

Essex County Council

Guidance - Related Party Transactions 2026

1. Background

We are required to disclose within our statutory Statement of Accounts details of any material **related party transactions** that have occurred during the year of account. So that we can do this, all members and some senior officers at Essex County Council are asked to complete an **annual declaration** relating to related party interests.

This declaration relates to both Essex County Council and the Essex Pension Fund.

2. What is the purpose of this?

The purpose of asking for a separate annual declaration of related party interests to be completed is to enable us to determine whether it is necessary to disclose in our statutory Statement of Accounts whether, because of members and/or senior officers' roles and interests in other organisations, the Council:

- Might have **been constrained** in its ability to operate independently; or
- Might have **limited another** party's ability to bargain freely with the Council.

3. Why are you asked to make a separate declaration?

We use the Members' **Register of Interests**, and information published on the [Companies House](#) and [Charity Commission](#) websites, to assess whether any interests might need to be disclosed in our Statement of Accounts. However, we need some information which we cannot obtain from elsewhere.

4. What we need to know

We need you to complete the declaration:

- To confirm that your register of interests is up to date (and, if not, to provide any updates)** – this provides assurance that the register is up to date.
- To tell us whether you or a close family member are currently Leader or Cabinet Member at another local authority** – the Register of Interests tells us if you (or a close family member) are a member of another local authority, but it does not tell us if you are a Cabinet Member or the Leader.
- Whether there are any interests not recorded on the Register of Interests (because you are not required to do so) that may be related party interests.** See below for guidance about other interests

5. What is a related party?

An organisation - public or private sector - is considered to be related to the Council or the Essex Pension Fund if either of the following conditions applies:

- It is **controlled** or **jointly controlled** by a Member or Senior Officer of ECC or someone who is a close relative¹ of such a person.
- A Member or Senior Officer of ECC (or a close relative of a Member or Senior Officer) has **significant influence** over the organisation or is a member of its key management personnel.

6. What is a related party transaction?

A related party transaction is a transaction with a related party. It includes any transaction resulting in a transfer of resources or obligations between related parties, regardless of whether a price is charged.

We ask Members and Senior Officers to identify related parties but we do not need details of the transactions as we can obtain this information from our own records.

7. Examples

The following are examples where a Member has no registerable interest, but must disclose a related party interest:

- The Council has a high value contract with a company in which Cllr A's daughter is a director and she can exercise some control over that company.
- The Council purchases care from a care home owned by Cllr B's stepson.
- The Council has provided funding to a local charity of which Cllr C's dependent is a trustee.

Where it is not known whether there have been any transactions between the Council or the Essex Pension Fund and a related party interest during the financial year ended 31st March 2026, the interest should be disclosed on the related party declaration form.

8. Other declarations

Members of another local authority may be required to make a separate declaration for that authority.

9. Questions

If you require any advice, please contact Christine Golding, Chief Accountant. Her details are as follows:

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¹ **Close relatives** are family members who may be expected to influence or be influenced by that person, including a spouse, domestic partner, child or dependent (including children and dependents or a spouse or domestic partner).