

ROCHFORD DISTRICT COUNCIL**STATEMENT OF ACCOUNTS 2001/2002****TABLE OF CONTENTS**

| | Page |
|--|------|
| Explanatory Forward | 2 |
| Statement of Accounting Policies | 9 |
| Consolidated Revenue Account and supporting notes (Net cost of functions and how financed) | 13 |
| Consolidated Balance Sheet and supporting notes (Balances and Reserves, long-term indebtedness and assets held) | 18 |
| Statement of Total Movement in Reserves (Recognised gains and losses during the period) | 24 |
| The Housing Revenue Account and supporting notes (Income and expenditure relating to stock of dwellings) | 27 |
| The Collection Fund and supporting notes (Transactions relating to National Non-Domestic Rates and Council Tax) | 29 |
| The Cash Flow Statement and supporting notes (Summary of inflows and outflows of cash) | 32 |
| Statement of Responsibilities for Statement of Accounts | 35 |
| Auditors Report to Rochford District Council (For final publication only) | |

Further information about the accounts is available from:

The Head of Financial Services
Council Offices
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Essex SS4 1BW

dave.deeks@rochford.gov.uk

12.5

EXPLANATORY FOREWORD

Overall the Authority had a net underspend against General Fund expenditure of around £99,382 after contributing £81,598 to reserves. There was also an increase in the balances within the Housing Revenue Account of £1,417.

The Authority has a three-year strategy in place for the management of the Revenue Budget. This is supported by the Budget Strategy Reserve. The Authority had £102.210 in this reserve at the start of the financial year. During the year the Authority drew down the whole sum to support General Fund expenditure.

Information relating to the reserves held by the Authority can be found on pages 24 to 26.

The Authority is within the top 10 authorities in England with a Council Tax Collection rate of over 99%. The Authority's target for Council Tax Collection was 98%.

Net Expenditure compared to Budget

| | Original Estimate £ | Revised Estimate £ | Actual Exp/(Inc) £ | Variance Rev - Act £ |
|--|------------------------|-----------------------|-----------------------|-------------------------|
| Central Services | 1,848,040 | 1,870,800 | 1,676,215 | 194,585 |
| Un-apportionable Central Overheads | 387,555 | 383,800 | 411,397 | (27,597) |
| Cultural, Environmental & Planning Services (Note 2) | 5,911,265 | 6,582,900 | 6,759,835 | (176,935) |
| Highways, Roads & Transport Services (Note 2) | 101,420 | 419,800 | 259,794 | 160,006 |
| Housing Services (Note3) | 1,025,720 | 966,200 | 1,200,145 | (233,945) |
| Net Costs of Services | 9,274,000 | 10,223,500 | 10,307,386 | (83,886) |
| Reversal of Asset Rentals and Depreciation | (987,700) | (2,104,900) | (2,013,852) | (91,048) |
| Reversal of Deferred Charges | | | (650,875) | 650,875 |
| General Contingency Provision | 25,000 | 10,000 | - | 10,000 |
| Staffing Strategy Savings (Note 4) | (198,200) | (210,000) | - | (210,000) |
| Corporate Target Savings (Note 4) | (225,000) | (75,000) | - | (75,000) |
| Total | 7,888,100 | 7,843,600 | 7,642,659 | 200,941 |
| Revenue Contribution to Capital Outlay | - | - | 25,000 | (25,000) |
| Interest | (530,000) | (485,500) | (501,957) | 16,457 |
| Surplus transferred to Housing Revenue A/C | 0 | 0 | 1,418 | (1,418) |
| Contribution To/(From) Reserves | - | - | 81,598 | (81,598) |
| Contribution from Town Centre Reserve | - | - | (50,000) | 50,000 |
| Use of General Fund Balances | - | - | (75,208) | 75,208 |
| Draw Down From Budget Strategy Reserve | (336,800) | (336,800) | (102,210) | (234,590) |
| Net Expenditure | 7,021,300 | 7,021,300 | 7,021,300 | - |
| Parish Precepts | 624,273 | 624,273 | 624,273 | |
| Amount to be met by Government Grant and Local Tax Payers | 7,645,573 | 7,645,573 | 7,645,573 | |

NOTES TO NET EXPENDITURE COMPARED TO BUDGET

1. The actual net expenditure on General Fund activities, before contributions to/from reserves, was £7,167,120. The budgeted equivalent was £7,348,100 (Revised Estimate).

The following table demonstrates how this under-spend of £190,980 has been applied within the accounts.

| | £ |
|---|----------------|
| Increase in the use of General Fund Balances | (75,208) |
| Reduction in Draw Down from Budget Strategy Reserve | 234,590 |
| Increased Contribution to other Reserves | 81,598 |
| Increased Contribution from other Reserves | (50,000) |
| | <u>180,980</u> |
| | |

Analysis of Revenue Expenditure.

The gross expenditure, gross income and net expenditure for each service provided by Rochford District Council is shown in the following tables.

| Summary | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|---|------------------------|-------------------|----------------------|
| Central Services | 4,513,282 | (2,837,067) | 1,676,215 |
| Un-apportionable Central Overheads | 647,502 | (236,105) | 411,397 |
| Cultural, Environmental & Planning Services | 7,408,547 | (648,712) | 6,759,835 |
| Highways, Roads & Transport Services | 784,417 | (524,623) | 259,794 |
| Housing Services | 14,404,073 | (13,203,928) | 1,200,145 |
| | 27,757,821 | (17,450,435) | 10,307,386 |

| Central Services - Corporate & Democratic Core | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|---|------------------------|-------------------|----------------------|
| Corporate Management | 287,150 | - | 287,150 |
| Democratic Representation | 890,693 | (9,892) | 880,801 |
| | 1,177,843 | (9,892) | 1,167,951 |

| Central Services - Other Operating Income & Expenditure | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|--|------------------------|-------------------|----------------------|
| Other Operating Income & Expenditure | 0 | (55,453) | (55,453) |
| | 0 | (55,453) | (55,453) |

| Central Services - Un-apportionable Central Overheads | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|--|------------------------|-------------------|----------------------|
| Un-apportionable Central Overheads | 472,997 | (35,100) | 437,897 |
| Central Support Costs | 174,505 | (201,005) | (26,500) |
| | 647,502 | (236,105) | 411,397 |

| Central Services to the Public | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|---------------------------------------|------------------------|-------------------|----------------------|
| Council Tax | 508,616 | (77,820) | 430,796 |
| Business Rate Account | 133,901 | (94,755) | 39,146 |
| Council Tax Benefits | 2,390,381 | (2,278,792) | 111,589 |
| Conducting Elections | 73,343 | (1,525) | 71,818 |
| Registration of Electors | 80,144 | (636) | 79,508 |
| Emergency Planning & Health & Safety | 68,743 | - | 68,743 |
| Local Land Charges | 80,311 | (318,194) | (237,883) |
| | 3,335,439 | (2,771,722) | 563,717 |

| Cultural,Environmental & Planning Culture & Related Services | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|---|------------------------|-------------------|----------------------|
| Culture & Heritage | 37,607 | - | 37,607 |
| Leisure Premises | 2,262,572 | (21,642) | 2,240,930 |
| Woodlands | 87,585 | (5,825) | 81,760 |
| Management of Rec. Grounds & Open Spaces | 813,563 | (13,308) | 800,255 |
| Sports Development & Promotion | 71,154 | (8,811) | 62,343 |
| Leisure Client Account | 3,322 | 0 | 3,322 |
| | 3,275,803 | (49,586) | 3,226,217 |

