

Notes to the Single Entity Core Financial Statements

6. Related Party Transactions

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

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions the Council has with other parties (e.g. housing benefits). Details of transaction with Government Departments are set out in a Note 31 Analysis of Government Grants. In addition payments between the Council and Hertfordshire County Council amounted to £2,259,543 (2008/09, £2,330,922). Further payments between the Council and Hertfordshire County Council are disclosed in the Collection Fund accounts and the Pensions Disclosure, Note 24.

Members of the Council have direct control over the Council's financial and operating policies. During 2009/10 the Council paid a management fee totalling £18,085,203 to Stevenage Homes Limited, (2008/09 £16,479,601), a £1,701,352 contract payment was paid to Stevenage Leisure Limited (2008/09 £1,117,528 grant) and £3,263,439 paid to other organisations (2008/19 £3,135,542), either as grants or services received. With reference to all these organisations a total of 31 Members declared interests through either the register of interests or the completed related party transactions forms.

The relevant Members did not take part in any discussions or decision relating to the grants. The grants were made with proper consideration of the declarations which all Members completed in accordance with the statutory Code of Conduct for Members (Local Government Act 2000). During 2009/10 33 meetings were held at which 18 expressions of interest were declared. The Register of Members' Interests shows both potential financial and other interests, including involvement with voluntary organisations, public authorities and as the local authority representative on various bodies. This is available for public inspection at the Council Offices. There are no other material related party transactions other than those shown elsewhere in the accounts.

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6. Related Party Transactions (continued)

During 2009/10, the Chief Executive and Strategic Directors declared no pecuniary interests in accordance with section 117 of the Local Government Act 1972, in grants totalling £1,728,269 (2008/09 £1,152,166) paid by the Council to 2 organisations. Neither the Chief Executive nor the Strategic Directors took part in any discussion, decision or administration relating to the grant.