<b>16,267</b>
402,874	Cash and cash equivalents at the beginning of the reporting period		38,619
<b>38,619</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>33</b>	<b>54,886</b>

## Note 1 ACCOUNTING POLICIES

### 1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 fiscal year and its position on 31 March 2026. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which are prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (The Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

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.

### 1.2 Accounting Estimation Techniques

Estimation techniques are the methods adopted by a local authority to arrive at monetary amounts for assets, liabilities, and assessments of fair value. An accounting policy specifies the basis on which an item is measured and, where appropriate, the estimation technique is used to determine the actual monetary amount. The Council has employed the estimation techniques specified in the Code or has otherwise determined the estimation technique that most closely reflects the economic reality of the relevant transaction.

### 1.3 Accounting Concepts

The Council prepares the financial statements using the accruals basis of accounting as set out in section 1.4. The financial statements are prepared on a going concern basis – i.e. on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The information contained within the financial statements has the following fundamental qualitative characteristics:

- **Relevance** – the financial statements provide information about the Council's performance and position that assists users of the accounts in assessing its stewardship of public funds and its economic decisions.
- **Materiality** – the financial statements disclose all items of a size and nature such that together they provide a true and fair presentation of the financial position and transactions of the Council; and
- **Faithful Representation** – the financial information faithfully represents the substance of transactions, the activities underlying them and other events that have taken place, is free from deliberate or systematic bias and material error and has been prepared based on prudence where there is any uncertainty.

The information in the financial statements is further enhanced by these further qualitative characteristics:

- **Comparability** – the financial information has been prepared consistently and with adequate disclosures so that it can be compared with prior years and with that of other local authorities subject to the introduction of improved accounting practices as disclosed each year.
- **Verifiability** – the financial information faithfully represents the substance of the transactions of the Council and can be verified by knowledgeable independent observers. The financial information is presented in accordance with the accounting policies included below.
- **Timeliness** – The information is made available to key stakeholders of the Council in accordance with statutory timescales.

## 2025/26 Statement of Accounts

- **Understandability** – the financial statements have been prepared clearly and concisely to ensure that they are as easy to understand as possible.

### 1.4 Accruals of Income and Expenditure

Activity is accounted for in the fiscal year in which it takes place and when a right to consideration exists, 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 based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract; and
- 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. The Council has a de minimum level of £10,000 for income and expenditure accruals at year end (excluding grant funding). 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.

### 1.5 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months - or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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.

### 1.6 Contingent Liabilities

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

### 1.7 Employee Benefits

#### ***Benefits Payable during Employment***

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken

## 2025/26 Statement of Accounts

before the year-end that employees can carry forward into the next fiscal year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the deficit on the provision of services but then reversed out through the movement in reserves statement so that holiday entitlements are charged to revenue in the fiscal year in which the holiday absence occurs.

### **Termination Benefits**

Termination benefits are payable because of a Council decision to terminate an employee's employment before the normal retirement date or as a result of an employee's decision to accept voluntary redundancy. The costs are charged on an accrual's basis to the relevant service line in the Comprehensive Income and Expenditure statement when the Council becomes clearly committed to the costs. Voluntary early retirement is accounted for as a post-employment benefit as outlined below.

Where termination benefits involve the enhancement of pensions, the General Fund or HRA, under statutory provisions, can only be charged with the costs paid in the year to the Pension Fund or to the pensioner directly: the accounting costs are reversed to the Pensions Reserve in the Movement in Reserves Statement in accordance with the rules covering post-employment benefits.

### **Post-Employment Benefits**

Employees of the Council may be members of one of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education; or
- The Local Government Pension Scheme administered by Essex County Council.

Both schemes provide defined benefits to Members (i.e. retirement lump sums and pensions), accrued as employees work for the Council.

### **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 based on the indicative rate of return on the Merrill Lynch AA rated high quality corporate bond curve.
- The assets of 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:

## 2025/26 Statement of Accounts

- **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; and
  - net interest on the net defined benefit liability, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure 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 at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.
- **Re-measurements comprising:**
  - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - actuarial gains and losses – changes 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; and
  - 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 transfers 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 end of the year. The 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 based on 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 a member of staff (including teachers) are accrued in the year of the decision to make the award and are accounted for using the same policies as for the Local Government Scheme.

### **1.8 Events after the Reporting Period**

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

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events; and

## 2025/26 Statement of Accounts

- 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.

### 1.9 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 most of 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.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

#### 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. There are two main classes of financial assets measured at:

- amortised cost; and
- fair value through profit or loss (FVPL).

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 plus transaction costs. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (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.

## 2025/26 Statement of Accounts

Any gains and losses that arise on the derecognition of an 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 based on 12-month expected loss.

### **Financial Assets Measured at Fair Value through Profit of Loss (FVPL)**

Financial assets that are measured at FVPL 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 Deficit on the Provision of Services.

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the financial assets are based on the following techniques:

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

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

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.

## **1.10 Grants and Contributions**

### ***Capital Grants***

Where the acquisition or enhancement of a fixed asset is financed either wholly or in part by a capital grant or other capital contribution, the whole amount of all capital grants and contributions is credited, on an accruals basis, as 'Taxation and Non Specific Grant Income' to the Comprehensive Income and Expenditure statement provided that there is reasonable assurance the conditions attached to the grant are met. If not, then the income is accounted for as Capital Grants Receipts in Advance in the Long Term Liabilities section of the Balance Sheet. When there is reasonable assurance the conditions of the grant will be subsequently met the income is recognised in the Comprehensive Income and Expenditure statement under the 'Taxation and Non-Specific Grant Income' line.

## 2025/26 Statement of Accounts

Capital grants credited to the Comprehensive Income and Expenditure statement are reversed out of the General Fund balance or HRA balance in the Movement in Reserves statement. If the grant has not been used to finance capital expenditure in the year, it is posted to the Capital Grants Unapplied Reserve. If it has been used to finance capital expenditure in the year 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.

### **Revenue Grants**

Revenue grants without conditions or revenue grants where there is reasonable assurance the conditions will be met are recognised in the CIES and if there is no matched expenditure, unspent grants will be transferred to earmarked reserves. When this grant is spent there will be a transfer from earmarked reserves to the general fund. If there is no reasonable assurance of conditions being met the income is credited to receipts in advance which forms part of the Short Term Creditors figure in the current liability section of the Balance Sheet.

Grants received to finance the general activities of the Council or to compensate for a loss of income are credited to the Comprehensive Income and Expenditure statement in the period in respect of which they are payable.

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-ring fenced revenue grants) in the Comprehensive Income and Expenditure statement.

### **1.11 Leases**

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of the ownership of property, plant, and equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for lease classification purposes.

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

#### ***Operating Leases – the Council as Lessee***

Leases that do not meet the definition of finance leases are accounted for as operating leases. Rentals payables are charged to the relevant service revenue account on a straight-line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

#### ***Operating Leases – the Council as Lessor***

Where the Council grants an operating lease in respect of an item of property, plant and equipment, the asset is retained in the Balance Sheet and depreciated over its useful life. Rental income from operating leases is credited to the relevant service account 'Place directorate' in the Comprehensive Income and Expenditure statement on a straight line basis over the term of the lease. The initial direct cost of negotiating and arranging the lease may be added to the carrying value of the asset and charged as an expense over the term of the lease.

### **Recognition**

#### **De Minimis & Materiality Limits**

## 2025/26 Statement of Accounts

All leases that meet the requirements below are considered material and are assessed against the requirements of IAS 17 to assess whether they are reflected in the financial statements as a finance or operating lease.

The capital value of an asset is not less than:	<b>£20,000</b>
The annual lease charge for an asset is:	<b>£20,000</b>
The minimum period of the lease for:	
Property	<b>10 years</b>
Equipment	<b>5 years</b>
	<b>If Cost of assessment exceeds 1% of capital value</b>
Accounting cost 'versus' capital value whereby the lease will not be assessed.	

### COUNCIL AS LESSEE

From 1 April 2024, Thurrock Council (TBC) has applied IFRS 16 Leases as adopted by the CIPFA Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

At the commencement of a lease, a liability is recognised for the obligation to make future payments (discounted to their present value using the interest rate implicit in the lease or (where this is not readily determinable) TBC's incremental borrowing rate. The right acquired under the lease to use the leased item is recognised as an asset, measured on the commencement date at cost based on the lease liability plus any payments made before that date. Initial direct costs of the Council are added to the carrying amount of the asset. Liabilities are recalculated where rents change as a result of a change in an index or rate used to determine future payments. Adjustments to liabilities are matched with adjustments to the cost of the right-of-use asset.

Lease payments are apportioned between:

- a charge for the acquisition of the right to use the property, plant or equipment which is applied to write down the lease liability, and
- a finance charge which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. This will include valuation where the cost model does not provide a dependable proxy for the current value of the right-of-use asset.

TBC is not required to use council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Therefore, the Minimum Revenue Provision arrangements also apply to leased assets.

Where leases are for items of low value, or the lease term is less than 12 months from commencement, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased item. For this purpose, TBC has determined that items with a value of less than £10k when new are low value. Charges 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 rent -free period at the commencement of the lease).

### COUNCIL AS LESSOR

#### Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal and replaced by a long-term debtor in the Balance Sheet valued on the future income due under the finance lease. This value then reduces over time as principal repayments are made.

#### 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 recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease)

#### 1.12 Minimum Revenue Provision

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

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

However, it is required to make an annual contribution from revenue towards the reduction in the overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance (England and Wales). Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the general fund balance (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the movement in reserves statement for the difference between the two.

#### 1.13 Overheads and Support Services

The Council does not report overheads and support services within the management accounts and consequently they are not included in the Comprehensive Income and Expenditure Account.

#### 1.14 Prior Period Adjustments

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, 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 dependable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance.

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

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

#### 1.15 Intangible Assets

## 2025/26 Statement of Accounts

An intangible asset is an asset without physical substance that is identifiable and controlled by the Council. For it to be brought into account, the Council, through either custody or legal protection, (such as by means of a licence to use software) must have access to the future economic benefits provided by the asset.

Intangible assets are measured initially at cost. Amounts are only re-valued 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 amortised cost. 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 evaluated 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) to the Capital Receipts Reserve.

Intangible asset lives range from 3 to 10 years; assets are amortised over its useful life on a straight line basis.

### 1.16 Property, Plant and Equipment

Property, plant, and equipment are assets with a physical substance held for use in the provision of services or for administrative purposes for a period of more than one year.

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

#### ***Measurement***

Assets are initially measured at cost, comprising:

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

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

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.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income and Expenditure statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves statement.

## 2025/26 Statement of Accounts

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

- infrastructure, community assets – depreciated historical cost; assets under construction – historical cost.
- dwellings – current value, determined using the basis of **Existing Use Value for Social Housing** (EUV–SH).
- 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 fair value as a result of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair 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 fair value.

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

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

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

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

### ***Impairments***

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

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, adjusted for depreciation that would have been charged if the loss had not been recognised.

### ***Depreciation***

Depreciation is provided for on all Property, Plant and Equipment assets on a straight-line allocation of the 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).

The estimated useful lives of each category of asset are in the following ranges:

## 2025/26 Statement of Accounts

Asset Category	Useful Life (years)
Council Dwellings	60
Other Land and Buildings	10 – 60
Vehicles, Plant and Equipment	1 – 10
Land Awaiting Development	No life estimated – non-depreciable
Commercial Properties	10 – 60
Community Assets	10 – 60
Infrastructure Assets	25 – 50
Surplus Assets	10 – 60
Leased Assets	Over term of lease

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. The Council has applied the following criteria to identify material components of an asset:

The value below which assets will not be split into components	<b>£2,000,000</b>
The minimum value of a component as a proportion of total asset value	<b>10%</b>

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.

### 1.17 Infrastructure Assets

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.

#### Recognition

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, if it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably.

#### Measurement

Highways infrastructure assets are 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 England and Scotland] [1996 Wales], which was deemed at that time to be historical cost. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

#### Depreciation

Depreciation is provided on the parts of the highways network 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. Useful lives of the various parts of the highways network are assessed by the Chief Highways Engineer using industry standards where applicable as follows:

## 2025/26 Statement of Accounts

Part of the highways network	Useful life (years)
Carriageways	25
Footways and cycle tracks	25
Structures (bridges, tunnels, and underpasses)	50
Street lighting	40
Traffic management systems	20
Street Furniture	30

### 1.18 Disposals and De-recognitions

When any asset is disposed of or de-commissioned, however categorised, the carrying amount in the Balance Sheet is written off (debited) to Other Operating Expenditure in the Comprehensive Income and Expenditure statement as part of the Gain or Loss on Disposal of Assets. Receipts from disposals, if any, also as part of the Gain or Loss on Disposal of Assets, are credited to Other Operating Expenditure in the Comprehensive Income and Expenditure statement, that is, they are netted off against the carrying value at the time of disposal. The written off value is appropriated to the Capital Adjustment Account through the movement in Reserves Statement. Any revaluation gains accumulated in the Revaluation Reserve in respect of an asset disposed of are transferred to the Capital Adjustment Account.

Amounts received for a disposal, above the de minimis sum, are categorised as capital receipts. A proportion of capital receipts relating to Housing Revenue Account disposals, net of statutory deductions and other allowances, is payable to central Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used to finance the Council's capital investment or set aside to reduce the Council's need to borrow. Receipts are appropriated to the Capital Receipts Reserve through the Movement in Reserves Statement.

Any repayment of grant arising from the disposal of an asset is classified under statute as capital expenditure to be financed from the capital receipt. Under IFRS it is defined as Revenue Expenditure met from Capital Resources.

Where a property, plant or equipment asset is disposed of for other than a cash consideration, or the payment is deferred, an equivalent asset is recognised and included in the Balance Sheet at its fair value.

### 1.19 Fair Value Measurement

The Council measures surplus assets and some financial instruments 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 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 the 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, if 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:

## 2025/26 Statement of Accounts

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the management date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

### 1.20 Provisions

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each fiscal 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.

### 1.21 Reserves

The Council sets aside specific amounts as reserves for policy purposes or for contingencies. Reserves are established by charging amounts to the General Fund Balance in the Movement in Reserves Statement. Transfers to and from reserves are distinguished from service expenditure since transactions involving reserves are shown in the Movement in Reserves Statement. Balances on reserves are shown in the Balance Sheet and are reported in two categories:

- **Unusable Reserves** - Unusable reserves are not available for revenue purposes. The Revaluation Reserve can only be used when the gains are realised through asset disposal. The adjustment accounts, such as the Pension Reserve and Capital Adjustment Account, deal with situations where statute requires expenditure and income to be recognised on a different basis from that required by accounting standards. The adjustments between accounting basis and funding basis are shown in the Movement in Reserves Statement.
- **Usable Reserves** - Usable Reserves can be used to finance expenditure or to undertake capital investment and include the General Fund Balance, Earmarked Reserves, the Housing Revenue Account Balance, the Capital Receipts Reserve, and the Major Repairs Reserve. All transactions involving expenditure financed by revenue reserves are charged to the Cost of Services in the Comprehensive Income and Expenditure statement. The reserve is then transferred back into the General Fund balance so that there is no net charge against Council Tax for the expenditure. The Capital Receipts Reserve and Major Repairs Reserve can only be used to finance capital expenditure. All appropriations to and from reserves, including any interest payable, are accounted for in the Movement in Reserves statement.

### 1.22 Revenue Expenditure Funded from Capital under Statute

Legislation allows for specified expenditure to be classified as capital for funding purposes covering statutory provisions when it does not result in a non-current asset being carried in the Balance Sheet. The purpose of this is to enable such expenditure to be funded from capital resources rather than to be charged to the General Fund and impact upon Council Tax.

## 2025/26 Statement of Accounts

Where a statutory provision allows capital resources to meet such expenditure, that expenditure has been charged to the Cost of Services in the Comprehensive Income and Expenditure statement. It has subsequently been accounted for by debiting the Capital Adjustment Account and crediting the General Fund Balance in the Movement in Reserves Statement, so that there is no impact on the level of Council Tax. Any grants received in respect of revenue expenditure funded from capital resources are accounted for as revenue grants, even if described as capital grants by the grantor, and reversed in the Movement in Reserves Statement to the Capital Adjustment Account.

### **1.23 Value Added Tax (VAT)**

VAT is included in the Comprehensive Income and Expenditure statement, whether of a capital or revenue nature, only to the extent that it is irrecoverable from Revenue and Customs. VAT receivable is excluded from income.

### **1.24 Heritage Assets**

The Council holds two categories of Heritage Assets – historic buildings and artefacts and these are accounted for on the following bases:

Historic buildings – these were initially valued at cost as community assets and were then revalued on a restoration basis with any increases or decreases in value recognised in the revaluation reserve or Comprehensive Income and Expenditure statement as appropriate. The valuations are reviewed periodically (and at least every 5 years) as of 31 March by the specialist valuer. It is noted the valuations are approximate, but the Council is satisfied their valuations are reasonable. Coalhouse Fort at Tilbury is open to the public.

Artefacts – These are valued based on insurance valuations with any increases or decreases in value recognised in the revaluation reserve. The valuations are reviewed periodically (and at least every 5 years) as of 31 March by the Council's specialist valuer. These assets are held within the Grays Museum and are accessible by the public.

There is no depreciation charged on these assets as they have indeterminate lives, and the Council does not consider it appropriate to charge this.

The Council holds and manages these assets and there is no intention to acquire additional heritage assets nor dispose of existing ones.