| Cultural,Environmental & Planning Planning & Development | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|---|------------------------|-------------------|----------------------|
| Building Control Client Account | 87,463 | - | 87,463 |
| Building Control Fee Account | 170,044 | (182,992) | (12,948) |
| Development Control | 604,882 | (159,784) | 445,098 |
| Planning Policy | 286,640 | (2,154) | 284,486 |
| Corporate Policy | 57,172 | - | 57,172 |
| Environmental Initiatives | 9,889 | - | 9,889 |
| Economic Development | 66,747 | - | 66,747 |
| Community Development | 182,888 | - | 182,888 |
| Planning Administration | 10,508 | (10,508) | 0 |
| | 1,476,233 | (355,438) | 1,120,795 |

| Cultural, Environmental & Planning Environmental Services | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|--|---------------------------|----------------------|-------------------------|
| Cemeteries & Churchyards - Open | 71,712 | (71,936) | (224) |
| Cemeteries & Churchyards - Closed | 42,045 | (11,721) | 30,324 |
| Environmental Health | 684,048 | (29,701) | 654,347 |
| Public Health | 89,971 | - | 89,971 |
| Public Conveniences | 91,267 | - | 91,267 |
| Hackney Carriage | 79,517 | (55,985) | 23,532 |
| Coast Protection | 1,650 | - | 1,650 |
| Street Cleansing | 440,045 | (1,120) | 438,925 |
| Waste Collection | 1,057,521 | (11) | 1,057,510 |
| Waste Disposal | 88,470 | (62,949) | 25,521 |
| Health, Housing & Community Care Depot | 0 10,265 | 0 (10,265) | 0 0 |
| | 2,656,511 | (243,688) | 2,412,823 |

| Highways, Roads & Transport | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|--|---------------------------|----------------------|-------------------------|
| Highways/Roads (Routine) | 109,518 | (24,469) | 85,049 |
| Parking Services | 485,118 | (498,822) | (13,704) |
| Public Transport | 189,781 | (1,332) | 188,449 |
| | 784,417 | (524,623) | 259,794 |

| Housing Services | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|------------------------------------|---------------------------|----------------------|-------------------------|
| Housing Strategy | 94,223 | (18,739) | 75,484 |
| Private Sector Housing Renewal | 277,223 | - | 277,223 |
| Housing Advice | 124,693 | - | 124,693 |
| Registered Social Landlord Liaison | 44,549 | | 44,549 |
| Homelessness | 87,785 | 0 | 87,785 |
| Housing Benefit Payments | 4,969,263 | (4,742,934) | 226,329 |
| Housing Benefit Administration | 517,626 | (223,495) | 294,131 |
| Revenues Investigation Section | 86,334 | (9,065) | 77,269 |
| Housing Revenue Account | 8,202,377 | (8,209,695) | (7,318) |
| | 14,404,073 | (13,203,928) | 1,200,145 |

Income and Expenditure relating to Housing Revenue Account activities are contained on page 28.

Consolidated Balance Sheet.

This statement is fundamental to the understanding of the Authority's financial position at the year-end. The Balance Sheet contains all the assets and liabilities of the Council.

Statement of Total Movements in Reserves.

The statement of Total Movements in Reserves brings together all the recognised gains and losses of the Authority during the period and identifies those which have and have not been recognised in the Consolidated Revenue Account. The statement separates the movements between revenue and capital reserves.

The statement replaces the requirement for local authorities to show details of movements in capital reserves, including the fixed asset restatement reserve, the capital financing reserve and usable capital receipts, in the notes to the balance sheet.

Housing Revenue Account.

This account summarises the major elements of Housing Revenue Account expenditure and income relating to the Council's stock of dwellings.

Collection Fund.

This account reflects the Council's statutory requirement to maintain a separate Collection Fund showing its transactions in relation to Non Domestic Rates and the Council Tax and illustrates the way in which they have been distributed to preceptors and the General Fund. The Collection fund is consolidated with other accounts of the Authority.

Capital Expenditure and Financing.

Information relating to the Authority's capital expenditure and financing is set out in detail on page 19.

STATEMENT OF ACCOUNTING POLICIES.

The accounts have been prepared in accordance with the *2000 Code of Practice on Local Authority Accounting in the United Kingdom*, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), and also with guidance notes issued by CIPFA on the application of accounting standards.

The following accounting policies are consistent with the accounting concepts listed in SSAP2, that is going concern, accruals/matching, consistency and prudence.

Changes in Accounting Policies.

The Housing Revenue Account now appears in a new format to show the total resources employed by housing.

The basis on which debtors and creditors are included in the accounts.

The revenue accounts of the Authority are maintained on an accruals basis in accordance with the Code of Practice. This means that sums due to or from the Authority relating to the year are included whether or not the cash has actually been received or paid.

Grants are accrued in the accounts for the period when the expenditure to which they relate is charged. Where claims are not settled, the best estimate of grant income is used

Debtors included in the accounts are net of Provision for Bad Debts.

Deferred Charges.

Capital Expenditure, which does not give rise to a tangible asset, is classified as a deferred charge. These sums are written out of the accounts in the year they are incurred.

Allocation of central administration costs.

Costs of management and administration are allocated to the specific services to which they relate. Most relevant expenses were apportioned on the basis of staffing numbers. Office Accommodation and Central Support Services were allocated according to estimated usage.

Stocks and work in progress.

The Council does not hold any material stocks. Work in progress represents minor works carried out by the Council on behalf of individuals which has not yet been recovered, or for which amounts claimable on Insurance have not yet been received.

Government Grants.

Grants and subsidies receivable are credited to the appropriate revenue accounts and all known items due at 31 March 2002 are accrued.

Capital receipts.

Capital receipts from the disposal of assets are allocated on a statutory basis between the proportion available for financing capital expenditure (usable) and that required to be set aside to repay debt (reserved).

In accordance with the Local Government & Housing Act 1989 (as amended), 75% of Housing Capital Receipts are set aside to repay debt. The remaining useable portion and General Fund Capital Receipts are shown in the Useable Capital Receipts Reserve in the Consolidated Balance Sheet.

Pensions.

The majority of pension costs that are charged to the Council's accounts in respect of its employees represent the contributions paid to the funded pension scheme for those employees. Further costs arise in respect of certain pensions paid to retired employees on an un-funded basis. A statement is now included within the accounts in respect of Financial Reporting Standard 17 (FRS 17). This shows the view of assets and liabilities relating to Rochford District Council within the total pension fund managed by Essex County Council.

Fixed Assets.

The Authority complies with the capital accounting requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

Fixed assets consist principally of Council dwellings, land and buildings. Assets are included in the Balance Sheet at valuation, less depreciation where appropriate. Operational assets have been included in the Balance Sheet at the lower of open market value for existing use or depreciated replacement cost. Non-operational assets have been included at open market value. Community assets are included at historic cost.

Land and buildings are re-valued at least every five years in accordance with the Royal Institute of Chartered Surveyor's '*Manual of Valuation Guidance Notes*'. The majority of buildings are included at valuations provided by Savills Land and Property Limited as at April 2002. Depreciation is provided on Council dwellings, buildings and equipment and vehicles. The de-minimus level for the capitalisation of all assets is £5,000.

Asset Valuations are stated as originally provided by the valuer. No adjustment has been made between valuations. Valuations have not been adjusted to reflect the value of Capital works undertaken.