### **1.25 Council Tax and non-domestic rates (England)**

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

#### ***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 CIES and the amount required by regulation to be credited to the general fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

## 2025/26 Statement of Accounts

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 as a result 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 Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

### **1.26 Interests in Companies and Other Entities**

The Council is required to produce Group Accounts alongside its own financial statements where it has material interests in subsidiaries, associates, and/or joint ventures. The Council considers that it has no current material interests in any other entity for the financial year 2025/26.

### **Note 2 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

**There are no changes in accounting requirements for 2026/27 that are anticipated to have a material impact on the Council's financial performance or financial position.**

### **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 underlying these financial statements are:

- The Council has interests in other entities that fall within the group boundary of the Council on the grounds of control and considerable influence in line with the Code. The Council's interest in Thurrock Regeneration Ltd is no longer material to the Council's overall financial position and therefore will not be consolidated within the Council's accounts.

### **Note 4 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The items in the Council's Balance Sheet on 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming fiscal year are as follows:

## 2025/26 Statement of Accounts

Item	Uncertainty	Effect
<b>Property, Plant and Equipment</b>	<p>Assets are depreciated over their estimated useful lives. If in the current economic climate historic levels of repairs and maintenance expenditure cannot be sustained, the useful lives of assets may reduce. Assets are held on a valuation basis. Valuations are inherently subjective and based on the expert judgement of the Council's valuers.</p> <p>Assets are valued based on estimates and assumptions at a point in time, but market conditions can fluctuate.</p>	<p>The incorrect application of expert judgement in the valuation of assets could result in a material misstatement of the asset values on the balance sheet.</p> <p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for buildings would increase by approximately £2.7m for every year that useful lives had to be reduced.</p>
<b>Pensions Liability</b>	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements and assumptions. This includes mortality assumptions, the rate of inflation, the rate of increase in salaries, the rate of increase in pensions and the rate for discounting scheme liabilities. There has been judgements and assumptions made in relation to McCloud and Sergeant when estimating the pension liability.</p> <p>Barnett Waddingham as the pension fund's actuary has provided expert advice about the assumptions applied.</p>	<p>The Actuaries' sensitivity analysis indicates that an increase in the discount rate for liabilities of 0.1% would reduce the pension liability by £7.1m. Further sensitivity analysis detailed in Note 32.</p>
<b>Fair Value Measurements</b>	<p>When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques. Where possible, the inputs to these valuation techniques are based on observable data, but where this is not 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 Authority's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the Authority employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for</p>	<p>The Authority has relied on expert valuations to measure the fair value of surplus assets, assets held for sale and financial instruments.</p> <p>These are based on observable inputs used in the fair value measurement which for property assets include industrial land values, residential sales, and consideration of the lease status of these assets.</p> <p>For financial instruments, the observable inputs are set out in detail in Note 31 to the financial statements.</p>

## 2025/26 Statement of Accounts

Item	Uncertainty	Effect
	example surplus assets, an external valuer is employed).	
	Information about the valuation techniques and inputs used in determining the fair value of the Authority's assets and liabilities is disclosed in note twenty-six.	

### Note5(i) NOTE TO THE EXPENDITURE FUNDING ANALYSIS – ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS

#### ADJUSTMENTS FOR CAPITAL PURPOSES

1. Adjustments for capital purposes- this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:
  - **Other operating expenditure-** adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
  - **Financing and investment income and expenditure-** the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under proper accounting practices.
  - **Taxation and non-specific grant income and expenditure-** capital grants are adjusted for income not chargeable under proper accounting practices. Revenue grants are adjusted from those receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year. The taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

#### NET CHANGE FOR THE PENSIONS ADJUSTMENTS

2. Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:
  - **For services** this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
  - **For Financing and investment income and expenditure** - the net interest on the defined benefit liability is charged to the CIES.

#### OTHER STATUTORY ADJUSTMENTS

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

## 2025/26 Statement of Accounts

- **For Financing and investment income and expenditure** the other statutory adjustments column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- 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 proper accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses of Deficits on the Collection Fund.

2025/26 Statement of Accounts

**Note 5(ii) NOTE TO THE EXPENDITURE FUNDING ANALYSIS - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS**

2025/26				
Adjustment from General Fund to arrive at the Comprehensive Income and Expenditure Statement Accounts 2025/26	Adjustments for Capital Purposes (1)	Net Change for the Pensions Adjustments (2)	Other Statutory Adjustments (3)	Total Adjustments
	£000	£000	£000	£000
<b>Adults; Social Care and Health</b>	(1,340)	(1,299)	86	(2,553)
<b>Assistant Chief Exec's Office</b>	(610)	(243)	(50)	(903)
<b>Chief of Staff</b>	0	0	0	0
<b>Children's Services</b>	876	(1,719)	5,357	4,514
<b>Corporate Costs</b>	0	(1,492)	(433)	(1,925)
<b>Corporate Services</b>	(477)	0	(125)	(602)
<b>Finance</b>	0	(332)	(38)	(370)
<b>Place</b>	13,301	(1,123)	(1,057)	11,121
<b>Net Cost of Services</b>	<b>11,750</b>	<b>(6,208)</b>	<b>3,740</b>	<b>9,282</b>
Housing Revenue Account	(768)	(602)	16	(1,354)
<b>Other Income and Expenditure</b>	<b>38,139</b>	<b>(17,116)</b>	<b>3,731</b>	<b>24,754</b>
<b>Difference between General Fund surplus and Comprehensive Income and Expenditure Statement Deficit</b>	<b>49,121</b>	<b>(23,926)</b>	<b>7,487</b>	<b>32,682</b>

## 2025/26 Statement of Accounts

2024/25					
Adjustment from General Fund to arrive at the Comprehensive Income and Expenditure Statement Accounts 2024/25	Adjustments for Capital Purposes (1)	Net Change for the Pensions Adjustments (2)	Other Statutory Adjustments (3)	Total Adjustments	
	£000	£000	£000		
<b>Adults; Social Care and Health</b>	18	(355)	129	(208)	
<b>Assistant Chief Exec's Office</b>	(528)	(69)	20	(577)	
<b>Children's Services</b>	823	(480)	(386)	(43)	
<b>Corporate Costs</b>	0	(235)	(448)	(683)	
<b>Corporate Services</b>	502	(339)	151	314	
<b>Finance</b>	0	(86)	(7)	(93)	
<b>Place</b>	11,802	(325)	(839)	10,638	
<b>Net Cost of Services</b>	<b>12,617</b>	<b>(1,889)</b>	<b>(1,380)</b>	<b>9,348</b>	
Housing Revenue Account	1,303	(144)	76	1,235	
<b>Other Income and Expenditure</b>	<b>45,694</b>	<b>(133)</b>	<b>7,760</b>	<b>53,321</b>	
<b>Difference between General Fund surplus and Comprehensive Income and Expenditure Statement Deficit</b>	<b>59,614</b>	<b>(2,166)</b>	<b>6,456</b>	<b>63,904</b>	

2025/26 Statement of Accounts

Note 5(ii) ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

	2025/26						
	Usable Reserves					Movement in Usable Reserves (total)	Movement in Unusable Reserves (total)
	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied		
£000	£000	£000	£000	£000	£000	£000	
<b>Adjustments primarily involving the Capital Adjustment Account:</b>							
<u>Reversal of items debited or credited to the CIES</u>							
Amortisation of intangible assets	0	0	0	0	0	0	0
Charges for depreciation and impairment of non-current assets	(15,493)	(10,989)	0	0	0	(26,482)	26,482
Revaluation losses on property, plant and equipment	(685)	(1,364)	0	0	0	(2,049)	2,049
Revaluation gains reversing previous losses	6,113	2,152	0	0	0	8,265	(8,265)
Revaluation Depreciation Adjustments	(44)	(20)	0	0	0	(64)	64
Adjustments to and movement in the fair value of long term debtors	(9,634)	0	0	0	0	(9,634)	9,634
Capitalisation Direction	(59,070)	0	0	0	0	(59,070)	59,070
Movement in the value of held for sale assets	0	(1)	0	0	0	(1)	1
Capital Grants and contributions applied	5,950	0	0	0	0	5,950	(5,950)
Revenue expenditure funded from capital under statute (REFCUS)	(21,734)	0	0	0	0	(21,734)	21,734
Grant Funding for REFCUS	20,093	0	0	0	0	20,093	(20,093)
Amounts of assets written off on disposal or sale as part of the net gain or loss on disposal or sale to the CIES	(18,874)	(36,354)	0	0	0	(55,228)	55,228
Capital expenditure funded from revenue reserves	0	1	0	0	0	1	(1)

## 2025/26 Statement of Accounts

Insertion of items not debited or credited to the CIES

Statutory provision for the financing of capital investment	32,995	0	0	0	0	32,995	(32,995)
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2025/26

Usable Reserves

	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Usable Reserves (total)	Movement in Unusable Reserves (total)
	£000	£000	£000	£000	£000	£000	£000
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>							
Application of grants to capital financing transferred to the capital adjustment account	0	0	0	0	4,162	4,162	(4,162)
Capital Grants and contributions unapplied credited to the CIES	11,260	0	0	0	(11,260)	0	0
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>							
Use of the capital receipts reserve to finance new capital expenditure	0	0	16,800	0	0	16,800	(16,800)
Transfer of sale proceeds credited as part of the gains or losses on disposal to the CIES	19,263	17,388	(36,651)	0	0	0	0
Capital Receipts from the repayments of external loans	0	0	0	0	0	0	0
Contribution from the capital receipts reserve towards administration costs of non-current assets disposal	(733)	(133)	866	0	0	0	0
Contribution from the capital receipts reserve to finance the payments to the Government capital receipts pool	0	0	0	0	0	0	0
Use of capital receipts funding transformation expenditure	0	0	0	0	0	0	0
Use of Capital Receipts to Repay Debt			17,875			17,875	(17,875)

## 2025/26 Statement of Accounts

### Adjustments primarily involving the Major Repairs Reserve:

Reversal of notional major repairs allowance (MRA) credited to the HRA	0	10,989	0	(10,989)	0	0	0
Use of major repairs reserve to finance new capital expenditure	0	0	0	10,989	0	10,989	(10,989)

### Adjustments primarily involving the Financial Instrument Adjustment

Amounts by which finance costs charged to the CIES are different from the finance costs chargeable in the year in accordance with statutory requirements	1,457	0	0	0	0	1,457	(1,457)
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2025/26

### Usable Reserves

General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Usable Reserves (total)	Movement in Unusable Reserves (total)
£000	£000	£000	£000	£000	£000	£000

### Adjustments primarily involving the Pension Reserve:

Reversal of items relating to retirement benefits debited or credited to the CIES	4,991	537	0	0	0	5,528	(5,528)
Employer's pension contributions and direct payment to pensioners payable in year	16,671	1,727	0	0	0	18,398	(18,398)

### Adjustments involving the Collection Fund Adjustment Account (Council Tax)

Amount by which council tax credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(743)	0	0	0	0	(743)	743
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### Adjustments involving the Collection Fund Adjustment Account:

## 2025/26 Statement of Accounts

Amount by which non-domestic rating income credited to the CIES is different from non-domestic rating income calculated for the year in accordance with statutory requirements	(2,873)	0	0	0	0	(2,873)	2,873
Amount by which non-domestic rating income credited to the CIES is different from non-domestic rating income calculated for the year in accordance with statutory requirements - Freeports	0	0	0	0	0	0	0
<b>Adjustment involving the Accumulated Absences Account:</b>							
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(207)	(16)	0	0	0	(223)	223
<b>Adjustment involving the Dedicated Schools Grant Adjustment Account:</b>							
Transfer of in-year surplus/deficit	(5,303)	0	0	0	0	(5,303)	5,303
<b>Total Adjustments</b>	<b>(16,600)</b>	<b>(16,083)</b>	<b>(1,110)</b>	<b>0</b>	<b>(7,098)</b>	<b>(40,891)</b>	<b>40,891</b>

## 2025/26 Statement of Accounts

	2024/25						
	Usable Reserves					Movement in Usable Reserves (total)	Movement in Unusable Reserves (total)
	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied		
£000	£000	£000	£000	£000	£000	£000	
<b>Adjustments primarily involving the Capital Adjustment Account:</b>							
<u>Reversal of items debited or credited to the CIES</u>							
Amortisation of intangible assets	0	0	0	0	0	0	0
Charges for depreciation and impairment of non-current assets	(16,106)	(10,785)	0	0	0	(26,891)	26,891
Revaluation losses on property, plant and equipment	(4,627)	(3,417)	0	0	0	(8,044)	8,044
Revaluation gains reversing previous losses	8,605	2,115	0	0	0	10,720	(10,720)
Revaluation Depreciation Adjustments	(5)	0	0	0	0	(5)	5
Adjustments to and movement in the fair value of long term debtors	(48,673)	0	0	0	0	(48,673)	48,673
Capitalisation Direction	(73,019)	0	0	0	0	(73,019)	73,019
Movement in the value of held for sale assets	0	(1)	0	0	0	(1)	1
Capital Grants and contributions applied	5,274	0	0	0	0	5,274	(5,274)
Movement in fair value of pooled funds	0	0	0	0	0	0	0
Revenue expenditure funded from capital under statute (REFCUS)	(3,495)	0	0	0	0	(3,495)	3,495
Grant Funding for REFCUS	3,011	0	0	0	0	3,011	(3,011)
Amounts of assets written off on disposal or sale as part of the net gain or loss on disposal or sale to the CIES	(2,590)	(24,619)	0	0	0	(27,209)	27,209
Capital expenditure funded from revenue reserves	0	0	0	0	0	0	0
<u>Insertion of items not debited or credited to the CIES</u>							

## 2025/26 Statement of Accounts

Statutory provision for the financing of capital investment	48,728	0	0	0	0	48,728	(48,728)
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2024/25

### Usable Reserves

	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Usable Reserves (total)	Movement in Unusable Reserves (total)
	£000	£000	£000	£000	£000	£000	£000
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>							
Application of grants to capital financing transferred to the capital adjustment account	0	0	0	0	1,681	1,681	(1,681)
Capital Grants and contributions unapplied credited to the CIES	34,711	0	0	0	(34,711)	0	0
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>							
Use of the capital receipts reserve to finance new capital expenditure	0	0	285	0	0	285	(285)
Transfer of sale proceeds credited as part of the gains or losses on disposal to the CIES	9,192	6,644	(15,836)	0	0	0	0
Capital Receipts from the repayments of external loans	0	0	0	0	0	0	0
Contribution from the capital receipts reserve towards administration costs of non-current assets disposal	0	(46)	46	0	0	0	0
Contribution from the capital receipts reserve to finance the payments to the Government capital receipts pool	(369)	0	369	0	0	0	0
Use of capital receipts funding transformation expenditure	0	0	0	0	0	0	0
Use of Capital Receipts to Repay Debt			15,869			15,869	(15,869)
<b>Adjustments primarily involving the Major Repairs Reserve:</b>							

## 2025/26 Statement of Accounts

Reversal of notional major repairs allowance (MRA) credited to the HRA	0	10,785	0	(10,785)	0	0	0
Use of major repairs reserve to finance new capital expenditure	0	0	0	10,785	0	10,785	(10,785)
<b>Adjustments primarily involving the Financial Instrument Adjustment</b>							
Amounts by which finance costs charged to the CIES are different from the finance costs chargeable in the year in accordance with statutory requirements	448	0	0	0	0	448	(448)

### 2024/25

#### Usable Reserves

	General Fund Balance	Housing Revenue Account Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Usable Reserves (total)	Movement in Unusable Reserves (total)
	£000	£000	£000	£000	£000	£000	£000
<b>Adjustments primarily involving the Pension Reserve:</b>							
Reversal of items relating to retirement benefits debited or credited to the CIES	(13,965)	(1,595)	0	0	0	(15,560)	15,560
Employer's pension contributions and direct payment to pensioners payable in year	15,975	1,752	0	0	0	17,727	(17,727)
<b>Adjustments involving the Collection Fund Adjustment Account (Council Tax)</b>							
Amount by which council tax credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(346)	0	0	0	0	(346)	346
<b>Adjustments involving the Collection Fund Adjustment Account:</b>							
Amount by which non-domestic rating income credited to the CIES is different from non-domestic rating income calculated for the year in accordance with statutory requirements	(7,415)	0	0	0	0	(7,415)	7,415



## 2025/26 Statement of Accounts

### Note 6 EXPENDITURE AND INCOME ANALYSED BY NATURE

2024/25 Carrying amount £000		2025/26 Carrying amount £000
	<b>Expenditure</b>	
135,354	Employee expenses	131,898
293,851	Other service expenses	325,654
(240)	Support Services Recharges	(1,138)
27,715	Depreciation, Amortisation, Impairment & REFCUS	42,065
43,868	Interest payments and pension movement	24,705
1,408	Precepts and Levies	309
0	NNDR Pooling Expenses	0
0	Payments to housing capital receipts pool	0
27,255	Gains/losses on disposals of non current assets	56,093
48,673	Adjustments to and movement in fair value of Long Term Debtors	8,788
<b>577,884</b>	<b>Total Expenditure</b>	<b>588,374</b>
	<b>Income</b>	
(124,136)	Fees, charges and other service income	(129,078)
(11,295)	Investment income	(11,088)
(153,994)	Income from Council Tax and Non-Domestic Rates	(150,744)
(221,272)	Government Grants and Contributions	(237,636)
(15,836)	Gains/losses on disposals of non current assets	(36,651)
<b>(526,533)</b>	<b>Total Income</b>	<b>(565,197)</b>
<b>51,351</b>	<b>Deficit on the Provision of Services</b>	<b>23,177</b>

## 2025/26 Statement of Accounts

### Note 7 DEPLOYMENT OF DEDICATED SCHOOLS GRANT

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education (DfE) - the Dedicated Schools Grant (DSG). An element of DSG is recouped by the DfE 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, as defined in the School and Early Years Finance (England) Regulations 2018. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of the DSG receivable for 2025/26 are as follows:

Notes	Schools Budget Funded By Dedicated Schools Grant (DSG)	Central Expenditure £000	Individual Schools Budget £000	Total £000
A	Final DSG for 2025/26 before Academy and High Needs Recoupment			255,315
B	Academy and high needs figure recouped for 2025/26			182,137
C	Total DSG after academy and high needs recoupment for 2025/26			73,178
D	Plus: Brought Forward from 2024/25			2,265
E	Less: Carry Forward to 2025/26 agreed in advance			-
F	Plus: Brought Forward from 2024/25	40,147	35,296	75,443
G	Less: Carry Forward to 2026/27 agreed in advance	0	-1,193	(1,193)
H	Agreed initial budgeted distribution in 2025/26	40,147	34,103	74,250
I	In Year Adjustments	45,501		45,501
J	Final Budget Distribution for 2025/26		34,052	34,052
K	Less: Actual Central Expenditure	-	-	-
L	In Year Carry-forward to 2026/27	(5,354)	51	(5,303)
M	Plus/Minus: Carry-forward to 2026/27			0

## 2025/26 Statement of Accounts

N	Carry-forward to 2026/27	0
O	DSG unusable reserve at the end of 2024/25	(1,883)
P	Addition to DSG unusable reserve at the end of 2025/26	(5,303)
Q	Total of DSG unusable reserve at the end of 2025/26	(7,186)
R	Net DSG position at the end of 2025/26	<b>(7,186)</b>

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In February 2026, the government announced its approach to support local authorities with DSG deficits. The High Needs Stability Grant will provide funding to cover 90% of a local authority's eligible, high needs-related DSG deficit accrued up to the end of the 2025/26 financial year. To receive the grant, authorities must secure Department for Education (DfE) approval for a local SEND reform plan. This plan must detail a pathway toward a financially sustainable and inclusive system.