With effect from 2000/2001 the Authority is operating a rolling programme of valuations enabling adjustments to be made to all asset classes based upon professional valuation advice.

Further details of the Council's fixed assets can be found in Note 1 to the Consolidated Balance Sheet

There are no leases applicable to the provision of any assets.

Council Dwellings

Properties have been valued on the basis of selecting a limited number of properties (Beacon properties) and applying the existing use value for social housing valuation to them (EUV-SH). These values are then applied to the total number of properties. For housing properties this value is then reduced to reflect that

the property is tenanted. FPD Savills Ltd carried out the valuations. The valuation date is 1st April 2002. The beacon valuation is £123m and the EUV-SH value is £85 m.

12.14

Operational Assets

Prior to 1999/2000 Operational Assets such as Car Parks were included at a valuation determined by the number of parking spaces provided. From 1999/2000 Car Parks were recorded at valuation based upon Open Market Value.

For 2001/02 the operational assets of the Authority are based on valuations obtained by FPD Savills Ltd. The valuations are at 31st March 2002.

Vehicles & Equipment

Prior to 1999/2000 the Authority included a value within its accounts representing fixtures, fittings and equipment utilised by the Authority. This value was equal to 15% of operational and non-operational buildings.

From 1999/2000 the Authority has adopted a deminimus level of £5,000 for all such assets including vehicles.

This has significantly reduced the overall valuation of Operational and Non-operational assets included within the accounts because the original cost of most fixtures and fittings is below the deminimus level. This is reflected in the opening adjustment.

Vehicles and equipment valuation have been based on typical values given the age and condition of these assets.

Community Assets

Additionally, prior to 1999/2000 the Authority recorded Community Assets in its books at a valuation arrived at through a valuation per acre. From 1999/2000 this policy was changed to Historic Cost, in accordance with the code of practice, with a deminimus of £5,000.

Non Operational Assets

This is a single property. The valuation is open market valuation undertaken by FPD Savills Ltd. The valuation date is April 2002.

The basis of charges made to Revenue Accounts for Fixed Assets.

Asset rental charges are made to users at the minimum level required by the Accounting Code of Practice, based on depreciation (where applicable), plus a prescribed percentage (6%) of net current value.

Depreciation rates are determined according to the life expectancy of individual assets.

Redemption of Debt.

Amounts set aside from revenue for the repayment of external loans, to finance capital expenditure or as transfers to other earmarked reserves are disclosed separately, as appropriations, on the face of the Consolidated Revenue Account, below Net Operating Expenditure.

It is not the policy of this Council to set aside more than the minimum required. This Authority redeems its debts as they become due.

Depreciation

Depreciation has been included within the Consolidated Revenue Account for operational assets, certain vehicles and items of equipment based on the life expectancy of individual assets.

12.15

Depreciation is included for General Fund Assets based on estimated useful life of the asset in question. These are 25-30 years for buildings, 10 years for car parks, based on the costs of surfacing and fencing, 5-18 years for vehicles.

From 2000/2001 depreciation has also been included for the housing stock. The depreciation included within the Housing Revenue Account is based on the calculations made by the Government in relation to the Major Repairs Allowance. The Authority has satisfied itself that this is a sound basis for the assessment of depreciation.

Budget Strategy Reserve and General Fund

The policy of the Council has been to draw from the Budget Strategy Reserve to support the revenue programme. This support will end in 2001/02 with the full utilisation of the reserve. Action has been taken to set the budget within resources available for future years. Anticipated income into the Budget Strategy Reserve in respect of 2001/02 was not received and therefore the General Fund has had to be reduced to cover this position. The General Fund will be replaced in 2002/03 as the income has been received in 2002/03.

Investments.

All investments are made in United Kingdom based loans and are therefore shown at the cash value of the investment.

Reserves.

The system of capital accounting requires the maintenance of the following reserves in the Consolidated Balance Sheet:-

- I. The Fixed Asset Restatement Reserve, which represents principally the balance of the surpluses or deficits arising on the revaluation of fixed assets.
- II. The Capital Financing Reserve, which represents amounts set aside from revenue resources or capital receipts to finance expenditure on fixed assets or for the repayment of external loans and certain other capital financing transactions.

In addition, the Authority has earmarked reserves that are set aside for specific policy purposes, as explained on page 24 and balances that represent resources set-aside for purposes such as general contingencies and cash flow management.

Provisions.

The Authority sets aside provisions for specific future expenditure, which are likely, or certain, to be incurred. The Authority has reviewed all former provisions to ensure that those currently included within its accounts are in accordance with the criteria established within FRS 12, which became applicable to Local Authority accounts from 1999/2000.

Interest Charges

The Authority pays interest to the Housing Revenue Account using the average rate of interest earned for external investments.

CONSOLIDATED REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

| 2000/2001 £ | 12.16 | Gross Expenditure £ | Gross Income £ | Net Expenditure £ |
|-------------------|---|---------------------------|----------------------|-------------------------|
| 1,770,095 | Central Services | 4,513,282 | (2,837,067) | 1,676,215 |
| 406,591 | Un-apportionable Central Overheads | 647,502 | (236,105) | 411,397 |
| 6,201,543 | Cultural, Environmental & Planning Services | 7,408,547 | (648,712) | 6,759,835 |
| 368,491 | Highways, Roads & Transport | 784,417 | (524,623) | 259,794 |
| 1,293,215 | Housing | 14,404,073 | (13,203,928) | 1,200,145 |
| 10,039,935 | NET COST OF SERVICES | 27,757,821 | (17,450,435) | 10,307,386 |
| 589,264 | Precepts paid to Parish Councils | | | 624,273 |
| (367,458) | Transfer to/from Asset Management Rev Account (Note 4) | | | (458,195) |
| (582,641) | Interest and Investment Income | | | (491,526) |
| (37,011) | Internal Interest | | | (10,431) |
| 9,642,089 | NET OPERATING EXPENDITURE | | | 9,971,507 |
| (88,367) | Surplus Transferred from HRA Balances | | | 1,417 |
| (160,918) | Contribution to/from specific revenue reserves | | | (20,453) |
| | Contribution from Town Centre Regeneration Reserve | | | (50,000) |
| 25,000 | Revenue Contribution to Capital Expenditure | | | 25,000 |
| | Movement on Capital Financing Reserve | | | |
| 313,876 | - Provision for repayment of external loans | | | 296,545 |
| (481,678) | - Deferred charges | | | (650,875) |
| (2,008,938) | - Depreciation | | | (1,852,360) |
| | AMOUNT TO BE MET FROM GOVT. | | | |
| 7,241,064 | GRANT AND LOCAL TAXPAYERS | | | 7,720,781 |
| (3,939,976) | Precept Demanded from the Collection Fund | | | (4,199,836) |
| (28,184) | Collection Fund Transfer for the (Surplus)/Deficit at 31st March 2000 | | | (28,022) |
| (307,518) | Revenue Support Grant | | | (479,058) |
| (2,943,411) | Contribution from Non-Domestic Rate Pool | | | (2,938,657) |
| (21,975) | SSA Reduction Grant | | | 0 |
| - | (SURPLUS) / DEFICIT FOR THE YEAR | | | 75,208 |
| 650,000 | Balance at 1 April 2001 | | | 650,000 |
| - | Surplus / (Deficit) for the Year | | | 75,208 |
| 650,000 | Balance at 31 March 2002 | | | 574,792 |

NOTES TO THE CONSOLIDATED REVENUE ACCOUNT

1. Section 137 of the Local Government Act 1972 (As Amended).

Section 137 empowers a local authority, subject to limitations, to incur expenditure on activities for which it has no specific powers, but which it considers will bring direct benefit to the area, or any part of it or all or some of its inhabitants. This expenditure is limited to £1.90 per head of population, of 79,220 for Rochford, which equates to £150,518. No expenditure was incurred during 2001/2002.