### Note 8 OTHER OPERATING INCOME AND EXPENDITURE

Other Operating Income and Expenditure in the Comprehensive Income and Expenditure statement comprises the following:

2024/25	2025/26
£000	£000
1,039 Levies	960
369 Payments to the Government Housing Capital Receipts Pool	0
11,419 Gains/losses on the disposal of non current assets	19,443
<b>12,827 Total</b>	<b>20,403</b>

### Note 9 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

Financing and Investment Income and Expenditure in the Comprehensive Income and Expenditure statement comprise the following:

2024/25	2025/26
£000	£000
44,319 Interest payable and similar charges	38,368
(133) Net interest on the net defined benefit liability	(17,116)
(11,295) Interest receivable and similar income	(11,088)
0 Adjustments to and movement in fair value	0
48,672 Movement in Impairment Allowance	12,600
<b>81,563 Total</b>	<b>22,764</b>

## 2025/26 Statement of Accounts

### Note 10 TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

Taxation and Non-Specific Grant Income and Expenditure in the Comprehensive Income and Expenditure statement comprises the following:

2024/25		2025/26
£000		£000
(91,623)	Council tax income	(96,931)
(62,742)	Non domestic rates	(58,094)
(8,746)	Non-ringfenced grants	(13,727)
(39,985)	Capital grants and contributions	(17,210)
<b>(203,096)</b>	<b>Total</b>	<b>(185,962)</b>

### Note 11 MEMBERS' ALLOWANCES

The Council paid the following amounts to Members during the year:

2024/25	Members' Allowances	2025/26
£000		£000
693	Allowances	725
<b>693</b>	<b>Total</b>	<b>725</b>

### Note 12 REMUNERATION OF SENIOR STAFF

Senior officer remuneration for 2025/26 is set out in the table below:

Senior Staff Emoluments 2025/26	Salary, Fees, and Allowances	Pension Contribution	Total
	£	£	£
Managing Director - Dr. David Smith	256,980	0	256,980
Corporate Director Children's Services - Sheila Murphy	199,342	34,324	233,665
Executive Director of Corporate Service, and Monitoring Officer - Daniel Fenwick	193,536	33,324	226,860
Chief Financial Officer S151 - Dawn Calvert (Interim to FTC)	165,018	0	165,018
Assistant Chief Executive - Alex Powell	144,530	41,870	186,400
Interim Executive Director of Place - Claire Demmel	274,441	0	274,441

## 2025/26 Statement of Accounts

Executive Director (Adults & Health) - Robert Persey	208,553	31,142	239,696
Chief of Staff	108,533	18,688	127,221
<b>TOTAL</b>	<b>1,550,933</b>	<b>159,348</b>	<b>1,710,281</b>

Note : As part of the statutory intervention in Thurrock Council, the Managing Director Commissioner has been appointed by the Secretary of State. Under the terms of the Directions, it is the Council's responsibility to pay commissioners reasonable expenses, and such fees as the Secretary of State determines are to be paid to them. For the Managing Director Commissioner, the Secretary of State has set these fees at £1,100 per day, up to a maximum of 260 days per year.

**Code of practice CIPFA - Senior employees note**

**1135 : The requirements in the regulations for the senior employees note are:**

The remuneration, set out according to specified categories, by the body during the financial year of senior employees, or relevant officers, in respect of their employment by the body or in their capacity as a director, whether on a permanent or temporary basis – to be listed individually in relation to such persons who must nevertheless be identified by way of job title only (except for persons whose salary is £150,000 or more per year, who must also be identified by name). The above disclosure is limited to members of the Senior Leadership Team only.

Remuneration of Senior Staff	2024/25	2025/26
Pay Band	Numbers of Employees	Numbers of Employees
50,001 - 55,000	139	126
55,001 - 60,000	132	128
60,001 - 65,000	50	90
65,001 - 70,000	61	51
70,001 - 75,000	24	45
75,001 - 80,000	24	11
80,001 - 85,000	30	15
85,001 - 90,000	4	26
90,001 - 95,000	6	4
95,001 - 100,000	1	0
100,001 - 105,000	3	6
105,001 - 110,000	2	0
110,001 - 115,000	2	3
115,001 - 120,000	0	2
120,000+	2	1

Note: The above includes Council officers and staff at grant maintained schools.

The number of exit packages with total cost per band and total cost of the compulsory and other departures are set out in the table below. The total cost of the exit package includes the redundancy payment to the individual and the pension contribution paid directly to Essex County Council.

## 2025/26 Statement of Accounts

Exit Package cost Band	No of Compulsory Redundancies		Other Departures		Total number of Exit package by cost		Total Cost of Exit Packages	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
£								
0 – 20,000	4	5	23	7	27	12	160,045	112,198
20,001 - 40,000	9	2	4	5	13	7	391,868	195,023
40,001 - 60,000	3	1	1	2	4	3	185,631	140,856
60,001 - 80,000	1	0	0	0	1	0	68,648	0
80,001 - 100,000	0	0	0	1	0	1	0	84,680
100,001 - 150,000	0	0	0	0	0	0	0	0
150,001 - 200,000	0	0	0	0	0	0	0	0
80,000 and above	0	0	0	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>8</b>	<b>28</b>	<b>15</b>	<b>45</b>	<b>23</b>	<b>806,192</b>	<b>532,757</b>

The comparative data for the prior year (2024/25) is below:

Senior Staff Emoluments 2024/25	Salary, Fees, and Allowances	Pension Contribution	Total
	£	£	£
Managing Director - Dr. David Smith	250,800	0	250,800
Corporate Director Adults Housing and Health (Left 13/10/2024)	87,140	15,708	102,848
Director Public Health (Left 30/06/2024)	87,968	3,094	91,062
Chief Officer – Strategic Growth Partnerships and Special Projects	107,338	22,326	129,665
Corporate Director Children's Services - Sheila Murphy	159,900	33,259	193,159
Integrated Care Director (Partnership Director)	113,775	16,361	130,136
Executive Corporate Director - Daniel Fenwick	155,244	32,291	187,535
Chief Financial Officer S151 - Dawn Calvert (Interim to FTC)	211,341	0	211,341
Assistant Chief Executive - Alex Powell (* restated for 2024-25*)	136,237	39,468	175,705
Chief Planning Officer	107,244	22,307	129,551
Chief Digital Officer	101,515	21,115	122,630
Interim Chief Officer - Housing, Economic Development and Regeneration - Gloria Ighodaro	208,111	0	208,111
Interim Chief Operations Lead - Place - Paul Crick	277,344	0	277,344
Interim Executive Director of Place - Claire Demmel	283,844	0	283,844
Interim Executive Director (Adults & Health)	144,204	0	144,204
Interim Director of Public Health - Sharon Stoltz	196,907	0	196,907
Interim Programme Director Asset Disposals - Rob Large	219,227	0	219,227
Interim Programme Director - Change - Peter Pawson	172,508	0	172,508
<b>TOTAL</b>	<b>3,020,647</b>	<b>205,929</b>	<b>3,226,577</b>

Note: As part of the statutory intervention in Thurrock Council, the Managing Director Commissioner has been appointed by the Secretary of State. Under the terms of the Directions,

## 2025/26 Statement of Accounts

it is the Council's responsibility to pay commissioners reasonable expenses, and such fees as the Secretary of State determines are to be paid to them. For the Managing Director Commissioner, the Secretary of State has set these fees at £1,100 per day, up to a maximum of 260 days per year.

The number of employees whose remuneration (including severance payments where applicable) was £50,000 or more, in bands of £5,000 is shown in the table below. This does not include the senior officers shown above.

### **Note 13 RELATED PARTY TRANSACTIONS**

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

#### **Central Government**

Central government has significant influence 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 are set out in the subjective analysis in Note 21.

#### **Members and Other Public Bodies**

In addition to the relationship with Central Government, Thurrock Council has relationships with various NHS bodies. Thurrock Council has relationships with various schools where funding (Dedicated Schools Grant) is provided as well as other services such as school catering. Thurrock Council has no direct control over Academy schools, although Members and Officers may hold positions within the Governing Bodies of these schools.

Members have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2025/26 is shown in Note 11.

The Council paid amounts to voluntary organisations in which Members had positions on the governing body as noted in the table below. In all instances the grants and payments were 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 the relevant Member declarations are recorded in the Register of Members' interest open to public inspection at Civic Offices during office hours.

There are 20 Councillors who have not provided a declaration return.

Of the returns received there are no reported related party arrangements which require further reporting within this note.

**Officers – no declarations have been made at the time of publishing this report.**

## 2025/26 Statement of Accounts

### Note 14 EXTERNAL AUDIT COSTS

In 2025/26 the Council incurred the following costs relating to the audit of the Statement of Accounts and certification of grant claims:

<b>2024/25</b>	<b>External Audit Costs</b>	<b>2025/26</b>
<b>£000</b>		<b>£000</b>
	Fees Payable to Auditors:	
406	External Audit Services including Statutory Inspections*	417
67	Certification of Grant Claims and Returns	7
0	Non-Audit Work	0
<b>473</b>	<b>Total</b>	<b>424</b>

The Public Sector Audit Appointments scale fee for 2025/26 is £399k (£388k for 2024/25)

## 2025/26 Statement of Accounts

### Note 15 TRANSFERS TO/ FROM EARMARKED RESERVES

The Council maintains a number of reserves which have been set up as a means of earmarking resources to meet future spending needs. This note shows details of amounts set aside in the year and of amounts posted back to meet General Fund expenditure during the year.

Balance at 01 April 2024 £000	Net Transfers (In)/Out £000	Balance at 31 March 2025 £000		Balance at 01 April 2025 £000	Net Transfers (In)/Out £000	Balance at 31 March 2026 £000
123	88	211	Balances held by Schools under a Scheme of Delegation	211	298	510
(506)	(50)	(556)	Commuted Sums (GF)	(556)	0	(556)
(2,534)	267	(2,267)	DSG (GF)	(2,267)	0	(2,267)
(1,906)	(2,558)	(4,464)	Public Health Grant (GF)	(4,464)	(2,074)	(6,538)
(4,682)	(1,090)	(5,772)	Better Care Fund (GF)	(5,772)	0	(5,772)
(11,096)	(1,312)	(12,408)	Council Transformation Infrastructure Reserve	(12,408)	2,009	(10,399)
(1,500)	0	(1,500)	Adult Social Care Reserve	(1,500)	0	(1,500)
(4,310)	0	(4,310)	Collection Fund Section 31 reserve	(4,310)	0	(4,310)
(965)	965	0	Containment Outbreak Funding	0	0	0
(1,124)	724	(400)	Adults c/f	(400)	0	(400)
(1,274)	105	(1,170)	Housing Zones Funding (HRA)	(1,170)	0	(1,170)
(1)	0	(1)	Capital Reserve - Existing Stock (HRA)	(1)	1	0
(5,144)	275	(4,869)	HRA De-cant Reserve	(4,869)	0	(4,869)
(2,949)	(3,312)	(6,262)	Freeports	(6,262)	(3,742)	(10,004)
(30,496)	(1,275)	(31,769)	Other Earmarked Reserves	(31,769)	(4,297)	(36,067)
<b>(68,364)</b>	<b>(7,173)</b>	<b>(75,537)</b>	<b>Earmarked Reserves</b>	<b>(75,537)</b>	<b>(7,805)</b>	<b>(83,342)</b>

## 2025/26 Statement of Accounts

- The **Balances held by Schools under a Scheme of Delegation** comprise the working balances controlled by School Governors in the management of their annual share of DSG and other income.
- The **Revenue Grants Unapplied Reserve** has been set up from revenue grants received but the expenditure has yet to be incurred (i.e. the grants have no conditions or conditions have been met and have therefore been recognised in Comprehensive Income and Expenditure statement). The reserve will be drawn down once the associated expenditure has been incurred.
- The Budget Management Reserve was set up to provide a contingency to meet service demand over and above that for which is budgeted.
- The **Grant Carried Forward Reserve** relates to grants where the conditions have been met, but the expenditure is yet to be incurred.
- The **School Improvement Reserve** was identified as a requirement during the budget setting process.
- The **Development Reserve** was established to fund regeneration, and new development works within the Housing Revenue Account.
- The **Public Health Grant Reserve** has been established to fund expenditure in relation to public health which is a Council responsibility from 1 April 2013.
- The **Transformation Reserve** is to provide investment to support the implementation of the service transformation projects.
- The **Financial Resilience Reserve** is to provide stability to Council funds and mitigate against external funding and treasury management risks.
- The **Adult Social Care Reserve** consists of specific funding identified to support service improvement within the directorate.
- The **Covid-19 Funding Reserve** consists of grants to be allocated as part of the 2022/23 financial outturn to address on-going pressures associated with the pandemic.
- The **Treasury Equalisation Reserve** was set up to mitigate changes in interest rates.
- The **Collection Fund Section 31 Reserve** consists of funding from Section 31 grants relating to reliefs given to retail and nursery businesses during lockdown and grants to compensate for Business Rate and Council Tax income loss which will be used for the 2022/23 year and beyond to fund the collection fund deficit.
- The **Better Care Fund Reserve** is carried forward funding which is ring-fenced for specific use.
- The **Thames Estuary Growth Board Reserve** is ring-fenced grant allocation for specific use.
- The **Adults: Housing and Health Reserve** carry forward is to address on-going pressures within the service associated with the pandemic.
- The **HRA De-cant and Capital Reserve** is to support the Council's existing capital programmes.
- **Other Earmarked Reserves** consists of all other earmarked reserves.

## 2025/26 Statement of Accounts

### Note 16 PROVISIONS

A provision has been made to reflect the likely fiscal impact of business rate appeals against the Council. This represents the Council's proportion of the overall provision.

Provision has been made for potential insurance claims against the Council. This includes claims made for Mesothelioma (a form of cancer caused by exposure to asbestos) which were fully covered under the policy with Municipal Mutual Insurance Ltd (MMI).

Covid SFC Claim is overpayment of grant income by MHCLG for Covid Sales, Fees and Charges

The table below summarises the movements in the Council's financial provisions during the year:

Short Term Provisions	MMI Insurance £'000	Business Rate Appeals £000	Other Provision £000	COVID SFC Claim	Total £000
Balance at 01 April 2025	(106)	(7,153)	0	(1,203)	(8,462)
Additional Provision/Amount Used 2025/26	0	4,429	0	1,202	5,631
<b>Balance at 31 March 2026</b>	<b>(106)</b>	<b>(2,724)</b>	<b>0</b>	<b>(1)</b>	<b>(2,831)</b>
Balance at 01 April 2024	(106)	(5,134)	(575)	0	(5,815)
Additional Provision/Amount Used 2024/25	0	(2,019)	575	(1,203)	(2,647)
<b>Balance at 31 March 2025</b>	<b>(106)</b>	<b>(7,153)</b>	<b>0</b>	<b>(1,203)</b>	<b>(8,462)</b>

  

Long Term Provisions	MMI Insurance £'000	Business Rate Appeals £000	Total £000
Balance at 01 April 2025	(223)	(1,789)	(2,012)
Additional Provision/Amount Used 2025/26	2	1,789	1,791
<b>Balance at 31 March 2026</b>	<b>(221)</b>	<b>0</b>	<b>(221)</b>
Balance at 01 April 2024	(224)	(1,192)	(1,416)
Additional Provision/Amount Used 2024/25	1	(597)	(596)
<b>Balance at 31 March 2025</b>	<b>(223)</b>	<b>(1,789)</b>	<b>(2,012)</b>

#### Insurance Provision

The Insurance Provision covers a proportion of the total value of outstanding insurance reserve amounts for which the council estimates it has a potential liability.

#### Business Rates Provision for Appeals

The provision reflects the estimated amount of Business Rates to be repaid, following any future successful appeals against rateable values.

## 2025/26 Statement of Accounts

### Note 17 DEBTORS

The table below provides an analysis of the Short-Term Debtors figure (net of provision for impairment) in the Balance Sheet:

#### Short Term Debtors

31 March		31 March
2025		2026
£000		£000
8,321	Trade receivables	3,961
1,212	Prepayments	3,117
29,285	Other receivable amounts	44,786
<b>38,818</b>	<b>Total</b>	<b>51,864</b>

#### Long Term Debtors

31 March		31 March
2025		2026
£000		£000
1,114	Housing	1,114
9,543	Energy etc.	1,757
<b>10,657</b>	<b>Total</b>	<b>2,871</b>

### Note 18 SHORT TERM CREDITORS

The table below provides an analysis of the Short-Term Creditors figure in the Balance Sheet:

31 March		31 March
2025		2026
£000		£000
(24,278)	Trade payables	(15,051)
(29,574)	Other payables	(42,186)
<b>(53,852)</b>	<b>Total</b>	<b>(57,237)</b>

## 2025/26 Statement of Accounts

### Note 19                      **USABLE RESERVES**

The balances on the Usable Reserves in the Balance Sheet are detailed in the following table:

31 March 2025 £000		Notes	31 March 2026 £000
(11,000)	General Fund Balance	(a)	(11,000)
(11,810)	Housing Revenue Account Balance	(b)	(13,511)
(69,498)	General Fund Earmarked Reserves	(c)	(77,304)
(6,040)	HRA Earmarked Reserves	(c)	(6,039)
(41,151)	Capital Receipts Reserve	(d)	(42,263)
(76,669)	Capital Grants Unapplied	(e)	(83,767)
<b>(216,168)</b>	<b>Total Usable Reserves</b>		<b>(233,884)</b>

The movements in the year and balances on 31 March of the Council's Usable Reserves are set out in the Movement in Reserves Statement supported by Note 5.

**(a) General Fund Balance**

Resources available to meet the future running cost of non-Housing Revenue Account services. This is the accumulated surplus of income over expenditure after allowing for any General Fund earmarked reserves. Its strategic use is to safeguard against budget risk and adverse impact on future Council Tax levels.

**(b) Housing Revenue Account**

Resources available to meet the future running costs of the Council Housing Landlord service. Its strategic use is to safeguard against budget risk and adverse impact on future Council rent levels. An element is earmarked towards potential bad debts.

**(c) Earmarked Reserves Balance**

Resources earmarked for spending plans and contingencies. These are shown in more detail in Note 15.

**(d) Capital Receipts Reserve**

Proceeds of asset sales available to finance capital expenditure or repay debt.

**(e) Capital Grants Unapplied**

These are grants received for specific purposes but remain unspent at the end of each year.

## 2025/26 Statement of Accounts

### Note 20 UNUSABLE RESERVES

The balances on the Unusable Reserves in the Balance Sheet are detailed in the following table:

31 March 2025		Notes	31 March 2026
£000			£000
(473,035)	Revaluation Reserve	(a)	(490,793)
33,875	Capital Adjustment Account	(b)	70,385
12,388	Financial Instruments Adjustment Account	(c)	10,931
(276,577)	Pensions Reserve	(d)	4,096
(2,460)	Collection Fund Adjustment Account	(e)	1,157
849	Accumulated Absences Account		1,072
1,883	Dedicated Schools Grant Adjustment Account*		7,186
(1,770)	Deferred Capital Receipts Account		(1,770)
<b>(704,847)</b>	<b>Total Unusable Reserves</b>		<b>(397,736)</b>

#### (a) Revaluation Reserve

This reserve functions as a store of the gains made by the Council from the increases in the value of its Property, Plant and Equipment since 1 April 2007 when the reserve was created. Gains prior to that date are consolidated in the Capital Adjustment Account. The balance is reduced when assets with accumulated gains are re-valued downwards or impaired, used in the provision of services with the gains consumed through depreciation and disposed of with the gains being realised.

31 March 2025		31 March 2026
£000		£000
<b>(386,901)</b>	<b>Balance at 1 April</b>	<b>(473,035)</b>
(102,054)	Upward revaluation of assets	(47,517)
9,341	Downward revaluation of assets and impairment losses not charged to the Deficit on the Provision of Services	9,136
<b>(92,713)</b>	<b>Surplus or deficit on revaluation of non-current assets not posted to the Deficit on the Provision of Services</b>	<b>(38,381)</b>
3,755	Difference between fair value depreciation and historical cost depreciation	4,267
2,824	Accumulated gains on assets sold or scrapped	16,356
<b>6,579</b>	<b>Amount written off to the Capital Adjustment Account</b>	<b>20,623</b>
<b>(473,035)</b>	<b>Balance at 31 March</b>	<b>(490,793)</b>

## 2025/26 Statement of Accounts

### Capital Adjustment Account

This 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, and enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction and enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure statement, with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis. The account is credited with the amount set aside by the Council as finance for the costs of acquisition, construction, and enhancement. The account includes gains recognised on any donated assets that have yet to be consumed by the Council. The account also contains revaluation gains accumulated on Property, Plant and Equipment prior to 1 April 2007 when the Revaluation Reserve was created to hold such gains. The source of most postings in the table below can be seen in Note 5.

31 March 2025		31 March 2026
£000		£000
<b>(50,529)</b>	<b>Balance at 1 April</b>	<b>33,875</b>
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
26,896	Charges for depreciation of non current assets (PPE)	26,546
8,044	Revaluation and Impairment losses on Property, Plant and Equipment	2,048
(10,721)	Revaluation gains reversing previous losses (PPE)	(8,265)
3,495	Revenue expenditure funded from capital under statute (REFCUS) - net of Funding	21,734
21,978	PPE written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	27,174
48,673	Adjustments to and fair value decrease of Long Term Capital Debtors	9,634
0	Adjustments to and fair value decrease of Long Term Investments	0
5,232	Assets Held for Sale written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	28,054
(2,824)	Accumulated gains on assets sold or scrapped	(16,356)
<b>100,773</b>		<b>90,569</b>
(3,755)	Adjusting amounts written out of the Revaluation Reserve	(4,267)
<b>97,018</b>	<b>Net written out amount of the cost of non current assets consumed in the year</b>	<b>86,302</b>
	Capital financing applied in the year:	
(285)	Use of the Capital Receipts Reserve to finance new capital expenditure	(16,800)
(15,869)	Use of Capital Receipts to Repay Debt	(17,875)
(10,785)	Use of the Major Repairs Reserve to finance new capital expenditure	(10,989)
(9,966)	Application of grants to capital financing	(30,205)
(48,728)	Statutory provision for the financing of capital investment charged against the General Fund and HRA Balances (including finance lease liabilities)	(32,995)
0	Capital expenditure charged against the General Fund and HRA balances	(1)
<b>(85,633)</b>		<b>(108,865)</b>
1	Movements in assets held for sale debited to the CIES	1
73,018	Capitalisation Direction	59,070
<b>33,875</b>	<b>Balance at 31 March</b>	<b>70,385</b>

## 2025/26 Statement of Accounts

### (c) Financial Instrument Adjustment Account

This account absorbs the timing differences arising from the different arrangements for accounting for the income and expenditure relating to certain financial instruments and for bearing losses or benefiting from gains according to statutory provisions. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure statement when they are incurred but reversed out of the General Fund Balance to this Account in the Movements in Reserves statement. Over time the expense is posted back to the General Fund Balance in accordance with the statutory arrangements for spreading the burden on Council Tax. Usually this means writing off the balance over the unexpired term of the loans when they were redeemed. The large balance is due to the debt rescheduling undertaken in August 2010 whereby the premium payable on each loan has been written down over the remaining life of the loan. When rescheduled in 2010/11 the remaining life of the loans repaid ranged from 3–48 years. Therefore, the balance on this account will be cleared over a period of 48 years with currently a further 38 years remaining.

31 March 2025 £000		31 March 2026 £000
12,835	<b>Balance at 1 April</b>	12,388
(448)	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(1,457)
<b>12,388</b>	<b>Balance at 31 March</b>	<b>10,931</b>

### Pensions Reserve

This reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding those 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 and changing assumptions about investment returns on those resources set aside to meet the costs. However statutory arrangements require benefits earned to be financed as the Council makes employer contributions to the Pension Fund or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve shows the substantial shortfall in the benefits earned by past and present employees and the resources 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.

31 March 2025 £000		31 March 2026 £000
5,176	<b>Balance at 1 April</b>	<b>(276,577)</b>
(279,586)	Actuarial gains or losses on pensions assets and liabilities	304,599
15,560	Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the CIES	(5,528)
(17,727)	Employer's pensions contributions and direct payments to pensioners payable in the year	(18,398)
<b>(276,577)</b>	<b>Balance at 31 March</b>	<b>4,096</b>

## 2025/26 Statement of Accounts

### (e) Collection Fund Adjustment Account

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

31 March 2025		31 March 2026
£000		£000
<b>(10,220)</b>	<b>Balance at 1 April</b>	<b>(2,460)</b>
7,760	Amount by which collection fund income credited to the CIES is different from collection fund income calculated for the year in accordance with statutory requirements	3,617
<b>(2,460)</b>	<b>Balance at 31 March</b>	<b>1,157</b>

### Note 21 ANALYSIS OF GOVERNMENT GRANTS

The Council credited the following material grants and contributions to the Comprehensive Income and Expenditure statement:

2024/25 £000		2025/26 £000
<b>Credited to Taxation and Non Specific Grant Income:</b>		
<b>Revenue</b>		
(91,194)	Council Tax	(97,249)
(63,664)	National Non Domestic Rates	(70,233)
(7,730)	Revenue Support Grant	(9,327)
(19)	New Homes Bonus	(6)
(232)	Services Grant	0
<b>(162,839)</b>		<b>(176,815)</b>
<b>Capital</b>		
(3,887)	Department for Transport	(6,915)
(243)	Department for Education	(981)
(125)	South Essex Local Enterprise Partnership	0
(1,271)	Department for Environment, Food & Rural Affairs	0
(3,982)	Department for Energy Security and Net Zero	0
(24)	Section 106	(397)
(33,304)	Ministry of Housing, Communities and Local Government	(8,855)
3,053	Department of Health	0
(202)	Other	(62)
<b>(202,824)</b>	<b>Total</b>	<b>(194,025)</b>

## 2025/26 Statement of Accounts

2024/25		2024/25
£000		£000
	<b>Credited to Services:</b>	
	<b>Revenue</b>	
(27,628)	Housing Benefit	(20,431)
(13,105)	Public Health Grant	(14,029)
(62,503)	Dedicated Schools Grant	(72,568)
(14,240)	Better Care Fund	0
(5,569)	Better Care Fund - Improved BCF	(6,871)
(1,301)	Better Care Fund - Discharge Funding	0
(2,192)	Unaccompanied Asylum Seekers Grant	(1,998)
(743)	Low Carbon Across the South and East (LOCASE)	0
0	Adult social care support grant	(15,825)
0	Covid-19 Hardship Fund	0
0	Covid-19 Other grants	0
(1,448)	Thurrock Adult College & DFE	(1,344)
(1,170)	Preventing Homelessness and Rough sleeping Grants	(2,161)
(411)	HB Admin Grant	(212)
0	Pride in Place	(150)
(937)	Troubled Families grants	(476)
(6,427)	Social Care - Service Managers	0
(7,104)	Social Care Grant -External Placement	0
(2,862)	Market Sustainability and Fair Cost of Care Fund	(2,862)
(1,076)	Family Hubs & Start for Life Programme	(568)
(836)	Grays Convent High School	0
0	Schools	(214)
	Social Fund Administration	(1,673)
(466)	Expansion of the EY Offer	0
(724)	Ukraine Funding/Expenditure	(224)
0	Home for Ukraine	(377)
0	Leisure Management	
(18,692)	Other	(32,279)
	<b>Capital</b>	
(479)	Department for Education	(1,600)
0	Department for Transport	0
(2,475)	Ministry of Housing, Communities and Local Government	(18,392)
(57)	Section 106	(101)
0	Other	0
<b>(172,445)</b>	<b>Total</b>	<b>(194,355)</b>

### 21 (a) Grant Income - Receipts in Advance

The Council has received a number of capital grants and contributions that have yet to be recognised as income as they have conditions attached to them that would require the monies or property to be returned to the giver if those conditions are not met. The balances on these at the end of each year are as follows:

## 2025/26 Statement of Accounts

31 March 2025		31 March 2026
£000		£000
	<b>Capital Grants &amp; Contributions - Receipts in Advance</b>	
(13,805)	Section 106	(13,247)
(161)	Department of Communities and Local Government	(156)
(292)	Other Contributions	(1,850)
(326)	Port of London Authority	(326)
<b>(14,584)</b>	<b>Total</b>	<b>(15,579)</b>

### Note 22 CONTINGENT LIABILITIES

None reported.

### Note 23 EVENTS AFTER THE BALANCE SHEET DATE

Management have reviewed and can confirm that there are no significant events occurring after the reporting period.

### Note 24 HERITAGE ASSETS

Heritage assets comprise buildings, works of art, a coin collection, ship models and antiques that are held and maintained principally for their contribution to knowledge and culture rather than for their financial value.

In accordance with FRS 102, Section 34 (Heritage Assets), these items are recognised in the balance sheet at their cost or valuation where such information is available and can be obtained at a cost commensurate with the benefits to users of the financial statements. Where reliable information on cost or valuation is not available, the assets are not recognised on the balance sheet.

The carrying values of recognised heritage assets are as follows:

#### Heritage Assets Summary of Transactions

	2022/23		2022/23		2023/24		2023/24		2024/25		2024/25		2025/26		2025/26	
	Buildings	Artefacts	Buildings	Artefacts	Buildings	Artefacts	Buildings	Artefacts	Buildings	Artefacts	Buildings	Artefacts	Buildings	Artefacts	Buildings	Artefacts
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Carrying Value	1,028	184	1,028	184	1,028	184	1,028	184	1,028	184	1,028	184	1,028	184	1,028	184
Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Closing Carrying Value</b>	<b>1,028</b>	<b>184</b>	<b>1,028</b>	<b>184</b>	<b>1,028</b>	<b>184</b>	<b>1,028</b>	<b>184</b>	<b>1,028</b>	<b>184</b>	<b>1,028</b>	<b>184</b>	<b>1,028</b>	<b>184</b>	<b>1,028</b>	<b>184</b>

**Note 25 INTANGIBLE ASSETS**

There are no intangible assets to report.

## 2025/26 Statement of Accounts

### Note 26 PROPERTY, PLANT AND EQUIPMENT

Movement 2025/26	Council Dwellings £000	Other Land and Buildings £000	IFRS16 £000	Vehicles, Plant & Equipment £000	Community Assets £000	Assets Under Construction £000	Surplus Assets £000	Total PP&E £000
<b>Cost or Valuation</b>								
At 1 April 2025	876,220	160,389	3,735	39,057	24,278	7,713	91,668	1,203,060
In year adjustment	0	0	0	0	0	0	0	0
Additions / Donations	26,509	157	0	1,042	148	3,899	0	31,755
Derecognition - Disposals	0	(910)	0	(514)	0	0	0	(1,424)
Derecognition - Other - Note 2	(26,171)	(2)	0	0	0	0	0	(26,173)
Revaluations Recognised in Revaluation Reserve	(7,697)	31,473	0	0	0	0	2,793	26,569
Revaluations Recognised in Deficit on Provision of Services	(1,609)	6,433	0	0	0	0	294	5,118
Assets reclassified (to) Held for Sale	(10,272)	(18,280)	0	0	0	0	(976)	(29,528)
Other movements in Cost or Valuation	0	0	0	0	0	0	0	0
<b>At 31 March 2026</b>	<b>856,980</b>	<b>179,258</b>	<b>3,735</b>	<b>39,585</b>	<b>24,428</b>	<b>11,612</b>	<b>93,779</b>	<b>1,209,377</b>

Movement 2025/26	Council Dwellings £000	Other Land and Buildings £000	IFRS16 £000	Vehicles, Plant & Equipment £000	Community Assets £000	Assets Under Construction £000	Surplus Assets £000	Total PP&E £000
<b>Accumulated Depreciation and Impairment</b>								
At 1 April 2025	(1)	(712)	(1,024)	(30,899)	(12,834)	0	(1)	(45,471)
Depreciation charge	(10,789)	(1,499)	(1,071)	(3,001)	(871)	0	(181)	(17,412)
Depreciation written back to the Revaluation Reserve	10,258	1,598	0	0	0	0	170	12,026

## 2025/26 Statement of Accounts

Depreciation written back to Deficit on Provision of Services	532	557	0	0	0	0	10	1,099
Derecognition - Disposals	0	15	0	408	0	0	0	423
Derecognition - Other - Note 2	0	0	0	0	0	0	0	0
Other movements in Depreciation and Impairment	0	0	0	0	0	0	0	0
<b>At 31 March 2026</b>	<b>0</b>	<b>(41)</b>	<b>(2,095)</b>	<b>(33,492)</b>	<b>(13,705)</b>	<b>0</b>	<b>(2)</b>	<b>(49,335)</b>
<b>NBV At 31 March 2025</b>	<b>876,220</b>	<b>159,676</b>	<b>2,711</b>	<b>8,158</b>	<b>11,444</b>	<b>7,713</b>	<b>91,668</b>	<b>1,157,590</b>
<b>NBV At 31 March 2026</b>	<b>856,980</b>	<b>179,217</b>	<b>1,640</b>	<b>6,093</b>	<b>10,723</b>	<b>11,612</b>	<b>93,777</b>	<b>1,160,042</b>