2. Publicity.

Set out below, under the requirement of S5(1) of the Local Government Act 1986, is the Council's spending on publicity:

| | 2000/2001 | 2001/2002 |
|------------------------|-----------|-----------|
| | £ | £ |
| Town Planning: | | |
| Advertising | 9,012 | 10,225 |
| Research and Publicity | 3,159 | 1,732 |
| Council Tax | 2,760 | 1,492 |
| General Administration | 49,876 | 71,792 |
| Community Liaison | 14,673 | 26,663 |
| Legal Services | 2,934 | 1,791 |
| Hackney Carriage | 816 | 1,044 |
| Performance Indicators | 1,226 | 1,101 |
| | 84,456 | 115,840 |

3. Asset Management Revenue Account.

Transactions during the year were as follows.

| | 2000/2001 | 2001/2002 |
|---|-------------|-------------|
| | £ | £ |
| Capital charges | | |
| General Fund (asset rentals & depreciation) | (2,062,520) | (2,013,852) |
| Housing Revenue Account (Item 8) | (1,699,141) | (1,590,462) |
| External Interest on Loans | 1,348,254 | 1,283,328 |
| Internal Interest | 37,011 | 10,431 |
| Provision for Depreciation | 2,008,938 | 1,852,360 |
| | (367,458) | (458,195) |

4 Agency Services.

The Authority manages work on an agency basis for Essex County Council. The areas of work are:-

| | 2000/2001 £ | 2001/2002 £ |
|-------------------|----------------|----------------|
| Street Cleansing | 1,120 | 1,120 |
| Verge Maintenance | 21,884 | 24,469 |
| Total | 23,004 | 25,589 |

5. Employee Remuneration.

The number of employees whose remuneration, excluding pension contributions was £40,000 or more in bands of £10,000 were:-

| 2000/2001 Number of Employees | Remuneration Band | 2001/2002 Number of Employees |
|-------------------------------------|-------------------|-------------------------------------|
| 3 | £40,000 - £49,999 | 3 |
| 2 | £50,000 - £59,999 | 2 |
| 1 | £60,000 - £69,999 | 1 |
| 0 | £70,000 - £79,999 | 0 |

6. Members Allowances.

The total amount paid during the 2001/2002 financial year in respect of Members Allowances (basic allowance, special responsibility allowance and attendance allowance) was £55,229 (£49,750 in 2000/01)

8. Pensions.

In 2001/2002 the Council paid employer's contribution of £779,784 into Essex County Council's Pension Fund, 20.84 % of pensionable pay) which provides members with defined benefits related to pay and service. The Fund's Actuary based on triennial actuarial valuations determines the contribution rate. The last review applicable to these accounts was conducted in March 1998. Under Pension regulations contribution rates are set to meet the overall liabilities of the fund. The contribution in 2000/2001 was £774,551 (21.65% of pensionable pay).

Local authorities are not required to comply with SSAP24, "Accounting for Pension Costs", however, the Fund's Actuary advise on the pension costs necessary to provide for in the year to comply with SSAP 24, is £642,531, representing 17.17% of pensionable pay. The amount in 2000/2001 was £614,413, 17.17% of pensionable pay.

Discretionary payments made in the year and expenditure on added years was £137,253 representing 3.67 % of total pensionable pay. For 2000/2001 the equivalent figure was £133,398, 3.73% of total pensionable pay.

Further information can be found in Essex County Council's Pension fund Annual Report which is available upon request from:

12.19

The Pensions Division,
County Treasurer's Department,
County Hall,
Chelmsford,
CM1 1JZ

FRS 17

Employees of Rochford District Council are admitted to the Essex County Council Pension Fund (the fund), which is administered by Essex County Council under the regulations governing the Local Government Pension Scheme, a defined benefit scheme.

The figures disclosed below have been derived by approximate methods from the full actuarial valuation of the fund carried out by Watson Wyatt (actuaries to the fund) as at 31st March 2001.

The employer's contribution certified by the actuary in respect of 2001/02 was 166% of member's contributions. For the period 1st April 2002 to 31st March 2005 the rate of contribution will be 180% plus lump sums of £321,000 (in 2002/03 terms) and £390,000 (in 2003/04 terms) and £465,000 (in 2004/05 terms), rising in line with price inflation, less 2.5% pa.

The main assumptions adopted as at 31st March 2002 were, retail price inflation of 2.5% per annum, increases in salaries 4.3% per annum, increases in pensions and deferred pensions at 2.5 % per annum and a discount rate of 6.1 %.

The fair values of each main class of assets held by the fund as at 31st March 2002 and the expected rates of return for the ensuing year are set out in the following table

| | Fair Value £ | Expected returns % |
|--------------------------|-----------------|-----------------------|
| Equities | 1,301,600,000 | 7.5 |
| Gilts | 190,600,000 | 5.25 |
| Other bonds and property | 284,500,000 | 6.0 |
| Cash | 64,100,000 | 4.5 |
| Total | 1,840,800,000 | 6.9 |

There is no provision for unitising the assets of a fund under the LGPS. The above assets as a whole are allocated to participating bodies on a consistent basis.

The fair value of the above assets related to Rochford District Council was £20.5m. The value placed on the liabilities related to the Rochford was £28.5m. Consequently, at 31st March 2002, the deficiency related to Rochford District Council was £8 m.

9. Related Party Transactions.

Members of the Council and Chief Officers are required to disclose information about any material contact and other relationships between them or members of their family or household and the Council.

For 2001/2002 there are no disclosures required to be included within the accounts. This information has been gathered by way of a personal return and by examining the disclosures that Members of the Council and staff are required to make.

12.20

10. Building Control (Local Authority Charges) Regulations 1998 (SI 1998/3129).

This act came into force on the 1st April 1999. The regulations require local authorities to prepare systems within which they will determine and recover charges for the performance of the prescribed building regulation control functions. Authorities will be required to either:

- ◆ recover the full cost of operating a building control service, with the objective of breaking even over a three-year period; or
- ◆ recover at least 90 percent of the costs over a three year period, where the proper costs of the functions do not exceed £450,000, OR where at least 65% of the charges arising under Regulation 7 (Principles of the scheme) are in respect of the erection of small domestic buildings, certain garages, carports and extensions.