### Note 26 PPE Movements in 2024/25

Movement 2024/25	Council Dwellings	Other Land and Buildings	IFRS 16 Right of use	Vehicles, Plant & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total PP&E
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>								
On 1 April 2024	853,194	111,852	0	38,755	20,963	3,066	81,968	1,109,798
In year adjustment	0	0	0	0	0	0	0	0
Additions / Donations	26,363	738	3,735	558	(16)	4,647	0	36,025
Derecognition – Disposals	0	(1,015)	0	(255)	0	0	0	(1,270)
Derecognition - Other - Note 2	(20,869)	0	0	0	0	0	0	(20,869)
Revaluations Recognised in Revaluation Reserve	23,266	44,307	0	0	3,330	0	11,212	82,115
Revaluations Recognised in Deficit on Provision of Services	(1,899)	5,324	0	0	0	0	(1,512)	1,913
Assets reclassified (to) Held for Sale	(3,835)	(817)	0	0	0	0	0	(4,652)
Other movements in Cost or Valuation	0	0	0	0	0	0	0	0

## 2025/26 Statement of Accounts

<b>On 31 March 2025</b>	<b>876,220</b>	<b>160,389</b>	<b>3,735</b>	<b>39,058</b>	<b>24,277</b>	<b>7,713</b>	<b>91,668</b>	<b>1,203,060</b>
<b>Movement 2024/25</b>	<b>Council Dwellings</b>	<b>Other Land and Buildings</b>	<b>IFRS16</b>	<b>Vehicles, Plant &amp; Equipment</b>	<b>Community Assets</b>	<b>Assets Under Construction</b>	<b>Surplus Assets</b>	<b>Total PP&amp;E</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Accumulated Depreciation and Impairment</b>								
On 1 April 2024	0	(17)	0	(26,879)	(12,038)	0	0	<b>(38,934)</b>
In year adjustment (rounding's)	0	1	0	0	1		(1)	<b>1</b>
Depreciation charge	(10,605)	(1,404)	(1,024)	(4,178)	(829)	0	(73)	<b>(18,113)</b>
Depreciation written back to the Revaluation Reserve	10,110	445	0	0	33	0	62	<b>10,650</b>
Depreciation written back to Deficit on Provision of Services	494	258	0	0	0	0	11	<b>763</b>
Derecognition – Disposals	0	4	0	158	0	0	0	<b>162</b>
Other movements in Depreciation and Impairment	0	0	0	0	0	0	0	<b>0</b>
<b>On 31 March 2025</b>	<b>(1)</b>	<b>(713)</b>	<b>(1,024)</b>	<b>(30,899)</b>	<b>(12,833)</b>	<b>0</b>	<b>(1)</b>	<b>(45,471)</b>
<b>NBV On 31 March 2024</b>	<b>853,194</b>	<b>111,835</b>	<b>0</b>	<b>11,876</b>	<b>8,925</b>	<b>3,066</b>	<b>81,968</b>	<b>1,070,864</b>
<b>NBV On 31 March 2025</b>	<b>876,219</b>	<b>159,676</b>	<b>2,711</b>	<b>8,159</b>	<b>11,444</b>	<b>7,713</b>	<b>91,667</b>	<b>1,157,589</b>

## Note 26 PROPERTY, PLANT AND EQUIPMENT (cont.)

### Valuation of Property, Plant and Equipment

The latest CIPFA guidance, including the 2025/26 Code and supporting Bulletin 22, reinforces the expectation that local authorities adopt a structured approach to maintaining asset valuations through a combination of periodic revaluations and annual indexation. Under this approach, property, plant and equipment are generally subject to a five-year rolling revaluation programme, with indexation applied in intervening years to reflect changes in value. However, CIPFA recognises that suitable indices will not always be available for certain asset classes. In such cases, authorities are expected to ensure those assets remain within a robust rolling review cycle, typically by incorporating them into a defined revaluation programme, with a practical expectation that they are reassessed within a reasonable timeframe (for example, through a three-year rolling cycle or earlier desktop valuation) to ensure carrying values remain materially accurate. This approach supports compliance with the requirement to present a true and fair view, while balancing proportionality, auditability, and the availability of reliable valuation inputs.

The freehold and leasehold properties which comprise 20% of the Council's property portfolio (excluding Council Dwellings) have been valued at 31 March 2026 by Wilks Head and Eve. The valuers are members of the Royal Institution of Chartered Surveyors (RICS). The valuations have been prepared in accordance with the UK Practice Statements contained in the RICS Appraisal and Valuation Standards (the "Red Book"). A desktop review of other land and building assets (remaining 80%) was undertaken on 31 March 2026. The following categories were reviewed and identified the following percentage changes to the asset valuations.

Category	% Change
Retail	-2.63%
Offices	-2.43%
Industrial	+1.51%
Specialist (Building)	+2.24%
Specialist (Land)	-2.95%
Greenfield Land	-1.95%
Brownfield Land	-2.95%
Commercial Land	0%
Agricultural Land	-4.23%

The valuation of the Council's housing stock was last undertaken by Savills with valuations dated on 31 March 2023. The valuers are members of the Royal Institution of Chartered Surveyors (RICS). The valuations were prepared in accordance with the UK Practice Statements contained in the RICS Appraisal and Valuation Standards (the "Red Book").

The Social Housing Factor, the amount by which the open market value is multiplied by (for properties used for social housing) continues to be shown at 38%, in line with guidelines issued by the Ministry of Housing, Communities and Local Government.

Following the full valuation of Council dwellings (undertaken on 31 March 2023), an annual desktop valuation is undertaken to determine any further increases or decreases in property values as at the balance sheet date. For the 2025/26 accounts a desktop valuation has been undertaken which resulted in the following increases in the property values of Council dwellings.

Property Type	% Change
Houses	+1.50%
Flats	-3.00%
Other Dwellings	+0.50%

The PPE balance on the balance sheet includes the Infrastructure Assets balance and that is covered in Note 28.

## Revaluations

The authority conducts 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. All valuations were conducted externally by Wilks Head & Eve.

Valuations of land and buildings were conducted in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. 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. Please refer to the accounting policies note for details (Note 1.16).

	<b>Council Dwellings</b>	<b>Other Land and Buildings</b>	<b>IFRS16</b>	<b>Vehicles, Plant and Equipment</b>	<b>Community Assets</b>	<b>Assets Under Construction</b>	<b>Surplus Assets</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Carried at historical cost</b>	0	0	3,735	39,585	18,625	11,612	0	73,557
<b>Valued at current value as at:</b>								
<b>31st March 2026</b>	856,980	175,009	0	0	0	0	93,779	1,125,768
<b>31st March 2025</b>	0	1,890	0	0	5,565	0	0	7,455
<b>31st March 2024</b>	0	2,006	0	0	2	0	0	2,008
<b>31st March 2023</b>	0	63	0	0	0	0	0	63
<b>31st March 2022</b>	0	290	0	0	236	0	0	526
<b>Total Cost or Valuation</b>	<b>856,980</b>	<b>179,258</b>	<b>3,735</b>	<b>39,585</b>	<b>24,428</b>	<b>11,612</b>	<b>93,779</b>	<b>1,209,377</b>

\*Council dwellings were last revalued in 2022/23 and have been indexed in the following years.

## Note 27 SURPLUS ASSETS

### Fair Value Hierarchy

Details of the Council's surplus properties and information about the fair value hierarchy as of 31 March 2025 and 31 March 2026 are as follows:

3/31/2025	Other Significant	Significant	Fair Value as at 31 March 2025
	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
	£'000	£'000	£'000
<b>Recurring Fair Value Measurements Using:</b>			
Land	19,266	6,133	25,399
Industrial properties	64,387	0	64,387
Other properties	0	1,881	1,881
<b>Total</b>	<b>83,653</b>	<b>8,014</b>	<b>91,667</b>

3/31/2026	Other	Significant	Fair Value as at 31 March 2026
	Significant Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
	£'000	£'000	£'000
<b>Recurring Fair Value Measurements Using:</b>			
Land	19,725	7,266	26,991
Industrial properties	64,892	0	64,892
Other properties	0	1,894	1,894
<b>Total</b>	<b>84,617</b>	<b>9,160</b>	<b>93,777</b>

### Transfers between Levels of the Fair Value Hierarchy

There were no transfers between Levels 1, 2 and 3 during the year.

### Valuation Techniques used to Determine Level 2 and 3 Fair Values for Surplus Properties

#### Significant Observable 7 – Level 2

The value of the surplus industrial properties has been based on market data, such as publicly available information about market sale values or rental evidence, and that reflect the assumptions that market participants use when pricing the asset. The income and comparable methods have been used for these valuations, relying on evidence from arms-length market transactions of similar industrial properties, and leading to the Council properties being categorised at Level 2 in the fair value hierarchy.

The fair value for the residential properties (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that comparable properties are actively purchased and sold, and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

The value of the assets disclosed at Level 3 in the table above are not material to the Council accounts and have been valued at existing use value by the Council's internal valuers. It has been confirmed these values would not alter materially if valued on the open market.

## Note 28 INFRASTRUCTURE ASSETS

### Highways Infrastructure Assets

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets [Local Government Circular 09/2022 Statutory Override Accounting for Infrastructure Assets for England and Wales Local Authorities] 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 authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciations 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.

	2024/25 £'000	2025/26 £'000
Net book value (modified historical cost) at 1 April	259,338	257,853
Additions	7,294	9,709
Depreciation	(8,779)	(9,071)
Revaluations/Transfers	0	0
<b>Net Book Value at 31 March</b>	<b>257,853</b>	<b>258,491</b>

	2024/25 £'000	2025/26 £'000
Infrastructure Assets	257,853	258,491
Other PPE assets	1,157,589	1,160,042
<b>Total Property, Plant and Equipment</b>	<b>1,415,442</b>	<b>1,418,533</b>

## Note 29 CAPITAL EXPENDITURE AND FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, including the value of assets acquired under finance leases, together with the resources that have been used to finance them. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The methodology for the calculation of the CFR is set by Central Government regulation.

## Note 30 CAPITAL COMMITMENTS

As of 31 March 2026, the Council had authorised expenditure in future years of £101.4m. In addition, a further £144.9m had been previously authorised for use in 2026/27 to 2028/29, giving a total future years' commitment of £246.3m.

2024/25 RESTATED £000		2025/26 £000
1,034,120	<b>Opening Capital Financing Requirement</b>	1,060,548
	<b>Capital investment</b>	
36,025	Property, Plant and Equipment	31,755
7,294	Infrastructure	9,709
3,495	Revenue Expenditure Funded from Capital under Statute	21,734
(7,771)	Net Long Term Debtors	(12,993)
73,019	Capitalisation Direction	59,070
	<b>Sources of finance</b>	
(16,155)	Capital receipts	(34,676)
(9,966)	Government grants and other contributions (includes REFCUS & MRA)	(30,206)
(10,785)	Major Repairs Reserve (MRR)	(10,989)
(48,728)	MRP (including finance leases liabilities)	(32,995)
1,060,548	<b>Closing Capital Financing Requirement</b>	1,060,957
	<b>Explanation of movements in year</b>	
23,620	Increase/(Decrease) in underlying need to borrowing (unsupported by government financial assistance)	409
2,808	Assets acquired / adjusted under finance leases	0
26,428	<b>Increase in Capital Financing Requirement</b>	409

## Note 31 FINANCIAL INSTRUMENTS

### Financial Instruments - Classifications

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

### Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The Council's financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board and commercial lenders,
- short-term loans from other local authorities,
- trade payables for goods and services received.

### Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are accounted for under the following classifications.

Classification of financial assets held by the Council.

**Assets held at amortised cost** (where cash flows are solely payments of principal and interest, and the Council's business model is to collect those cash flow) comprising:

- cash in hand,
- bank current and deposit accounts,
- fixed term deposits with banks and building societies,
- bonds issued by companies,
- trade receivables for goods and services provided.

**Assets held at Fair value through profit and loss** (all other financial assets) comprising:

- Long-term debtor - capital investment.
- Long-term debtor - revenue investment
- Short-term debtor - capital investment
- Short-term debtor - revenue investment
- Long-term investment – capital
- Long-term investment – revenue
- Short-term investment – revenue

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

**Credit Risk** - Since these non-treasury/commercial investments were first recognised significant increases in credit risk have occurred. The failings and credit environment surrounding these activities have been documented in the Government Intervention, the Best Value Inspection, the Section 114 notice and the Improvement and Recovery Plan. All these reports and additional information are published on the Council's website.

Summary table of Balance sheet items reported within this note:

Long Term Assets	£000s	FI Note Ref:
Investments	59,928	Table (c) Non-Current Investments
Debtors	2,871	Table (c) Non-Current Debtors
<b>Current Assets</b>		
Short Term Investments	18,033	Various (31 a), revenue and FVPL
<b>Current Liabilities</b>		
Short Term Borrowing	(668,469)	(b) Financial Instruments - Balances
<b>Long Term Liabilities</b>		
Long Term Borrowing	(215,476)	(b) Financial Instruments - Balances

Table 31 (a) Investment Assets

Investment Asset	Classification	2025/26	2025/26	2025/26	2024/25	2024/25	2024/25
		Opening	Change	Closing	Opening	Change	Closing
Sheringham Shoal Wind Farm (Silverwing/Equitix)	FVPL LT Investment Capital	25,000,000	(1,000,000)	24,000,000	42,893,000	(17,893,000)	25,000,000
Sheringham Shoal Wind Farm(Silverwing/Equitix)	AC - ST Investment	285,000		285,000	0	285,000	285,000
Sheringham Shoal Wind Farm Impairment	Capital Impairment/(Gain)	0	1,000,000	0	0	17,893,000	0
Housing Regeneration Bond (Safe as Houses)	FVPL LT Capital Debtor	3,000,000	(2,580,000)	420,000	3,000,000	0	3,000,000
Housing Regeneration Bond (Safe as Houses)	FVPL ST Revenue Investment	0	790,000	790,000	0	0	0
Housing Regeneration Bond Impairment	Capital Impairment/(Gain)	0	1,790,000	0	0	0	0
Shard Credit Partners Fund	FVPL LT Capital Debtor	5,153,805	(5,153,805)	0	9,758,323	(4,604,518)	5,153,805
Shard Credit Partners Fund	FVPL LT Investment Capital	7,903,819	(4,903,819)	3,000,000	6,968,958	934,862	7,903,819
Shard Credit Partners Fund	AC - ST Investment	232,382	6,781,424	7,013,807	0	232,382	232,382
Shard Credit Partners Fund Impairment	Capital Impairment/(Gain)	0	3,043,817	0	0	(1,063,717)	0
Westernmost Rough Wind Farm (Arjun/Graywind)	FVPL LT Investment Capital	15,000,000	(3,301,712)	11,698,288	31,097,139	(16,097,139)	15,000,000
Westernmost Rough Wind Farm (Arjun/Graywind))	AC - LT Revenue Debtor	301,712		301,712	301,712		301,712
Westernmost Rough Wind Farm (Arjun/Graywind))	AC - ST Investment	0	294,409	294,409	0	0	0
Westernmost Rough Impairment	Capital Impairment/(Gain)	0	3,301,712	0	0	16,097,139	0
Technology Enhanced Oil plc	FVPL LT Investment Capital	469,939	(469,939)	0	1,802,971	(1,333,032)	469,939
Technology Enhanced Oil Impairment	Capital Impairment/(Gain)	0	469,939	0	0	1,333,032	0
Thurrock Regeneration Ltd - St Chads - Principal	AC - LT Capital Debtor	1,114,209	0	1,114,209	1,114,209	0	1,114,209
TRL Principal Prepayment - Belmont road	AC - ST Revenue Debtor	622,875	0	622,875	622,875	0	622,875
Thurrock Regeneration Ltd - Equity (Gloriana)	AC LT Investment Capital	5,797,231	0	5,797,231	5,797,231	0	5,797,231
Capital - Royal Opera House	AC - LT Capital Debtor	1,086,956	(51,618)	1,035,338	1,136,123	(49,167)	1,086,956
Redwood Bank	FVPL LT Investment Capital	3,969,088	(3,969,088)	0	3,969,088	0	3,969,088
Redwood Bank	AC LT Investment Capital	4,800,000	0	4,800,000	4,800,000	0	4,800,000
Redwood Bank	AC - ST Revenue Debtor	0	3,000,000	3,000,000	0	0	0
Redwood Bank	Capital Impairment/(Gain)	0	969,088	0	0	0	0
Pure World Energy Holdings PLC (PWE)	FVPL LT Investment Capital	2,000,000	(2,000,000)	0	17,000,000	(15,000,000)	2,000,000
Pure World Energy Holdings PLC (PWE)	AC - ST Investment	32,500	467,500	500,000	0	32,500	32,500
PWE Holdings PLC - Impairment	Capital Impairment/(Gain)	0	1,500,000	0	0	15,000,000	0
Public Sector Social Impact Fund (Equity)	FVPL LT Investment Capital	7,598,331	801,669	8,400,000	10,000,000	(2,401,669)	7,598,331
Public Sector Social Impact Fund (Equity)	Capital Impairment/(Gain)	0	(801,669)	0	0	0	0
Just Cashflow Finance	FVPL LT Revenue Investment	10,009,431	(7,777,433)	2,231,998	7,750,000	2,259,431	10,009,431
Just Cashflow Finance- ST	FVPL ST Revenue Investment	5,672,140	4,059,445	9,731,584	9,174,804	(1,800,220)	5,672,139
Just Cashflow Finance - Impairment	Revenue Impairment/(Gain)	0	3,848,999	0	0	(459,211)	0
Totals		100,049,419		85,036,452	157,186,433		100,049,419

## 2025/26 Statement of Accounts

### **31 (b) Financial Instruments - Balances**

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories:

Financial Liabilities	Long Term		Short Term	
	31.03.2025	31.3.2026	31.03.2025	31.3.2026
	£000	£000	£000	£000
Loans at amortised cost:				
- Principal sum borrowed	(186,938)	(215,372)	(660,208)	(660,398)
- Accrued interest	0	0	(8,407)	(8,070)
- EIR adjustments	(213)	(104)	0	0
At fair value through profit & loss:	0	0	0	0
- Fair value	0	0	0	0
<b>Total Borrowing</b>	<b>(187,151)</b>	<b>(215,476)</b>	<b>(668,615)</b>	<b>(668,468)</b>
Loans at amortised cost:				
- Bank overdraft	0	0	0	0
<b>Total Cash Overdrawn</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Liabilities at amortised cost:				
- Finance leases - HRA	(11,383)	(11,195)	(174)	(174)
- Finance leases - IFRS 16	(1,996)	(906)	(811)	(859)
- PFI arrangements	0	0	0	0
<b>Total Other Long-term Liabilities</b>	<b>(14,182)</b>	<b>(12,101)</b>	<b>(985)</b>	<b>(1,033)</b>
Liabilities at amortised cost:				
- Trade payables	0	0	(94,586)	(94,586)
- Finance leases	0	0	0	0
- PFI arrangements	0	0	0	0
<b>Included in Creditors</b>	<b>0</b>	<b>0</b>	<b>(94,586)</b>	<b>(94,586)</b>
- Financial guarantees	0	0	0	0
- Loan commitments	0	0	0	0
<b>Included in Provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Financial Liabilities</b>	<b>(201,332)</b>	<b>(227,577)</b>	<b>(763,201)</b>	<b>(764,087)</b>

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

## 2025/26 Statement of Accounts

### 31 (c) Total Financial Assets

£000's	Non-Current				Current				Total
	Investments		Debtors		Investments		Debtors		
	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	
Fair value through profit and loss									
FVPL Capital Debtor	-	-	8,154	420	-	-	-	-	420
FVPL Investment Capital	61,941	47,098	-	-	-	-	-	-	47,098
FVPL Revenue Investment	10,009	2,232	-	-	6,033	9,694	-	-	11,926
<b>Sub-total</b>	<b>71,951</b>	<b>49,330</b>	<b>8,154</b>	<b>420</b>	<b>6,033</b>	<b>9,694</b>	-	-	<b>59,444</b>
Amortised Cost - Soft Loans	-	-	-	-	-	-	-	-	-
Amortised Cost - Other	-	-	-	-	-	-	-	-	-
AC - Investment Capital	10,597	10,597	-	-	-	-	-	-	10,597
AC - Capital Debtor	-	-	2,201	2,150	-	-	-	-	2,150
AC - Revenue Debtor	-	-	302	302	-	-	623	3,623	3,925
AC - Revenue Investment	-	-	-	-	-	-	-	-	-
AC - Investment	-	-	-	-	550	7,725	-	-	7,725
AC - Bank liquidity Investment	-	-	-	-	43,550	63,140	-	-	63,140
<b>Sub-total</b>	<b>10,597</b>	<b>10,597</b>	<b>2,503</b>	<b>2,451</b>	<b>44,100</b>	<b>70,865</b>	<b>623</b>	<b>3,623</b>	<b>87,536</b>
Fair value through other comprehensive income - designated equity instruments	-	-	-	-	-	-	-	-	-
Fair value through other comprehensive income - other	-	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>82,548</b>	<b>59,928</b>	<b>10,657</b>	<b>2,871</b>	<b>50,133</b>	<b>80,559</b>	<b>623</b>	<b>3,623</b>	<b>146,981</b>

Note 1 – Under accounting requirements the carrying value of the financial instrument value is shown in the balance sheet which includes the principal amount borrowed or lent and further adjustments for breakage costs or stepped interest loans (measured by an effective interest rate calculation) including accrued interest. Accrued interest is shown separately in current assets/liabilities where the payments/receipts are due within one year. The effective interest rate is effectively accrued interest receivable under the instrument, adjusted for the amortisation of any premiums or discounts reflected in the purchase price.

Note 2 – Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value can be measured by:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs - Direct reference to published price quotations in an active market; and/or
- Level 3 inputs - Estimating using a valuation technique.

The Council's assets are restricted to Level 3 valuations.

Note 3 - Local authorities sometimes give financial guarantees that require them to make specified payments to reimburse the holder of a debt if the debtor fails to make payment when due in accordance with the terms of the contract. The Authority provided no financial guarantees in 2025/26.

Note 4 - The Authority as made no material loans to voluntary organisations.

Note 5 - Employee Car Loans - The Authority made no car purchase loans to employees.

Note 6 - Defaults and breaches – The Council did not default on any of its financial liabilities.

### Financial Assets at Fair Value through Profit & Loss

The Council holds assets designated as Fair Value through Profit and Loss (FVPL) of £51.83m as of 31 March 2026 (£84.95m on 31 March 2025). These asset values are Level 3 valuations and are estimated valuations. The assets are predominantly illiquid assets for which an accurate valuation would

## 2025/26 Statement of Accounts

be difficult to determine. The estimated valuations have been provided by the Council's external advisers or by reference to published accounts and all available information.

### **31 (d) Financial assets measured at fair value**

Recurring fair value measurements (£)	Classification	Input level in fair value hierarchy	Valuation technique used to measure fair value	As at 31/3/25	As at 31/3/26
<b>Fair Value through Profit and Loss</b>					
Sheringham Shoal Wind Farm (Silverwing/Equitix)	FVPL LT Investment Capital	Level 3	Using valuation technique	25,000	24,000
Housing Regeneration Bond (Safe as Houses)	FVPL LT Capital Debtor	Level 3	Using valuation technique	3,000	420
Housing Regeneration Bond (Safe as Houses)	FVPL ST Revenue Investment	Level 3	Using valuation technique	-	790
Shard Credit Partners Fund 1 -	FVPL LT Capital Debtor	Level 3	Using valuation technique	5,154	-
Shard Credit Partners Fund 1	FVPL LT Investment Capital	Level 3	Using valuation technique	7,904	3,000
Westermost Rough Wind Farm	FVPL LT Investment Capital	Level 3	Using valuation technique	15,000	11,698
Technology Enhanced Oil plc	FVPL LT Investment Capital	Level 3	Using valuation technique	470	0
Redwood Bank	FVPL LT Investment Capital	Level 3	Using valuation technique	3,969	-
Pure World Energy Holdings PLC (PWE)	FVPL LT Investment Capital	Level 3	Using valuation technique	2,000	-
Public Sector Social Impact Fund (Equity)	FVPL LT Investment Capital	Level 3	Using valuation technique	7,598	-
Just Cashflow Finance	FVPL LT Revenue Investment	Level 3	Using valuation technique	10,009	2,232
Just Cashflow Finance- ST	FVPL ST Revenue Investment	Level 3	Using valuation technique	4,821	9,732
<b>Total</b>				<b>84,925</b>	<b>51,872</b>
Capital Investments				70,095	39,118
Revenue Investments				14,830	12,754
<b>Total</b>				<b>84,925</b>	<b>51,872</b>

The FVPL capital investments of £39.12 have been assessed at level 3 and are calculated based on 31 March 2026 by our external advisers and by reference to published accounts and/or available information. In 2025/26, the cumulative net adverse movement of £11.32m (£49.4m impairment in 2024/25) in fair value was posted to CIES Financing and Investment Income and Expenditure and then reversed in the MIRS and posted to CAA. This forms part of the Council's overall Capital Financing Requirement (CFR), and the loss will be charged through to the CIES through Minimum Revenue Provision (MRP) in accordance with statutory guidance.

The £12.75m revenue investments on 31 March 2026 have been assessed at level 3 and calculated by our external advisers by reference to published accounts or other available information. The difference between the carrying value and the fair value of these investments over 2025/26 is a loss of £3.85m (£0.460m gain relates to 2024/25) has been posted to CIES Financing and Investment Income and Expenditure and then reversed in the MIRS and posted to Capitalisation Direction. This forms part of the Council's overall Capital Financing Requirement (CFR), and the loss will be charged through to the CIES through Minimum Revenue Provision (MRP) in accordance with statutory guidance.

### **Transfers between Levels of the Fair Value Hierarchy**

There were no transfers between input levels 1 and 2 during the year.

### **Changes in the Valuation Technique**

There has been no change in the valuation techniques used during 2025/26 for the financial instruments.

## 2025/26 Statement of Accounts

### 31 (e) - Reconciliation of Fair Value Measurements for Financial Assets Carried at Fair Value Categorised within Level 3 of the Fair Value Hierarchy for Financial Assets

31 March 2026			
	Unquoted Shares	Other	Total
	£000's	£000's	£000's
Opening balance	64,343	21,434	85,777
Transfers into Level 3	0	0	0
Transfers out of Level 3	(3,000)	0	(3,000)
Total gains or losses for the period:			
· Included in Surplus or Deficit on the Provision of Services	(9,483)	(16,907)	(26,390)
· Included in Other Comprehensive Income and Expenditure	0	0	0
Additions	591	0	591
Disposals	0	0	0
<b>Closing Balance</b>	<b>52,451</b>	<b>4,527</b>	<b>56,978</b>
31 March 2025			
	Unquoted Shares	Other	Total
	£000's	£000's	£000's
Opening balance	113,731	47,581	161,312
Transfers into Level 3	0	0	0
Transfers out of Level 3	0	0	0
Total gains or losses for the period:			
· Included in Surplus or Deficit on the Provision of Services	(49,388)	(4,413)	(53,801)
· Included in Other Comprehensive Income and Expenditure	0	0	0
Additions	0	0	0
Disposals	0	(21,734)	(21,734)
<b>Closing Balance</b>	<b>64,343</b>	<b>21,434</b>	<b>85,777</b>

### **31 (f) Financial Instruments - Gains and Losses**

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

## 2025/26 Statement of Accounts

	2024/25	2025/26
	£'000	£'000
Interest expense	43,941	37,880
Less HRA recharge of debt costs	(10,613)	(10,872)
Losses on de-recognition	0	0
Losses from changes in fair value	0	0
Impairment losses	0	0
<b>Interest payable and similar charges</b>	<b>43,941</b>	<b>27,008</b>
Interest and dividend income	(7,950)	(11,088)
Less HRA recharge of investment income	2,108	2,182
Gains on de-recognition	0	0
Gains from changes in fair value	0	0
Impairment loss reversals	0	0
<b>Interest and investment income</b>	<b>(7,950)</b>	<b>(8,906)</b>
<b>Net impact on surplus/deficit on provision of services</b>	<b>35,991</b>	<b>18,102</b>
Gains on revaluation	1,523	802
Losses on revaluation	(50,323)	(15,924)
Amounts recycled to surplus/deficit on provision of services	0	0
<b>Impact on other comprehensive income</b>	<b>0</b>	<b>0</b>
<b>Net (Gain)/Loss for the Year</b>	<b>35,991</b>	<b>18,102</b>

### **31 (g) Financial Instruments - Fair Values**

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including bonds, treasury bills and shares in money market funds and other pooled funds, the fair value is taken from the market price.

Financial instruments classified carried in the Balance Sheet at amortised cost have their fair values have been estimated by calculating the net present value of the remaining contractual cash flows on 31<sup>st</sup> March 2025, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans. For 2024/25 and 2025/26 the PWLB new loan rates have been applied.
- The value of “Lender's Option Borrower's Option” (LOBO) loans have been increased by the value of the embedded options. Lenders' options to propose an increase to the interest rate on the loan have been valued according the PWLB new loans rate applied above. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31<sup>st</sup> March.
- No early repayment or impairment is recognised for any financial instrument.

## 2025/26 Statement of Accounts

- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices.
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments.
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness.

	Fair Value Level	Balance Sheet 31.3.2025 £000	Fair Value 31.3.2025 £000	Balance Sheet 31.3.2026 £000	Fair Value 31.3.2026 £000
<i>Financial liabilities held at amortised cost:</i>					
Loans from PWLB	2	(829,115)	(752,223)	(865,402)	(799,142)
Long-term market loans	2	(26,262)	(14,537)	(18,158)	(20,305)
Other long-term loans	2	0	0	(388)	(384)
<b>TOTAL</b>		<b>(855,377)</b>	<b>(766,760)</b>	<b>(883,948)</b>	<b>(819,831)</b>
Liabilities for which fair value is not disclosed		0		0	
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>(855,377)</b>		<b>(883,948)</b>	

The fair value of the liabilities in 2025/26 is lower than the carrying amount because the Authority's portfolio of loans includes several fixed rate loans where the interest rate payable is lower than the rates available for similar loans in the market at the balance sheet date. This shows a notional future gain (based on economic conditions on 31 March 2026) arising from a commitment to pay interest to lenders below current market rates.

### **31 (h) Financial Instruments - Risks**

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. This Strategy was approved by Council on 26 February 2025 and sets out the parameters for the management of risks associated with financial instruments. The Council also maintains Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Guidance on Local Government Investments issued by the Ministry for Housing, Communities and Local Government. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

## 2025/26 Statement of Accounts

- *Credit Risk:* The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- *Liquidity Risk:* The possibility that the Council might not have the cash available to make contracted payments on time.
- *Market Risk:* The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

### Credit Risk: Treasury Investments

The Council manages credit risk by ensuring that treasury investments are only placed with organisations considered as high credit quality as set out in the Treasury Management Strategy. The full Investment Strategy for 2025/26 was approved by Council on 26 February 2025 with the treasury Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings such as UK building societies. Recognising that credit ratings are only one indicator of the risk of default, the Council has regard to other measures including credit default swap and equity prices when selecting counterparties for investment.

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

Credit Rating	31.3.2025		31.3.2026	
	Long-term £000	Short-term £000	Long-term £000	Short-term £000
UK Government	0	43,500	0	0
AAA - MMFs	0	0	0	60,150
A	0	506	0	165
<b>Total</b>	<b>0</b>	<b>44,006</b>	<b>0</b>	<b>60,315</b>
Credit risk assessed as immaterial	0	0	0	0
<b>Total Investments</b>	<b>0</b>	<b>44,006</b>	<b>0</b>	<b>60,315</b>

The Council also made investments not using treasury management cash surpluses, but by borrowing external funds to enable these investments to be undertaken. These investments, and the associated gains/impairments are shown in Note 27 (a).

### Credit Risk: Trade Receivables

The Council's trade receivables on 31 March 2026 were £12.55m (31 March 2025 £12.55m).

Debts are written off to the Surplus or Deficit on the Provision of Services when they are deemed uneconomical to pursue or, for example, subject to insolvency. However, where appropriate and, where there is no legal or ethical reason to cease collection (and in recognition that debtors' circumstances can change over time or in the case of absconding debtors rearise) selected cases are passed to an external Debt Collection Agency (DCA) to monitor. Should the DCA identify cases where they believe the likelihood of recovery has improved then they will commence collection action.

### Liquidity Risk

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

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk

## 2025/26 Statement of Accounts

that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates.

The maturity analysis of financial instruments is as follows. The assets relate only to those liquid treasury management surpluses and exclude the illiquid non-treasury/commercial investments set out in Note 27 (a).

### Refinancing and Maturity risk

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

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Authority approved treasury and investment strategies to address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's Day to day cash flow needs, and the spread of longer-term investments provide stability of maturities and returns in relation to the longer-term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved Authority in the Treasury Management Strategy):

	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£000s	£000s	£000s	£000s
	Liabilities	Liabilities	Assets	Assets
Less than 1 year	(668,614)	(668,468)	44,006	60,314
Between 1 and 2 years	0	(36,429)	0	0
Between 2 and 5 years	0	0	0	0
More than 5 years	0	0	0	0
Over 5 but not over 10	0	0	0	0
Over 10 but not over 20	(26,262)	(18,158)	0	0
Over 20 but not over 40	(161,889)	(161,889)	0	0
Over 40	0	0	0	0
<b>Total</b>	<b>(856,765)</b>	<b>(884,944)</b>	<b>44,006</b>	<b>60,314</b>

### Market Risks: 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 will rise.
- borrowings at fixed rates – the fair value of the liabilities will fall.
- investments at variable rates – the interest income will rise.
- investments at fixed rates – the fair value of the assets will fall.

## 2025/26 Statement of Accounts

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or 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. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the other comprehensive income and expenditure.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. 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. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Authority has a number of strategies for managing interest rate risk. The annual treasury management strategy draws together Authority's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rates borrowing would be postponed.

The risk at the Council is high as on 31 March 2026 £668m of PWLB borrowings are short term (£668m 31 March 2025). According to this assessment strategy, on 31 March 2026, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be limited as debt and investment balances were on fixed interest rates, although the Council was exposed to risk of higher rates as the 1-year fixed borrowings matured. Investment balances were minimised during the year. Were interest rates 1% higher the fair value of the debt would decrease by £25.6m on 31 March 2026.