The first three-year period commenced on 1st April 1999 and will end on 31st March 2002, with a rolling programme after this. For 2000/01 net income was £835.

| Summary of Account Activity | 2001/2002 £ |
|-----------------------------|----------------|
| Service Expenditure | 170,044 |
| Fees – Deposit of Plans | (40,990) |
| Fees – First Inspection | (142,002) |
| Net Income | (12,948) |

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2002

| 2000/2001 | | NOTE | 2001/2002 | 2001/2002 |
|--------------|---------------------------------------|------|--------------|--------------|
| £ | | | £ | £ |
| | Fixed Assets: | 1 | | |
| | Operational Assets | | | |
| 66,380,187 | -Council Dwellings | | | 85,064,968 |
| 17,758,700 | -Other Land and Buildings | | | 19,074,579 |
| 70,890 | -Vehicles & Plant | | | 60,323 |
| 191,743 | -Furniture & Equipment | | | 294,831 |
| 193,786 | -Community Assets | | | 99,786 |
| 160,000 | Non Operational Assets | | | 160,000 |
| 84,755,306 | | | | 104,754,487 |
| 216,891 | Long Term Debtors | 2 | | 184,246 |
| 84,972,197 | Total Long Term Assets | | | 104,938,733 |
| | Current Assets: | | | |
| 41,485 | -Rechargeable Works in Progress | | 16,867 | |
| 1,188,497 | -Debtors | 3 | 1,729,678 | |
| 8,550,000 | -Investments | | 9,326,000 | |
| 86,344 | -Cash and Bank | 4 | 35,763 | 11,108,308 |
| 94,838,523 | | | | 116,047,041 |
| | Current Liabilities: | | | |
| (356,863) | -Short Term Borrowing | | (356,863) | |
| (3,386,979) | -Creditors | 5 | (3,027,750) | |
| (497,946) | -Bank Overdraft | | (588,255) | (3,972,868) |
| 90,596,735 | Total Assets less Current Liabilities | | | 112,074,173 |
| (13,529,758) | Long Term Borrowing | 6 | (13,172,895) | |
| (193,277) | Deferred Credits | | (176,440) | |
| (4,845) | Other Provisions | 7 | (6,152) | (13,355,487) |
| 76,868,855 | Total Assets less Liabilities | | | 98,718,686 |
| | | 8 | | |
| 62,615,304 | Fixed Asset Restatement Reserve | | | 84,931,943 |
| 9,803,867 | Capital Financing Reserve | | | 7,964,196 |
| 1,191,812 | Usable Capital Receipts Reserve | | | 2,206,996 |
| 1,084,453 | Earmarked Reserves | | | 1,395,659 |
| 30,000 | Redundancy Reserve | | | 30,000 |
| 650,000 | General Fund Balance | | | 574,792 |
| 102,210 | Budget Strategy Reserve | | | 0 |
| 867,293 | Housing Revenue Account Balance | | | 868,710 |
| 28,022 | Collection Fund - District | | 30,991 | |
| 138,045 | - Essex County | | 155,587 | |
| 14,476 | - Police Authority | | 15,795 | |
| 343,373 | - Unallocated Balance | | 544,017 | 746,390 |
| 76,868,855 | | | | 98,718,686 |

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Fixed Assets

(i) Capital expenditure comprised:

| | 2000/2001 £ | 2001/2002 £ |
|---|----------------|----------------|
| Housing Investment Programme: | | |
| Major repairs and improvements | 499,229 | 840,276 |
| Cash incentive scheme | 19,100 | 19,100 |
| Assistance to Housing Associations | 130,000 | - |
| Other Services: | | |
| Improvement grants | 281,642 | 202,811 |
| Information Technology | 73,776 | 238,247 |
| Vehicle, Plants and Equipment | 42,862 | 122,805 |
| Mill Hall | 218,305 | 58,989 |
| Open Spaces & Playspaces | 15,302 | 165,980 |
| Recycling | - | 61,899 |
| Public Conveniences | 135,893 | |
| Car Park improvements | 3,500 | 72,920 |
| Other miscellaneous items | 6,943 | 143,900 |
| | 1,426,552 | 1,926,927 |
| Less Items Classified as Deferred Charges | (481,678) | (650,875) |
| Additions to Capital Assets | 944,873 | 1,276,052 |

(ii) Deferred Charges.

During the year £650,875 of Capital Expenditure not giving rise to a capital asset was incurred.

(iii) Capital expenditure was financed as follows:

| | 2000/2001 £ | 2001/2002 £ |
|--|----------------|----------------|
| Credit approvals | 945,000 | 125,000 |
| Capital receipts applied | 384,582 | 849,865 |
| Grant | 71,970 | 67,686 |
| Revenue contribution – Housing Revenue A/c | 25,000 | 25,000 |
| Revenue contribution - General Fund | - | |
| Major Repairs Reserve | - | 859,376 |
| Contribution from Reserve: | | |
| VERIT | - | |
| Budget Strategy Reserve | - | |
| Town Centre Enhancements | - | |
| Total funding | 1,426,552 | 1,926,927 |

(iv)

Movement of Fixed Assets.

The following table provides information relating to the movement of fixed assets during the financial year. Opening adjustments result from changes in accounting practices required to bring the Authority in line with the requirements of the CIPFA/LASAAC Code of Accounting Practice for Local Authorities in Great Britain.

| | Council Dwellings £ | Operational Assets £ | Vehicles £ | IT/ Equipment £ | Community Assets £ | Non Operational £ | Total £ |
|---------------------------|------------------------|-------------------------|---------------|-----------------------|-----------------------|----------------------|-------------|
| Net Book Value 1/4/2001 | 66,380,187 | 17,758,700 | 70,890 | 191,743 | 193,786 | 160,000 | 84,755,306 |
| Opening Adjustment | | | | | | | 0 |
| | 66,380,187 | 17,758,700 | 70,890 | 191,743 | 193,786 | 160,000 | 84,755,306 |
| Additions | 840,276 | 98,164 | | 337,611 | | | 1,276,051 |
| Revaluation | 20,384,501 | 1,932,138 | | | | | 22,316,639 |
| Disposals | (1,487,700) | | | (159,448) | (94,000) | | (1,741,148) |
| Depreciation | (1,052,295) | (714,423) | (10,567) | (75,075) | | | (1,852,360) |
| Net Book Value 31/03/2002 | 85,064,969 | 19,074,579 | 60,323 | 294,831 | 99,786 | 160,000 | 104,754,488 |

(v) Information on Assets Held:

The following table categorises the assets held by the Authority as at 31st March 2001:

| Category | As at 31 March 2001 | As at 31 March 2002 |
|----------------------------|---------------------------|---------------------------|
| Council Dwellings: | | |
| Council Housing Stock | 1,906 | 1871 |
| Garages | 445 | 445 |
| Shops | 5 | 5 |
| Operational Buildings: | | |
| Administrative buildings | 3 | 3 |
| Leisure buildings | 5 | 5 |
| Public conveniences | 7 | 7 |
| Open spaces (buildings) | 10 | 9 |
| Cemeteries (buildings) | 1 | 1 |
| Car parks (spaces) | 1,137 | 1,074 |
| Miscellaneous buildings | 5 | 5 |
| Vehicles | 16 | 16 |
| Non Operational | 1 | 1 |
| Community Assets: | | |
| Open spaces (land) (acres) | 152 | 142 |

- (vi) The Council has entered into partnership arrangements with Essex County Council and the relevant local Parish Councils in respect of town/village centre improvements for Hockley, Rochford and Hullbridge. The total value of works is £350,000.