### **Market Risks: Price Risk**

The market prices of the Council's fixed rate bond investments, equity investments and its units in pooled bond funds are governed by prevailing interest rates, and company and marketplace performance and the price risk associated with these instruments is managed alongside interest rate risk.

Estimated and actual impairments of the non-treasury/commercial investment portfolio are shown in Note 31 (a).

### **Note 32    DEFINED BENEFIT PENSION SCHEMES**

#### **Participation in Pension Schemes**

As part of the terms and conditions of the employment of its officers and its employees, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments and to disclose the items 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 intended to balance the pension liabilities with investment assets.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The most recent actuarial valuation of the Fund was carried out as of 31 March 2025. The Valuation sets employer contribution rates for the period commencing 1 April 2026. The employer's primary contribution rate from 1 April 2026 is 18.8\*% of pensionable pay.

The Essex Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme, and the governance of the scheme is the responsibility of the pensions committee of Essex County Council. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the committee and consist of the director of finance and resources of Essex and Barnabus Investment Fund managers.

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

On an employer's withdrawal from the Fund, a cessation valuation will be conducted in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

In addition, as many unrelated employers participate in the Essex Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

#### **Discretionary Post- retirement Benefits**

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There is no plan assets built up to meet these pension liabilities.

#### **Transactions Relating to Post-Employment Benefits**

The cost of retirement benefits is recognised in the reported Cost of Services within the Comprehensive Income and Expenditure statement when those benefits are earned by employees, rather than when the benefits are eventually paid to them as pensions. However, the charge that is required to be made against Council Tax is based upon the cash payable in the year, so that the actual cost of post-employment/retirement benefits is reversed out of the General Fund by way of the Movement in Reserves Statement.

The following transactions have been made during the year:

## 2025/26 Statement of Accounts

	Local Government Pension Scheme	Local Government Pension Scheme	Unfunded Benefits	Unfunded Benefits
	2024/25	2025/26	2024/25	2025/26
	£'000	£'000	£'000	£'000
<b>Comprehensive Income and Expenditure Statement</b>				
Cost of Services:				
Service cost comprising:				
• current service costs	13,615	10,560	(626)	(602)
• past service costs/gains	1,641	720	0	0
• administration costs	437	308	0	0
Financing and Investment Income and Expenditure:				
• Net interest cost	(133)	(17,116)	238	0
<b>Total Post-Employment Benefit Charged to the Deficit on the Provision of Services</b>	<b>15,560</b>	<b>(5,528)</b>	<b>(388)</b>	<b>(602)</b>
<b>Other Post-Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>				
<b>Remeasurement of the net defined benefit liability comprising:</b>				
• return on plan assets (excluding the amount included in the net interest expense)	1,408	27,799	0	0
• actuarial (gains) and losses arising on changes in demographic assumptions	0	(1,983)	0	0
• actuarial (gains) and losses arising on changes in financial assumptions	80,325	16,806	(284)	0
• experience loss (gain) on defined benefit obligation	0	(26,870)	0	0
• changes in effect of asset ceiling	197,853	(305,867)	0	0
• other	0	16,806	0	0
<b>Total Post-Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>295,146</b>	<b>(278,837)</b>	<b>(672)</b>	<b>(602)</b>
<b>Movement in Reserves Statement</b>				
	Local Government Pension Scheme	Local Government Pension Scheme	Unfunded Benefits	Unfunded Benefits
	2024/25	2025/26	2024/25	2025/26
	£'000	£'000	£'000	£'000

## 2025/26 Statement of Accounts

<ul style="list-style-type: none"> <li>reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code</li> </ul>	(15,560)	5,528	(238)	0
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>				
<ul style="list-style-type: none"> <li>Employers' contributions payable to scheme</li> </ul>	17,727	0		
<ul style="list-style-type: none"> <li>Retirement benefits payable to pensioners</li> </ul>	-	-	626	0

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

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

#### 32b - Pensions Assets and Liabilities Recognised in the Balance Sheet

	Local Government Pension Scheme	Local Government Pension Scheme	Unfunded Benefits	Unfunded Benefits
	2024/25	2025/26	2024/25	2025/26
	£'000	£'000	£'000	£'000
<b>Present value of defined benefit obligation</b>	479,674	522,733	5,176	4,096
Fair Value of plan assets	(760,755)	(828,600)	0	0
<b>Sub-total</b>	(281,081)	(305,867)	5,176	4,096
<b>Net liability arising from defined benefit obligation</b>	(281,081)	4,096	5,176	4,096

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

	Local Government Pension Scheme	Local Government Pension Scheme
	2024/25	2025/26
	£'000	£'000
<b>Opening fair value of scheme assets</b>	<b>726,085</b>	<b>760,755</b>
Interest income	35,534	43,465
Return on plan assets less interest	1,408	27,799
Other actuarial gains/(losses)	0	(1,983)
Administrative Expenses	(437)	(308)
Contributions from employer	17,727	18,398

## 2025/26 Statement of Accounts

Contributions from employees into the scheme	5,289	5,631
Benefits paid	(24,851)	(25,157)
Settlements Received/(Paid)	0	0
<b>Closing fair value of scheme assets</b>	<b>760,755</b>	<b>828,600</b>

The expected return on scheme assets is determined by considering the expected returns available on assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the relevant markets.

### 32c - Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	Local Government Pension Scheme (all benefits)	Local Government Pension Scheme (all benefits)	Unfunded Liabilities: Discretionary Benefits	Unfunded Liabilities: Discretionary Benefits
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Opening balance at 1 April	542,650	484,178	(5,176)	(4,504)
Current service cost	13,615	10,560	0	0
Interest cost	26,159	0	(238)	0
Contributions by scheme participants	5,289	0	0	0
Liabilities assumed/(extinguished) on settlements	0	0	0	0
Actuarial (gains) and losses arising from changes in demographic assumptions	0	0	0	0
Experience loss/(gain) on defined benefit obligation	0	0	0	0
Actuarial (gains) and losses arising from in financial assumptions	(80,325)	0	284	0
Estimated Benefits Paid Net of Transfers In	(24,225)	0	0	0
Curtailments & Settlements	1,641	0	0	0
Unfunded Pension Payments	(626)	0	626	0
Closing balance at 31 March	484,178	494,738	(4,504)	(4,504)

### 32d - Local Government Pension Scheme assets comprised:

	Fair Value of Scheme Assets	Fair Value of Scheme Assets
	2024/25 %	2025/26 %
Cash and Cash Equivalents	2	2
Equity	55	54
Gilts	2	1

## 2025/26 Statement of Accounts

Bonds	0	0
Property	8	9
Alternative Assets	15	16
Other Managed Funds	18	18
Total assets	<b>100</b>	<b>100</b>

### 32e - Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The scheme is administered by Essex County Council, and fund liabilities have been assessed by Barnett Waddingham LLP, an independent firm of actuaries. Estimates for Thurrock Council are based on the latest full actuarial valuation of the scheme as of 31 March 2025 and have been rolled forward using financial assumptions.

The principal assumptions used by the actuary are as follows:

	Local Government Pension Scheme	Local Government Pension Scheme
	31 March 2025	31 March 2026
Mortality assumptions:		
Longevity at 65 for current pensioners:		
* Men	20.8	21.8
* Women	23.3	24.1
Longevity at 65 for future pensioners:		
* Men	22.1	23.4
* Women	24.8	25.9
Rate of inflation	3.20%	3.30%
Rate of increase in salaries	3.90%	3.90%
Rate of increase in pensions	2.90%	2.90%
Rate for discounting scheme liabilities	5.85%	6.10%

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 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 assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

## 2025/26 Statement of Accounts

Impact on the Defined Benefit Obligation in the Scheme:

	Increase in Assumption	Decrease in Assumption
	£'000	£'000
Longevity (increase or decrease in 1 year)	545,979	508,430
Rate of increase in salaries (increase or decrease by 0.1%)	90	90
Rate of increase in pensions (increase or decrease by 0.1%)	18	18
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	0	0

### Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Essex County Council, in consultation with the Fund Actuary, has agreed a strategy to achieve a funding level of 100% over the longer term. Funding levels are monitored on an annual basis. The most recent triennial valuation of the Fund was carried out as of 31 March 2025 and sets employer contribution rates for the period commencing 1 April 2026.

The employer contribution to the plan for the year ended 31 March 2026 was £18.398m.

## 2025/26 Statement of Accounts

### NOTE 33 CASH AND CASH EQUIVALENTS

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

<b>31 March 2025 £'000</b>		<b>31 March 2026 £'000</b>
55	Cash held by the Council and in transit	44
(4,986)	Bank current accounts	(5,309)
43,550	Short-term deposits in UK banks & investments in money market funds	60,151
<b>38,619</b>	<b>Total Cash and Cash Equivalents</b>	<b>54,886</b>

### Note 34 OPERATING ACTIVITIES CASH FLOW STATEMENT

A breakdown of the cash flows arising from the Council operating activities is shown below:

<b>2024/25 £'000</b>		<b>2025/26 £'000</b>
12,467	Interest Received	7,834
(41,301)	Interest paid	(27,670)
<b>(28,834)</b>	<b>Total Operating Activities</b>	<b>(19,836)</b>

Note: the table above only includes interest received and interest paid in line with the disclosure requirements of the Code and therefore does not correlate to the figures in the Cash Flow Statement.

### Note 35 INVESTING ACTIVITIES CASH FLOW STATEMENT

A breakdown of the cash flows arising from the Council investing activities is shown below:

<b>2024/25 £'000</b>		<b>2025/26 £'000</b>
(42,616)	Purchase of property, plant and equipment and intangible assets	(39,401)
(3,430)	Other payments for investing activities	0
15,790	Proceeds from the sale of property, plant and equipment	35,786
19,696	Proceeds from short-term and long-term investments	906
54,008	Other receipts from investing activities (including capital grants)	44,336
<b>43,448</b>	<b>Net cash flows from investing activities</b>	<b>41,627</b>

## 2025/26 Statement of Accounts

### Note 36 FINANCING ACTIVITIES CASH FLOW STATEMENT

A breakdown of the cash flows and liabilities arising from the Council financing activities is shown below:

2024/25 £'000		2025/26 £'000
455,000	Cash receipts of short and long-term borrowing	718,000
(845,050)	Repayments of short and long-term borrowing	(688,740)
7	Other payments for financing activities	(3,546)
<b>(390,043)</b>	<b>Net cash flows from financing activities</b>	<b>25,714</b>

### Note 37 NON CASH MOVEMENT CASH FLOW STATEMENT

A breakdown of the cash flows arising from the Council noncash movement is shown below:

2024/25 £'000		2025/26 £'000
<b>(51,351)</b>	<b>Net Deficit on the Provision of Services</b>	<b>(23,177)</b>
	Adjust net deficit on the provision of services for non cash movements:	
26,895	Depreciation	26,547
(2,675)	Impairment and downward valuation	(6,215)
0	Amortisation	0
(12,178)	Increase in Creditors	2,877
3,583	Increase/Decrease in Debtors	(13,552)
(1)	Increase/Decrease in Inventories	14
(2,167)	Movement in Pension Liability	(23,926)
51,811	Other non-cash items charged to the net deficit on the provision of services	4,218
27,209	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	55,228
<b>92,477</b>		<b>45,191</b>
	<b>Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities</b>	
0	Any other items for which the cash effects are investing or financing cash flows	0
(15,790)	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(35,786)
(42,996)	Proceeds from the sale of property, plant and equipment	(37,302)
<b>(58,786)</b>		<b>(73,088)</b>
<b>(17,660)</b>	<b>Net Cash Flows for Operating Activities</b>	<b>(51,074)</b>

### NOTE 38 BETTER CARE FUND

The Better Care Fund (BCF) is a collaborative arrangement governed by a Section 75 agreement with Thurrock Integrated Care Board (ICB)\* to enable the joint provision of a range of adult social care and health services. Thurrock Council as the host organisation, is responsible for accounting

## 2025/26 Statement of Accounts

and audit of the pooled budget. Consequently, the Council reflects all the transactions in these financial statements as well as the associated funding from Thurrock ICB.

The total value of the pool in 2025/26 was £49.910m. The contributions into the pooled budget are shown in the following table:

<b>Running Balances</b>	<b>Income £</b>	<b>Expenditure £</b>
Disabled Facilities Grant (DFG)	(1,636,074)	312,852
NHS Minimum Contribution	(15,829,044)	15,829,044
Local Authority Better Care Grant	(6,870,843)	6,870,843
Additional LA contribution	(25,573,613)	25,573,613
Additional NHS contribution	0	0
<b>Total</b>	<b>(49,909,574)</b>	<b>48,586,352</b>

<b>To be taken to reserves: DFG capital grant</b>	<b>(1,323,222)</b>
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In 2025/26, all of the in-year revenue allocation of the Better Care Fund was utilised for in year spend as agreed by the Integrated Care Executive (ICE). £1,323,222 of the DFG was taken to reserves in 2025/26 to be held for future use.

### **NOTE 39 PRIOR PERIOD ADJUSTMENT**

There is no prior period adjustment in the 2024-25 Statement of Accounts.

# **Housing Revenue Account**

## **2025/26**

2025/26 Statement of Accounts

**HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE STATEMENT**

RESTATED		
2024/25		2025/26
£'000	Notes	£'000
	<b>EXPENDITURE</b>	
15,310	Repairs and Maintenance	16,650
23,395	Supervision and Management	21,420
(61)	Rents, rates, Taxes and Other Charges	392
12,088	Depreciation and Impairment of Non Current Assets	10,222
506	Movement in the Allowance for Bad Debts	228
6,061	Expenditure Special Services	6,522
<b>57,299</b>	<b>Total Expenditure</b>	<b>55,434</b>
	<b>INCOME</b>	
(55,551)	Gross Rent from Dwellings	(54,374)
<b>(55,551)</b>	<b>Net Rent from Dwellings (sub total)</b>	<b>(54,374)</b>
	Non Dwelling Rents:	
(1,438)	Garage Rents	(1,506)
(32)	Premises Income	(12)
<b>(1,470)</b>	<b>Non Dwelling Rents (sub-total)</b>	<b>(1,518)</b>
	Charges for Services and Facilities:	
(6,776)	Water Charges	(6,892)
(60)	Central Heating Charges	(60)
<b>(6,836)</b>	<b>Charges for Services and Facilities (sub-total)</b>	<b>(6,952)</b>
	Contributions Towards Expenditure:	
(1,133)	Leaseholder Charges	(1,323)
(5,224)	Tenant Service Charges	(4,950)
<b>(6,357)</b>	<b>Contributions Towards Expenditure (sub total)</b>	<b>(6,273)</b>
(16)	Miscellaneous Income	(20)
<b>(70,230)</b>	<b>Total Income</b>	<b>(69,137)</b>
<b>(12,931)</b>	<b>Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement</b>	<b>(14,305)</b>
<b>(12,931)</b>	<b>Net Expenditure for HRA Services</b>	<b>(14,305)</b>
	<b>HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:</b>	
18,021	(Gain) or loss on sale of HRA non-current assets	19,099
11,334	Interest payable and similar charges (Deferred Purchase Interest)	11,251
(2,108)	Interest and Investment Income	0
(14)	Pensions interest cost and expected return on Pension Assets	(1,661)
<b>14,302</b>	<b>Deficit for the Year on HRA Services</b>	<b>14,384</b>

## 2025/26 Statement of Accounts

### MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

2024/25		2025/26
£'000		£'000
(12,909)	<b>Balance on HRA at 1 April</b>	(17,850)
14,302	Deficit for the Year on HRA Services	14,384
(19,243)	Adjustments Between Accounting Basis and Funding Basis under Statute:	(16,083)
<b>(17,850)</b>	<b>Total</b>	<b>(19,549)</b>
<b>0</b>	<b>Transfer to/(from) Reserves:</b>	<b>0</b>
<b>(17,850)</b>	<b>Balance on HRA at 31 March</b>	<b>(19,549)</b>

### ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2024/25		2025/26
£'000		£'000
	<b>Reversal of Items debited or credited to the HRA Income and Expenditure Account</b>	
(10,785)	Depreciation of non-current assets	(11,009)
(3,417)	Revaluation and Impairment losses on Property, Plant and Equipment	(1,364)
2,115	Revaluation gains reversing previous losses	2,152
0	Movement in value of Held for Sale Assets	(1)
0	Revenue expenditure funded from capital under statute (REFCUS)	0
(24,619)	Amounts of Assets Held for Sale written off on disposal or sale as part of the net gain or loss on disposal or sale to the CIES	(36,354)
6,644	Amounts of Property, Plant and Equipment written off on disposal or sale as part of the net gain or loss on disposal or sale to the CIES	17,388
(47)	Contribution from the capital receipts reserve towards administration costs of non-current assets disposal	(133)
<b>(30,109)</b>		<b>(29,321)</b>
	<b>Insertion of items not debited or credited to the HRA Income and Expenditure Account</b>	
0	Use of HRA Earmarked Reserves	1
10,785	Reversal of Major Repairs Allowance credited to the HRA	10,989
(1,595)	Reversal of items relating to requirement benefits debited or credited to the CIES	537
1,752	Employer's pension contributions and direct payment to pensioners payable in year	1,727
(76)	Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(16)
<b>10,866</b>		<b>13,238</b>
<b>(19,243)</b>	<b>Total</b>	<b>(16,083)</b>

## 2025/26 Statement of Accounts

### NOTES TO THE HOUSING REVENUE ACCOUNT

**Note 1                      Depreciation**

2024/25	Analysis of Depreciation and Impairment Charges	2025/26
£'000		£'000
	Depreciation:	
10,605	Dwellings	10,789
170	Other Land and Buildings	190
0	Plant and Equipment	0
10	Non-Operational Property, Plant and Equipment	10
1,303	Impairment of Property, Plant and Equipment	(767)
<b>12,088</b>	<b>Total for Year</b>	<b>10,222</b>