12.24

2. Long Term debtors comprise:

| | 2000/2001 | 2001/2002 |
|--|-----------|-----------|
| | £ | £ |
| Mortgages | 166,517 | 147,182 |
| Loans to Outside Organisations | 24,074 | 18,128 |
| Staff Car Loans | 16,038 | 7,563 |
| Service Charges – Repair and Maintenance | 10,262 | 11,373 |
| Total | 216,891 | 184,246 |

3. Other Debtors comprise:

| | 2000/2001 | 2001/2002 |
|-----------------------------------|-----------|-----------|
| | £ | £ |
| Government Departments | 509,189 | 1,164,462 |
| Other Local Authorities | 1,748 | - |
| Staff Car Loans | 14,143 | 8,474 |
| Mortgages | 37,340 | 31,472 |
| Sundry Debtors | 553,242 | 494,814 |
| Council Tax Payers | 405,453 | 411,323 |
| National Non Domestic Rate payers | 487,632 | 445,118 |
| Rent payers | 109,750 | 104,015 |
| Provision for Bad Debts | (930,000) | (930,000) |
| Total | 1,188,497 | 1,729,678 |

4. The cash and bank in hand balance is £35,762. This comprises £940 petty cash, £33,822 Giro account balance and £1,000 Business Premium account balance.

5. Creditors comprise:

| | 2000/2001 | 2001/2002 |
|-------------------------|-----------|-----------|
| | £ | £ |
| Government Departments | 1,070,128 | 163,803 |
| Other Local Authorities | 141,750 | 400 |
| Mortgages in advance | 1,447 | 1,078 |
| Leaseholders | 17,333 | 14,075 |
| Rent payers | 63,401 | 62,918 |
| NNDR payers | 213,354 | 824,324 |
| Council tax payers | 338,949 | 336,884 |
| Sundry Creditors | 1,540,615 | 1,624,268 |
| Total | 3,386,979 | 3,027,750 |

6. Long-term borrowing comprises:

| | 2000/2001 | 2001/2002 |
|--------------------------|------------|------------|
| | £ | £ |
| Public Works Loans Board | 13,529,758 | 13,172,895 |

By maturity, long-term borrowing comprises:

| | 2000/2001 | 2001/2002 |
|------------------|------------|------------|
| Maturing within: | £ | £ |
| 1 - 2 years | 356,863 | 356,863 |
| 2 - 5 years | 1,070,588 | 1,427,451 |
| 5 - 10 years | 6,502,307 | 9,345,444 |
| 10 + years | 5,600,000 | 2,400,000 |
| | 13,529,758 | 13,172,895 |

The average interest rate on long-term borrowing at 31st March 2002 was 9.28%.

7. Transfer (to)/from Other Provisions during 2001/2002:

| | Balance B/Fwd £ | Net Movement £ | Balance C/Fwd £ |
|----------------------|-----------------------|----------------------|-----------------------|
| Economic Development | 4,845 | 1,307 | 6,152 |

Economic Development – This provision was set in up 1999/2000 to fund various economic development projects throughout the district.

8. Movements on Capital and Revenue Reserves are shown in the Statement of Movements in Reserves on 24.

9. Provision for Credit Liabilities - Memorandum Account.

| | 2000/2001 | 2001/2002 |
|---------------------------------|-------------|-----------|
| | £ | £ |
| Balance B/Fwd | 3,343,670 | 2,336,713 |
| Set aside from Capital Receipts | 1,181,030 | 1,156,104 |
| Provisions from Revenue | 313,876 | 296,545 |
| Repayment of external debt | (1,556,863) | (356,863) |
| Financing of credit approvals | (945,000) | (125,000) |
| | 2,336,713 | 3,307,500 |

11. The Council administers four small trust Funds. These are the Dutch Cottage Trust, King George Playing Field Trust, Crossroads Care Attendant Scheme (Rochford Branch) and the Finchfield Trust. These trusts have nil balances within the accounts of the Authority except for the Finchfield Trust which has a balance of £24,781 invested in the General Fund, for which it receives interest and Dutch Cottage Trust which has a balance of £7,016.

11. Analysis of Net Assets Employed

The net assets employed represent the local taxpayers 'equity' in the Authority and are analysed as follows: -

| | 2000/2001 £ | 2001/2002 £ |
|-------------------------|-------------------|-------------------|
| General Fund | 76,001,562 | 97,849,975 |
| Housing Revenue Account | 867,293 | 868,710 |
| Total Equity | 76,868,855 | 98,718,685 |

12. Contingent Liabilities

There are no material Contingent Liabilities requiring disclosure

13. Euro

The Authority has not as yet costed the implications of any change to the Euro. This will depend on the programmed replacement of software over the coming years. Where new software is purchased we will ensure that it is Euro compliant. The Authority will keep this issue under review and react to the national timetable set by any Government.

STATEMENT OF TOTAL MOVEMENTS IN RESERVES YEAR ENDED 31 MARCH 2002

| Reserves | Fixed Asset Restatement Reserve £ | Capital Financing Reserve £ | Useable Capital Receipts £ | General Fund £ | HRA £ | Budget Strategy £ | Redundancy Reserve £ | Earmarked Reserves £ | Total £ |
|-----------------------------------|--|--------------------------------------|-------------------------------------|----------------------|----------|-------------------------|----------------------------|----------------------------|-------------|
| Balance as at 1st April 2001 | 62,615,304 | 9,803,867 | 1,191,812 | 650,000 | 867,293 | 102,210 | 30,000 | 1,084,453 | 76,344,939 |
| Net surplus/(deficit) for year | | | | (125,208) | 1,417 | (102,210) | | 361,206 | 135,205 |
| Transfers between reserves | | | | 50,000 | | | | - 50,000 | - |
| Opening Adjustments | | | | | | | | | 0 |
| Revaluation of Fixed Assets | 22,316,639 | | | | | | | | 22,316,639 |
| Disposal of Fixed Assets: | | | | | | | | | |
| -Book value of assets disposed of | | (1,741,148) | | | | | | | (1,741,148) |
| -Proceeds of disposal | | | 2,171,289 | | | | | | 2,171,289 |
| Financing of Fixed Assets | | 952,062 | | | | | | | 952,062 |
| Capital Receipts set aside | | 1,156,105 | (1,156,105) | | | | | | - |
| Deferred Charges Written off | | (650,875) | | | | | | | (650,875) |
| Loans repaid | | | | | | | | | 0 |
| Depreciation | | (1,852,360) | | | | | | | (1,852,360) |
| MRP | | 296,545 | | | | | | | 296,545 |
| Balance at 31st March 2002 | 84,931,943 | 7,964,196 | 2,206,996 | 574,792 | 868,710 | 0 | 30,000 | 1,395,659 | 97,972,296 |

| Earmarked Reserves | Balance at 1st April 2001 £ | Movement in the Year £ | Balance at 31st March 2002 £ |
|--------------------------------------|--------------------------------------|---------------------------------|---------------------------------------|
| Town Centre Regeneration | 682,873 | (50,000) | 632,873 |
| Crime & Disorder | 89,142 | (7,884) | 81,258 |
| Arts | 4,664 | (3,321) | 1,343 |
| Sports Development | 14,540 | (1,159) | 13,381 |
| Insurance | 27,100 | | 27,100 |
| Grants Fund | 9,584 | (9,584) | 0 |
| Mill Tower | 6,000 | | 6,000 |
| Recycling | 24,592 | | 24,592 |
| Chamber of Trade | 10,000 | (1,500) | 8,500 |
| Websters Way | 5,000 | (5,000) | 0 |
| Benefits Administration | 17,820 | (17,820) | 0 |
| Repairs & Maintenance | 89,986 | (54,316) | 35,670 |
| Contaminated Land | 7,152 | 6,210 | 13,362 |
| Leisure Consultants | 34,684 | (34,684) | 0 |
| Frial Elderly Survey | 14,316 | (8,350) | 5,966 |
| Planning Appeals | 40,000 | (1,101) | 38,899 |
| District Plan | 7,000 | 7,000 | 14,000 |
| Domestic Violence | | 7,000 | 7,000 |
| Communities against drugs | | 79,320 | 79,320 |
| Partnership Development Reserve | | 15,519 | 15,519 |
| Comprehensive performance/best value | | 10,000 | 10,000 |
| Bridleways | | 4,450 | 4,450 |
| Woodlands | | 7,500 | 7,500 |
| Microsoft Renewal | | 10,000 | 10,000 |
| Park Sports | | 131,721 | 131,721 |
| Major Repairs (HRA) | | 157,874 | 157,874 |
| Pigeon control | | 4,331 | 4,331 |
| Verification framework | | 25,000 | 25,000 |
| Public Health | | 5,000 | 5,000 |
| Stock Condition Survey | | 35,000 | 35,000 |
| Total | 1,084,453 | 311,206 | 1,395,659 |