**Note 2                      Pension Reserve Movement**

see Statement of Account Word Document for narrative

**Note 3                      Housing Stock**

31 March 2025	Number and Types of Properties	31 March 2026
5,107	Number of Houses and Bungalows	5,049
3,569	Number of Flats and Maisonettes	3,529
1,214	Number of Aged Person Dwellings	1,214
<b>9,890</b>	<b>Total</b>	<b>9,792</b>

2024/25	Change in Stock of Properties	2025/26
9,905	Stock at 1 April	9,890
(37)	Less Sales	(100)
22	Additions	2
<b>9,890</b>	<b>Total</b>	<b>9,792</b>

## 2025/26 Statement of Accounts

31 March 2025	Balance Sheet Value of HRA Properties	31 March 2026
£'000		£'000
	Operational Non-Current Assets:	
893,270	Dwellings and other land and buildings	889,013
7,402	Non-Operational Non-Current Assets	12,164
<b>900,672</b>	<b>Total</b>	<b>901,177</b>

### Note 4 Major Repairs Reserve

2024/25	Major Repair Reserve	2025/26
£'000		£'000
(10,785)	Transfer to HRA	(10,989)
10,785	Financing of Capital Expenditure	10,989
<b>0</b>	<b>Total</b>	<b>0</b>

### Note 5 Capital Expenditure

2024/25	Financing of Capital Expenditure	2025/26
£'000		£'000
10,785	Major Repairs Reserve	10,989
623	Grants / Section 106	2,617
91	Capital Receipts	16,801
19,504	Prudential Borrowing	0
0	Reserves	1
<b>31,003</b>	<b>Total</b>	<b>30,408</b>

### Note 6 Capital Receipts

2024/25	Capital Receipts	2025/26
£'000		£'000
(6,644)	Sales of Dwellings	(17,388)

# **Collection Fund Statement**

## **2025/26**

## 2025/26 Statement of Accounts

### COUNCIL TAX

Notes	2024/25 £'000	2025/26 £'000
<b>INCOME</b>		
2 Council Tax	(110,086)	(116,655)
Transfer from General Fund	(172)	3
<b>Total Income</b>	<b>(110,258)</b>	<b>(116,652)</b>
<b>EXPENDITURE</b>		
Precepts and Demands:		
Thurrock Borough Council	91,267	97,249
Essex Police Authority	13,140	14,090
Essex Fire Authority	4,405	4,739
<b>Precepts and Demands (sub-total)</b>	<b>108,812</b>	<b>116,078</b>
Provision for Bad Debts:		
Change in Provision	821	1,621
Write offs	711	0
<b>Provision for Bad Debts (sub-total)</b>	<b>1,533</b>	<b>1,621</b>
<b>CONTRIBUTIONS</b>		
Essex Police Authority	40	18
Essex Fire Authority	14	6
Thurrock Borough Council	273	127
<b>Contributions (sub-total)</b>	<b>327</b>	<b>151</b>
<b>Total Expenditure</b>	<b>110,671</b>	<b>117,850</b>
<b>(Surplus)/ Deficit for Year</b>	<b>413</b>	<b>1,198</b>
<b>Fund Balance Brought Forward</b>	<b>(101)</b>	<b>312</b>
<b>Fund Balance Carried Forward</b>	<b>312</b>	<b>1,510</b>
 <b>Share of Collection Fund (Council Tax) Balance:</b>		
Thurrock Council	259	1,254
Essex Police Authority	39	190
Essex Fire Authority	14	66
<b>Total</b>	<b>312</b>	<b>1,510</b>

## 2025/26 Statement of Accounts

### NATIONAL NON-DOMESTIC RATES

Notes	2024/25 £'000	2025/26 £'000
<b>INCOME</b>		
3a		
Income Collectable from Non-Domestic Ratepayers	(140,175)	(144,290)
Transitional Protection Payments	(1,966)	(39)
Cost of Collection	237	239
Interest on refunds	0	387
<b>Total Income</b>	<b>(141,904)</b>	<b>(143,703)</b>
<b>EXPENDITURE</b>		
Share of Business Rates:		
Thurrock Borough Council	70,553	70,233
Central Government Share	71,993	71,666
Essex Police, Fire & Crime Commissioner	1,440	1,433
3b		
<b>Share of Non-Domestic Rates (sub-total)</b>	<b>143,987</b>	<b>143,332</b>
<b>Payment of the Central Share of the Non-Domestic Rating Income to Central Government</b>	<b>143,987</b>	<b>143,332</b>
Provision for Bad Debts:		
Change in Provision	502	1,621
Write Offs	(0)	0
<b>Provision for Bad Debts (sub-total)</b>	<b>502</b>	<b>1,621</b>
<b>Provision for Appeals - Change in Provision</b>	<b>5,337</b>	<b>(4,429)</b>
<b>CONTRIBUTIONS</b>		
Essex Fire Authority	73	65
Thurrock Borough Council	3,564	3,198
Central Government	3,636	3,264
<b>Contributions (sub-total)</b>	<b>7,273</b>	<b>6,527</b>
<b>Disregarded Amounts</b>		
Designated Area Growth	518	5,127
Renewable Energy	0	0
Shale Oil and Gas	0	0
City of London Offset	0	0
	518	5,127
<b>Total Expenditure</b>	<b>157,616</b>	<b>152,178</b>
<b>Deficit/(Income) for the Year</b>	<b>15,712</b>	<b>8,475</b>
<b>Fund Balance Brought Forward</b>	<b>(20,686)</b>	<b>(4,974)</b>
<b>Fund Balance Carried Forward</b>	<b>(4,974)</b>	<b>3,501</b>

## 2025/26 Statement of Accounts

### Share of Collection Fund (NDR) Balance:

Thurrock Council	(2,438)	1,716
Essex Fire Authority	(50)	35
Central Government	(2,486)	1,750
<b>Total</b>	<b>(4,974)</b>	<b>3,501</b>

## 2025/26 Statement of Accounts

### NOTES TO THE COLLECTION FUND

#### Note 1 GENERAL

This account represents the statutory requirement for billing authorities to maintain a separate Collection Fund. The transactions of the Collection Fund are prescribed by legislation. The fund account is prepared on an accruals basis and complies with the appropriate Regulations and with the Code. The balance on the account attributable to Thurrock Council is consolidated into the Council's Balance Sheet as an Unusable Reserve, the remainder is consolidated into debtors or creditors on the Balance Sheet as amounts owed to or owing by the other preceptors on the Fund (i.e. Police and Fire Authorities).

#### Note 2 COUNCIL TAX

For 2024/25 the Council's tax base, which is the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of Band D dwellings, was calculated as follows:

Council Tax	2025-26		
Band	Estimated Number of Taxable Properties after Effect of Discounts	Ratio	Band D Equivalent Dwelling
A*	9	5:9	5
A	4,892	6:9	3,261
B	11,045	7:9	8,590
C	23,804	8:9	21,159
D	11,556	9:9	11,556
E	4,506	11:9	5,508
F	2,202	13:9	3,180
G	846	15:9	1,409
H	51	18:9	102
	<b>58,911</b>		<b>54,772</b>
Less adjustment for collection rate and for anticipated changes during the year for successful appeals against valuation banding, new properties, demolitions, disabled persons relief and exempt properties.			657
<b>Council Tax Base</b>			<b>54,114</b>

#### Note 3 INCOME FROM BUSINESS RATE PAYERS

Non-Domestic Rates are organised on a national basis. Local businesses pay rates calculated by multiplying their rateable value by an amount specified by the Government. In 2024/25, 49.9p was the small business multiplier and 51.2p the large business multiplier (49.9p small business multiplier and 51.2p large business multiplier in 2023/24). The Council is responsible for collecting rates due from the ratepayers in its area. The total amount, less certain reliefs and other deductions is collected by the Council and then redistributed to the major preceptors - the Government (50%), and Essex Fire Authority (1%) and the remainder of 49% is the council's share. The

Non Domestic Rateable Value at the 31<sup>st</sup> March 2026 was £338,689,218 (as at 31 March 2025 the comparable figure was £335,981,988).

### GLOSSARY OF TERMS

#### **Accruals**

This is the concept that income and expenditure are recognised as they are earned or incurred, not when cash is received or paid and is reflected in the accounts by the inclusion of debtors and creditors.

#### **Actuarial Gains and Losses**

These arise in defined benefit pension schemes when there are changes in actuarial deficits or surpluses. They occur because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed.

#### **Assets Held for Sale**

These are classified as current assets in the Balance Sheet on the basis that they are currently being actively marketed with every expectation that they will be disposed of within 12 months.

#### **Balances**

Balances are maintained to meet expenditure pending the receipt of income and to provide a cushion against expenditure being higher or income lower than expected or budgeted for. Contributions to balances can be financed by either a planned contribution from the revenue budget or by a transfer of any fortuitous revenue surplus at the year end. The maintenance of an appropriate level of balances is a fundamental aim of prudent fiscal management.

#### **Capital Adjustment Account (CAA)**

This is a reserve set up in 2007 in accordance the then new accounting standards. The opening balance comprised the sum of the balances on the Capital Finance Account (CFA) and on the Fixed Asset Restatement Account (FARA). It is a store of the capital resources that have been deployed to finance past capital expenditure. It is classified as an Unusable Reserve.

#### **Capital Receipts**

These are the proceeds of the sale of assets and repayments of capital grants and some loans. Many housing capital receipts are subject to a national pooling arrangement.

#### **Chartered Institute of Public Finance and Accountancy (CIPFA)**

This is the UK accounting Institute that produces the standards and Codes of Practice that must be followed in preparing a local authority's financial accounts and statements.

#### **Contingent Assets and Liabilities**

- A contingent asset is a receipt of economic benefit that may arise in the future if certain events take place.
- A contingent liability is a loss, charge or obligation that may arise in the future if certain events take place; and
- In both cases, these events may not be within the control of the Council. Contingent assets and liabilities are not recognised in the accounts but must be disclosed in a note.

#### **Corporate and Democratic Core**

The corporate and democratic core comprises all activities in which local authorities engage specifically because they are elected democratic multi-purpose authorities. It has two elements – corporate management and democratic representation and management. The activities within the corporate and democratic core are in addition to those which would be conducted by a series of independent, single purpose bodies managing the same services.

## 2025/26 Statement of Accounts

### **Corporate Governance**

Corporate Governance is the system by which local authorities direct and control their functions. It is described and reviewed in the Annual Governance Statement.

### **Current Service Cost (Pensions)**

This is the cost at present value of a defined benefit scheme's liabilities expected to arise from employees' service in the current period.

### **Curtailment Costs (Pensions)**

For a defined benefit scheme, these arise from an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all their future service. Curtailments include:

- Termination of employees' services earlier than expected, for example, by a restructure of operations, and
- Termination of, or amendment to, the terms of a defined benefit scheme so that some or all future service of current employees will no longer qualify for benefits or will qualify only for reduced benefits.

### **Defined Benefit Scheme (Pensions)**

This comprises a pension or retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits available independently of the contributions payable. Further, the benefits are not related to the yield of the investments of the scheme. The scheme may be funded, notionally funded, or unfunded.

### **Depreciation**

This is the annual charge to a local authority's Comprehensive Income and Expenditure Statement to reflect the reduction in the useful economic life of fixed assets after each year's use.

### **Discretionary Benefits**

These are retirement benefits which an employer has no legal or contractual obligation to award, such as unfunded compensatory added years. They are awarded under discretionary powers, such as the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.

### **Fair Value**

The fair value is the value of an asset or liability in an arm's length transaction between unrelated, willing, and knowledgeable parties. Whenever possible this is taken as market value but, where there is no market, depreciated replacement cost can be used.

### **Finance Lease**

A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to a lessee.

### **Financial Instrument**

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability in another. In practice, this covers both financial assets and financial liabilities and includes bank deposits, investments, debtors, loans, creditors, and borrowings.

### **General Fund**

This is the main noncapital fund of a local authority from which all expenditure is met and into which all income is paid, with the exception of those items that by statute must be kept separate, such as the Collection Fund and the Housing Revenue Account.

### **Government Grants**

These comprise financial assistance by government in the form of cash transfers to an authority and are the main sources of local government funding; some are general, whilst others are specific and require compliance with certain conditions.

## 2025/26 Statement of Accounts

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

This is a statutory account that shows all income and expenditure relating to the provision, management, and maintenance of a local authority's housing stock.

### **Impairment**

This is the loss in value of a fixed asset arising from physical damage and/or deterioration in the quality of service provided by the asset or from a general fall in prices. Impairments also occur where further capital is invested in an asset which does not produce a fully matching increase in the fair value of an asset.

### **Infrastructure Assets**

These are non-current assets that have no realistic expectation of being sold and are held to deliver mostly transport services, such as roads, traffic management and road safety assets and drainage works. They are recorded at historic cost and are not re-valued.

### **Intangible Assets**

Intangible assets are defined in as 'non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the entity through custody and legal rights. The only example relevant to local authorities is computer software.

### **Interest Cost (Pensions)**

For a defined benefit scheme, this is the expected increase during the year in the present value of the scheme liabilities because the benefits are one year closer to settlement date.

### **International Financial Reporting Standards (IFRS)**

These are international accounting standards, applicable throughout the European Union and many other countries (but not the United States, which have replaced UK GAAP from 1 April 2010 as the standards with which local authority accounts must comply.

### **Investments (Pensions)**

This comprises the share of pension scheme assets in Essex County Pension Fund attributable to the Council and associated with its underlying obligations, as calculated by the Actuary to the Fund.

### **Investments (non-pension)**

A long-term investment is one that is held for in excess of 12 months for its yield and/or capital appreciation. Most local authority investments, however, are short term and are held for cash management purposes.

### **Levies**

These are amounts raised by statutory bodies from their constituent local authorities to enable them to conduct their functions.

### **Minimum Revenue Provision (MRP)**

This is the minimum amount which must be charged to a local authority's revenue account each year as a provision for the repayment of debt.

### **Net Worth**

The net worth of a local authority comprises the total of its usable reserves (such as fund balances and earmarked reserves), and its unusable reserves (such as the capital adjustment account, revaluation reserve and pensions reserve).

### **Non-Current Assets**

These comprise Property, Plant and Equipment, Intangible Assets, Investment Property, Surplus Assets not Held for Sale, and Assets Held for Sale all of which yield economic benefits to a local authority and the services it provides for a period of more than one year.

### **Non-Distributed Costs**

## 2025/26 Statement of Accounts

These are overheads from which no service benefits and that should not be allocated over services. They include curtailments, past service costs, and the running costs of unused assets.

### **National Non-Domestic Rate (NNDR)**

This is a national tax on non-domestic properties based on the rateable value of the premises occupied. NNDR is collected by a billing authority and paid into a national pool. The Government then redistributes the yield to all local authorities' pro rata to their population.

### **Past Service Costs (Pensions)**

For a defined benefit scheme, this is the increase in the present value of scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

### **Post Balance Sheet Events**

These are events which arise after the end of an accounting period. They comprise:

- Adjusting events which provide further evidence of conditions that existed by the end of the accounting period and that require adjustments to the accounts; and
- Non adjusting events which are indicative of conditions that arose subsequent to the end of the accounting period and are reported by way of a note to the accounts.

### **Precept**

This is an amount required by another statutory body (such as a police authority) and collected on its behalf by a billing authority as part of its overall Council Tax demand.

### **Property, Plant and Equipment**

These are assets which yield economic benefits to a local authority and the services it provides for a period of more than one year. They are assets which are held and occupied, used, or consumed by the local authority in the delivery of those services for which it has either a statutory or discretionary responsibility.

### **Provisions**

These are amounts set aside for any liabilities or losses which are likely to be incurred, but which are uncertain as to the amounts or the dates on which they will arise.

### **Reserves**

These are amounts set aside for specific purposes. A local authority has discretion in setting aside amounts for reserves whereas the setting aside of amounts for provisions is an accounting requirement.

### **Revaluation Reserve**

This reserve was introduced in 2007 for all local authorities and started off with a nil balance on 1 April 2007. Revaluation gains and losses are calculated on an asset by asset basis and subsequent losses can be offset against accumulated revaluation gains after which they must be charged to the Comprehensive Income and Expenditure Statement. It is classified as an Unusable Reserve

### **Scheme Liabilities (Pensions)**

These are the liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities are measured using the projected unit method to reflect the benefits that an employer is committed to provide for employees up to the valuation date.

### **Settlement Costs (Pensions)**

These comprise irrevocable actions that relieve an employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminate significant risks relating to the obligation and the assets used to affect the settlement. Settlements include:

## 2025/26 Statement of Accounts

- Lump-sum cash payments to scheme members in exchange for their rights to receive specified pension benefits.
- The purchase of irrevocable annuity contracts sufficient to cover vested benefits; and
- The transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

### **Support Services**

These are services, such as finance and legal, that are not statutory local authority services, but which give support to authorities' statutory (and discretionary) services.

### **Supported Capital Expenditure**

This is the term for central government support for local authority capital expenditure financed from borrowing with effect from 1 April 2004. Under this "Prudential system" local authorities receive funding through the revenue support grant to meet the costs of specified borrowing.

### **Unsupported Borrowing**

This is borrowing permitted to authorities under the "Prudential Code" framework, but which does not receive revenue support through the grant system.

### **Useful Life**

This is the period over which a local authority derives benefit from the use of a non-current asset.