NOTES TO THE STATEMENT OF TOTAL MOVEMENTS IN RESERVES.**Nature of substantial reserves, provisions and contingent liabilities.**

- ⇒ Town Centre Regeneration Reserve – Originally established in 1994/95 to provide finance to facilitate the regeneration of Rayleigh Town Centre. Now expanded to encompass all Town Centres within the District.
- ⇒ Crime and Disorder Reserve – This reserve was introduced in 1999/2000 to provide finance for various crime and disorder projects.
- ⇒ Budget Strategy Reserve - This reserve was introduced during 1997/98 as part of the Authority's long term budget strategy.
- ⇒ Repairs & Maintenance Reserve – This reserve was established in 2000/2001 to provide funds to cover the cost of building works at various Council owned buildings.
- ⇒ Benefits Administration – This reserve was introduced in 2000/2001 and provides funds for the implementation of new Housing Benefits legislation.
- ⇒ Planning Appeals Reserve – This reserve was established to provide funds to cover the cost of any successful planning appeal.
- ⇒ Communities Against Drugs – This reserve was established in 2001/02 to provide finance for various crime and disorder projects.
- ⇒ Park Sports Centre Reserve – This reserve was established in 2001/02 to provide finance for the redevelopment of this site.
- ⇒ Major Repairs Reserve – This reserve was established in 2001/02 to provide funds to cover the cost of major repairs and improvements for Housing Revenue Account properties

THE HOUSING REVENUE ACCOUNT YEAR ENDED 31 MARCH 2002

| 2000/2001 | | 2001/2002 |
|-------------|--|---------------------|
| £ | | £ |
| | <i>INCOME:</i> | |
| (5,322,246) | Dwelling Rents and Charges | (5,517,380) |
| (126,930) | Non-Dwelling Rents | 0 |
| (31,617) | Charges for Services and Facilities | (30,523) |
| | Housing Subsidy | |
| (2,956,400) | - Benefits | (2,963,064) |
| 1,359,869 | - Non Benefits | 363,946 (2,599,118) |
| | Interest: | |
| (19,995) | - Mortgage Interest | 0 |
| (48,021) | - Interest on Cash Balances | (62,674) |
| | Reversal of deferred charges | (19,100) |
| (7,145,340) | | (8,228,795) |
| | <i>EXPENDITURE:</i> | |
| 1,386,354 | Repairs and Maintenance | 1,447,962 |
| - | Revenue Contribution to Capital Outlay | 25,000 |
| 1,089,151 | Supervision and Management | 1,055,786 |
| 3,022,463 | Rent Rebates | 2,999,639 |
| - | Prior Year Subsidy Adjustment | 0 |
| - | Provision for Doubtful Debts (Note 2) | 0 |
| 1,735,739 | Capital Financing Costs | 1,627,596 |
| | Depreciation | 1,052,295 |
| | Deferred Charges | 19,100 |
| 88,367 | Change in Reserve Balance | (1,417) |
| (955,660) | Housing Revenue Account B/Fwd | (867,293) |
| (867,293) | Housing Revenue Account C/Fwd | (868,710) |

NOTES TO THE HOUSING REVENUE ACCOUNT

1. The housing stock at 31st March 2002 comprised of 1,871 dwellings. The average stock for the year was 1,888 dwellings.

Analysis of stock at 31st March 2002:

The housing stock is analysed below using the criteria employed by the Department of the Environment in Housing Subsidy calculations.

- Analysis by property type:

| | 1 Bed | 2 Bed | 3 Bed | 4 Bed | Total |
|------------------|-------|-------|-------|-------|-------|
| Flats | 681 | 154 | 20 | - | 855 |
| Houses/Bungalows | 210 | 252 | 547 | 7 | 1,016 |
| | 891 | 406 | 567 | 7 | 1,871 |

- Analysis by date built:

| | Pre 1919 | 1919-44 | 1945-64 | After 1964 | Total |
|------------------|----------|---------|---------|------------|-------|
| Flats | 10 | 6 | 102 | 737 | 855 |
| Houses/Bungalows | 14 | 170 | 528 | 304 | 1,016 |
| | 24 | 176 | 630 | 1,041 | 1,871 |

2. There was a provision for Bad and Doubtful debts of £80,000 in 2000/2001. There was no change to this provision in 2001/2002.
3. Arrears.

| Rent Arrears | 2000/2001 | 2001/2002 |
|-----------------|-----------|-----------|
| | £ | £ |
| Current Tenants | 93,536 | 81,351 |
| Former Tenants | 16,214 | 22,664 |
| Total | 109,750 | 104,015 |

THE COLLECTION FUND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

| 2000/2001 | | NOTE | 2001/2002 |
|---------------------|---|------|---------------------|
| £ | | | £ |
| | <i>INCOME:</i> | | |
| (23,450,643) | Income from Council Tax | 1 | (25,437,332) |
| | Transfers from the General Fund: | | |
| (2,277,074) | - Council Tax Benefits | | (2,390,381) |
| <u>(25,727,717)</u> | | | <u>(27,827,713)</u> |
| <u>(10,136,157)</u> | Income Collectable from Business Ratepayers | 2 | <u>(10,160,707)</u> |
| (35,863,874) | | | (37,988,420) |
| | <i>EXPENDITURE:</i> | | |
| | Precepts and Demands: | 5 | |
| 19,542,906 | - Essex County Council | | 21,222,457 |
| 2,049,807 | - Police Authority | | 2,154,929 |
| 3,968,160 | - Rochford District Council | | 4,227,859 |
| | Business Rates: | | |
| 9,968,745 | - Payments to Pool | | 10,073,162 |
| 87,412 | - Cost of Collection Allowance | | 87,545 |
| <u>35,617,030</u> | | | <u>37,765,952</u> |
| 120,000 | Movement on provisions for uncollectable amount | 3 | - |
| <u>(126,844)</u> | Movement in Fund Balance | | <u>(222,468)</u> |

NOTES TO THE COLLECTION FUND

1. Council Tax

Council tax derives from charges raised according to the values of residential properties, which have been classified into eight valuation bands, using estimated 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Essex County Council and other preceptors and this Council for the forthcoming year and dividing this by the council tax base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts). The basic amount of council tax for a Band D property for Rochford district (£118.62 in 2001/2002), was added to the basic amount due to the parish and the total was multiplied by the specified proportion to give an individual amount due. Precepts in respect of Essex County Council and Essex Police Authority were added to this figure.

2. National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Government specified an amount of 43p in the £ of rateable value for 2001/2002 (41.6p in the £ for 2000/2001) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The Council is responsible for collecting rates due from the ratepayers in its area but pays the proceeds into an NNDR pool administered by the Government. The Government redistributes the sums paid into the pool back to local authorities' General Funds on the basis of a national formula.

The total non-domestic rateable value at 31st March 2002 was £29.1m compared to the comparable rateable value in 2000/2001 of £29.2m

3. Provision for Bad and Doubtful Debts.

No amendments were made to the provision for bad and doubtful debts.

4. Uncollectable Debts.

Uncollectable debts of £14,954 for council tax and £82,274 for non-domestic rates were written off in 2001/2002.

5. Precepts on the fund:

| | |
|---------------------------------|------------|
| Essex County Council | 21,084,412 |
| Essex Police | 2,140,453 |
| Rochford District Council (Net) | 4,199,836 |

6. Calculation of the Council Tax base for 2001/2002.

| Tax Band | Estimated Properties after discounts | Proportion Of Charge | Band D Equivalent Properties |
|-------------------------------------|---|-------------------------|------------------------------------|
| A | 1,031.72 | 6/9 | 687.82 |
| B | 2,462.14 | 7/9 | 1,915.00 |
| C | 10,019.00 | 8/9 | 8,905.78 |
| D | 9,316.75 | 9/9 | 9,316.75 |
| E | 4,465.38 | 11/9 | 5,457.69 |
| F | 1,869.73 | 13/9 | 2,700.72 |
| G | 976.70 | 15/9 | 1,627.83 |
| H | 73.00 | 18/9 | 146.00 |
| Total | | | 30,758.14 |
| Less Adjustment for Collection Rate | | | 98 % |
| Total Council Tax Base | | | 30,142.98 |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

| 2000/01 £'000 | Cash Outflow | Notes | 2001/02 £'000 | £'000 |
|------------------|--|----------|------------------|----------------|
| | <u>Revenue Activities</u> | | | |
| 4,312 | Cash paid to and on behalf of employees | | 4,466 | |
| 22,182 | Precepts paid | | 24,002 | |
| 10,349 | Non domestic rate payments to national Pool | | 11,031 | |
| 4,790 | Housing Benefits paid out | | 4,826 | |
| 9,950 | Other operating cash payments | | 11,165 | |
| | Cash Inflows | | | 55,490 |
| (2,952) | Rents (after rebates) | | (2,982) | |
| (23,710) | Council Tax receipts | | (25,659) | |
| (10,873) | Non domestic rate receipts | | (11,360) | |
| (2,943) | Non domestic rate receipts from national pool | | (2,939) | |
| (358) | Revenue Support Grant | | (479) | |
| (7,274) | Housing Benefits grants | | (6,320) | |
| | Other material Government grants | | | |
| (1,691) | Housing Subsidy | | (2,478) | |
| (3,435) | Other operating income/cash receipts | | (4,704) | |
| | | | | (56,921) |
| (1,653) | Net cashflow from Revenue activities | 1 | | (1,431) |
| | <u>Returns on Investments and servicing of Finance</u> | | | |
| 1,348 | Interest paid to other bodies | | 1,283 | |
| (590) | Interest received | | (486) | |
| | | | | 797 |
| | <u>Capital Activities - cash outflows</u> | | | |
| | Capital expenditure | | | |
| 945 | Purchase of Fixed Assets | | 1,276 | |
| | Purchase of long term investments | | | |
| 482 | Other capital cash payments | | 651 | 1,927 |
| | Cash inflows | | | |
| (1,554) | Capital receipts | | (2,218) | |
| (72) | Capital grants received | | (68) | |
| | Other capital cash receipts | | | (2,286) |
| (1,094) | Net Cashflow before financing | | | (993) |
| | <u>Management of liquid Resources</u> | | | |
| (545) | Net increase(decrease) in short term deposits | 4 | 776 | |
| | <u>Financing</u> | | | |
| 1,557 | Repayments of amounts borrowed | 2 | 357 | 1,133 |
| | New loans raised | | | |
| (82) | Net (increase) / decrease in cash | 3 | | 140 |

| 2000/01 £'000 | Notes | 2001/02 £'000 | £'000 |
|--|---------------------------------------|------------------|--------------|
| Note 1 | | | |
| Reconciliation of Surplus/deficit on the income and expenditure account with the revenue activities net cash flow | | | |
| - | General fund | 75 | |
| 88 | Housing Revenue account | (1) | |
| (127) | Collection fund | (222) | (148) |
| Non cash | | | |
| (314) | MRP | (297) | |
| 25 | Misc. | 23 | |
| (25) | RCCO | (919) | (1,193) |
| Movement on funds and balances | | | |
| 22 | Increase/ (decrease) in stocks | (25) | |
| 292 | Increase/ (decrease) in Debtors | 584 | |
| (1,038) | (Increase) / decrease in creditors | 359 | |
| 182 | (increase) / decrease in provisions | (210) | |
| | | | 708 |
| Items classified in another classification in the cash flow statement | | | |
| (1,348) | Interest paid | (1,283) | |
| 590 | Interest received | 486 | (797) |
| (1,653) | Net cash flow from revenue activities | | (1,430) |
| Note 2 - Movement in Borrowing | | | |
| 13,887 | Long term Borrowing B/fwd | 13,530 | |
| - | Repaid During Year | - | |
| | New Borrowing | - | |
| (357) | Classified as short term borrowing | (357) | |
| 13,530 | Long Term Borrowing c/fwd | 13,173 | (357) |
| - | | | |
| 1,557 | Temporary Borrowing B/Fwd | 357 | |
| (1,557) | Net movement for the year | (357) | |
| 357 | Classified as short term borrowing | 357 | |
| 357 | Temporary Borrowing C/fwd | 357 | |
| | | | - |
| Total Increase(decrease) in Borrowing | | | (357) |
| Note 3 Net(increase) / decrease in cash | | | |
| 68 | Cash & Bank | | (51) |
| 14 | Bank Overdraft | | (90) |
| 82 | | | (141) |

| 2000/01 £'000 | Notes | 2001/02 £'000 | £'000 |
|---------------------------------------|--|------------------|------------|
| Note 4 - Temporary Investments | | | |
| 9,095 | Temporary Investments B/fwd | | 8,550 |
| 8,550 | Temporary Investments C/fwd | | 9,326 |
| (545) | Increase in Temporary Investments | | 776 |

Note 5

There have no changes to policy that affect the cash flow statement

Note 6 - Summary of Government Grants

| | | | |
|-----------------|---------------------------------|---------|-----------------|
| (7,274) | Housing Benefits | (6,320) | |
| (1,691) | Housing Subsidies | (2,478) | |
| (2,943) | NNDR support from national pool | (2,939) | |
| (358) | Revenue Support Grant | (479) | |
| (12,266) | | | (12,216) |

**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF
ACCOUNTS**

The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Corporate Director (Finance & External Services).
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the statement of accounts.

The Corporate Director (Finance & External Services) Responsibilities

The Corporate Director (Finance & External Services) 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 Great Britain ('the Code of Practice')

In preparing this statement of accounts, the Corporate Director (Finance & External Services) has:

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

The Corporate Director (Finance & External Services) has also:

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

Opinion

The statement of accounts presents fairly the financial position of Rochford District Council at 31st March 2002, and its income and expenditure for the year then ended.

Signature:

Date: