2024/25 Financial Report including Statement of Accounts and Group Accounts

Stevenage BOROUGH COUNCIL

The 2024/25 Statement of Accounts was certified as presenting a true and fair view of the financial position of Stevenage Borough Council by the Chief Financial Officer on XX February 2026.

Chair Audit Committee

XX February 2026

Chair Statement of Accounts Committee

XX February 2026

This document is part of the Council's policy of providing full information about the Council's affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the Appointed Auditor completes the annual audit. The availability of the accounts for inspection is advertised on the Council's web site.

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Foreword by Chief Executive

Welcome to Stevenage Borough Council's Statement of Accounts for 2024/25. As a co-operative Council we work alongside residents and partners to improve the lives of the people that live and work in the town. To enable this, it is important that we maintain a high degree of openness around our spending and decision making. The publication of our accounts helps demonstrate our commitment to achieving this transparency alongside our quarterly Budget Monitoring and Performance reports to the Council's Cabinet meetings.

Organisational overview and external environment

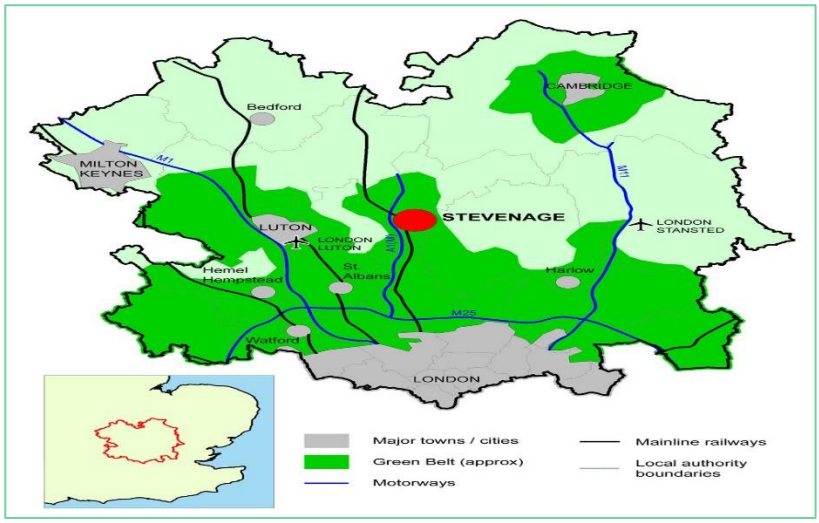
About Stevenage

Stevenage is a town steeped in rich heritage and culture, with a long history spanning back to Saxon times. The town is home to around 90,000 people and 52,000 jobs, with established businesses in key sectors including pharmaceutical, advance manufacture, space and defence, life sciences and health care. Through the Make Stevenage Even Better (MSEB) Plan and its associated "Transforming Our Town" objective, the Council is also introducing a range of new and exciting shopping and leisure opportunities for residents and consumers.

Geography

Stevenage is strategically located within Hertfordshire 30 miles north of London. With a major station on the East Coast Main Line, Stevenage offers superb connectivity with 19 minute journey times to Kings Cross and less than 40 minutes to Cambridge. Thameslink services giving direct connections to Farringdon, London Bridge and Gatwick have also expanded into Stevenage, with links all the way through to Brighton.

Stevenage is also situated on the A1 (M) with good access to Cambridge, Peterborough, Northampton and Milton Keynes in less than one hour by road. In addition, two international airports are within easy reach: London Luton (14 miles) and London Stansted (29 miles).



About The Council

Stevenage was designated Britain's first new town in 1946. The town was planned and developed by the Government-appointed Development Corporation that was responsible for a series of master plans detailing the way the town would grow. Stevenage Urban District Council became the Borough Council under local government reorganisation in 1974 and by 1980 most of the Development Corporation's functions had been transferred to the Borough Council. The Town's 90,000 residents live in 13 wards. The Council uses an innovative Co-operative Neighbourhoods approach to work closely with communities across these 13 wards.

The Local Government Boundary Commission for England undertook a review of the Stevenage ward boundaries in 2022. Those recommendations are now final and became law in 2023. The recommendations changed all the ward boundaries whilst maintaining the number of councillors (39) and wards (13) as before. The new arrangements were in force for the local elections on 2 May 2024.

The Council employs circa 670 staff who deliver a range of services including housing, leisure and recreation, environmental health, waste collection, planning applications and local taxation. The Council has 12 Community Centres, 12 car parks and directly manages 7,972 homes along with oversight of around 1,500 leasehold properties. The Council receives around 120,000 contracts from residents across all channels to its Customer Services Centre per year and the Council's website receives in the region of 1.9Million views.

Altogether Stevenage Borough Council provides circa 120 different services, most of which are directly delivered in-house, and also benefits from being part of shared services with other Councils in the following areas:

- Revenues and Benefits service, hosted by East Hertfordshire District Council (EHDC)
- ICT service with EHDC, hosted by Stevenage Borough Council

- Internal Audit Service (SIAS) and Shared Anti-Fraud Service (SAFS) with other Hertfordshire Councils, hosted by Hertfordshire County Council
- CCTV service (partnership and company) with EHDC, North Hertfordshire District Council and Hertsmere Borough Council, hosted by Stevenage Borough Council
- Legal service, hosted by Hertfordshire County Council
- Shareholder in Building Control company with seven other Hertfordshire Councils
- Disabled Facilities service (Hertfordshire Home Improvement Agency), hosted by Hertfordshire County Council
- Procurement service with EHDC and Hertsmere

The ten-year Leisure Management contract with Everyone Active which includes the Stevenage Swimming Centre, Stevenage Arts and Leisure Centre including Gordon Craig Theatre, Fairlands Valley Aqua Park, Southfield Showground, Ridlins Athletics Stadium and Stevenage Golf Conference Centre started on 1 April 2023.

The partnership enables Everyone Active to build on the current leisure and arts development offering in the local area. Early facility improvements include the refurbishment of the Gordon Craig Theatre Lobby / café area, the redecoration and installation of new equipment in the gym at Stevenage Arts and Leisure Centre and upgrades to the Changing Village (lockers, showers, toilets) at Stevenage Swimming Pool.

Business

Some of the world's most innovative companies as well as numerous exciting start-up businesses have chosen Stevenage to base and develop their operations. Stevenage's business base has a rich history and diversity that spans a wide range of sectors including aerospace, information technology, pharmaceuticals, advanced engineering and media.

During 2023/24, the £65Million European manufacturing facility for Autolus Therapeutics opened at the former Marshgate car park site. Autolus, a biopharmaceutical company, decided to locate its manufacturing headquarters in the town creating up to 400 jobs and committing its future to Stevenage.

Stevenage is home to some other major Science, Technology, Engineering and Maths (STEM) employers including:

- GlaxoSmithKline Research and Development, and adjacent to the site, a £1bn development programme in place for the next 10 years which will realise up to 4000 new jobs
- Airbus Defence & Space
- MBDA Missile Systems
- Stevenage Bioscience Catalyst
- Stevenage Cell & Gene Catapult

- Fujitsu

The Council supported local business and employment opportunities within Stevenage in 2024/25 by:

- Hosted a summit at Knebworth House to celebrate the success of our Pioneering Young Science, Technology, Engineering, and Mathematics (STEM) Futures partnership with Mission44, bringing together local businesses, education leaders and key strategic partners—including North Hertfordshire College, the University of Hertfordshire and Hertfordshire Futures—to reflect on achievements and shape the next phase of collaboration.
- Secured dedicated funding from Mission44 to create a new Enterprise & Skills Partnership Officer role, focused on strengthening connections between Stevenage's business community, education providers and public sector organisations to help drive skills development and inclusive economic growth.
- Completed the final year of our original UK Shared Prosperity Fund programme, investing £650,000 into our people, communities and local businesses. Funded initiatives included a 'Meet the Buyer' event with over 90 representatives from local businesses at Knebworth Barns; a business sustainability programme in partnership with Sustainable X that offers direct funding to support local neighbourhood centre enterprises; and a countywide business support network led by Hertfordshire Futures, with delivery from partners such as Step2Skills and Wenta.
- Supported the successful delivery of the Generation Stevenage skills fair at Knebworth House in May 2024, part of a countywide programme delivered by Hertfordshire Futures, which welcomed over 1,000 students from Stevenage and the surrounding area to engage with local employers and explore future career pathways.
- Assisted with the delivery the 'Inclusive Jobs Fair', in partnership with Step 2 Skills and Job Centre Plus at Stevenage Football Club. The event hosted over 15 organisations and supported over two hundred visitors over the course of the day with activities covering work taster sessions, interviews, access to training and upskilling opportunities to secure future employment, as well as several permanent job roles.
- Offered grant funding through the Stevenage Business Start-up Grant Scheme that aimed to help pre-start and early-stage businesses that require funding to boost business ideas and growth plans. Up to £10,000 of grant funding was also offered through the Stevenage Green Business Grant that sponsored 8 small businesses and charities to tackle rising energy costs, reach net zero and build climate resilience, by implementing greener solutions (purchasing and installing new products and equipment to reduce carbon footprint, water and overall waste, improve their energy efficiency, and reduce energy costs.

- Sponsored a series of standalone business workshops in partnership with Action Coach. These began in 2023 and have continued into 2025. Topics have included leadership and management strategies, future proof businesses, and accelerating sustainable growth.
- Raised awareness of 34 local small businesses through our Christmas Grottos and Trails as part of the Small Business Saturday initiative.
- Supported 60 new businesses and created 77 new jobs with our partner Wenta through our Business Technology Centre.

Living

Stevenage offers residents a wide range of local amenities and a good standard of living. There is a good mix of social, affordable, and private housing in and around the town.

Stevenage has a strong culture and leisure focus and a comprehensive offer including a number of public and private sector facilities which are located within the town centre.

The Council also operates a small, family-friendly Museum that tells the story of the town from prehistoric times through to the modern day, including the evolution of Britain's first post-war new town. Work continues to explore the opportunities and aspirations for a new heritage facility linked to the Council's wider regeneration programme.

The town benefits from having many major retailers present within the High Street and retail parks. The Old Town provides a pleasant contrast with the High Street benefitting from several cafes, pubs and independent retailers.

There are over 300 acres of public park within the Borough which provide a wide range of recreational activity that can be accessed via an extensive, off road safe cycle network.

Opportunity & Ambition

The 'Stevenage Development Board' was formed in March 2020 to lead the development of a Town Investment Plan. In March 2021 the Board secured £37.5m 'Towns Fund' funding from the then Ministry of Housing, Communities and Local Government to support the regeneration of the town through the delivery of a range of projects which will provide greater retail, culture and work / skills development opportunities for local people. Alongside this, post the development of the Town Development Framework in 2015, the Council led a major procurement exercise which resulted in the developer Mace being appointed to deliver the £350Million SG1 scheme.

During 2024/25 the Council began the development of new town centre including:

- The first phase of the SG1 masterplan has started, with construction beginning on Claxton House, on the site of the former Swingate House in partnership with Mace. The development will bring 261 high-quality new homes and a ground-floor commercial unit right into the heart of the town.

- The first phase of the Guinness Partnership development on the former Matalan site was completed this year, delivering 143 affordable one- and two-bedroom homes for social rent. This provides a new and valuable source of affordable homes located in the heart of the town.
- Delivered more flexible workspace through the expansion of Co-Space in the Town Square was completed in early 2025, bringing an additional 150 desks into modern, flexible office space. This supports small businesses and local entrepreneurs while bringing more footfall into the town centre.
- Made public realm improvements to Market Square to make it safer and more welcoming, including a widened footpath, raised crossing, improved lighting, the addition of urban artworks and added greenery.
- Launched Stevenage's new cycle hire scheme in partnership with Beryl in October 2024. The bikes and e-bikes offer residents and visitors a greener, easier way to get around town, supporting our goal to make active travel the first choice for short journeys, promoting active travel and reducing transport related emissions. To date, 45 bays have been installed across the town, and the scheme has attracted more than 5,000 users and they have been used to make over 40,000 total journeys (amounting to a little over 120,000km). This has saved Stevenage over 4 tonnes of CO2e.
- Progressed plans for the new £45Million Sports and Leisure Centre in Stevenage. Designs were shared with the public for feedback in late 2024 and again in early 2025, following an initial survey in 2023. The proposed new centre brings together sports, leisure, swimming facilities and a cafe under one roof.

Throughout the year, progress to deliver the projects that make up the Town Investment Plan has been reported to the Stevenage Development Board and the Council in its capacity as the accountable body.

The Council has been working with Mace Developments since 2017 on proposals to redevelop 11 sites across the town centre, delivering over 1,800 new homes, commercial facilities and public spaces.

The Council has been working with developer Reef Group and UBS on the sale of a surface level car park located at The Forum following planning permission granted for a new life sciences quarter with 450,000 sq. ft commercial space and brings 1,850 jobs to the town.

Political Makeup as at March 2025

At the end of December 2023, Council Leader Baroness Dr Sharon Taylor OBE stood down from her role as Leader of the Council following her nomination to the House of Lords. Cllr Richard Henry became the new Leader of the Council in January 2023. The Leader of the Council has responsibility for the appointment of the Members of the Cabinet and the allocation of areas of

responsibility for each Cabinet Member, apart from the position of Deputy Leader which is elected from within the majority group.

The responsibilities of the Council, its Committees, Elected Members and officers are set out in the Council's Constitution.

The Senior Leadership Team, led by the Chief Executive, is responsible for implementing the decisions taken by the Council and Cabinet.

Across the 13 different wards, there are 39 members and following the May 2024 election the political makeup was as follows:

- Labour Co-operative Group 32
- Conservative 1
- Liberal Democrats 6

Corporate Priorities and Objectives

The current Corporate Plan, "Making Stevenage Even Better" was approved by Full Council in February 2024 with unanimous support and is now in its implementation phase.

The focus of Making Stevenage Even Better (2024 – 2027) builds upon the success of the previous Future Town Future Council plan, with a focus on 5 strategic priorities and 3 cross-cutting themes:

- Transforming Our Town
- More Social, Affordable and Good Quality Homes
- Thriving Neighbourhoods
- Tackling Climate Change
- Balancing the Budget

The inclusion of the following 3 cross-cutting themes: Equality, Diversity & Inclusion; Health & Wellbeing; and Technology & Innovation raise awareness of important social benefits the Council want to focus on for the next 3 years, they represent the importance we place on effective partnership working and our existing commitments to tackle health inequalities, champion equality and empower residents.

A new corporate performance suite of Key Performance Indicators and Milestones was developed and presented to the Cabinet (was Executive) in preparation for 2024/25. The Cabinet set Making Stevenage Even Better priorities on an annual basis, and performance against these is reviewed quarterly by the Cabinet and the Overview and Scrutiny Committee.

Stevenage Borough Council is making strong progress on its Local Plan. The current partial review of the adopted 2019 Plan is to be submitted later in June for formal examination. It will ensure that our planning policies remain responsive to key challenges such as climate change and the promotion of sustainable, active travel. To support its adoption the of the Plan the Council has adopted a revised Local Development Scheme and a Statement of Community Involvement. These updates will ensure the Plan remains fit for purpose—supporting national objectives such as housing delivery—and will ensure the Council's Local Plan will be up to date as we move towards the prospect of local government reorganisation. This work lays a solid foundation for a more comprehensive New Plan in due course.

Housing

The Council has continued to deliver against its strategic priority of delivering more social, affordable and good quality homes.

Since 2014, the council has provided 595 new homes, and therefore met its ambition to deliver 500 new affordable homes by 2025. Stevenage Borough Council is now aiming to provide a total of 1000 homes by 2030.

Progress also continued on the development of new properties, with planning applications submitted on 373 new homes, including the neighbourhood regeneration at The Oval. Alongside these sites 165 homes were under construction during the year including a new independent living scheme for which £10.6Million of grant funding was secured from Homes England.

This programme is delivering homes, jobs, training and creating confidence in the town, whilst enhancing communities and providing homes to meet our housing need, including those of local vulnerable and elderly residents.

As a committed Registered Social Landlord, the importance of creating vibrant and sustainable communities and neighbourhoods drives the services that we are proud to deliver. We provide homes to 7,972 households and manage a further 1,500 leasehold properties.

Effective and efficient management of these homes and the communities that they create, is central to our Corporate Vision, and to achieve this we actively engage with our residents and are increasingly working with them to enhance and improve the services we deliver.

Tenant Satisfaction Measures (TSM's) and other sector wide performance indicators provided us with insight into our communities and perception of our tenants on how they feel the Council is performing as their landlord.

For last year these measures indicated across-the-board improvement for all areas when compared to last year's results, including a 10.9% increase in overall satisfaction with the Council as their landlord. Satisfaction with the speed or repairs, our response to complaints, management of communal areas, and the contribution to their neighbourhood all show more than 10% year on year increases. Our approach to maintaining homes, how safe residents feel in their homes and overall satisfaction with the repairs service also increased by 8.5%,6.5% and 8.1% respectively.

This positive feedback from our tenants is a reflection of our continuing programme of investment and improvement, not only in our housing stock but in our approach and delivery of services.

Management data collected as part of our Tenant Satisfaction Measures which focuses on key legal and regulatory requirements achieved 100% for areas of building safety compliance, The delivery of a clear strategic capital investment programme through our Asset Management Strategy has delivered a 42% reduction in the level of non-compliance with the Decent Homes which now stands at just 96.64%. We are currently remodelling our repairs and maintenance service and have already seen the number of emergency repairs completed in timescales rise to 98.9%.

Over the past year, further progress was made with the £45Million Major Refurbishment Contract (MRC) programme which spans the Council's 550 low rise flat blocks. These homes have benefited from a range of bespoke works including new roofs and windows which will improve the quality of life for tenants and leaseholders. SBC was the third council in the UK to retro fit sprinklers in its seven high rise flat blocks as part of its commitment to providing residents with safer homes by providing the highest levels of fire safety and fire protection. The programme continues to be rolled out in 2025/26 with further phases planned.

The environment in which we as landlord manage our housing stock continues to develop, with an aging household profile, whilst dealing with increasing vulnerabilities amid wider social and economic changes and challenges, The service has therefore to continually evolve and develop to meet the changing environment. For the first time this year Councils who are landlords, have been

subject to a regime of planned inspections by the Regulator of Social Housing against new standards introduced in February 2024.

Stevenage has been one of the first Council landlords in the country to be subject to such an inspection, and this took place over the summer of 2024. Despite the introduction of revised and new regulatory standards being introduced 3 months before the inspection the Council was able to achieve the second highest score ranking of C2. The Regulator in their judgement recognised the positive work that the Council had undertaken in preparing for the new regime, but recognised that some of the improvements that were already underway would take time to embed and progress, and this was reflect in the awarded grade and the Council's Provider Improvement Plan.

In common with all landlords that have been inspected the Council is now working with the Regulator on completing the delivery of key workstreams that have been identified through the inspection and are set out within the improvement plan.

The Council, as a Social Landlord considers housing a key priority, and its focus and commitment have been demonstrated this year through the year-on-year improvement across all areas of the resident satisfaction perception surveys, its robust commitment to ensuring the safety and well-being of residents as shown through strong management data. Finally, the inspection by the Regulator of Social Housing has identified and reviewed the commitment, progress and delivery of services, and has assessed them as being effective and complaint in most areas. But it has also identified the Council's continued commitment to deliver the areas where we have already recognised and started work on improvement and development. This approach and direction is now informing and influencing our journey to achieve a C1 grade from the Regulator.

Industry Awards and Recognition

The council has entered initiatives from different service areas into various awards throughout the 2024/25 financial year. Achievements include:

- Our planning team won the regional award for the Planning Authority of the Year - East of England at the Royal Town Planning Institute (RTPI) East of England Awards for all the great work we have accomplished this past year.
- The Council won the Best Health and Wellbeing Initiative (including Social Care) at the Association for Public Service Excellence (APSE) 2024 awards. Our Leisure and Wellbeing team won the award for the Nightlight Crisis Café, which was set up in partnership with Herts Mind Network. The café offered people who were feeling distressed a person to talk to in a relaxed, non-clinical, non-judgemental setting, and provide immediate support.

Partnership Working

During 2024/25, the Council continued to work closely in partnership with a range of organisations to deliver our shared objectives and meet the challenges facing the town and its residents.

The Stevenage Together Partnership met during the year to oversee area-wide responses to key challenges facing the Town, . The Partnership includes representation from the Council; public sector partners including Hertfordshire County Council, Hertfordshire Constabulary, North Hertfordshire College and the Department of Work and Pensions; voluntary and community sector partners including Citizens Advice, Mind in Mid Herts, Stevenage Credit Union; private sector partners including the Stevenage Development Board and WENTA; and other key local partners including Stevenage Football Foundation and Knebworth House.

As a partnership SoSafe have refreshed the Community Safety Strategy for the next three years. In the past we have built strong relationships and recognise the importance of working together, the Partnership has enjoyed many successes in reducing crime, antisocial behaviour, protecting, and supporting people with vulnerabilities. The nature of crime and anti-social behaviour and the impact upon individuals and our communities, are constantly evolving.

Within the Strategy there is an increased focus on violence and anti-social behaviour, setting out what we will do to tackle this in recognition of the level of harm and fear that these can bring to communities. This reflects the national focus on serious violence and anti-social behaviour as outlined in the government's ASB Action Plan and in the measures around serious violence set out in the Police, Crime, Sentencing and Courts Act.

This Strategy will ensure that the SoSafe Community Safety Partnership utilises its resources in the most effective manner possible to deliver meaningful crime reduction outcomes. SoSafe has introduced initiatives that support people in the town making best use of partners' resources and targeting them effectively. This includes.

- Highlight the risks to the community of drug possession and crime.
- Provide safe reporting and support to victims of Violence Against Women and Girls, including Domestic abuse.
- Promote awareness of Cuckooing and the support available to victims.
- Divert individuals from becoming involved in Anti-Social Behaviour.
- Collaborate with Partners and Young People regarding the risks around County Lines and associated Anti-Social Behaviour.
- Raise awareness around online fraud and the warning signs to the community.

The cost of living and household debt continues to have an impact of those living in the town and we have seen referrals to the Welfare Debt & Advice team increase significantly. There has also been an increase in the number of customers that require essential food items, this has included store cupboard items, toiletries and fresh bread all of which are donated locally.

Climate Change

Another key partnership arrangement is the work on climate change with the County Council, all 10 District Council's and the Herts LEP through the Hertfordshire Climate Change & Sustainability Partnership (HCCSP). Through the partnership the Council has been able to tackle some of the wider issues which are beyond the scope or direct control of individual local authorities.

Through its own Climate Change Strategy (2020) the Council is committed to achieving net zero by 2030.

Climate actions include:

- Transitioned our entire diesel fleet, including road and non-road vehicles and machinery, to Hydrotreated Vegetable Oil (HVO), a low-carbon biofuel made from waste vegetable oil. This switch reduced the net carbon emissions of our fleet by up to 90% and required no vehicle modifications.
- Adopted the new Stevenage Biodiversity Action Plan (2024-2028) in October 2024 as a strategic framework to guide local efforts to protect and enhance biodiversity through targeted actions across the borough.
- Secured a Warm Homes: Local Grant (WHLG) funding of £1,500,000 to provide energy performance upgrades and low carbon heating to privately owned households with low incomes. This grant will be delivered from 2025 until 2028.
- Installed EV charging infrastructure at Bedwell Shops, the Glebe Shops, Oaks Cross Shops, The Hyde Shops, St Nicholas Pavilion, Archer Road Shops, and Filey Close Shops using ORCS funding from OZEV.
- Delivered retrofit works through the Social Housing Decarbonisation Fund Wave 2, improving the energy efficiency of 237 properties including flat blocks and houses to at best an EPC Band C or above.
- Bid submitted and notification of successful allocation for Warm Homes: Social Housing fund Wave 3, with a grant amount of £3,856,822 allocated to SBC.

Corporate Governance

The Corporate Governance Group meets four times a year to consider arrangements from the perspective of the seven core principles of corporate governance in the CIPFA/SOLACE Framework. At Business Unit level, assurance of compliance with the principles of good governance requires all Assistant Directors to complete, certify and return a Service Assurance Statement each year.

The Corporate Governance Group also consider whether any recommendations as a result of external or internal audit activity (and other review agencies and inspectorates), and the Head of

Assurance Annual Report, require inclusion in the Statement. These review mechanisms contribute to overall assurance for the Annual Governance Statement.

The Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which include arrangements for the management of risk.

Stevenage Borough Council has adopted a Local Code of Corporate Governance that sets out a commitment to corporate governance and summarises the governance arrangements in place to enable the Council to monitor the achievement of its strategic objectives, to consider whether those objectives have enhanced delivery of appropriate cost-effective services and outlines the activities through which it accounts to and engages with its communities.

The Local Code reflects the core and sub-principles outlined in the 2016 CIPFA/SOLACE Framework, 'Delivering Good Governance in Local Government'. The Council's Local Code of Corporate Governance is reviewed and approved by Audit Committee each year.

The Annual Governance Statement for 2024/25 explains how the Council has continued to comply with the Local Code, summarises the review of its governance arrangements and identifies areas of governance to be strengthened and outlines actions to strengthen areas identified. This includes actions identified by the Shared Internal Audit Service, or that are considered important in the management of 'very high/high level' strategic risks.

Tom Pike

Chief Executive

XX February 2026

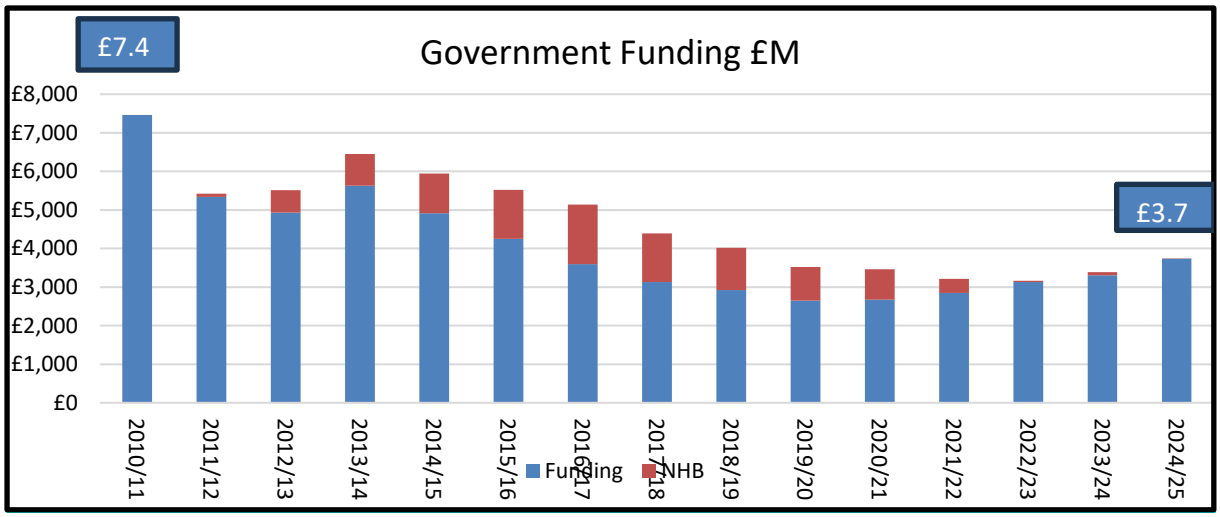
Narrative Statement

Operational Model - Financial Context

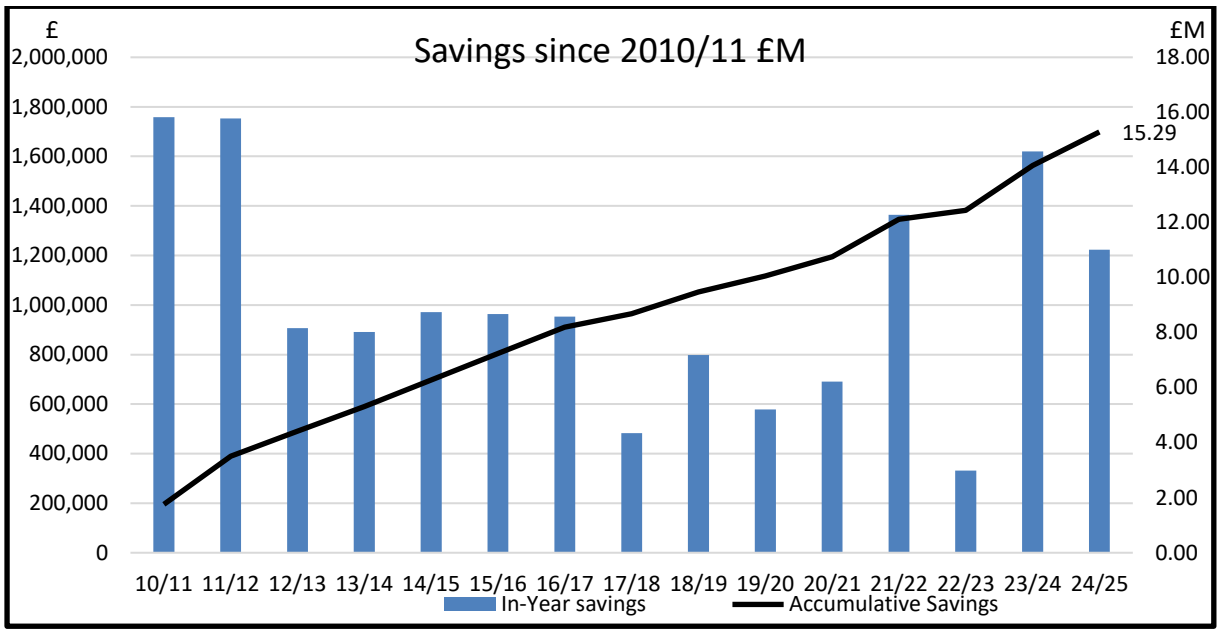
Local government has faced significant funding cuts since 2010, which has seen successive governments reduce financial support to all parts of the public sector, with lower tier authorities such as Stevenage Borough Council receiving a significant proportion of that reduction.

In 2024 the British Broadcasting Company (BBC) reported on its website about an Institute for Fiscal Studies (IFS) Local Government report, which showed that Councils funding was still down by 18% when compared to 2010.

At a local Council level Stevenage's 2010/11 government funding adjusted for subsequent changes for council tax support etc is £3.72Million for 2024/25 after 14 years and before consideration of a 10% population growth and 14 years of compound inflationary pressures.



Despite the significant financial pressures faced since 2010/11, the Council has consistently identified and delivered permanent savings to reduce its overall financial footprint. To date, it has achieved £15 million in savings through its key priority, 'Balancing the Budget,' as illustrated in the chart below.



On 18 December 2023, the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC) released a written statement to Parliament on the provisional local government finance settlement 2024/25. The settlement was for one year (for the 6th year running) and was based on the Spending Review 2023 (SR23) funding levels. The National Core Spending Power (CSP) figures show an increase 7.5%, The National Audit Office (NAO) have published data that shows Stevenage's Core Spending Power (CSP) has reduced by 64.5% in real terms (2019/20 prices) when comparing 2010/11 to 2020/21).

Demand for a range of important services, such as housing support and homelessness prevention, is continuing to rise and income from fees and charges remains below pre-pandemic levels. These pressures, and a move to less certainty over funding, make it impossible for services to be funded at their previous levels.

Budget setting and The Medium-Term Financial Strategy

[1]The Council must set a balanced budget each year (Local Government Finance Act 1992). The Council is required to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, to determine a net budget requirement to be met by government grant and council tax. The Revenue Budget for 2024/25 and the General Fund MTFS was approved by Council on 21 February 2024. The HRA Revenue Account (HRA) Budget was agreed by Council on 24 January 2024.

The Medium-Term Financial Strategy (MTFS) is based upon the vision included in the Council's Corporate Plan. It is the vehicle by which the Council identifies resources to deliver the Corporate Plan. The MTFS covers both the General Fund revenue resources and those for the HRA. Both are supported with resources in the Capital Programme.

[1] GF MTFS Update to Executive 2024/25 - 2028/29 - 18 September 2024

The MTFS is regularly updated to ensure that a clear financial position for the Council can be demonstrated over the next five years. This medium term view of the budget gives a mechanism by which future 'budget gaps' can be identified allowing for a measured rather than reactive approach to reducing net expenditure. The Balancing the Budget (BTB) year round approach to identifying budget options means that work is on-going throughout the year to bridge the gap. The MTFS aims to:

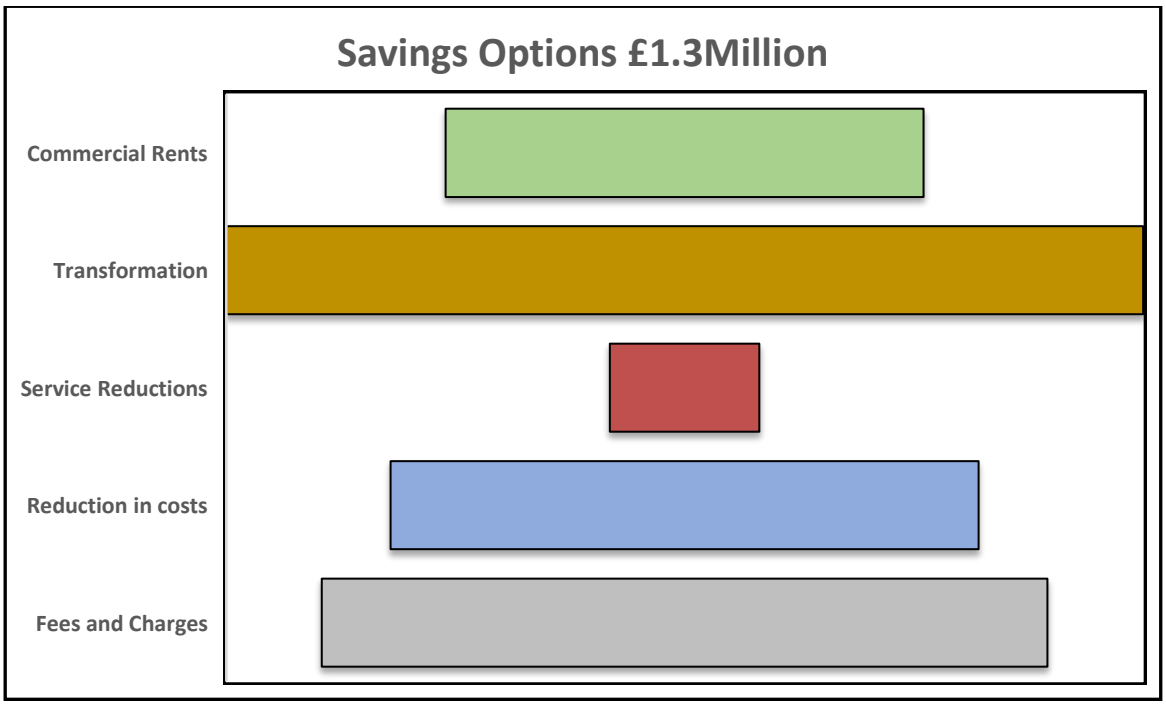
- Ensure the financial resilience of the General Fund that any net funding gap is reduced by 2027/28.
- Consider as part of the budget setting process, and throughout the year as necessary, what support can be given to the community, tenants, leaseholders and businesses in times of particular hardship.
- Maximise the Council's income by promptly raising all monies due and minimising the levels of arrears and debt write-offs.
- Identify alternative means of resourcing the Capital Strategy to minimise the impact of borrowing (GF only).
- Risk assess the level of General Fund balances for overspends, specific known risks, loss of savings & risks associated with new ventures and the cost of borrowing for the capital programme is included.
- Identify variations to the approved budget via quarterly monitoring and only incur additional on-going spending when matched by increased income or identified savings.
- Propose Council tax increases in line with the Government's annual thresholds for modelling purposes to ensure that the General Fund core resources are sufficient to meet the cost of running the Council's services.

2024/25 Financial Position

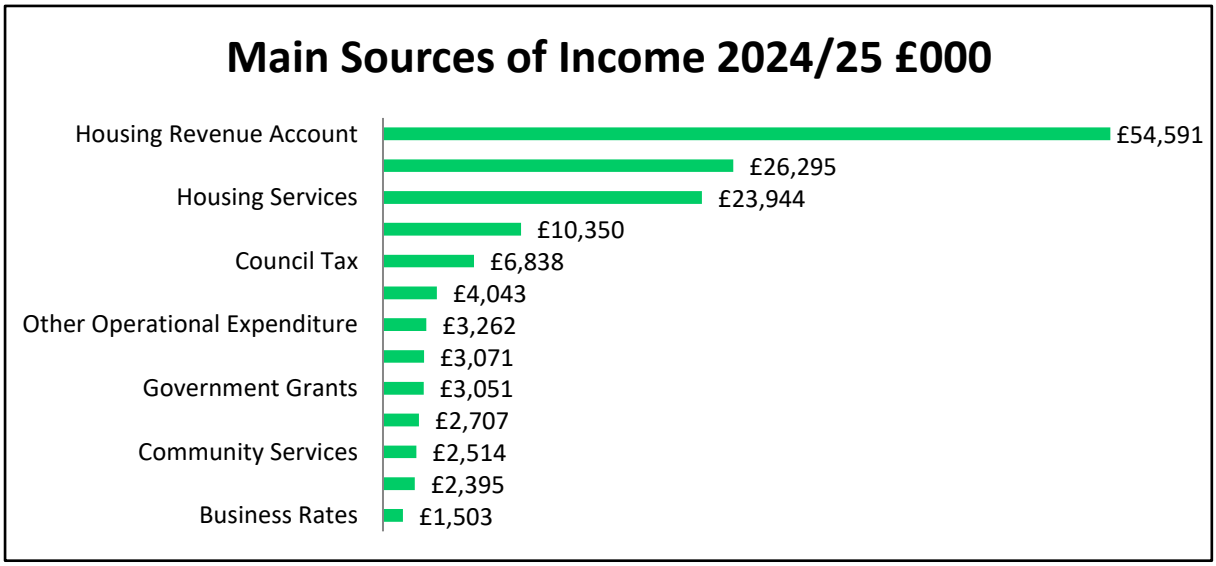
Savings

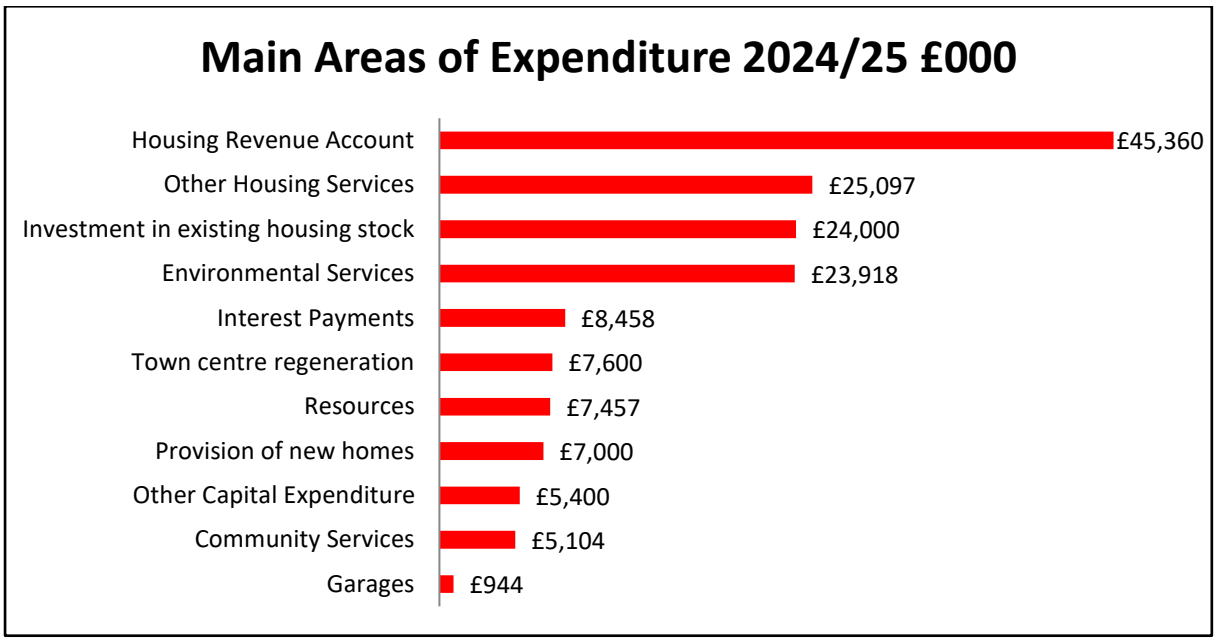
Savings delivery has become a key part of setting a balanced budget and ensuring the Council is financially sustainable.

The budget for 2024/25 included growth pressure of £2.15Million, of which £1.4Million related to inflation and £0.3Million to a reduction in car parking revenue. Savings options of £1.3Million were approved by council 21 February 2024 for the forthcoming year.



The Council provides a wide range of services to the residents of Stevenage including refuse and recycling collections, leisure facilities including children's play schemes and maintenance of the public open spaces in the district. In addition, the Council helps to keep the residents safe with responsibility for environmental health issues and ensuring new buildings comply with legislation. The Council also has a responsibility to help homeless families and to administer housing benefit claims. To pay for these services the Council receives money from a number of sources. The following charts show the main sources of our income and where we spend it for our residents and tenants.

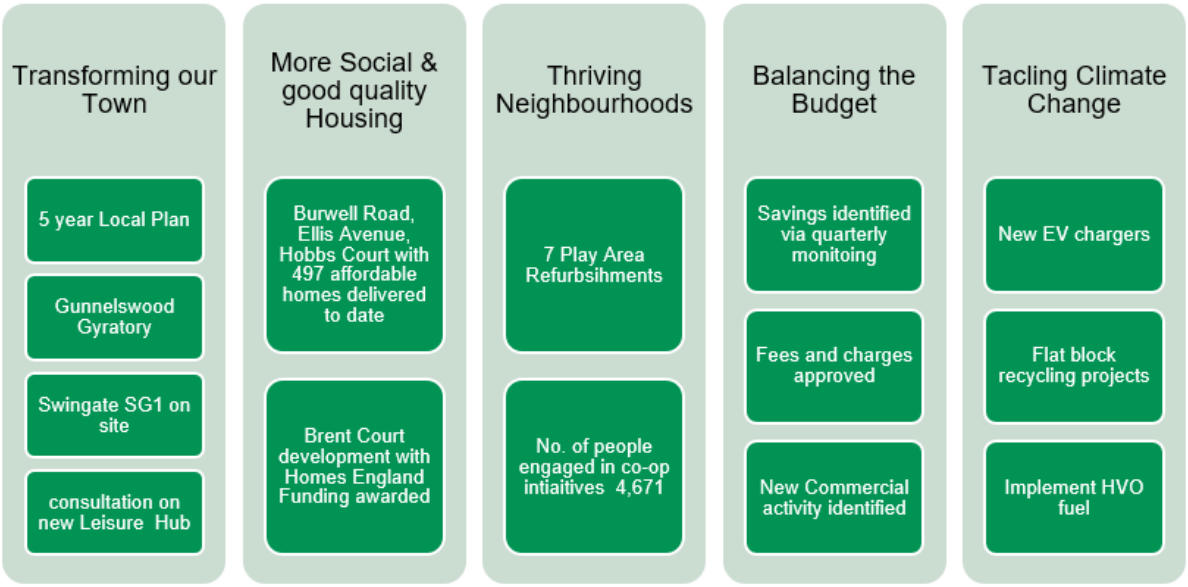




Service Delivery Achievements

In February 2024, the Council approved the ambitious Making Stevenage Even Better (MSEB) Corporate Plan. To ensure the successful delivery of both frontline services and MSEB priorities, a robust budget review and setting process is essential. The revenue and capital budgets serve as the primary tools for delivering core services and achieving the objectives outlined in the Corporate Plan.

A summary of some of the service and MSEB priority activities which have been delivered as a result of the budget setting activity for 2024/25 is set out below:



Risk and Opportunities

The Making Stevenage Even Better (MSEB) programme is ambitious, which introduces a degree of risk for the Council. The Council maintains a Strategic Risk register which is reported to the Senior Leadership Team (SLT), Corporate Risk Group and our Audit Committee on a quarterly basis. This register includes all the top perceived risks for the Council and includes actions to mitigate risk. In addition, any decisions taken by our Members are considered taking into account financial, legal and identified risks.

We ensure that we deliver the services and priorities our Members have approved by reporting quarterly using some key measures and programme updates to see how we are doing. Some of the measures relate to the MSEB programme and the remainder to key performance indicators that check how well we are providing our services and meeting our targets. These are reviewed by the SLT and we look at any mitigation we can implement if our targets are not being met. The performance measures are then approved by our Members. While not all performance measures are currently on target, the Council has implemented plans to address these gaps and remains committed to continuous improvement

A review of the risks facing the General Fund budgets has been listed in the table below, not all the impacts are known at the present time. The current MTFS projections are based on prudent assumptions and include the CFO's best assessment of the financial risks. However, if any of these risks become a reality then the MTFS will need to be updated once the actual impacts are known.

Risk Area	Risk Mitigation	Likelihood	Impact
Anticipated savings options not achieved (Negative Risk) –agreed options do not deliver expected level of savings either on a one-off basis or On-going.	Regular monitoring and reporting takes place, but the size of the net budget reductions increases the risk into the future. Non achievement of options would require other options to be brought forward. General Fund reserves should be held to ensure that decisions to reduce net costs are taken in a considered manner. This may become more of a risk as options around commercialisation are explored.	Medium	Medium
Council Tax Support (CTS) (Negative Risk) – increased demand is under- estimated.	An increase in demand would impact on future years as the deficit in the collection fund would need to be repaid by the General Fund. However, the modelling in the MTFS leaves the higher level of CTS caseload	Medium	Medium
NEW Council Tax collection rates remain lower and the taxbase is reduced	The trend has been towards lower collection rates and this could mean the amount included in the taxbase will need to increase for bad debt. The CFO is tracking trends across other Herts Councils and looking at measures to reduce arrears	High	Medium
Localisation of Business Rates (Potential Negative) – A major employer leaves	Negative: The safety net means a maximum loss in year of £190K which the council has included in an allocated	Medium	Medium

Risk Area	Risk Mitigation	Likelihood	Impact
the town and impacts the business rate yield due to the Council	reserve. On-going this would impact on the savings target and ultimately services.		
Loss of Business Rates due to Companies going into administration	As above.	Medium	Medium
The NDR Check Challenge Appeal process impacts on the Council's baseline assessment and increases the level of successful appeals and reduces the yield (Negative risk)	Officers will be monitoring changes to the NDR system and will be talking to the Valuation office. However, since the system has been introduced. There are still appeals outstanding on the 2017 list and the revaluation for 2023 has seen an increase in business rates which inevitably will lead to an increase in appeals for the new list.	Medium	Medium
Impact of the Universal Credit (Negative Risk) – The grant given to the Council is cut before the Revenue and Benefits Partnership is able to reduce costs. The Welfare reform bill may impact on residents' ability to pay council bills.	A reduction in the amount of grant assumed within the MTFS would require compensating reductions in planned spending within services. UC rollout has increased in 2024/25 with 5% of the Housing Benefit caseload reducing between April and August 2024.	Medium	High
pay inflation pressures increase	General balances are risk assessed to ensure overall levels are maintained that can meet higher than expected inflation rates. The inflation projections include a 3.5% pay award for 2024/25 (was 3%) and 3% for 2025/26 based on lower inflation projections, however this remains a significant risk for an insourcing Council. However, it reduces the risk to inflationary pressures on external contracts	Medium	High
Utility inflation pressures increase	General balances are risk assessed to ensure overall levels are maintained that can meet higher than expected inflation rates. The 1st Quarter monitoring report identifies a reducing in utilities, however the domestic price cap will be increasing by 10% October 2024. The inflation projections for 2025/26 are modelled at 5%. However this remains a risk for the Council.	Medium	High
Recession risk due to high inflation	General balances are risk assessed to ensure overall levels are maintained that meet an in-year short fall in income and higher costs. In addition the Council has an income equalisation reserve to mitigate against fluctuating income levels.	Medium	High
Impact of Future Welfare Reforms (Negative Risk) – There could be an increase in the need for the council's services requiring additional resources to be put into those services	Regular monitoring and reporting and the council has a welfare reform group which monitors impacts.	Medium	Medium

Risk Area	Risk Mitigation	Likelihood	Impact
All MTFS risks not adequately identified (Negative or Positive Risk) – Financial risks and their timing are not accurately judged leading to either a pressure or benefit to the MTFS.	Council's risk management framework ensures operational and strategic risks are identified as part of the annual service and MTFS planning process.	Low	High
Impact of future years capital programme (Negative) There could be increased pressure from the capital programme on the General Fund.	There is a robust challenge process for capital bids. Officers will be required to confirm that resources are in place to deliver any approved spend. The Locality reviews should identify capital receipt opportunities.	Medium	High
The Council's regeneration of SG1 increases the financial resources the Council must find.	The Council has already approved the use of ring fenced NDR gains for this purpose and the MTFS recommends this continues. The Council has identified NDR reserves to support the holding costs associated with the Swingate site in conjunction with Mace.	High	High
Fees and Charges target may not be reached (negative risk)	Non achievement of the target may require other options to be brought forward, for future years. But the Council has an income equalisation reserve to meet in year losses and an assumption is also contained within the minimum level of balances to meet an in year loss.	High	High
Homeless Bed and Breakfast costs increase	The actual spend was £5K for 2024/25 with £21K spent up the 23 August 2024 which is within the £80K budget.	Medium	Medium
New Labour Government Funding model for Councils reducing more than the MTFS	The MTFS assumes no service grant or 3% guarantee funding for 2025/26 based on the previous governments funding envelope. In addition only a 1.99% council tax increase has been assumed.	Medium	Medium

Strategy and Resource Allocation

Balancing the Budget is one of the Council's key priorities, aimed at maintaining financial resilience while delivering on service commitments and strategic ambitions across both the General Fund and the HRA. Balancing the budget consists of four main streams. The graphic below sets out the process for 2024/25 onwards.

Transformation by improving customer access to services through digital means and improving and streamling processes

Co-operative Commercial and insourcing bringing services inhouse if value for money and ensuring we charge appropriately for our services

Efficiencies through robust monitoring efficineices will be identified where they arise to ensure that Council stays financially resilient

Prioritise services if there are not sufficient budget savings achieved from the other three work streams to ensure a balanced budget

The four strands of the BTB priority are set out in the Council's MTFS and is the enabler to delivering our MTFS objectives and our MSEB priorities

Financial Performance

General Fund 2024/25 Outturn Position

The 2024/25 actual General Fund net expenditure was £573K lower than the revised working budge. A summary of the working budget versus outturn is shown below.

General Fund Outturn Position £000	2024/25 Latest Budget	2024/25 Outturn	Variance
Services Net Expenditure	12,219	11,791	(428)
Core Resources	(12,849)	(12,994)	(146)
General Fund Outturn Position	**(629)**	**(1,203)**	**(573)**
Balance Brought Forward	(5,303)	(5,303)	0
Use of balances	(629)	(1,203)	(573)
Balance Carried Forward	**(5,932)**	**(6,506)**	**(573)**

The 2024/25 actual Services Net Expenditure on the General Fund was £11.8Million, compared to a budget of £12.2Million. The in-year underspend (before the consideration of any carry forward requests) was £427K, (with a further £146K increase in core resources relating to business rates). Part of the underspend relates to £262K of timing delays/commitements to be spent in 2025/26.

A high-level summary of the over and underspends split by the cost categories are shown in the table below:

£000	Over / (underspend)	Timing delays	Total
Employees	311	-	**311**
Premises	(82)	-	**(82)**
Supplies & Services	(318)	-	**(318)**
Income	(376)	-	**(376)**
Use of reserves	280	-	**280**
Timing delays	(126)	(136)	**(262)**
Funding capital	19	-	**19**
Total	(292)	(136)	**(428)**

General Fund Reserves

The latest General Fund year end position compared to the prior year and the 2024/25 Original Budget are summarised below.

General fund balances £000	2023/24 Actual	2024/25 Actual	2024/25 Latest budget
Opening balance	**5,954**	**5,303**	**5,303**
In year contribution to/(from) reserves	(651)	1,203	629
Closing balance	**5,303**	**6,506**	**5,932**
Earmarked reserves	**8,758**	**11,030**	**10,726**

The planned transfer into reserves of £0.629Million in the working budget would have increased the General Fund Balances to £5.932Million at 31 March 2025. In the event, the actual position was a £1.203Million, transfer into reserves so that General Fund Reserve totalled £6.506Million at year-end.

Housing Revenue Account (HRA) 2024/25 Outturn Position

As with the General Fund, Members have subsequently approved variations to the budget, as part of the quarterly monitoring reports to the Executive, taking into account service pressures and budget options arising in the year. This resulted in a revised budget of £207k (surplus). The final out-turn position for the year against the revised budget and its impact on balances is set out below:

HRA Outturn £000	2024/25 Budget	2024/25 Outturn	Variance
HRA Balance Brought Forward	**(10,585)**	**(10,585)**	-
In Year (Surplus) / Deficit	(207)	(341)	134
HRA Balance Carried Forward	**(10,792)**	**(10,926)**	**134**

The 2024/25 actual HRA net surplus was £134K lower than the working budgeted surplus.

In April 2012 the Government removed a centralised subsidy system, where calculated surpluses were pooled nationally, and the HRA became self-financing, with deficits and surpluses managed at a local level. As part of the self-financing settlement the HRA took loans totalling £196.911Million, an amount determined by and payable to The Secretary of State, and the cost of servicing this debt is included in the surplus position shown in the above table. The HRA was also subject to a borrowing cap, but this was lifted in 2018/19 by the government and has allowed further borrowing to support investment in current and new housing stock. HRA reserves over and above minimum balances are required to repay the loans taken out as part of the Self Financing agreement and subsequent debt.

Key programme successes during 2024/25 included:

- HRA services underwent their first external inspection from the Regulator of Social Housing and secured the second higher C2 rating. A detailed action plan is now being followed in order to attempt to gain a C1 rating from the next inspection.

- A total of 92 new properties were added to the Council's housing stock in the year. This included the completion and letting of an 88 unit independent living facility that has been successfully commissioned. This has enabled clients to move into modern, suitably sized accommodation, freeing up larger homes for those in need.

- During the year the Council were successful in securing over £7Million of grant towards a large redevelopment site at the Oval neighbourhood centre. Work on this site will commence in the coming year and will provide a mix of homes and community facilities, as part of the development.

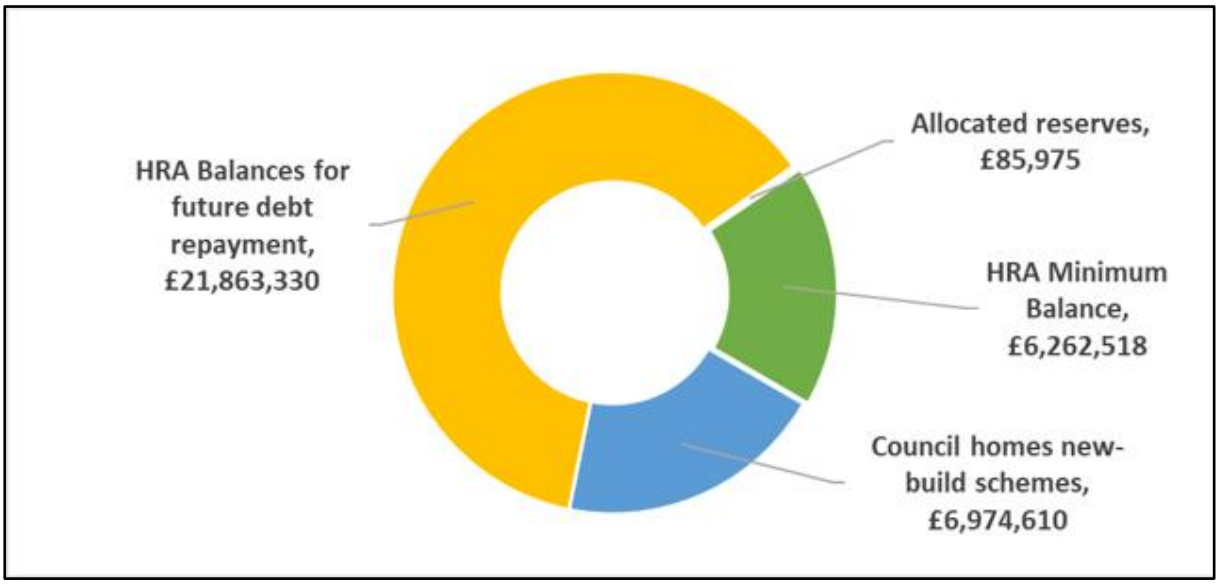
During the financial year 2024/25, 34 council homes were sold under the Right to Buy scheme and the Council's closing stock of council homes at 31 March 2025 was 7,976 (7,919 properties at 31 March 2024).

HRA Reserves

HRA reserves are ring fenced and cannot be used for General Fund expenditure. The Reserves that can be used to support the HRA total £31.26Million, of which £17.2Million is available predominantly for the purpose of repaying debt and £3.541Million is to provide resilience against interest rate fluctuations and to support the Council's transformation programme.

As with the General Fund a risk assessment is undertaken on the HRA to determine the minimum level of balances required each year. The current risk assessed identified HRA balances of £6.26Million was updated as part of the 2025/26 budget setting process in December 2025. This

recognised key operational risks, as well as financing risks relating to the current debt of £246Million and any planned borrowing.



The HRA also holds specified reserves for the replacement of sold Council houses through the Right to Buy scheme of £6.97Million (restricted use).

HRA general balances were higher than the risk assessed minimum requirement for 2024/25, but these will be required to meet future debt repayments, as detailed above. The HRA is also subject to significant financial risks including:

- Impact from new legislation on tenant satisfaction and building safety and the new regulatory regime for Local Authority social housing.
- Impact of the continued roll out of universal credit on the collectability of rents and possible adverse effect on rent arrears.
- Increased prudential borrowing in the HRA increases the risk of adverse interest rate fluctuation throughout the life of the business plan (HRA interest equalisation reserve £3.4Million)
- Impact of future changes in government policy on rent increases.
- The costs associated with de-carbonisation and climate change.

Usable Reserves

As at the 31 March 2025 the Council had total usable reserves of £94Million. Of this £90Million (96%) is earmarked or ring-fenced as below:

- Capital - £48Million, the Capital Receipts Reserve (£15Million) and Capital Grants Unapplied Reserve (£33Million) are statutory reserves and can only be used for specific purposes.
- HRA (including Major repairs reserve and Minimum reserves balance) - £28Million

- General Fund earmarked reserves - £11Million
- Minimum reserves balance (General Fund) - £3.4Million [2]

Borrowing and Capital

As at the 31 March 2025, the Council had external PWLB borrowing of £248Million (£235Million at 31 March 2024). The majority of this debt relates to the Housing Revenue Account (HRA) payment to the government (Self Financing for the HRA). The HRA business plan has a timetable for the repayment of this debt phased over the next 25 years.

The Council spent £44Million on its capital programme in 2024/25; this included £24Million on its existing housing stock, £7Million on providing new homes, £7.6Million on town centre Regeneration and £6Million on other General Fund and HRA capital projects.

The Council funded £10Million of its capital programme from the sale of assets, (land and council house sales), which equates to 23%, (17% 2023/24) of the total funding. Grants and 3rd party payments made up £7Million of funding (17%) in 2024/25. Contributions from the Major Repairs Reserve (MRR) totalled £19.3Million (43%). The MRR is funded from the depreciation charge made from the HRA to the MRR to finance future capital investment. The residual was financed by revenue contributions to capital expenditure and internal borrowing and external borrowing.

Pension Liability

The Council participates in the Local Government Pension Scheme. The scheme is administered by Hertfordshire County Council, and the impact of the pension liability is shown on the face of the balance sheet. As at 31 March 2025, the pension liability is £22Million which is an increase of £2Million from £18Million at 31 March 2024.

Outlook

We continue to work collaboratively with neighbouring councils in areas as diverse as: Building Control, Internal Audit, Procurement etc. These partnerships have importantly delivered financial savings but have also built up additional operational capacity and resilience.

The future of Local Government funding remains very uncertain. The Government conducted a consultation on Local authority funding reform which closed on 12 February 2025. This recognised that [3]"The link between funding for local authorities and need for services has broken down". The consultation was comprehensive and included:

- Council tax charges and value for tax payers

[2] Council Tax and General Fund Report 2024-25
[3] Local authority funding reform: objectives and principles Published 18 December 2024 - MHCLG

- Local decision making - English Devolution
- Resetting business rates retention schemes
- Allocation of funding nationally
- Smoothing of changes to settlement allocations

There is expected to be further technical consultations arising from the responses and outcomes will be known in due course.

The English Devolution White Paper - published 16 December 2024 (MHCLG), set out plans to "widen and deepen devolution across England, providing mayors with unprecedented powers and funding and hardwiring them into the way government works. It also outlines how the government will rebuild and reform local government, as the foundation for devolution, reset the relationship between central and local government, and give communities stronger tools to shape the future of their local areas, while improving accountability and building capacity across the local government sector"

For Stevenage and Hertfordshire, government formally invited local authorities to submit devolution proposals by November 2025 and the negotiations between Hertfordshire authorities are ongoing as to the preferred model. This is a highly complex proposal by government that may take a number of years to deliver.

This uncertainty makes medium term financial planning more challenging, coupled with the ongoing effects associated with the cost-of-living crisis and the latent impacts on income of the Covid-19 pandemic and how the Council continues to recover economically. The Council's strategy is to deliver on the MSEB priorities and strategies in the intervening years.

The Council has taken significant steps over recent years to balance its budget and the current projections show that the on–going balanced budget will be achieved by 2027/28 ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure. However, this relies on a significant savings target being achieved and inflation remaining reduced in the medium term and government funding in line with that projected in the MTFS.

The Council's Transformation programme (as reported to Cabinet in September 2024) is considered a key strategy for preserving as many services as possible. This will be achieved by reducing the Council's financial footprint through increased provision of online services, thereby generating efficiency gains. This approach is considered preferable to implementing annual service efficiencies to address the funding gap, although some level of year-on-year savings is still likely to be necessary. The current programme is being reviewed with the advent of LGR to improve service delivery while delivering on the need to reduce costs.

Furthermore, to ensure the Council can continue to function and deliver essential services, it is necessary to review both its service offerings and asset base. This will help the Council withstand

ongoing inflationary and unfunded pressures during this period of financial uncertainty in local government.

Basis of Preparation and Presentation of the Accounts

The Council prepares its Statement of Accounts on a going concern basis, on the assumption that it will continue in existence into the foreseeable future. Disclosures are included within the Statement of Accounts based on an assessment of their materiality. A disclosure is considered material if through an omission or a misstatement, the decisions made by users of the accounts would be influenced. This could be due to the value or the nature of the disclosure.

The Council considers disclosures against an internally calculated materiality threshold which is reviewed each year. Material individual items of income and expenditure which are not disclosed on the face of the Comprehensive Income and Expenditure Statement (CIES) are considered to be significant and are disclosed in Note 2. Some disclosures are included due to their nature even if the value of transactions is not over the materiality threshold; an example of this is Note 10 Officers' Remuneration.

The assessment of materiality also influences the Council's decision to produce Group Accounts. Each year the Council assesses the entities it exerts control or significant influence over to identify which fall within the group boundary. If the value of transactions for the group as a whole is material, Group Accounts are produced. The accounts for 2024/25 therefore consolidate Queensway Properties (Stevenage) LLP, Marshgate Ltd. and 50% of Swingate Developments LLP.

Explanation of Accounting Statements

This Statement of Accounts for the year ended 31st March 2025 has been prepared and published in accordance with the Code of Practice on Local Authority Accounting 2024/25, issued by the Chartered Institute of Public Finance and Accountancy and the Accounts and Audit Regulations 2015. The accounting policies adopted by the Council comply with the relevant recommended accounting practices and the latest revisions to these from 1 April 2024. There have been no major changes in the Council's statutory functions during the year.

The Statement of Accounts comprises Core Financial Statements and related notes along with Supplementary Financial Statements.

The Core Financial Statements are as follows:-

- The **Comprehensive Income and Expenditure Statement (CIES)** - this shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the Movement in Reserves Statement.

- The **Movement in Reserves Statement (MIRS)** shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The net increase/decrease line shows the statutory General Fund balance and Housing Revenue Account (HRA) balance movements in the year following those adjustments.

- The **Balance Sheet (BS)** shows the value as at the Balance Sheet date of the assets and liabilities recognised by 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. The first category of reserves are usable reserves, i.e. those reserves that 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 (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'.

- The **Cash Flow Statement** shows the changes in cash and cash equivalents of the council during the reporting period. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income or from the recipients of services provided by the council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the council.

The Supplementary Financial Statements are:

- The **Housing Revenue Account** – this separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.
- The **Collection Fund**, which summarises the collection and redistribution of council tax and business rates income.

The Group Accounts include:

- The statements of the single entity accounts combined with the assets and liabilities of companies and similar entities, which the Council either controls or significantly influences.

The Annual Governance Statement

- The statement sets out the governance structures of the Council and its key internal controls.

The **Notes** to these financial statements provide further detail about the Council's accounting policies and individual transactions. A **Glossary** of key terms can be found at the end of this publication.

The **Chief Finance Officer (CFO)** is the statutory officer responsible for the proper administration of the Council's financial affairs. The CFO is required by law to confirm that the Council's system of internal controls and related governance arrangements can be relied upon to produce an accurate Statement of Accounts.

Further Information

Further information about the accounts is available from: Strategic Director (Chief Financial Officer), Stevenage Borough Council, Daneshill House, Danestrete, Stevenage, SG1 1HN.

Email: clare.fletcher@stevenage.gov.uk

Statement of Responsibilities for the Statement of Accounts

Stevenage Borough Council's Responsibilities

Stevenage Borough Council is required:

- To make arrangements for proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Strategic Director (Chief Financial Officer).
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts

The Strategic Director (Chief Financial Officer) Responsibilities

The Strategic Director (Finance and Estates) (Chief Financial Officer) is responsible for the preparation of the Council's Statement of Accounts which, 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), and is required to present a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2025. In preparation of this statement of accounts, the Strategic Director (Chief Financial Officer) has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Strategic Director (Chief Financial Officer) has also:

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

Certificate of Chief Financial Officer

I certify that this Statement of Accounts has been prepared in accordance with Regulation 8 of the Accounts and Audit Regulations (England) 2015 and presents a true and fair view of the financial position of the Authority as at 31 March 2025 and its Comprehensive Income and Expenditure Statement for the year ended 31 March 2025.

Clare Fletcher

Strategic Director (Chief Financial Officer)
XX February 2026

Chair Audit Committee
XX February 2026

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Statement of Accounts 2024/25

Comprehensive Income & Expenditure Statement for the year ended 31 March 2025

2023/24 Gross expenditure	2023/24 Gross income	2023/24 Net expenditure (restated)	Comprehensive income and expenditure statement £000	Note	2024/25 Gross expenditure	2024/25 Gross income	2024/25 Net expenditure
5,476	(2,369)	3,107	Community Services		5,104	(2,514)	2,590
25,163	(23,483)	1,680	Housing Services		25,097	(23,944)	1,153
25,831	(9,323)	16,508	Environmental Services		23,198	(10,350)	12,848
61	0	61	Local Community Budgets		60	0	60
10,535	(9,207)	1,328	Resources		7,457	(9,408)	(1,951)
3,406	(2,324)	1,082	Resources - Support		3,314	(2,395)	919
42,074	(50,232)	(8,158)	Housing Revenue Account		45,360	(54,591)	(9,231)
112,546	**(96,938)**	**15,608**	**Cost of Services**		**109,590**	**(103,202)**	**6,388**
		5,593	Other Operational Expenditure	6			(3,262)
		1,955	Financing & Investment Income and Expenditure	7			211
		(26,603)	Taxation & Non-Specific Grant Income and Expenditure	8			(37,212)
		(3,447)	**(Surplus) or Deficit on Provision of Services**				**(33,875)**
		9,708[4]	(Surplus) or Deficit on revaluation of Property, Plant and Equipment assets				3,782
		17,876	Remeasurement of the net defined benefit liability / (asset)	29			6,423
		27,584	**Other Comprehensive Income and Expenditure**				**10,205**
		24,137	**Total Comprehensive Income and Expenditure**				**(23,670)**

[4] The balance of PPE in 2023/24 has been reduced by £2,484k as a result of an asset re-classification, The impact on the CIES is an increases in the revaluation charge to the (Surplus) or Deficit on revaluation of Property, Plant and Equipment assets of £2,484k

Movement in Reserves Statement

Movements in Reserves during 2024/25 £000	General Fund Balance	HRA	Earmarked General Fund Reserves	Earmarked HRA Reserve	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
Balance at 1 April 2024 (restated)	**(5,303)**	**(10,584)**	**(8,758)**	**(20,741)**	**(5,956)**	**(13,037)**	**(15,007)**	**(79,385)**	**(587,675)**	**(667,060)**
Movement in Reserves during 2024/25	-	-	-	-	-	-	-	-	-	-
Total comprehensive income and expenditure	(20,101)	(13,774)	-	-	-	-	-	(33,875)	10,205	(23,670)
Adjustments between Accounting Basis and Funding Basis under Regulations (Note 12)	16,626	16,887		-	5,956	(2,339)	(18,005)	19,125	(19,125)	-
Transfer to/from Reserves	2,272	(3,455)	(2,272)	3,455	-	-	-	-	-	-
(Increase)/Decrease in Year 2024/25	**(1,202)**	**(342)**	**(2,272)**	**3,455**	**5,956**	**(2,339)**	**(18,005)**	**(14,750)**	**(8,920)**	**(23,670)**
Balance at 31 March 2025 Carried Forward	**(6,506)**	**(10,926)**	**(11,030)**	**(17,286)**	**-**	**(15,376)**	**(33,011)**	**(94,135)**	**(596,595)**	**(690,730)**

Movement in Reserves Statement (continued) re-stated

Movements in reserves during 2023/24 £000	General fund	HRA	Earmarked general fund reserves	Earmarked HRA Reserve	Major repairs reserve	Capital receipts	Capital grants unapplied	Total usable reserves	Unusable reserves (Re-stated)[5]	Total council reserves (Re-stated)
Balance at 1 April 2023	**(5,954)**	**(10,519)**	**(5,556)**	**(20,831)**	**(11,498)**	**(14,448)**	**(6,272)**	**(75,078)**	**(616,120)**	**(691,198)**
Movement in reserves during 2023/24										
Total Comprehensive Expenditure and Income	2,749	(6,195)	-	-	-	-	-	(3,447)	27,584	24,137
Adjustments between accounting basis and funding basis under Regulations (Note 12)	(5,299)	6,219	-	-	5,543	1,411	(8,735)	(861)	861	-
Transfer to/from reserves	3,202	(90)	(3,202)	90	-	-	-	-	-	-
(Increase)/decrease in year 2023/24	**651**	**(66)**	**(3,202)**	**90**	**5,543**	**1,411**	**(8,735)**	**(4,308)**	**28,445**	**24,139**
Balance at 31 March 2024 carried forward	**(5,303)**	**(10,584)**	**(8,758)**	**(20,741)**	**(5,955)**	**(13,037)**	**(15,007)**	**(79,385)**	**(587,675)**	**(667,060)**

[5] Charge to the revaluation reserve has been increased by £2,484k as a result of an asset re-classification change in 2023/24.

Balance Sheet

31/03/2024 (re-stated) £000		Note	31/03/2025 £000
876,204[6]	Property, Plant & Equipment	17	887,933
417	Heritage Assets	16	384
29,392[7]	Investment property	18	36,098
886	Intangible Assets	19	724
10	Long Term Investment	22	2,278
3,249	Long Term Debtors	24	280
21,994	Long Term Debtor - Queensway	24	19,523
932,152	**Total Long-Term Assets**		**947,220**
24,800	Short Term Investments	22	27,000
1,325[8]	Assets Held for Sale	27	0
143	Inventories		119
20,521	Short Term Debtors	24	27,698
1,509	Cash and Cash Equivalents	25	17,195
48,298	**Current Assets**		**72,012**
(422)	Short Term Borrowing	22	(1,039)
(23,236)	Short Term Creditors	26	(23,164)
(4,361)	Provisions	28	(3,410)
(28,019)	**Current Liabilities**		**(27,613)**
(16,206)	Queensway Finance Lease	22	(15,933)
(8,188)	Long term creditors	26	(8,386)
(234,987)	Long term borrowing	22	(247,436)
(5,788)	Long term borrowing (Queensway)	22	(5,690)
(19,835)	Pension Liability	29	(22,245)
(366)	Grants Receipts in Adv - Capital	26	(1,199)
(285,370)	**Long Term Liabilities**		**(300,889)**
667,060	**Net Assets**		**690,730**
(5,303)	General Fund		(6,506)
(10,584)	HRA Fund		(10,926)
(8,758)	Earmarked General Fund Reserves	13	(11,030)
(20,741)	Earmarked HRA Reserve	13	(17,286)
(33,999)	Other Usable Reserves		(48,387)
(79,385)	**Total Usable Reserves**		**(94,135)**
(587,675)	Unusable Reserves	15	(596,595)
(667,060)	**Total Reserves**		**(690,730)**

These financial statements are authorised by Clare Fletcher – Strategic Director (Chief Financial Officer) XX February 2026.

Clare Fletcher

[6] PPE and Unusable reserves have been reduced by £2,484k as a result of an asset re-classification.
[7] An asset has been transferred to Investment property from assets held for sale, resulting in a change of £2,013k in both categories.
[8] As note 7

Cash Flow Statement for the year ended 31 March 2025

2023/24 £000		Notes	2024/25 £000
(3,447)	Net (Surplus) or Deficit on the Provision of Services		(33,875)
(16,229)	Adjustments to Net (Surplus) or Deficit on the provision of Services for Non-Cash Movements		(15,393)
22,371	Adjustments for items in the Net (Surplus) or Deficit on the Provision of Services that are Investing or Financing Activities		38,077
2,695	**Net cash flows from Operating Activities**	**30**	**(11,191)**
12,814	Investing Activities	31	8,200
(7,310)	Financing Activities	31	(12,695)
8,199	**Net (Increase) or Decrease in Cash and Cash Equivalents**		**(15,686)**
9,708	Cash and cash equivalents at the beginning of the period		1,509
1,509	**Cash and Cash Equivalents at the End of Period**	**25**	**17,195**

Please be aware that there may be minor rounding differences in some of these notes.

1. Statement of accounting policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Council in preparing and presenting these financial statements. These can be reviewed in detail in Note 34 Accounting Policies.

2. Material items of Income and Expenditure

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to the understanding of the Council's financial performance.

Material items of capital income and expenditure:

The Council spent £44Million on its capital programme in 2024/25; this included £24Million on its existing housing stock, £7Million on providing new homes, £7.6Million on town centre Regeneration and £6Million on other General Fund and HRA capital projects.

3. Events after the Reporting Period

The statement of accounts was authorised for issue by the strategic director of finance on XX February 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's service departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement

2023/24 Net expenditure chargeable to General Fund and HRA balances (restated)	2023/24 Adjustments (See note a) (restated)	2023/24 Net Expenditure in the CIES (restated)	£000	2024/25 Net expenditure chargeable to General Fund and HRA balances	2024/25 Adjustments (See note a)	2024/25 Net Expenditure in the CIES
2,389	718	3,107	Community Services	2,506	84	2,590
1,732	(52)	1,680	Housing Services	1,223	(70)	1,153
8,222	8,286	16,508	Environmental Services	7,644	5,204	12,848
61	-	61	Local Community Budgets	60	-	60
(301)	1,629	1,328	Resources	(372)	(1,579)	(1,951)
931	151	1,082	Resources - Support	924	(5)	919
(7,804)	(354)	(8,158)	Housing Revenue Account	(7,708)	(1,523)	(9,231)
5,230	**10,378**	**15,608**	**Net Cost of Services**	**4,277**	**2,111**	**6,388**
9,121	9,934	19,055	Other Income and Expenditure[9]	(8,776)	(31,487)	(40,263)
(3,891)	**444**	**(3,447)**	**(Surplus) or Deficit on Provision of Services**	**(4,499)**	**(29,376)**	**(33,875)**
(16,473)			**Opening General Fund and HRA balance**	**(15,887)**		
(3,891)			Less / plus surplus or (deficit) on General Fund and HRA balance in Year	(4,499)		
1,365			Other Adjustments non-CIES	4,138		
3,112			Transfer to / (from) Earmarked Reserves	(1,183)		
(15,887)			**Closing General Fund and HRA balance at 31 March**	**(17,432)**		

[9] Format updated in 2024/25. Values in 2023/24 - Other Operational Expenditure £5593k, Financing & Investment Income and Expenditure £1,955k and Taxation & Non-Specific Grant and Income : Other £(26,603) are now combined into Other Income and Expenditure £(19,055k).

4.1 Note to the Expenditure and Funding Analysis

2023/24 Adjustments for Capital Purposes (a) (restated)	2023/24 Net Change for Pensions Adjustments (b) (restated)	2023/24 Other Differences (c)(restated)	2023/24 Total (restated)	£000	2024/25 Adjustments for Capital Purposes (a)	2024/25 Net Change for Pensions Adjustments (b)	2024/25 Other Differences (c)	2024/25 Total
804	(86)	-	718	Community Services	186	(101)	-	85
5	(57)	-	(52)	Housing Services	5	(75)	-	(70)
8,626	(340)	-	8,286	Environmental Services	5,673	(469)	-	5,204
-	-	-	-	Local Community Budgets	-	-	-	-
1,650	(21)	-	1,629	Resources	349	(1,928)	-	(1,579)
456	(305)	-	151	Resources - Support	433	(438)	-	(5)
-	(354)	-	(354)	Housing Revenue Account		(1,523)	-	(1,523)
11,541	**(1,163)**	**-**	**10,378**	**Net Cost of Services**	**6,646**	**(4,534)**	-	**2,112**
(12,170)	115	2,121	(9,934)	Other income and expenditure from the expenditure and funding analysis	(35,537)	521	3,529	(31,487)
(629)	**(1,048)**	**2,121**	**444**	**Difference between General Fund surplus or deficit and CIES surplus or deficit on the provision of services**	**(28,892)**	**(4,013)**	**3,529**	**(29,376)**

a) **An adjustment for Capital purposes,** this column adds in depreciation and impairment and revaluation gains and losses in the service line, and for:

- For other operating expenditure, it adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- For financing and investment income and expenditure, it adjusts for the statutory charges for capital financing and investment i.e., Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- For taxation and non-specific grant income and expenditure, capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivables in the year to those received 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.

b) **Net change for the Pensions adjustments,** this column adjusts for the net change for the renewal of pension contributions and the addition of IAS19 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, this adjusts for the net interest on the defined benefit liability is charged to the CIES.

c) **Other (statutory) adjustments** between amounts debited / credited to the CIES and Expenditure Statement and amounts payable / receivable to be recognised under statute.

- For services, this represents removal of the annual leave accrual adjustment.
- For financing and investment income and expenditure the other differences column recognises adjustments to General Fund for the timing differences for premiums and discounts and financial instruments.
- 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 Non-Domestic Rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference, as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

5. Expenditure and Income Analysis by Nature

The council's expenditure and income is analysed as follows:

2023/24 £000		2024/25 £000
	Income	-
(33,145)	Fees, charges and other service income	(34,214)
(43,994)	Housing Rents	(48,097)
(3,068)	Interest and Investment Income	(3,071)
(27,154)	Income from Council Tax & Non-Domestic Rates (before tariff)	(27,386)
627	NNDR Share of deficit/(surplus)	(838)
-	(Gain)/Loss on the Disposal of Assets	(3,263)
-	(Gain)/ Loss on the Revaluation of assets	(4,486)
(27,745)	Revenue Government Grants and Contributions	(27,518)
(15,175)	Capital Grants and Contributions	(25,421)
(149,654)	**Total Income**	**(174,294)**
	Expenditure	-
36,634	Employee Benefits Expenses	35,156
35,934	Other Services and Support Recharges Expenses	36,762
17,098	Depreciation, Amortisation, and Revaluations	16,416
5,593	(Gain)/Loss on the Disposal of Assets	-
3,204	(Gain)/ Loss on the Revaluation of assets	-
7,666	Interest Payments	8,984
18,509	NNDR Tariff and Levy	19,883
21,569	Rent Rebates and Allowances	21,059
-	Credit loss allowance	2,158
146,207	**Total Expenditure**	**140,419**
(3,447)	**Surplus/Deficit on the Provision of Services**	**(33,875)**

6. 2Other Operating Expenditure

2023/24 £000		2024/25 £000
5,593	(Gains)/losses on the disposal of non-current assets	(3,262)
5,593	**Total**	**(3,262)**

7. Financing and Investment Income and Expenditure

2023/24 £000		2024/25 £000
7,666	Interest payable & similar charges	8,458
115	Net interest on the net defined benefit liability (asset)	526
(3,068)	Interest receivable & similar income	(3,071)
(2,956)	Income and expenditure in relation to investment properties and changes in their fair value	(8,057)
-	Impairment charge for lease receivable	2,100
-	Impairment charge for loan	58
198	Other investment income and expenditure (indoor Market)	197
1,955	**Total**	**211**

8. Taxation and Non Specific and Specific Grant Income

2023/24 £000		2024/25 £000
	Grants, contributions credited to taxation and non- specific grant income	-
6,587	Council Tax income	6,838
1,431	Non-domestic rates income and expenditure	1,503
2,654	Other Government Grants	3,450
10,672	**Non-ringfenced government grants**	**11,791**
15,931	Capital grants and contributions	25,421
26,603	**Total grants, contributions credited to taxation and non-specific grant income**	**37,212**
	Credited to services	-
20,835	Housing Benefit Subsidy and administration grants	20,791
1,901	Other Housing and homelessness grants and contributions	1,405
247	UK Shared Prosperity	525
638	Other	1,348
23,621	**Total grants, contributions credited to services**	**24,069**

9. Members Allowances

Total expenditure on Members' allowances (including expenses), as made under the Local Authorities (Members' Allowances) Regulations 2003, was £509,465 in 2024/25 (£506,276 in 2023/24).

Payments made outside the scheme for Mayoral Allowances totalled £19,625 in 2024/25 (£18,333 in 2023/24).

10. Officers Remuneration

The remuneration paid to the Council's senior employees is as follows:-

	Salary, Fees and Allowances £	Expenses Allowance £	Pension Contributions £	Total Remuneration Inc. Pension Contributions £
Remuneration 2024/25	-	-	-	-
Chief Executive	144,887	550	38,132	183,569
Strategic Director and Deputy Chief Executive	114,919	139	28,615	143,673
Strategic Director (s151 Officer)	112,216	9	27,942	140,167
Strategic Director	104,472	300	26,014	130,785
Total remuneration in 2024/25	**476,495**	**997**	**120,703**	**598,194**
Remuneration 2023/24				
Chief Executive	133,430	374	34,321	168,125
Strategic Director and Deputy Chief Executive	112,116	202	27,917	140,235
Strategic Director (s151 Officer)	109,480	92	27,260	136,832
Strategic Director	101,924	22	25,379	127,325
Total remuneration in 2023/24	**456,950**	**690**	**114,877**	**572,517**

The number of other Council employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) is detailed below:

Officer remuneration includes redundancy and severance payments made to officers on termination of employment during the year.

Remuneration Band *	Number of employees 2023/24	Number of employees 2024/25
£50,000 - £54,999	27	40
£55,000 - £59,999	21	25
£60,000 - £64,999	13	9
£65,000 - £69,999	4	10
£70,000 - £74,999	3	2
£75,000 - £79,999	2	2
£80,000 - £84,999	-	1
£85,000 - £89,999	7	3
£90,000 - £94,999	-	3
Total	**77**	**95**

The number of exit packages with total costs per band and total costs of the compulsory and other redundancies are set out in the table below.

2024/25 Exit package cost band (including special payments)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total Cost of exit packages in each band
£0 - £39,999	2	-	2	13,286
£40,000 - £49,999	-	-	-	-
£50,000 - £149,999	-	-	-	-
Total	**2**	**-**	**2**	**13,286**

2023/24 Exit package cost band (including special payments)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total Cost of exit packages in each band
£0 - £39,999	4	-	4	57,548
£40,000 - £49,999	1	-	1	47,669
£50,000 - £149,999	2	-	2	243,861
Total	**7**	**-**	**7**	**349,078**

11. External Audit Costs

The Council has incurred fees in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections. The estimated fees payable for audit work in respect of the 2024/25 financial year are shown in the table below. The appointed auditor for 2024/25 is Azets Audit Services Ltd.

2023/24 £000	Fees Payable	2024/25 £000
231	Fees payable to the External Auditor (Azets) with regard to external audit services conducted by the appointed auditor for the year.	246
28	Fees payable to External Auditor for other services provided for the year.	43
259	**Total**	**289**

12. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against:

The **General Fund Balance** is the statutory fund into which all the receipts of the Council are required to be paid and, out of which, liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover). Stevenage Borough Council is a housing authority and as such General Fund Balances are not available to fund HRA services or vice versa.

The **Housing Revenue Account Balance** reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function. The Localism Act 2011 (Part VII) introduced the self-financing regime with Councils now able to keep the rent they collect and use it locally to maintain their social homes. As part of the new regime depreciation is now a real cost to the HRA and is transferred to the Major Repairs Reserve to finance future capital investment.

The Council is required to maintain the **Major Repairs Reserve** (MRR), which controls an element of the capital resources required to be used on HRA assets or capital financing purposes. Under the arrangements in the Self Financing HRA, to establish resources available on an annual basis in the Major Repairs Reserve, the regulations require the reserve to be credited with an amount equal to the total depreciation charges for all HRA assets. The balance shows the capital resources that are available and planned to be used for future years capital programme.

The **Capital Receipts Reserve** holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

The **Capital Grants Unapplied** Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to capital expenditure. The balance is restricted by grant terms as to the capital expenditure to which it can be applied and/or the financial year in which this can take place.

2024/25 Adjustments between accounting basis and funding basis under regulations £000 **Adjustments to the revenue resources:** ***Adjustments by which income and expenditure included in the Comprehensive Income & Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements***	**Usable reserves general fund balance**	**Usable reserves housing revenue account**	**Usable reserves capital receipts reserve**	**Usable reserves major repairs reserve**	**Usable reserves capital grants unapplied**	**Unusable reserves**
Pensions costs (transferred to / from the pensions reserve)	3,604	409				**(4,013)**
Council tax and NDR (transfers to or from collection fund adjustment account)	(1,371)					**1,371**
Holiday pay (transferred to the accumulated absences reserve)	-	-				**-**
Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure (these items are charged to the capital adjustment account):	(8,127)	(16,078)				**24,205**
Total adjustment to revenue resources	**(5,894)**	**(15,669)**	**-**	**-**	**-**	**21,563**
Adjustments between revenue and capital resources						
Transfer of non-current asset sale proceeds from revenue to capital grants and receipts unapplied	6,189	6,465	(12,654)			**-**
Transfer of capital grants and contributions to capital grants unapplied	15,525	9,898			(25,423)	**-**
Payments to the government housing receipts pool (funded by a transfer from the capital receipts reserve)	-		-			**-**
Posting of HRA resources from revenue to the major repairs reserve		12,860		(12,860)		**-**
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	454	-				(454)
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	352	3,333				**(3,685)**
Total adjustments between revenue and capital resources	**22,520**	**32,556**	**(12,654)**	**(12,860)**	**(25,423)**	**(4,139)**
Adjustments to capital resources						
Use of the capital receipts reserve to finance capital expenditure			9,999			**(9,999)**
Use of the major repairs reserve to finance capital expenditure				18,816	-	**(18,816)**
Application of capital grants to finance capital expenditure				-	7,418	**(7,418)**
Cash payments in relation to deferred capital receipts		-	316	-	-	**(316)**
Total adjustments between revenue and capital resources	**-**	**-**	**10,315**	**18,816**	**7,418**	**(36,549)**
TOTAL ADJUSTMENTS	**16,626**	**16,887**	**(2,339)**	**5,956**	**(18,005)**	**(19,125)**

2023/24 Adjustments between accounting basis and funding basis under regulations £000 **Adjustments to the revenue resources:** **Adjustments by which income and expenditure included in the comprehensive income & expenditure statement are different from revenue for the year calculated in accordance with statutory requirements**	**Usable reserves general fund balance**	**Usable reserves housing revenue account**	**Usable reserves capital receipts reserve**	**Usable reserves major repairs reserve**	**Usable reserves capital grants unapplied**	**Unusable reserves**
Pensions costs (transferred to / from the pensions reserve)	1,402	(354)	-	-	-	**(1,048)**
Council tax and NDR (transfers to or from collection fund adjustment account)	(2,123)	-	-	-	-	**2,123**
Holiday pay (transferred to the accumulated absences reserve)	-	-	-	-	-	**-**
Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure (these items are charged to the capital adjustment account):	(18,250)	(16,925)	-	-	-	**35,176**
Total adjustment to revenue resources	**(18,971)**	**(17,279)**	**-**	**-**	**-**	**36,251**
Adjustments between revenue and capital resources						
Transfer of non-current asset sale proceeds from revenue to capital grants and receipts unapplied	206	6,668	(6,874)	-	-	**-**
Transfer of capital grants and contributions to capital grants unapplied	12,937	2,561	-	-	(15,498)	**-**
Payments to the government housing receipts pool (funded by a transfer from the capital receipts reserve)	-	-	-	-	-	**-**
Posting of HRA resources from revenue to the major repairs reserve	-	12,880	-	(12,880)	-	**-**
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	375	-	-	-	-	**(375)**
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	155	834	-	-	-	**(989)**
Total adjustments between revenue and capital resources	**13,673**	**22,943**	**(6,874)**	**(12,880)**	**(15,498)**	**(1,364)**
Adjustments to capital resources						
Use of the capital receipts reserve to finance capital expenditure	-	-	8,285	-	-	**(8,285)**
Use of the major repairs reserve to finance capital expenditure	-	-	-	18,423	-	**(18,423)**
Application of capital grants to finance capital expenditure	-	-	-	-	6,763	**(6,763)**
Cash payments in relation to deferred capital receipts	-	555	-	-	-	**(555)**
Total adjustments between revenue and capital resources	**-**	**555**	**8,285**	**18,423**	**6,762**	**(34,026)**
TOTAL ADJUSTMENTS	**(5,299)**	**6,219**	**1,411**	**5,543**	**(8,735)**	**861**

13. Movements in Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2024/25.

Earmarked Reserves £000	Balance as at 1 April 2023	Transfer Out 2023/24	Transfer In 2023/24	Balance as at 31 March 2024	Transfer Out 2024/25	Transfer In 2024/25	Balance as at 31 March 2025
General Fund:							
Regeneration SG1	**265**	(193)	154	**226**	(120)	84	**190**
Housing & Planning Delivery Grant	**165**	-	122	**287**	(116)	27	**198**
New Homes Bonus	**252**	-	-	**252**	(242)	-	**10**
Regeneration Assets	**1,058**	(169)	617	**1,506**	(223)	428	**1,711**
Town Centre	**12**	(12)	-	**-**	**-**	57	**57**
Capital Reserve	**20**	(20)	-	**-**	**-**	75	**75**
Insurance Mitigation	**77**	(6)	-	**71**	(10)	-	**61**
Income equalisation Reserve	**458**	-	300	**758**	**-**	-	**758**
NNDR Collection Fund	**654**	(28)	2,083	**2,709**	(20)	1,889	**4,578**
Homelessness Prevention	**430**	(38)	-	**392**	(162)	192	**422**
Transformation	**714**	(25)	-	**689**	**-**	83	**772**
IT	**327**	(137)	-	**190**	(63)	15	**142**
Leisure Risk	**150**	(10)	200	**340**	(121)	-	**219**
Commercial Property	**41**	-	-	**41**	**-**	-	**41**
Queensway Parking	**80**	-	42	**122**	**-**	93	**215**
Asylum seekers	**50**	-	450	**500**	(29)	546	**1,017**
Apprenticeship Reserve	**-**	-	-	**-**	**-**	150	**150**
Domestic Abuse Reserve	**-**	-	196	**196**	**-**	-	**196**
Digital Reserves	**750**	(291)	-	**459**	(261)	-	**198**
Stevenage Works	**53**	(33)	-	**20**	**-**	-	**20**
Total	**5,556**	**(962)**	**4,164**	**8,758**	(1,367)	**3,639**	**11,030**
HRA Fund:							
Interest equalisation	**3,423**	-	-	**3,423**	(3,423)	-	**-**
Transformation	**208**	(90)	**-**	**118**	(32)	**-**	**86**
Debt Repayment Reserve	**17,200**	-	**-**	**17,200**	-	**-**	**17,200**
Total	**20,831**	**(90)**	**-**	**20,741**	**(3,455)**	**-**	**17,286**

The Council maintains a number of earmarked (usable) reserves, for capital projects and revenue projects.

- **Regeneration SG1 -**This reserve has been established to help fund the regeneration plans for Stevenage.
- **Housing and Planning Delivery Grant -** The Council received monies from the Government designed to incentivise housing growth and the underlying planning

requirement to allocate land and put development plans in place. Due to the nature of the work the expenditure is often not aligned to the pattern of grant received.

- **New Homes Bonus -** The New Homes Bonus scheme commenced in April 2011. The scheme gives Councils a financial reward for new homes and properties brought back into use. The level of new homes bonus reserve balances are used to fund some legacy co-operative neighbourhood schemes such as playground improvements.
- **Regeneration Assets -** This reserve contains the ring fenced surplus/deficit from the management and maintenance of the regeneration assets held in the town centre and will be used to cover any future fluctuations in costs or rental stream, any balances remaining will be used to help repay any debt outstanding and/or contribute towards the regeneration costs for the Town Centre.
- **Town Centre -**This reserve contains the ring fenced surplus/deficit from the Town Centre management service and will be used fund activities and management in the Town Centre.
- **Capital Reserve -** This reserve was set up in 2013/14 as part of the Council's Integrated Financial Planning Process and funds capital projects. It was set up to reduce the Council's use of prudential borrowing to fund capital projects and the associated borrowing costs.
- **Insurance Mitigation -** This reserve was set up in 2016/17 to fund proactive works to reduce insurance claims against the Council.
- **Income Equalisation –**The Council's General Fund is funded from significant income streams and the reserve has been set up to absorb in-year income fluctuations if required.
- **NNDR Collection Fund -**This reserve was set up in 2013/14 to meet any adverse impact on the General Fund arising from any losses in NNDR income above the government's safety net rules. It includes in year business rate gains until realised at the yearend, (rather than assumed within the General Fund balances).
- **Homelessness Prevention -** This reserve was set up in 2019/20 to fund preventative homelessness schemes in future years and is funded from government grants.
- **Transformation and IT**- to fund future service improvements for ensuring the medium/long term financial sustainability of the council.
- **Leisure –** this reserve is for utility and other cost pressures relating to the leisure service and has also been used to fund capital works to leisure assets.
- **Commercial Property -** this reserve, is to enable minor works to be carried out on the Council's neighbourhood shops and other commercial assets.
- **Queensway Parking -** This reserve contains the ring fenced parking income from Queensway LLP (QLLP) and will be held for any future monies required for the assets held within the LLP.
- **Revenue Grants – Asylum seekers, Domestic Abuse and Digital Reserves -** reserve set aside from grants received to cover costs of these schemes in future years.
- **Apprenticeship Reserve –** reserve set aside to fund the corporate apprenticeship programme, six posts to 2030.

- **Stevenage Works** - contractor contributions received set aside to fund relevant works in the future.
- **HRA Debt Repayment reserve –** to cover costs of PWLB (HRA) debt repayments falling due in the next 5 years.

14. Useable Reserves

The movement on useable reserves can be found in the Movement in Reserves Statement.

15. Unusable Reserves

Unusable reserves £000:	Opening balance 1 April 2024	Other CIES 2024/25	ADBAF[10] Adjustments to Revenue Resources 2024/25	ADBAF Capital and Revenue Financing 2024/25	Other movements 2024/25	Closing balance 31 March 2025
Revaluation reserve (restated opening balance)	(116,847)	3,782	-	-	2,921	(110,144)
Capital adjustment account	(474,058)	-	24,205	(41,004)	(5,021)	(495,878)
Deferred capital receipts reserve	(17,184)	-	-	316	2,100	(14,768)
Pensions reserve	19,835	6,423	(4,013)	-	-	22,245
Collection fund adjustment account	82	-	1,371	-	-	1,453
Accumulated absences account	497	-	-	-	-	497
Total unusable reserves (restated opening balance)	**(587,675)**	**10,205**	**21,563**	**(40,688)**	**-**	**(596,595)**

Unusable reserves (Re-stated) £000:	Opening balance 1 April 2023	Other CIES 2023/24	ADBAF adjustments to revenue resources 2023/24	ADBAF capital and revenue financing 2023/24	Other movements 2023/24	Closing balance 31 March 2024
Revaluation reserve	(127,960)	9,708[11]	-	-	1,405	(116,847)
Capital adjustment account	(472,366)	-	35,176	(35,463)	(1,405)	(474,058)
Deferred capital receipts reserve	(17,257)	-	-	73	-	(17,184)
Pensions reserve	3,007	17,876	(1,048)	-	-	19,835
Collection fund adjustment account	(2,041)	-	2,123	-	-	82
Accumulated absences account	497	-	-	-	-	497
Total unusable reserves	**(616,120)**	**27,584**	**36,250**	**(35,390)**	**0**	**(587,675)**

[10] ADBAF = Adjustments between Accounting and Funding Basis
[11] The charge to the CIES has been increased by £2,484k as a result of a reclassification of an asset into Council dwellings and it's associated revaluation downwards.

Unusable Reserves are held for the following reasons:

- **The Revaluation Reserve** contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:
  - Revalued downwards or impaired and the gains are lost
  - Used in the provision of services and the gains are consumed through depreciation, or
  - Disposed of and the gains are realised.

  The Reserve only contains revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

- **The Capital Adjustment 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 or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Property and gains recognised as donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

- **The Deferred Capital Receipts Reserve** holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

- **The Pension Reserve** absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The authority 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, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund or eventually pay any pensions for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has 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.

- **The Collection Fund Adjustment Account** manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax and business payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.
- **The Accumulated Absences Account** absorbs the difference that would otherwise arise on the General Fund and HRA Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require the impact is neutralised by transfers to or from the Account.

16. Heritage Assets

£000	Town center	War memorial	Exhibits	Civic regalia	Total assets
Cost or valuation					
At 31 March 2024	**833**	**53**	**200**	**53**	**1,139**
At 31 March 2025	**833**	**53**	**200**	**53**	**1,139**
Accumulated depreciation & impairment					
At 1 April 2023	**(637)**	**(52)**	**-**	**-**	**(689)**
Depreciation charge 2023/24	(31)	(2)	-	-	(33)
At 31 March 2024	**(668)**	**(54)**	**-**	**-**	**(722)**
Depreciation charge 2024/25	(31)	(2)	-	-	(33)
At 31 March 2025	**(699)**	**(56)**	**-**	**-**	**(755)**
Net Book Value					
At 31 March 2025	**134**	**(3)**	**200**	**53**	**384**
At 31 March 2024	**163**	**1**	**200**	**53**	**417**

The Council's collections of heritage assets, valued above are categorised as follows:

Town Square including Clock Tower: The town square includes the water feature and clock tower, the clock tower is a Grade II listed building.

War memorial: The Council has a war memorial classified as a heritage asset and is valued at historic cost on the balance sheet.

Museum Collection: The museum collections include paintings, local history archives, Roman coin hoard from Chells, clocks, a bible from 1754 and a Chalice from 1572 from St Mary's in Aston. These items are reported as at their insurance valuation. The Council maintains an inventory of this collection however there is no readily available valuation of individual items. The Council believes that the benefits of obtaining a valuation for these Items to the user of the accounts would not justify the cost given the specialised nature of this archive. Items that form the museum

collection are deemed to have indeterminate lives, therefore the Council does not consider it appropriate to depreciate these assets.

Civic Regalia: The Council holds civic regalia for use by the mayor and mayoress for official ceremonial purposes. These are reported at insurance valuation. Due to the nature of these assets the Council does not deem it appropriate to depreciate these assets.

Archaeological Sites including Six Hills Burial Site: The Council does not consider that reliable cost or valuation information can be obtained for its archaeological site at Six Hills Burial site. This is because of the diverse nature of the asset held and lack of comparable market values, consequently the Council does not recognise these assets on the balance sheet.

Public Art and Cultural Artefacts: The Council has a number of public art works around the borough. There is no readily available valuation held by the Council for statues, sculptures, public work of art or cultural artefacts as no definitive market value for these types of assets exist as they are not normally traded. The Council believes that the benefits of obtaining a valuation for these items to the user of the accounts would not justify the cost given the specialised nature of these assets, as such the Council has not recognised these assets on the balance sheet.

17. Property, Plant and Equipment

Movement on Balances

31/03/2024 (restated) £000	Property, Plant and Equipment	31/03/2025 £000
1,547	Infrastructure Assets	1,961
874,657[12]	Other Property, Plant and Equipment	885,972
876,204	**Total**	**887,933**

Infrastructure Assets

In accordance with the temporary relief offered by the Update to the Code on infrastructure assets 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 may not faithfully represent the asset position to the users of the financial statements.

The council has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation may not be measured accurately and may not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

[12] An asset of £2,484k has been reclassified from P&E to Council dwellings and then revalued, resulting in the reduction in the balance of Other Property, Plant and Equipment by £2,484k in 2023/24.

The council has determined in accordance with Regulation 30M of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets where there is replacement expenditure is nil.

The Ministry for Housing Communities and Local Government (MHCLG) have confirmed that this override will be extended in England until 31 March 2029.

Movement of Infrastructure Assets

2023/24 £000		2024/25 £000
1,625	**Net Book Value at 1 April**	**1,547**
189	Additions	549
(116)	Other movements in cost or valuation	4
(151)	Depreciation charge	(140)
1,547	**Net Book Value at 31 March**	**1,961**

Other Property, Plant and Equipment £000 Movement 2024/25	Council dwellings	Other land & buildings	Vehicles, plant, & equipment	Community assets	Surplus assets	Assets under construction	Right of Use Asset	Total other property, plant & equipment
Cost or Valuation								
At 1 April 2024	**746,806**	**126,294**	**11,628**	**6,215**	**3,238**	**38,811**	**-**	**932,992**
Additions	27,235	1,839	2,429	134	-	8,769	1,121	**41,528**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(18,853)	5,598	-	-	-	-	524	**(12,731)**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	(3,016)	-	-	-	-	-	**(3,016)**
Derecognition - Disposals	(3,948)	(2,121)	(310)	-	(3,238)	-	-	**(9,617)**
Assets reclassified	23,515	(2,495)	-	71	332	(21,073)	-	**350**
Other movements in Cost or Valuation	(174)	(56)	(16)	-	-	-	-	**(246)**
At 31 March 2025	**774,581**	**126,043**	**13,731**	**6,420**	**332**	**26,507**	**1,645**	**949,260**
Accumulated Depreciation & Impairment								
At 1 April 2024	**(50,581)**	**(469)**	**(5,592)**	**(1,693)**	**-**	**-**	**-**	**(58,335)**
Depreciation charge	(12,485)	(1,810)	(1,925)	(220)	(7)	-	-	**(15,951)**
Depreciation written out to Revaluation Reserve	7,535	1,414	-	-	-	-		**8,949**
Depreciation written out to the Surplus/Deficit on the Provision of Services	-	816	-	-	-	-	-	**816**
Derecognition - Disposals	817	17	254	-	7	-	-	**1,095**
Other movements in depreciation and impairment	72	31	51	(15)	-	-	-	**139**
At 31 March 2025	**(54,642)**	**(1)**	**(6,716)**	**(1,928)**	**-**	**-**	**-**	**(63,287)**
Net Book Value								
At 31 March 2025	**716,940**	**126,042**	**7,015**	**4,492**	**332**	**26,507**	**1,645**	**885,972**
At 1 April 2024 (Restated)	**696,225**	**125,825**	**6,035**	**4,522**	**3,238**	**38,811**	**-**	**874,657**

Other Property, Plant and Equipment (Restated)

Other Property, Plant and Equipment £000 Movement in 2023/24 Cost or Valuation	Council dwellings	Other land & buildings	Vehicles, plant, & equipment	Community assets	Surplus assets	Assets under construction	Total property, plant & equipment
At 1 April 2023	**738,139**	**123,428**	**13,437**	**6,919**	**390**	**51,407**	**933,720**
Additions	24,799	4,712	3,056	326	-	10,841	**43,734**
Revaluation increases/(decreases) recognised in the Revaluation Reserve (restated)	(17,614)	(4,095)	-	-	2,472	-	**(19,237)**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	-	(6,122)	-	-	376	-	**(5,746)**
Derecognition - Disposals	(11,454)	(2,718)	(2,205)	(1,030)	-	(24)	**(17,431)**
Assets reclassified (to)/from held for sale	10,395	11,118	-	-	-	(23,407)	**(1,894)**
Other movements in Cost or Valuation (restated)	2,541	(29)	(2,660)	-	-	(7)	**(155)**
At 31 March 2025 (restated)	**746,806**	**126,294**	**11,628**	**6,215**	**3,238**	**38,811**	**932,992**
Accumulated Depreciation & Impairment							
At 1 April 2023	**(48,356)**	**-**	**(6,433)**	**(2,532)**	**-**	**-**	**(57,321)**
Depreciation charge	(12,512)	(2,602)	(1,382)	(191)	-	-	**(16,687)**
Depreciation written out to Revaluation Reserve	-	-	-	-	-	-	**-**
Depreciation written out to the Surplus/Deficit on the Provision of Services	7,482	2,047	-	-	-	-	**9,529**
Derecognition - Disposals	2,861	86	2,196	1,030	-	-	**6,173**
Other movements in depreciation and impairment	(56)	-	26	-	-	-	**(30)**
At 31 March 2024	**(50,581)**	**(469)**	**(5,592)**	**(1,693)**	**-**	**-**	**(58,335)**
Net Book Value							
At 31 March 2024 (restated)	**696,225**	**125,827**	**6,035**	**4,522**	**3,238**	**38,810**	**874,657**
At 1 April 2023	**689,783**	**123,428**	**7,005**	**4,387**	**390**	**51,407**	**876,400**

Right of use asset.

This represents one asset - Boston House, Park Place in Stevenage which has been leased for a period of 15 years from February 2025, to provide new accommodation for the indoor market from 2025/26.

Within the Council dwellings there are several properties which are likely to be sold within the next 12 months under the Right to Buy Scheme (which was amended by the government in 2024). As at the balance sheet date these properties were not actively marketed and nor is there any certainty as to which properties will be sold

Revaluations

The revaluation process was co-ordinated by the Council's former Estates Manager M Sullivan FRICS.

General Fund properties' valuation certificates are dated 31 March 2025 and revaluations are carried out by private firm of Chartered Surveyors – Wilks Head and Eve. The Council's housing stock is valued as at 31 March 2025 by external valuer Savills.

The valuations provided for non-housing stock assume that there are no encumbrances to the Council's Current Value in the use of those assets.
The inputs to inform the Council's Surplus Asset valuation have been determined at level 2 as per the fair value hierarchy.

The council ensures that all property, plant and equipment required to be measured at current value is revalued sufficiently regularly so that their carrying amount is not materially different from their current value at the year-end, and as a minimum every five years.

£000	**Council Dwellings**	**Other Land & Buildings**	**Right of use asset**	**Total**
Carried at historical cost	-	-	-	-
Valued at current value as at:				
31 March 2025	719,940	126,042	1,645	**847,627**
Total	**719,940**	**126,042**	**1,645**	**847,627**

Impairment Losses

During 2024/25 (as in 2023/24) the Council did not incur any material losses because of impairment.

Capital Contractual Commitments

At 31 March 2025 the Council has the Council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in future years. The major commitments amounting to £1Million or more are as follows.

31/03/2024 £000	Capital Commitments	31/03/2025 £000
15,425	Decent Homes and major repairs	33,900
14,032	Housing Regeneration (GF)	46,080
-	Town Centre Regeneration	1,423
29,457	**Total**	**81,403**

18. Investment Property

The following table summarises the movement in the fair value of investment properties over the year.

2023/24 (restated) £000		2024/25 £000
25,500	**Balance at Start of the Year**	**29,392**
1,840	Net Gains / (Losses) on Revaluation	6,686
1,840	**Net Gains / (Losses) from Movements in the Market Value of Investment Properties**	**6,686**
39	Additions	20
2,013[13]	Reclassifications	-
29,392	**Balance at end of year**	**36,098**

The Council's investment property portfolio has been assessed as Level 2 for valuation purposes.

Valuation Techniques Used to Determine Level Two Fair Values for Investment Properties:

The values have been derived from a desktop valuation taking into account existing lease terms and rentals, market rentals and yields, and then adjusted to reflect the nature and profile of the particular asset valued.

The Council's commercial property portfolio located within the Borough boundary are measured using the income approach, where the expected cash flows from the property are discounted at an appropriate discount rate (reflecting the nature and risk profile of the particular asset valued), to establish the present value of the net income stream.

[13] An asset was reclassified from assets held for sale to investment property in 2023/24

The Council's commercial property portfolio is therefore categorised as Level Two in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

There has been no change in the valuation techniques used during the year for investment properties.

Highest and Best Use of Investment Properties

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is deemed to be their current use.

Valuers

The investment property portfolio has been valued at 31 March 2025 in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The revaluations are carried out by Wilks Head and Eve.

The valuations assume that there are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance on income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property. Nor does the Council have any contractual obligations to repair, maintain or enhance the investment properties with the exception of a very small proportion of the Council's investment property portfolio where the leases are internal repairing leases and the Council is responsible for the external fabric of the building.

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

2023/24 £000		2024/25 £000
2,382	Rental Income from Investment Property	2,707
(1,266)	Direct Operating Expenses Arising from Investment Property	(1,336)
1,116	**Net Gain/ (loss)**	**1,371**

19. Intangible Assets

The council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system. There are no items of capitalised software that are individually material to the financial statements.

The movement on Intangible Asset balances during the year is as follows:

2023/24 £000		2024/25 £000
	Balance as at 1 April	-
1,674	Gross carrying amounts	1,518

2023/24 £000		2024/25 £000
(897)	Accumulated amortisation	(632)
777	**Net carrying amount at 1 April**	**886**
	Movements in year:	-
323	Additions	130
68	Transfer In and Out	-
71	Other Movement	1
(109)	Disposal	-
(244)	Amortisation for the Period	(293)
886	**Balance at 31 March**	**724**
	Comprising:	-
1,518	Gross carrying amounts	1,649
(632)	Accumulated amortisation	(925)
886		**724**

20. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the following table, together with resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets used by the Council, the expenditure increases the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2023/24 £000		2024/25 £000
320,051	**Opening Capital Financing requirement**	**331,026**
	Capital investment:	-
43,923	Property Plant and Equipment	40,956
39	Investment Property	20
323	Intangible Assets	130
-	Loans to Third Parties	2,425
2,164	Revenue expenditure funded from Capital under statute	890
-	Property, Plant and Equipment purchased under finance leases	1,121
46,449		**45,542**
	Sources of finance:	-
(7,866)	Capital Receipts	(10,185)
(7,133)	Government Grants & Other Contributions	(7,423)
(18,423)	Major Repairs Reserve	(18,816)
(992)	Direct revenue contributions	(3,815)
(34,414)	Capital investment funding excluding borrowing	**(40,239)**
12,035	**Financing borrowing requirement increase as a result of Capital Investment**	**5,303**
(375)	Statutory provision for the financing of capital investment charged against the General Fund (MRP)	(454)

2023/24 £000		2024/25 £000
(685)	Finance Lease Repayment and loan repayments	(1,400)
10,975	**Increase/(decrease) in Capital Financing requirement**	**3,449**
331,026	**Closing Capital Financing requirement**	**334,475**
	Explanation of movements in year	
10,975	Increase/(decrease) in underlying need to borrow (unsupported by government financial assistance)	2,328
-	Assets acquired under finance leases	1,121
10,975	**Increase/(decrease) in Capital Financing requirement**	**3,449**

21. Leases

Plant and Equipment:

Council as a Lessee – the council has no material operating or finance leases.

Property:

Council as Lessor - the authority currently leases 435 premises which include shops, workshops, public houses, surgeries and miscellaneous property. These leases are accounted for on an operating lease basis. The rental receivable in 2024/25 was £3,798k, (2023/24 £3,671k).

The future minimum lease payments receivable under non-cancellable leases in future years are:

31/03/2024 £000	Future minimum lease payments	31/03/2025 £000
3,388	Not later than one year	3,713
13,462	Later than one year and not later than five years	14,737
49,245	Later than five years	53,988
66,095	**Total**	**72,438**

Council as Lessee

Right of Use Asset

The council entered into a finance lease with Skyli Developments Ltd. to lease Boston House, Park Place Plaza, Stevenage as a new location for Stevenage indoor market. The lease commenced in March 2025 with lease payments to start during 2025/26 after a period of fit out by the council. The leased asset has been recognised in the balance sheet as a right of use asset, details can be found in note 17 Property, Plant and Equipment.

Transactions under leases – there has been no related transactions processed through the Comprehensive income and expenditure statement in 2024/25 in relation to the lease above. The maturity analysis of this lease liability is:

31/03/2024 £000	Future minimum lease payments	31/03/2025 £000
-	Not later than one year	102
-	Later than one year and not later than five years	406
-	Later than five years	1,196
-	**Total**	**1,703**

Council Dwellings

The Council acquired 10, 25-year leases of council dwellings from Marshgate Ltd, its wholly owned subsidiary between January 2022 and May 2023.

31/03/2024 £000	Future minimum lease to Marshgate payments	31/03/2025 £000
55	**Not later than one year**	72
218	**Later than one year and not later than five years**	286
1,604	**Later than five years**	1,503
1,877	**Total**	**1,861**

Council as Lessor and Lessee

Property, Plant, and Equipment:

In 2018/19 the council acquired a 37-year head lease from Aviva for Queensway. This was immediately sublet to Queensway Properties (Stevenage) LLP for 37 years. (See also Group Accounts).

31/03/2024 £000	Future minimum lease to Aviva payments	31/03/2025 £000
1,287	Not later than one year	1,343
5,278	Later than one year and not later than five years	5,406
41,692	Later than five years	41,665
48,257	**Total**	**48,414**

31/03/2024 £000	Future minimum lease from Queensway	31/03/2025 £000
1,287	Not later than one year	1,343
5,278	Later than one year and not later than five years	5,406
41,692	Later than five years	41,665
48,257	**Total**	**48,414**

22. Financial Instruments

The items disclosed in the Balance Sheet are made up of the following categories of financial instruments:

£000	Long Term 31/03/2024	Long Term 31/03/2025	Current 31/03/2024	Current 31/03/2025
Financial Assets				-
Investments				-
Investment	10	2,278	-	-
Loans and Receivables	-	-	25,203	27,000
Total Investments	**10**	**2,278**	**25,203**	**27,000**
Debtors (including Cash, Cash equivalents and Bank)				-
Loans and Receivables	25,242	19,803	5,377	20,188
Cash and Cash Equivalents	-	-	1,106	17,195
Total Debtors	**25,242**	**19,803**	**6,483**	**37,383**
Total Financial Assets	**25,252**	**22,081**	**31,686**	**64,383**
Financial Liabilities		-		-
Borrowings		-		-
Queensway Aviva Borrowing	5,788	5,690	94	98
Financial liabilities at amortised cost	234,987	247,436	328	941
Total Borrowings	**240,775**	**253,126**	**422**	**1,039**
Creditors	24,422	25,518	5,784	7,132
Total Financial Liabilities	**265,197**	**278,644**	**6,206**	**8,171**

The value of debtors and creditors reported in the table below are solely those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the balance sheet also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

The gains and losses recognised in the Comprehensive Income & Expenditure Statement in relation to financial instruments are made up as follows:

2023/24 Financial Liabilities Measured at Amortised Cost	2023/24 Financial Assets: Loans and Receivables	2023/24 Total	£000	2024/25 Financial Liabilities Measured at Amortised Cost	2024/25 Financial Assets: Loans and Receivables	2024/25 Total
7,666	-	7,666	Interest Expense	8,458	-	8,458
-	(3,068)	(3,068)	Interest income	-	(3,071)	(3,071)
7,666	**(3,068)**	**4,598**	**Net (gain)/loss for the year**	**8,458**	**(3,071)**	**5,387**

Fair Value Hierarchy

The Council is required to classify the valuation of financial instruments into three levels, according to the quality and reliability of information used to determine fair values.

- Level 1 Inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.
- Level 2 Inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs – unobservable inputs for the asset or liability. Such instruments would include unquoted equity investments and hedge fund of funds, neither of which the Council currently invests in.

Financial assets and financial liabilities (Treasury loans and investments) are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments using the following assumptions:

- The fair value of Public Works Loan Board (PWLB) loans is calculated using the "new loan rate".
- The fair value of non-PWLB loans is calculated using the "new loan rate".
- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced amount.

The Valuation Techniques Used to Determine Level Two Fair Values for Investments:

The fair value of the investments has been provided by Link Asset Services and is based on a financial model valuation which uses market information for similar instruments. The Code states that fair values disclosures are not required for short term trade payables and receivables since the carry amount is a reasonable approximation of fair value.

31/03/2024 Carrying amount	31/03/2024 Fair Value	£000	31/03/2025 Carrying amount	31/03/2025 Fair Value
		Long Term Investments	-	-
-	-	Long-term loans & receivables	2,278	2,278
-	**-**	**Total**	**2,278**	**2,278**
		Loan Debt and Finance Leases	-	-
6,882	6,882	LEP loan[14]	6,014	6,014
23,422	23,422	Finance lease and borrowing[15]	24,089	24,089

[14] LEP loan is carried on the balance sheet at present value which is a reasonable approximation to fair value

[15] Finance leases and borrowing are carried on the balance sheet at present value which is a reasonable approximation to fair value

31/03/2024 Carrying amount	31/03/2024 Fair Value	£000	31/03/2025 Carrying amount	31/03/2025 Fair Value
235,315	225,525	PWLB Debt	248,377	226,035
265,619	**255,829**	**Total**	**278,480**	**256,138**

Valuation Techniques Used to Determine Level Two Fair Values for Public Works Loan Board (PWLB) Loans:

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date.

This shows a notional future loss (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders above current market rates.

The fair value of Public Works Loan Board (PWLB) loans of £209,326Million measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value measures the [additional/reduced] interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

The Authority has used a transfer value for the fair value of financial liabilities. We have also calculated an exit price fair value of £226,035Million, which is calculated using early repayment discount rates. The Authority has no contractual obligation to pay these penalty costs and would not incur any additional cost if the loans run to their planned maturity date.

The fair value of loan debt is higher than the carrying amount because the council's portfolio of loans includes fixed rate loans where the prevailing rates at the Balance Sheet date are lower than the interest rate payable. The fair value includes the premium that would be payable should the council reschedule its debt.

Schedule of PWLB loan repayments	£000
Within 1 Year	500
Over 1 not over 2 years	8,000
Over 2 not over 5 years	30,656
Over 5 not over 10 years	84,400
Over 10 not over 20 years	106,431
Over 20 not over 25 years	18,000
Total	**247,987**

23. Nature and Extent of Risks Arising from Financial Instruments

The Council's activities expose it to a variety of financial risks. The key risks are:

- credit risk – the possibility that other parties might fail to pay amounts due to the Council.

- liquidity risk – the possibility that the Council might not have funds available to Re-financing risk – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is conducted by the Council's treasury team, under policies approved annually (in February prior to the financial year to which it relates) by the Council in the Annual Treasury Management Strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash.

The Strategy includes the Prudential Indicators, the key objectives of which are:

- To ensure that capital investment plans are affordable, prudent and sustainable.
- To ensure treasury management decisions accord with good professional practice and in a manner that supports affordability, prudence and sustainability.
- To be consistent with and support local strategic planning, local asset management and optional appraisal.

The Council's Treasury Management Strategy applicable from 1 April 2024 complies fully with the code of practice. Further details on the Council's Treasury Management Strategy can be found on Stevenage Borough Council's website.

- meet its commitments to make payments.

Credit Risk:

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers. Deposits are not made with banks and financial institutions unless they meet the Council's criteria as specified in the Treasury Management Strategy.

	Amount at 31/03/2025 2025 £000	Historical experience of default %	Historical experience adjusted for market conditions at 31/03/2025 %	Estimated maximum exposure to default & un-collectability 31/03/2025 £000	Estimated maximum exposure to default & un-collectability 31/03/2024 £000
Financial Institutions	**A**	**B**	**C**	**(AxC)**	
Banks & Building Societies	14.000	-	-	-	-
Other Local Authorities	10,000	-	-	-	-
Other Counter parties	403	-	-	-	-
Trade Debtors	3,235	22%	19%	622	723
Total	**28,405**			**622**	**723**

The ECL on Treasury Financial Assets is immaterial. The historical experience of default for trade debtors is based on the debt provision calculated as at 31st March 2025. The calculation is based on the age of the trade debtor and debt type. The Council does not generally allow extended credit for customers, but some of the current balance is past its due date for payment. The past due date but not impaired amount can be analysed by age as follows:

Age of Sundry Debt past due	31/03/2024 £000	31/03/2025 £000
less than 3 months	1,446	302
3-6 months	361	177
6 months - 1 year	259	258
over 1 year	241	924
Total	**2,307**	**1,662**

Expected Credit Losses on Financial Assets Relating to Group Entities

As at 31 March 2025, the Council has recognised a loss allowance of £2.1million in respect of lease receivables due from Queensway Properties (Stevenage) LLP (part of the Stevenage BC group). The company is expected to require financial support from the council as a result of continuing operational losses and is unlikely to meet its future obligations under the lease. Lifetime expected credit losses have been applied, resulting in an impairment charge of £2.1million recognised in the Comprehensive Income and Expenditure Statement. The Council has an earmarked reserve with funds set aside to support the LLP.

The Council has recognised a lifetime expected credit loss allowance of £58k in relation to the loan to Marshgate Ltd. This is an accounting adjustment required due to the delay in repayment of the loan pending completion of electrical works on site (Third party) and sales of the house units. This has resulted in an impairment charge of £0.058m recognised in the Comprehensive Income and Expenditure Statement. At this time the council is confident that the loan will be repaid in full.

Summary of movement in loss allowances	31/03/2024 £000	31/03/2025 £000
Leases receivable - Queensway Properties (Stevenage) LLP	0	2,100
Loan - Marshgate Ltd.	0	58
Total	**0**	**2,158**

Deferred Capital Receipts are amounts derived from sales of assets that will be received in instalments over agreed periods of time. They arise principally from a finance lease to Queensway LLP (see also Group Accounts). As at 31 March 2025, Deferred Capital Receipts net of credit loss allowance, totalled £14.8Million, (31 March 2024 £17.2Million).

These figures do not include debt relating to Council Tax or Non-domestic Rates as these are considered to be statutory debts. Debt relating to Council house rents is disclosed in Note HRA 2. Rent and Supported Housing Payment Arrears.

Liquidity risk: The Council's cash flow is managed so that cash is available as needed. If the unexpected happens the Council has ready access to borrowings from the money markets and the Public Works Loan Board (PWLB).

Market Risk

Interest rate risk: The Council is exposed to significant risk in terms of its exposure to interest rate movements on its investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects on Stevenage Borough Council: Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise, whilst the fixed term investment/borrowing cost/income will remain constant.

Changes in interest receivable on variable rate investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance. Movements in the fair value of fixed rate investments will be reflected in the Movement in Reserves Statement.

If interest rates had been 1% higher with all other variables held constant (according to assessment as at 31 March 2025), the financial effect would be:

	£000
Increase in interest receivable on investments	(496)
Impact on Comprehensive Income & Expenditure Statement	(496)

The impact of a 1% reduction in interest rates would be as above but with movements being reversed. The above represents what the cost will be less the payment due to the HRA.
The PWLB borrowings undertaken to date are all fixed rate, therefore there would be no impact from a rise in interest rates, other than the rate at which borrowing which has not yet been physically taken could be borrowed at in future.

Price risk The Council does not invest in equity shares and does not have any shareholdings. (The Municipal Bond purchased in 2015/16 (£10,000) is not held for trading purposes but to support and have access to preferential borrowing rates from the Municipal Bond Agency, set up by the Local Government Association. As such this transaction has been classed as a non-current investment.)

Foreign exchange risk: The Council has no financial assets, or a liability denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

24. Debtors

The Council's debtors (net of the provision for bad and doubtful debts) are as follows:

31/03/2024 £000	Short Term Debtors	31/03/2025 £000
2,040	Trade debtors	2,825

31/03/2024 £000	Short Term Debtors	31/03/2025 £000
2,482	Prepayments	2,850
19	Queensway LLP	367
8,963	Marshgate	12,062
7,017	Other receivable amounts	9,594
20,521	**Total**	**27,698**

31/03/2024 £000	Long Term Debtors	31/03/2025 £000
107	Building Control	107
173	Mortgages	173
21,994	Queensway LLP	19,523
2,969	Marshgate Ltd	-
25,243	**Total**	**19,803**

25. Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

31/03/2024 £000		31/03/2025 £000
1	Cash held by the Council	1
801	Bank current accounts	(1,938)
707	Short-term liquid deposits	19,132
1,509	**Total**	**17,195**

26. Creditors

31/03/2024 £000	Short Term Creditors	31/03/2025 £000
1,040	Trade Creditors	2,216
18,930	Other Creditors	17,302
497	Accumulated leave	497
2,769	Receipts in Advance	3,149
23,236	**Total Creditors**	**23,164**

31/03/2024 £000	Long Term Creditors	31/03/2025 £000
6,883	Local Enterprise Partnership (LEP)	6,014
366	Grants received in advance (Capital)	1,199
1,305	Marshgate Lease	1,290
16,206	Queensway Lease	15,933

31/03/2024 £000	Long Term Creditors	31/03/2025 £000
-	Other Finance Lease	1,082
24,760	**Total Creditors**	**25,518**

Local Enterprise Partnership (LEP) – this relates to loans for land assemble to facilitate the town centre regeneration project.

Marshgate Lease – relates to ten dwellings leased by the HRA from Marshgate Ltd.

85-100 Queensway and 24-26 The Forum This relates to a 37 year finance lease for these properties, subsequently sublet to Queensway Properties (Stevenage) LLP.

27. Assets held for sale

31/03/2024 (restated) £000		31/03/2025 £000
1,790	**Balance outstanding at start of year**	**1,325**
(182)[16]	Transfer to/ from PPE	(350)
(283)	Assets sold	(975)
1,325	**Balance outstanding at year end**	**-**

A reasonable assessment can be made of General Fund disposals. However, for HRA Council dwellings, at the balance sheet date, the Council cannot reliably estimate specific disposals for the following 12 months. For example Right to Buy requests are received from tenants which may not result in a subsequent sale. As the numbers involved are not material, Right to Buy properties which are nearing completion of a sale are not recognised as Assets held for sale and no adjustment is made in the accounts for these.

28. Provisions

provisions include the following elements:

- **Insurance provision**: Provides for excesses relating to known claims.
- **Organisational Change Provision:** This provision was established to meet the costs arising from service efficiencies (identified as part of the budget setting process and service reviews). This was not required for 2024/25.
- **Municipal Mutual Insurance (MMI) Provision:** MMI suffered substantial losses between 1990 and 1992 and these losses reduced MMI's net assets to a level below the minimum regulatory solvency requirement. In September 1992 MMI went in to "run off", and ceased to renew or take on new general insurance work. If a solvent "run off" cannot be achieved the Council may have to repay part of the claims already settled.

[16] A £2,013k asset originally classified as an asset held for sale has now been reclassified as an investment property

- **NDR Appeals Provision:** Business Rate Payers are entitled to appeal against the rateable value allocated to it by the Valuation Office Agency (VOA). From 1 April 2013 onwards, in the event that the appeal is successful, the Council is responsible for the Business Rate repayment to the business. This provision has been made based on the expected outcome of the appeals outstanding with the VOA as at 31 March 2025.
- **Leisure**: This provision was for contact costs arising up to 31 March 2024.
- **Water Rates**: For potential liability relating to historical water charges, this has been released in 2024/25.

Provisions £000	**Insurance**	**Organisational Change**	**MMI Insurance provision**	**NNDR Appeals**	**Leisure**	**Water Rates**	**Total**
Balance as at 1 April 2023	**(422)**	**(338)**	**(83)**	**(1,919)**	**(300)**	**(2,290)**	**(5,352)**
Additional Provisions made in 2023/24	(291)	-	-	(491)	-	-	(782)
Amounts Used in 2023/24	323	332	-	-	-	-	655
Unused Amounts reversed in 2023/24	-	-	-	818	300	-	1,118
Balance as at 31 March 2024	**(390)**	**(6)**	**(83)**	**(1,592)**	**-**	**(2,290)**	**(4,361)**
Additional Provisions made in 2024/25	(176)	-	-	(3,550)	-	-	(3,726)
Amounts Used in 2024/25	250	6	-	2,131	-	-	2,387
Unused Amounts reversed in 2024/25	-	-	-	-	-	2,290	2,290
Balance as at 31 March 2025	**(316)**	**-**	**(83)**	**(3,012)**	**-**	**-**	**(3,410)**

29. Pension

Participation in Pension Schemes

As part of the terms and conditions of employment of its employees, the Council offers retirement benefits. Although these benefits will not be payable until the employees retire, the Council has a commitment to make payments which need to be disclosed at the time these benefits are earned.

The Council participates in the Local Government Pension Scheme administered by Hertfordshire County Council. The scheme 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 Hertfordshire County Council. This is a funded defined benefit career average salary scheme, meaning that the council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

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 HRA the amounts required by statute as described in the accounting policies note.

Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by the employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund [and Housing Revenue Account] via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and

The change in the net pension asset/liability is analysed below:

Assets 2023/24	Liabilities 2023/24	Net Liability 2023/24	Net Pension Liability £000	Assets 2024/25	Liabilities 2024/25	Net Liability 2024/25
191,284	**(194291)**	**(3007)**	**Opening fair value of Scheme assets including Asset Ceiling Adjustment**	**207,471**	**(227,306)**	**(19,835)**
-	(4,659)	(4,659)	Current Service Cost		(4,428)	**(4,428)**
-	(147)	(147)	Past service costs	-	-	**-**
9,057	(9,172)	(115)	Net Interest	11,194	(10,265)	**929**
-	-	-	Effect of Settlements	12,857	(10,007)	**2,850**
-	-	-	Interest on impact of asset ceiling		(1,455)	**(1,455)**
9,057	**(13,978)**	**(4,921)**	**Total defined benefit cost recognised in Surplus or deficit on the Provision of Services**	**24,051**	**(26,155)**	**(2,104)**
			Contributions & Benefits Paid			**-**
1,531	(1,531)	-	Contributions from employees into the scheme	1,610	(1,610)	**-**
5,969	-	5,969	Contributions from employer	6,117	-	**6,117**
(8,743)	8,743	-	Benefits paid	(8,993)	8,993	**-**
(1,243)	**7,212**	**5,969**	**Total**	**(1,266)**	**7,383**	**6,117**

Assets 2023/24	Liabilities 2023/24	Net Liability 2023/24	Net Pension Liability £000	Assets 2024/25	Liabilities 2024/25	Net Liability 2024/25
			Re-measurements			
8,373	-	8,373	Return on assets excluding amounts included in net interest	(8,282)	-	**(8,282)**
-	1,246	1246	Changes in demographic assumptions	-	3,636	**3,636**
-	9,102	9102	Changes in financial assumptions	-	27,860	**27,860**
-	(6,280)	(6,280)	Other experience	-	1,418	**1,418**
-	(30,317)	(30,317)	Asset Ceiling Adjustment	-	(31,055)	**(31,055)**
8,373	**(26,249)**	**(17,876)**	**Post Employment Benefits Charged to other Comprehensive Income and Expenditure Statement**	**(8,282)**	**1,859**	**(6,423)**
207,471	**(227,306)**	**(19,835)**	**Closing balance**	**221,974**	**(244,219)**	**(22,245)**

Basis for Estimating Assets and Liabilities

Hymans Robertson LLP, an independent firm of actuaries, has assessed Stevenage Borough Council's fund net liabilities.

To calculate the asset share for an individual employer, assets allocated to each employer are rolled forward as at the latest valuation date allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the fund by and in respect of the employer and its employees. An allowance for administration expenses is made on the basis of the proportion of employer asset shares.

Liabilities have been assessed on an actuarial basis using the projected unit method (PUM), an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels. The estimates for the Council are based on the latest formal valuation of the scheme as at 31 March 2025.

Asset Ceiling

The asset ceiling adjustment applied above, reflects any future obligations that reduce the realisability of any net asset and for the council this has resulted in the net asset being reduced to a net obligation position. The following pension disclosures exclude the asset ceiling adjustment as this is a local accounting adjustment and does not change the underlying value of the asset in the LGPS fund.

Fair value of Employer's assets (on a bid value to bid value basis):

31/03/2024 £000	31/03/2024 %	Asset breakdown	31/03/2025 £000	31/03/2025 %
123,255	59	Equities	132,583	60
45,578	22	Bonds	50,243	22
25,000	12	Property	33590	15
13,638	7	Cash	5,558	3
207,471	**100**	**Total**	**221,974**	**100**

The table below sets out the percentages of the Fund's assets held in each asset class at 28 February 2025 (split by those that have a quoted market price in an active market, and those that do not).

Asset Breakdown	Quoted %	Unquoted %	Total %
Fixed Interest Government Securities UK	2%	-	2%
Fixed Interest Government Securities Overseas	1%	-	1%
Index Linked Government Securities UK	10%	-	10%
Index Linked Government Securities Overseas	-	-	0
Corporate Bonds UK	3%	-	3%
Corporate Bonds Overseas	4%	-	4%
Equities UK	1%	-	1%
Equities Overseas	26%	-	26%
Property	-	13%	13%
Hedge Fund	-	5%	5%
Private Equity	-	9%	9%
Infrastructure	-	2%	2%
Unit Trust	19%	-	19%
Insurance Linked Strategies	-	1%	1%
Private Credit	-	1%	1%
Cash / Temporary Investments	**3%**	-	3%
Total	**69%**	**31%**	**100%**

Principle Assumptions

The principle assumptions used by the Actuary have been:-

2023/24		2024/25
	Mortality Assumptions (years):	
	Longevity at 65 for current pensioners:	
21.3	Men	21.2
24	Women	24.1
	Longevity at 65 for future pensioners:	
22.2	Men	21.9
25.4	Women	25.2
	Other Assumptions:	
2.80%	Rate of pension inflation	2.90%
3.30%	Rate of increase in salaries	3.90%
4.80%	Rate for discounting scheme liabilities	5.80%
45%	Take up of option to convert annual pension into retirement lump sum. (Pre-April 2008 service)	45%
45%	Take up of option to convert annual pension into retirement lump sum. (Post April 2008 service)	45%

Defined Benefit Obligation and maturity profile	Liability split £000's as at 31/03/2025	Liability split %'s as at 31/03/2025
Active members	48,976	27%
Deferred members	32,651	18%
Pensioner members	99,766	55%
Total	**181,392**	**100%**

Sensitivity analysis of Actuarial assumptions

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis that follows has been determined based on reasonably possible changes in the assumptions occurring at the end of the reporting period in calculating the impact for each change in assumption it is assumed that the other assumptions remain unchanged. In practice it is likely that changes in assumptions would be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Change in assumptions at year ended 31 March 2025 £000	Approximate increase to Employer Liability	Approximate increase to service cost
0.1% decrease in Real Discount Rate	178,813	2,977
1 Year Increase in member life expectancy	187,343	3,092
0.1% increase in salary increase rate	181,546	3,092
0.1% increase in pension increase rate (CPI)	183,953	3,216

Impact on the authority's cash flow

The objectives of the scheme are to keep employer' contribution rates as consistent as possible to reduce additional funding pressures on employer bodies. In order to achieve this, the Fund obtains a valuation every three years, with new contribution rates set to achieve a fully funded position (100%). The next triennial valuation started on 1st April 2025 with results expected before March 2026. At present, funding levels are reported to Hertfordshire County Council Pension Committee on a quarterly basis from officers and consultants.

The total estimated contributions for current service cost expected to be made to the Pension Scheme for the period to 31 March 2026 will be approximately £6,169,000.

The weighted average duration of the defined benefit obligations for scheme members is 15 years, 2024/25 (17 2023/24)

Further information can be found in Hertfordshire County Council Pension Fund's Annual Report that is available upon request from: Hertfordshire County Council, Corporate Services, County Hall, Hertford SG13 8DQ (email contact : pensions.team@hertscc.gov.uk)

30. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

2023/24 £000		2024/25 £000
(2,760)	Interest received	(2,668)
7,462	Interest paid	8,520

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2023/24 £000		2024/25 £000
(16,870)	Depreciation	(16,204)
(12,970)	Impairment, Impairment Reversal and Revaluation of Non-Current Assets	(2,208)
1,840	Movement in Investment Property Values	6,686
(4,658)	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	(9,350)
(228)	Amortisation	(212)
(145)	Increase/(Decrease) in inventories	(24)
1,395	Increase/(Decrease) in debtors	1,774
13,377	(Increase)/Decrease in creditors	(829)
991	(Increase)/Decrease in provisions	951
1,048	Movement in pension liability	4,013
(8)	Other non-cash items	10
(16,229)	**Total non-cash movements**	**(15,393)**

The surplus or deficit on the provision of services has been adjusted for the following items in that are Investing or Financing Activities:

2023/24 £000		2024/25 £000
15,497	Capital Grants credited to surplus or deficit on the provision of services	25,423
6,874	Proceeds from the sale of property plant and equipment, investment property and intangible assets	12,654
22,371	**Total Investing or Financing cash movements**	**38,077**

31. Adjustments for items in the net surplus or deficit on the provision of services that are investing or financing activities.

2023/24 £000	Investing Activities	2024/25 £000
44,285	Purchase of property, plant and equipment, investment property and intangible assets	42,227
417,927	Purchase of short-term and long-term investments	61,150
(6,874)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(12,654)
(427,027)	Proceeds from short-term and long-term investments	(57,100)
(15,497)	Other receipts from investing activities	(25,423)
12,814	**Net cash flows from investing activities**	**8,200**

2023/24 £000	Financing Activities	2024/25 £000
(7,686)	Cash Receipts of Short- and Long-term borrowing	(13,066)
376	Cash payments for the reduction of the outstanding liabilities relating to finance leases	371
(7,310)	**Net cash flows from financing activities**	**(12,695)**

32. Related Parties

The Council is required to disclose material transactions with related parties. 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:

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. Council tax bills, housing benefits). Grants received from government departments are set out in Note 8 Taxation and Non Specific and Specific Grant Income.

Other Public Bodies:

Payments between the Council and **Hertfordshire County Council (HCC)** amounted to £1,358,069 (2023/24, £1,995,149). These payments were in relation to costs of shared services and agency agreements.

The Council provides a verge maintenance service for Hertfordshire County Council under an agency agreement for which the Council was reimbursed £693,380 in 2024/25 (£643,412 in 2023/24).

There are a number of shared services arrangements in place including a legal shared service is provided to Stevenage BC by HCC for which the council paid £526,205 in 2024/25 (2023/24 £599,250).

Further payments between the Council and Hertfordshire County Council are disclosed in the Collection Fund accounts, Note 29 Pension and Note 8 Taxation and Non Specific and Specific Grant Income.

Members and Senior Officers:

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2024/25 is shown in Note 9 Members Allowances.

With reference to all of these organisations, of the 39 Members, 38 Members declared interests through either the Register of Interests or 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 2024/25 expressions of interest, both potential financial and other interests, are declared and recorded in the minutes of the meeting including involvement with voluntary organisations, public authorities and as the local authority representative on various bodies. This is available for public inspection on the Stevenage Borough Council website. There are no other material related party transactions other than those shown elsewhere in the accounts.

During 2024/25, the Chief Executive and Strategic Leadership Team declared no pecuniary interests in accordance with section 117 of the Local Government Act 1972.

Joint Arrangements

The Council has one jointly controlled operation for the provision and management of CCTV in the Hertfordshire and Bedfordshire area. This arrangement is with Stevenage Borough Council (SBC), North Hertfordshire District Council, East Hertfordshire District Council and Hertsmere Borough Council. Each member of the arrangement accounts for their share of the asset, liabilities and cash flows of the CCTV in their own accounts.

On the 1 April 2015 a new company, **Hertfordshire CCTV Partnership Ltd,** was incorporated to conduct the commercial trading affairs of the CCTV Partnership. For the year ended 31 March 2025 the company produced a profit before tax of £22k (2023/24 £62k). SBC's share of the profit is £7k. Due to the de-minimis size of the company, group accounts have not been completed.

The Council is partnered with seven local authorities across Hertfordshire to provide a fully integrated building control service, **Hertfordshire Building Control Ltd (HBC).** The council holds 12.5% of the share capital of Broste Rivers Limited (the holding company) and is represented on the board. In August 2016 the council made a loan to HBC of £107,000 which is held in Long Term Debtors on the balance sheet. Due to the Council's small shareholding the Council has not included any further disclosure notes regarding this company. The Council only conducts transactions with HBC Limited.

Other companies

Disclosures regarding Queensway Properties (Stevenage) LLP, Marshgate Plc and Swingate Developments LLP have been included in the Group Accounts section of this document.

33. Contingent Liabilities and Assets

At the Balance Sheet date the following contingent liabilities were identified:-

- The Council has signed a development agreement with Mace and entered into a joint venture (Swingate Developments LLP\), its redevelopment partner for SG1. Should the Council not be able to fulfil its development obligations penalty payments would be due to Mace.

- The Council has secured £37.5Million funding from the Towns Fund, to support the delivery of a range of regeneration projects in Stevenage. In the event that specific projects do not progress into delivery, there is a risk that funding would be returned to the government. All business cases have been subject to review by the Council's Executive and Overview & Scrutiny Committee' The funding is ring-fenced in the Council's accounts.

34. Accounting Policies

i. General Principles:

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position as at the year end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 which those regulations require to be prepared in accordance with proper accounting practices. The Statement of Accounts have been prepared in accordance with proper accounting practices and Code of Practice on Local Authority Accounting in the UK 2024/25 supported by International Financial Reporting Standards 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.

The following policies are those considered to be material to the financial statements.

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, 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 and the value is considered material, they are carried as inventories on the balance sheet.
- Expenses in relation to the 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 on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but the cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. 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.

- Revenue relating to council tax and non-domestic rates (NDR) shall be measured at the full amount receivable (net of any impairment losses).

iii. 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 [specified period, 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.

iv. Prior period adjustments

These 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 reliable or relevant information about the effect of the transaction, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or 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.

v. Charges to Revenue for Non-Current Assets

Service, support services and trading accounts are charged and accounting estimate of the cost of holding non-current assets during the year. This comprises:

- 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 losses can be written off.
- Amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations 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.

Depreciation charged to the Housing Revenue Account (HRA) is not reversed out and is a cost to the HRA. HRA depreciation is transferred to the Major Repairs Reserve to fund future HRA capital investment.

vi. Council Tax and Non-domestic Rates

The Council (billing authority) acts as agent, collecting council tax and non-domestic rates (NDR) on behalf of Hertfordshire County Council, Hertfordshire Police and Central Government (for NDR) and, as principal, collecting Council Tax and NDR for themselves. The Council is 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 legislative framework for the Collection Fund, the Council, Hertfordshire County Council, Hertfordshire Police and Central Government (for NDR) 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 in the 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 Councils 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.

The Balance Sheet includes the Council's share of the end of year balances in respect of the Council Tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments, prepayments, and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line within the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

vii. 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 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 entitlement (or any form of leave e.g. flexi time) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is charged to surplus or deficit on the provision of services, but then reversed out

through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs. The level of this accrual is reviewed either when there has been a significant structural change within the council in any one year or at least every 5 years.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the authority to terminate an officer's employment or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or corporate service when the council can no longer withdraw the offer of those benefits or when the council recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but un-paid at the year-end.

Post-employment benefits

Employees of the council are members of the Local Government Pension Scheme, administered by Hertfordshire County Council

Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefit scheme:

- The liabilities of the Hertfordshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit 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 estimations of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate.
- The assets of the Hertfordshire Pension Fund attributable to the Council are included in the Balance Sheet at their fair value as required under IAS 19.

The change to the net pension liability is analysed into the following components:
Service costs comprising:

- Current service cost – the increase in liabilities, as 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 arising 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.

- Net Interest on the net defined benefit liability (asset), 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 CIES this is calculated by applying the discount rate used to measure 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 defined benefit liability during the period as a result of contributions 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 Pension Reserve as Other Comprehensive Income and Expenditure
  - Actuarial gains and losses – changes in the net pension 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 Pension Reserve and Other Comprehensive Income and Expenditure.
  - Contributions paid to the Hertfordshire Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Where a pension asset has been estimated, recognition of this asset will be subject to the calculation of an asset ceiling, which is based on the difference between the present value of future services costs and future service contribution in perpetuity. Where future service costs are greater than future service contribution, a pension asset will be recognised up to this difference.

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 appropriations to and from the Pension Reserves to remove the notional debits and credits for retirement benefits and replaces them with debits for cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

The Housing Revenue Account is charged a share of the transactions above.

Discretionary benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirement. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

viii. Events after the reporting period

Are those events, both favourable and unfavourable, that occur between the end of the Balance Sheet date and the date when the Financial Statements are authorised for issue. Two types of events can be identified:

- Adjusting events – where the conditions existed at the end of the reporting period, the Statements are adjusted to reflect such events
- Non-adjusting events – arising after the authorised date is not reflected in the Statements.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

ix. Financial instruments

Financial instruments are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument.

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 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.

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 three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

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).The Council holds no assets that fall into this category.

Financial assets measured at amortised cost (loans and receivables) are initially measured at fair value then 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 loans that the Council has made, 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.

Any gains and losses that arise on de-recognition of a financial 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 (ECL) on all of its financial assets held at amortised cost [or where relevant FVOCI], 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 authority.

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 on the basis of 12-month expected losses.

Financial assets that are measured at fair value through the CIES 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 CIES.

Fair Value measurement of financial assets and liabilities

Financial assets and financial liabilities (Treasury loans and investments) are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments using the following assumptions:

- The fair value of Public Works Loan Board (PWLB) loans is calculated using the "new loan rate".
- The fair value of non-PWLB loans is calculated using the "new loan rate".
- No early repayment or impairment is recognised.

- Where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.
- The fair value of trade and other receivables is taken to be the invoiced amount.

The Council is required to classify the valuation of financial instruments into three levels, according to the quality and reliability of information used to determine fair values.

- Level 1 Inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.
- Level 2 Inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs – unobservable inputs for the asset or liability. Such instruments would include unquoted equity investments and hedge fund of funds, neither of which the Council currently invests in.

The Valuation Techniques Used to Determine Level Two Fair Values for Investments:
The fair value of the investments has been provided by Link Asset Services and is based on a financial model valuation which uses market information for similar instruments. The Code states that fair values disclosures are not required for short term trade payables and receivables since the carry amount is a reasonable approximation of fair value.

x. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments , and
- The grants or contributions will be received

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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 and expenditure (non-ring fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the MIRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied to fund capital expenditure, 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.

Community infrastructure levy

The council has elected to charge a community levy (CIL). The levy is charges on new builds (chargeable developments for the council) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

The CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the CIES in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges for this council may be used to fund revenue expenditure.

xi. Heritage asset

These are recognised as an asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and is not being used for operational purposes.

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment.

- Acquisitions of heritage assets will be recognised at cost. However, where an asset is donated or acquired for less than fair value the asset will be recognised at valuation.
- Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.
- Depreciation will not be applied where a heritage assets has an indefinite life, however where there is evidence of physical deterioration or doubts arise as to the authenticity of the asset, the value of the assets will be reviewed. In addition assets held at current value will be reviewed with sufficient frequency as to ensure that the valuation is up to date.

However, where information on cost or value is not available, and the cost of obtaining the information outweighs the benefits to the users of the financial statements the asset will not be recognised on the balance sheet.

Where heritage assets are not recognised in the balance sheet appropriate disclosure is made in the notes to the financial statements.

xii. Intangible assets

Intangible assets are 'Non-monetary' assets that do not have physical substance but are controlled by the Council through custody or legal rights. Purchased intangibles, such as software licences, are capitalised at cost whilst internally developed intangibles are only capitalised where there is a readily ascertainable market value for them.

The balance is amortised on a straight line basis to the relevant service in the CIES over the economic life of the asset to reflect the pattern of consumption of benefits. All software is given a finite useful life, based on an assessment of the period that the software is expected to be of use to the Council - usually five years

Amounts are only revalued where the fair value of the assets held can be determined by reference to an active market. No such assets exist for this Council.

Any losses from impairment are recognised in the relevant service revenue account and the Comprehensive Income and Expenditure Statement. Any gain or loss from the disposal or abandonment of an asset is posted to the other operating expenditure line on the Comprehensive Income and Expenditure Statement.

Where expenditure 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 and are therefore reversed out through the Movement in Reserves Statement and Capital adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

HRA intangible assets are depreciated in accordance with the council's policy but the charge is not reversed out but forms part of the transfer to the Major Repairs Reserve.

xiii. Interests in companies and other entities

The council has material interests in the companies and other entities that have the nature of subsidiaries and associates and require it to prepare group accounts. In the council's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

xiv. Inventories (stock)

These are included in the Balance Sheet. Stocks are valued at the latest purchase price paid. The Council does not comply with IFRS which requires stocks to be shown at the lower of costs or current replacement cost, however, the effect of the different treatment is not significant. Work in progress on uncompleted jobs is valued at cost price.

xv. Investment properties

These are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to the market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a net gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund in the Movement in the Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts reserve.

xvi. Joint operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the council in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the council as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly.

xvii. Leases

The Council as Lessee

The council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options. The council initially

recognises lease liabilities measured at the present value of lease payments, discounting by applying the council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the council is reasonably certain to exercise
- lease payments in an optional renewal period if the council is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the council is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption. The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the council changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the council is reasonably certain to exercise and any termination options that the council is reasonably certain not to exercise).

The council also considers materiality when assessing other low value leases.

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The Council as Lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

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. At the commencement of the lease the carrying amount of the asset in the Balance Sheet (whether PPE or Assets held for sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. A gain is matched by a lease (long term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor, and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the CIES).

The gain credited to the CIES on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement.
When future rentals are received, the element for the capital receipt for the disposal is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not charged against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are
therefore appropriated to the Capital Adjustment Account from the General Fund in the Movement on Reserves Statement.

Operating Leases:

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained on the Balance Sheet. Rental income for investment properties is credited to the Other Operating Expenditure line in the CIES.

xviii. **Overheads and support services** are charged to services in accordance with the councils' arrangements for accountability and financial performance.

xix. **Property, Plant and Equipment (PPE)**

Assets that have physical substance and are held for use in the provision of services, for rental to others or for administrative purposes and are expected to be used in more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of PPE is capitalised on an accruals basis, provided that the future economic benefits or service potential will flow to the Council and that the cost can be measured reliably. Expenditure that secures but does not extend the previously assessed standards of performance of asset (e.g., repairs and maintenance) is charged to revenue as it is incurred.

Measurement and valuations

Assets are initially measured at cost, comprising, in addition to the purchase price, all expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. The council does not capitalise borrowing costs.

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

- Council dwellings – current value determined using the basis of existing use value for social housing (EUV-SH)

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Surplus assets – the current value measurement base in fair value, estimated at highest and best use from a market participant's perspective
- Where possible 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 current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where the DRC approach was used it was in accordance with RICS GN 6, titled "Depreciated Replacement Cost (DRC) method of Valuation for Financial Reporting". RICS GN6 requires Modern Equivalent (ME) to be considered if properties are valued using the DRC method and this was applied to last year's review.

Where assets cannot be valued by any other method depreciated historic costs is used.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to a service.

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carry 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 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.

Valuations of the Council's freehold and leasehold properties are co-ordinated by the Council's In-House Valuer in accordance with International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and interpreted by the current CIPFA Code of Practice for Local Authority accounting. The valuations are made in accordance with the RICS Valuation – Professional Standards, January 2014 as published by the Royal Institution of Chartered Surveyors, in so far as that is consistent with the IFRS standards and CIPFA interpretation with the exception that not all properties were inspected. This was neither practical nor considered by the Valuer to be necessary

for the purpose of the valuation. All land and building assets are re-valued at the end of each financial year.

New council house properties, either constructed or acquired at market value, are re-valued downwards on completion to recognise that Council Dwellings are valued on the balance sheet at existing use value-social housing (38% of the market value).

HRA properties are re-valued annually on a Beacon Basis. Beacon types being defined by the number of bedrooms, the type of property, its area and whether it is a traditional or non-traditional build. So, with the exception of the properties which were converted into maisonettes and expenditure on replacing fully depreciated components, works done after this date have not been deemed to add value to the Beacon.

Fair Value Hierarchy - to establish the fair value of its assets, 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 appropriate valuation techniques for each circumstance, maximising the use of relevant known data and minimising the use of estimates or unknowns. This takes into account the three levels of categories for inputs to valuations for fair value assets:

- Level 1 – quoted prices.
- 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.

In regard to property assets the total value has been apportioned between its land and non-land (i.e. building) parts, with the latter representing the depreciable amount.
Where non-property assets (e.g. vehicles plant and equipment) have short useful lives, low value or both, depreciated historical cost is used as a proxy for current value.

Impairment

Assets are assessed at each year-end as top whether there is any indication that an asset may be impaired. Where indications exist and any possible 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 by:

- Where there is a balance of the 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 in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, 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 PPE assets by the systematic allocation of their depreciable amounts over their useful lives. Exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the life of the property as estimated by the valuer
- vehicles, plant and equipment – straight-line allocation over the estimated life of the asset
- infrastructure – straight-line allocation over the estimated life of the asset

The useful economic lives for property, plant and equipment which are depreciated are:

Council Dwellings	up to 50 years
Operational buildings	up to 60 years
Vehicles	up to 15 years
Plant and equipment	up to 40 years
Infrastructure assets:	
Short Life Paths and Hardstanding's	5 to 10years
Public Realm Works	30 to 40 years
Other	20 to 46 years

Where an asset has major components with different estimated useful lives, these are depreciated separately.

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.

Properties classified PPE are valued on the basis of Current Value (Existing Use Value (EUV)) and the total value has been apportioned between its land and non-land (i.e. building) parts, with the latter representing the depreciable amount

Componentisation

The criteria applied by the Council for componentisation, is that where the cost of a component exceeds 15% of the cost of the asset, and there is a significant difference in depreciable life of a

component, compared to the asset as a whole, the Council will componentise the asset, to ensure no material distortions in either the value of the asset of the charge made for use of the asset. Infrastructure Assets – Componentisation – the Council determines that where there is a replacement of a component of infrastructure, the replaced component has a value of nil and that therefore there is no requirement to remove any amount from the balance sheet in respect of the disposal of that component (Cipfa Bulletin 12 – January 2023).

The Council's housing stock has been accounted for using componentisation since April 2011.

Disposals and Non-Current Assets Held for Sale

Where it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than continued use, it is reclassified as an asset held for sale.

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale; and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet (whether PPE or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts in excess of £10,000 are categorised as capital receipts. The capital receipts retained by the Council are required to be credited to the Capital Receipts Reserve and used for capital expenditure.

The written-off value of disposals for General Fund and HRA assets is not a charge against council tax or tenants, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund / Housing Revenue Account Balance in the Movement in Reserves Statement.

xx. Provisions, contingent liabilities and contingent assets

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by transfer of economic benefits, but where timing of the transfer is uncertain. The Council's policy is to assume all transfers of economic benefit will be made within 12 months. The Council recognises that on rare occasions a provision is utilised after 12 months (for example an insurance provision), however these instances do not materially alter the financial statements.

Provisions are charged to the appropriate service account in the year that the Council becomes aware of the obligation, based on the best estimate at the balance sheet date of the expenditure required to settle the obligation.

When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed and where it becomes less than probable that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (for example 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.

Impairment for doubtful debts are separately disclosed and included in debtors.

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

A **contingent asset** arises from a past event that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the Council's control. Contingent assets are not recognised in the balance sheet but disclosed in a note to the accounts where it is probably that there will be an inflow of economic benefits or service potential.

xxi. Reserves

The Council sets aside specific amounts as reserves for future policy purposes. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed is incurred, it is charged to the appropriate revenue service account in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure

Statement. The reserve is then transferred back into the General Fund so there is no net charge against Council Tax for the expenditure. These transfers can be seen in the Movement in Reserves Statement.

The Council has a number of **Unusable Reserves** that are required for statutory reasons, to comply with proper accounting practice. As such these reserves are unavailable to fund expenditure. They include reserves kept to manage the accounting process for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council

xxii. Revenue Expenditure Funded From Capital Resources Under Statute

General Fund expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account is made: the amounts charged are then reversed out so that there is no impact on the Council Tax payer.

xxiii. Value Added Tax (VAT)

Income and expenditure excludes any amounts that relate to VAT, except where the VAT element is not recoverable from HM Revenue and Customs.

35. Accounting Standards issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) requires a Council to disclose information in the 2024/25 financial statements about new accounting standards that have been issued but not yet adopted. There are no changes in accounting standards for 2025/26 that are anticipated to have a material impact on the council's financial performance or financial position

36. Critical judgements in applying Accounting Policies

In applying the accounting policies, the authority has had to make certain judgements about complex transactions and/or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The Council has also placed reliance on technical estimates supplied by third parties for the following:
    - Property valuations by Wilkes Head & Eve and Savills (UK) Limited
    - Pensions valuations by Hymans Robertson LLP

  The council has received detailed reports from these sources outlining overall valuations and all the key assumptions, made in arriving at these final figures.

- Within the Council dwellings valuation there are several properties which are likely to be sold within the next 12 months under the Right to Buy Scheme. The Council does not classify these properties as “Held for Sale” as at the balance sheet date as these properties are not actively marketed and nor is there any certainty as to which properties will be sold.

- There is a degree of uncertainty about the future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities or materially reduce levels of service provision

- Infrastructure assets are measured on a depreciated historical cost basis. However, the accounting rules that applied before 1 April 1994 mean that the carrying amount only reliably includes expenditure of acquisition and enhancement incurred after this date. Expenditure incurred before this date is only included to the extent that it had not been financed before the end of the 1993/94 financial year.

  The Council has elected to take up a statutory override relating to the accounting for highways infrastructure assets. Councils are not required to report gross book value and accumulated depreciation for infrastructure assets, because the information is may not faithfully represent what it purports to represent. In accordance with the temporary relief offered by the Update to the Code on infrastructure assets the Note 17 does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this may not faithfully represent the asset position to the users of the financial statements.

- The Council has interests in other entities that fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code. The Council’s interests in Queensway Properties (Stevenage) LLP, Marshgate Ltd and Swingate Developments LLP are material to the Council’s overall financial position and therefore have been consolidated within the Council’s group accounts.

37. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council’s Balance Sheet as at 31 March 2025 for which there are significant risk of material adjustments in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	The effect of the pension liability asset for changes in individual assumptions can be measured. These are detailed in the Pensions Note 29.
Property, Plant and Equipment	To ascertain the balance sheet valuation of buildings and land held by the Council various estimation techniques can be used. The estimation technique used must be compliant with RICS standards and will be dependent on information available to the valuer.	In preparing the balance sheet valuations as at 31 March 2025 for some assets Depreciated Replacement Cost (DRC) has been used by the Council's external valuers (Wilks Head and Eve (WHE)) as they have extensive experience of valuing local authority assets. It should be noted that Balance sheet valuations are not used when determining the sale price of council assets and DRC can be impacted by high levels of cost inflation.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions regarding the level of repairs and maintenance that will be incurred in relation to each individual asset. The current economic climate makes it uncertain that the Authority will be able to sustain its current expenditure on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	Housing stock is split into elements including kitchens & bathrooms and the remaining element has an average useful life of 50 years. The asset life has an inverse effect with depreciation charge and will affect the in-year surplus of deficit of the HRA. The lower the asset life, the higher the depreciation charge; the higher the asset life, the lower the depreciation charge.
Fair Value valuations	The Authority owns a number of properties that have been valued based on rental yields.	If the Authority were to assess the security of the income streams more favourably, then the yield would increase giving a higher balance sheet valuation. The valuation would depend on the time of the expected rental income flows and rent increases specific to each asset.
Provisions – NDR Appeals	The Authority has a provision of £3Million for its share of the expected outcome of NDR appeals outstanding with the VOA as at 31 March 2025.	If 10% of the appeals that we have provided for were unsuccessful this would mean a reduction of £300k in the provision.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Trade Debtors and Arrears	At 31 March 2025, the Authority had a balance of trade debtors of £3.4Million. Against this debtors' balance, there is an impairment allowance of £0.6million. It is not certain that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not.	An understatement of doubtful debts would lead to a future adjustment and impairment to be reflected. The impairment allowances held are based on policies adapted to historic experience and success rates experienced in collection. The nature of the debt and service area have been considered. If collection rates were to deteriorate then the Council would need to review its policies on the calculation of its impairment allowance for doubtful debts.
Arrears NDR	The NDR arrears balance of £978K at the Balance Sheet date is deemed to be at risk of some material adjustment within the next year due to the level of arrears and current economic climate for businesses. A review of significant balances suggested that an impairment of doubtful debts of 60.3% (£590k) was appropriate. This is a reduction on the 2023/24 provision of £732K due to the age of the outstanding debt	Collection rates for the 2024/25 charge was 99.21% but If collection rates were to deteriorate, for every 1% reduction in collection rates, an extra £529k would be required to be set aside as an allowance.

38. Going Concern

These accounts have been prepared on a going concern basis that the council will continue in operational existence for the foreseeable future.

The provisions in the Code of Audit Practice in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. Local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government).

If a council were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local council financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code, therefore, assume that a local Council's services will continue to operate for the foreseeable future.

Housing Revenue Account (HRA) Income & Expenditure Statement

The HRA Income and Expenditure Statement shows the economic cost in year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. The Council charges rents to cover expenditure in accordance with regulations; this may be different from accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

2023/24	£000	Note	2024/25
-	**Expenditure**		-
13,638	Repairs & Maintenance		18,286
14,634	Supervision & Management		15,725
518	Rents, Rates, Taxes & Other Charges		384
12,546	Depreciation & Impairment of Non-Current Assets - HRA Dwellings		12,734
334	Depreciation & Impairment of Other Non-Current Assets		125
368	Movement in the allowance for bad debts		391
-	Movement in other provisions		(2,290)
42,038	**Total Expenditure**		**45,355**
	Income		
(43,994)	Dwelling rents	HRA 1	(48,097)
(776)	Non-dwellings rents		(492)
(4,918)	Charges for Services & Facilities		(5,305)
(508)	Contributions towards expenditure		(692)
(50,196)	**Total Income**		**(54,586)**
(8,158)	**Net Cost of HRA Services as included in the Comprehensive Income & Expenditure Statement**		**(9,231)**
1,169	HRA Services share of Corporate & Democratic Core		1,141
(6,989)	**Net income for HRA services**		**(8,090)**
(1,940)	Gain on sale of HRA Non-Current Assets		(3,247)
7,627	Interest payable		8,327
(1,810)	Interest receivable on revenue balances		(1,025)
(3,117)	Capital grants & Contributions receivable		(9,898)
34	Pension Interest and expected return on pension assets		158
(6,159)	**(Surplus)/Deficit for the year on HRA services**		**(13,774)**

Movement on the HRA Statement

This statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus for the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

2023/24	£000	Note	2024/25
(10,518)	**Balance on the HRA at the end of the previous year**	-	**(10,584)**
(6,195)	Surplus for the year on the HRA Income & Expenditure Statement	-	(13,774)
6,219	Adjustment between accounting basis and funding basis under statute	-	16,887
(90)	Transfer to earmarked reserves	13	(3,455)
(66)	(Increase)/Decrease in year on the HRA	-	(342)
(10,584)	**Balance on the HRA at the end of the year**	-	**(10,926)**

HRA 1. Gross Rent Income

Dwelling rents as shown on the HRA Income and Expenditure Statement is the total rent income due, excluding service charges and after an allowance is made for voids etc. During the year 1.39% of let-able properties were vacant (in 2023/24 figure was 1.97%). Average rents (52 weeks basis) - excluding service charges - were £120.87 a week in 2024/25 (£111.44 in 2023/24).

HRA 2. Rent and Supported Housing Payment Arrears

During the year 2024/25 rent arrears as a proportion of gross rent income were 6% (5.93% in 2023/24). The bad debts provision stood at £2,068,997 at 31 March 2025 (£1,945,827 at 31 March 2024).

2023/24 £000		2024/25 £000
2,982	Arrears at 31 March	3,355
251	Amounts written off during the year	268

HRA 3. Housing Stock Numbers

The stock movement can be summarised as follows: -

2023/24 No.		2024/25 No.
7,943	Stock as at 1st April	7,915
(20)	Right to Buy Sales	(34)
70	New Build acquisitions	92
(79)	Demolitions	(1)
1	Conversions/other	-
7,915	**Stock at 31st March**	**7,972**
5,051	Houses	5,032
2,864	Flats	2,940
7,915	**Total**	**7,972**

The stock numbers disclosed above are properties that are in management and available to let.

HRA 4. Non-Current Asset Valuations

Housing Stock

The total balance sheet value of the dwellings within the HRA can be summarised as follows: -

	£000
As at 31 March 2024	689,783
As at 31 March 2025	**722,578**
The Vacant Possession value of the dwellings as at 31 March 2025 was	1,935,957

The valuation of the dwellings in the Balance Sheet is on the basis of fair value, which is the market value on the assumption that the property is sold as part of the continuing enterprise in occupation. The difference between the Balance Sheet valuation and the higher valuation on the basis of Vacant Possession shows the economic cost of providing Council housing at less than open market rents.

Other noncurrent assets held by the HRA are detailed below:

31/03/2024 £000	-	31/03/2025 £000
27,667	Assets Under construction	7,841
454	Intangible Assets	382
3,130	Vehicles Plant & Equipment	2,543
31,251	**Total**	**10,766**

HRA 5. Major Repairs Reserve (MRR)

2023/24 £000	-	2024/25 £000
(11,498)	**Opening Balance as at 1st April**	**(5,956)**
(12,546)	Depreciation of HRA Dwellings	(12,734)
(334)	Depreciation of other HRA Assets	(125)
18,423	Financing of HRA Capital Expenditure	18,816
(5,955)	**Closing Balance as at 31 March**	**-**

HRA 6. Capital Expenditure, Financing & Receipts

2023/24 £000		2024/25 £000
	Capital Expenditure	
21,164	Major Repairs & Improvements	24,554
5,284	New Council Housing	5,681
862	Disabled Adaptations	808
77	Equipment	31
10,181	Assets under construction[17]	-
37,568		**31,074**
	The Capital Expenditure was financed as follows:	
3,879	Capital Receipts	1,859
2,090	Retained 1 for1 receipts	4,896
18,429	Major Repairs Reserve	18,816
5,324	Grants and Contributions	2,171
-	Revenue Contribution	3,333
7,846	New Borrowing (internal)	-
37,568		**31,074**
	Total Capital Receipts in 2024/25 from the sale of property within the HRA can be summarised as follows: -	
3,326	Right to Buy Sales	2,529
3,146	Other Land & Property *	719
6,472		**3,248**
	*Includes repayment of Right to Buy discounts	

[17] Included in New Council Housing from 2024/25

Collection Fund Statement

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities (Stevenage Borough Council) to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection of council tax from taxpayers and distribution to Hertfordshire County Council and Hertfordshire Police and the collection of NDR from businesses and distribution to the Government and Hertfordshire County Council.

2023/24 Council Tax £000	2023/24 Business Rates £000	2023/24 Total £000	-	2024/25 Council Tax £000	2024/25 Business Rates £000	2024/25 Total £000
			Income	-	-	-
(59,616)		(59,616)	Council Tax Receivable	(62,946)		(62,946)
(112)	-	(112)	Council Tax Discount funded from Billing Authority	6		6
	(44,364)	(44,364)	Business Rates Receivable		(56,456)	(56,456)
	(4,607)	(4,607)	Transitional Payment Protection receivable		(1,084)	(1,084)
(59,728)	**(48,971)**	**(108,699)**	**Total income**	**(62,946)**	**(57,540)**	**(120,480)**
			Expenditure	-	-	-
			Precepts, Demands and Shares	-	-	-
45,204	5,142	50,346	Hertfordshire County Council	48,178	5,480	53,657
6,700		6,700	Hertfordshire Police Authority	7,173		7,173
6,540	**20,568**	**27,108**	**Stevenage Borough Council**	**6,838**	**21,919**	**28,757**
	25,709	25,709	Central Government		27,399	**27,399**
			Charges to Collection Fund	-	-	-
	108	108	Costs of collection		107	107
	2	2	Renewable Energy		2	2
249	24	273	Write offs of uncollectable amounts	360	12	371
389	(114)	275	Increase/(decrease) for impairment	441	(29)	412
	(818)	(818)	Increase/(decrease) in provision for appeals		3,550	3,550
			Contribution in regard to previous year deficit/surplus	-	-	-
314	362	676	Hertfordshire County Council	1,122	210	1,332
46		46	Hertfordshire Police Authority	166		166
46	**1,448**	**1,494**	**Stevenage Borough Council**	**162**	**838**	**1,000**
	1,810	1,810	Central Government		1,048	1,048
59,488	**54,241**	**113,729**	**Total expenditure**	**64,441**	**60,534**	**124,975**
(240)	**5,270**	**5,030**	**Movement on fund balance deficit/(surplus))**	**1,501**	**2,994**	**4,495**
(962)	**(4,722)**	**(5,684)**	**Balance at beginning of year**	**(1,202)**	**547**	**(654)**
(1,202)	**547**	**(654)**	**Balance at end of year**	**300**	**3,541**	**3,841**

CF 1. Council Tax

Council tax income derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands estimating 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 Hertfordshire County Council, Hertfordshire Police Authority and the Stevenage Borough 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 property equivalent and adjusted for discounts. In 2013/14 the local council tax support scheme was introduced, and the band D equivalents was reduced to take into account the loss of income; (28,579.40 for 2024/25, 28,153.10 for 2023/24). The basic amount of council tax for a band D property £2,176.01 for 2024/25 (£2,075.94 for 2023/24) is multiplied by the proportion specified for the particular band to give an individual amount due.

Band	A (Disbld.)	A	B	C	D	E	F	G	H	TOTAL
Properties	-	1,736	6,802	21,683	3,344	3,234	964	435	15	**38,213**
Exemptions	(71)	(168)	(244)	(41)	(31)	(10)	(6)	(4)	(575)	**(1,150)**
Disabled Relief	3	4	81	(77)	19	(25)	2	(5)	(2)	**-**
Discounts (25%)	2.00	1,142.55	4,081.37	6,276.13	763.15	560.04	134.60	58.11	1.00	**13,018.95**
Discounts (50%)	-	1	7	21	-	5	4	8	5	**51**
Council Tax Support Scheme	1.63	326.51	1,180.87	1,805.01	165.83	44.12	11.60	4.34	-	**3,539.91**
Empty Homes Premium	-	19	39	28	-	7	-	-	-	**93**
Effective Properties	0.87	1,069.18	4,671.66	18,070.67	2,988.61	3,016.36	914.08	402.47	6.25	**31,140.14**
Proportions	0.56	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
Band D Equivalents	0.48	712.79	3,633.51	16,062.82	2,988.61	3,686.66	1,320.34	670.78	12.50	**29,088.49**
Council Tax Base	**Band D equivalent multiplied by collection rate of**	**98.25%**								**28,579.40**

CF 2. Non-Domestic Rates (NDR)

The Government specified a multiplier of 54.6p in 2024/25 (51.2p in 2024/25) by which local businesses pay rates calculated by multiplying their rateable value by this amount (subject to the effects of transitional arrangements). The equivalent amount for small businesses was 49.9p in 2024/25 (49.9p in 2023/24). The rateable value for the Council's area is £126,994,266 at 31 March 2025 (£124,299,301 at 31 March 2024). The rateable value changes throughout the year due to increases and decreases in assessments.

In 2013/14 the business rate retention scheme was introduced by the Local Government Finance Act 2012. This scheme enables local authorities to retain a proportion of the business rates generated in their areas. Income generated by business rates is shared between the billing authority (Stevenage Borough Council), Central Government, and Hertfordshire County Council as shown in the Collection Fund Statement below. Liabilities and provisions arising from the NDR collection fund are also shared between the three and recognised in their accounts.

CF 3. Allocation of Collection Fund (surpluses)/deficits

The Council Tax surplus is allocated in proportion to the respective precepts, whereas the NDR surplus is allocated on fixed apportionment of Central Government 50%, Stevenage BC 40%, and Hertfordshire County Council 10%.

2023/24 Council Tax £000	2023/24 Business Rates £000	2023/24 Total £000		2024/25 Council Tax £000	2024/25 Business Rates £000	2024/25 Total £000
(929)	55	(874)	Hertfordshire County Council	230	354	584
(138)		(138)	Hertfordshire Police Authority	33		33
(135)	**219**	**84**	**Stevenage Borough Council**	**36**	**1,416**	**1,452**
	274	274	Central Government		1,770	1,770
(1,202)	**547**	**(654)**		**300**	**3,541**	**3,841**

Group Accounts 2024/25

These Group Accounts include the consolidation of the unqualified audited accounts of:

1. Queensway Properties (Stevenage) LLP - Company number: OC424782

Designated members	Stevenage Borough Council (99.9%) Marshgate Limited (0.1%)
Registered office	3 Bunhill Row, London, EC1Y 8YZ
Auditors	Moore NHC Audit Limited, First Floor 73-75 High Street Stevenage Hertfordshire SG1 3HR

2. Marshgate Ltd - Company number: 11649451

Designated members	Stevenage Borough Council (100%)
Registered office	Daneshill House, Danestrete Stevenage Hertfordshire SG1 1HN
Auditors	Moore NHC Audit Limited, First Floor 73-75 High Street Stevenage Hertfordshire SG1 3HR

3. Swingate Developments LLP – OC451295

Joint Venture arrangement between Mace Developments and Stevenage BC.

Registered Office	155 Moorgate, London, EC2M 6XB
Auditors	TBC

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Group Accounts

Introduction

To provide a full picture of the economic and financial activities of the Council and its exposure to risk the accounting statement s of a material subsidiary are consolidated with the Council's accounts. They include the core accounting statements (movement in reserves statement. comprehensive income and expenditure statement, balance sheet and cash flow statement) presented in a similar manner to the Council's accounts. Further explanatory notes are given and these should be read in conjunction with the Council's (single entity) accounts.

Group accounts has been prepared under the requirement of the Code of Practice on Local Authority Accounting, consolidating and material subsidiary, associate or joint venture entities which the Council exercises control or influence.

On 7 November 2018 Stevenage BC formed a limited Liability Partnership called Queensway Properties (Stevenage) LLP (further referred to as Queensway LLP). The Council holds 99.9% of the partnership with the remaining 0.1% held by Marshgate Ltd, a company wholly owned by Stevenage Borough Council (incorporated on 30 October 2018). The purpose for establishing Queensway LLP was to facilitate the regeneration of 85-100 Queensway and 24-26 The Forum, a large element of the new town centre. The Council has entered a partnership with REEF and Aviva (the funding partner) to deliver a mixed-use redevelopment of the site including commercial, residential, and leisure uses. The Council has taken the head lease of the property from Aviva and sublet to Queensway LLP over a 37-year period.

Marshgate Ltd, the council's wholly owned housing company, using financing from Stevenage Borough Council, purchased ten dwellings on the open market and leases those to the HRA, to provide additional good quality local housing.

Both companied engaged Moore NHC Audit Limited to conduct the audit of the 2024/25 statement of accounts to ensure compliance with accounts filing deadlines – 31 December 2025.

Swingate Developments LLP – is a special purpose joint venture arrangement between Mace Developments and Stevenage BC on a 50/50 basis to deliver a regeneration project in the centre of Stevenage - 261 new homes and commercial space on Plot A of the SG1 scheme (Swingate). Development work started in 2024/25 and is expected to be complete in 2026/27.

Where 2023/24 balances have been re-stated – please refer to the main statements for explanations. The restatements relate only to the Stevenage BC values where include in the group accounts.

Group Accounts – Movement in Reserves Statement

Movements in Reserves during 2024/25

	Council's usable reserves £000	Subsidiary usable reserves £000	Total group usable reserves £000	Council's unusable reserves £000	Subsidiary unusable reserves £000	Total group unusable reserves £000	Total group reserves £000
Balance at 1 April 2024 brought forward	**(79,385)**	**4,823**	**(74,562)**	**(587,675)**	**-**	**(587,675)**	**(662,238)**
Total comprehensive expenditure and income	**(36,033)**	**494**	**(35,539)**	**10,205**	**-**	**10,205**	**(25,334)**
Adjustments between accounting and funding basis under regulations	21,283	-	21,283	(21,283)	-	(21,283)	-
(Increase)/decrease in year 2024/25	**(14,748)**	**494**	**(14,255)**	**(11,078)**	**-**	**(11,078)**	**(25,334)**
Balance at 31 March 2025 carried forward	**(94,135)**	**5,317**	**(88,818)**	**(598,753)**	**-**	**(598,753)**	**(687,572)**

Movements in Reserves during 2023/24 (restated)

	Council's usable reserves £000	Subsidiary usable reserves £000	Total group usable reserves £000	Council's unusable reserves £000	Subsidiary unusable reserves £000	Total group unusable reserves £000	Total group reserves £000
Balance at 1 April 2023 brought forward	**(75,078)**	**4,182**	**(70,896)**	**(616,120)**	**-**	**(616,120)**	**(687,015)**
Total comprehensive expenditure and Income (restated)	(3,447)	640	(2,806)	27,584	-	27,584	24,777
Adjustments between accounting and funding basis under regulations	(861)	-	(861)	861	-	861	-
(Increase)/decrease in year 2023/24	**(4,308)**	**640**	**(3,668)**	**28,445**	**-**	**28,445**	**24,777**
Balance at 31 March 2024 carried forward	**(79,385)**	**4,823**	**(74,562)**	**(587,675)**	**-**	**(587,675)**	**(662,238)**

Group Accounts – Comprehensive Income & Expenditure Statement

2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure (restated) £000	Comprehensive Income and Expenditure Statement	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net Expenditure £000
5,476	(2,369)	3,107	Community Services	5,104	(2,514)	2,590
25,163	(23,483)	1,680	Housing Services	25,097	(23,944)	1,153
25,831	(9,323)	16,508	Environmental Services	23,198	(10,350)	12,848
61	0	61	Local Community Budgets	60	0	60
10,535	(9,171)	1,364	Resources	7,457	(9,354)	(1,897)
3,406	(2,324)	1,082	Resources - Support	3,314	(2,395)	919
42,074	(50,232)	(8,158)	Housing Revenue Account	45,360	(54,591)	(9,231)
1,478	(1,990)	(512)	Queensway Properties LLP and Marshgate Ltd	1,913	(2,689)	(776)
114,024	**(98,892)**	**15,132**	**Cost of Services**	**111,503**	**(105,837)**	**5,666**
		5,593	Other Operational Expenditure			(3,263)
		3,070	Financing & Investment Income and Expenditure			(731)
		(26,602)	Taxation & Non-Specific Grant Income			(37,212)
		(2,807)	**Deficit/(surplus) on Provision of Services**			**(35,539)**
		9,708	Deficit/(Surplus) on revaluation of Property, Plant and Equipment assets		3,782	
		17,876	Actuarial (gains)/losses on pension assets/liabilities		6,423	
		27,584	**Other Comprehensive Income and Expenditure**			**10,205**
		24,777	**Total Comprehensive Income and Expenditure**			**(25,334)**

Group Accounts – Group Balance Sheet

31/03/2024 (restated) £000		31/03/2025 £000
891,641	Total Property, Plant & Equipment	902,869
417	Heritage Assets	384
29,392	Investment property	36,098
886	Intangible Assets	724
10	Long Term Investment	1,860
269	Long Term Debtors	280
922,615	**Total Long-Term Assets**	**942,216**
24,800	Short Term Investments	27,000
1,325	Assets Held for Sale	0
7,696	Inventories	9,728
11,782	Short Term Debtors	15,570
6,573	Cash and Cash Equivalents	20,296
52,176	**Current Assets**	**72,593**
(422)	Short Term Borrowing	(1,039)
(23,731)	Short Term Creditors	(23,190)
(4,361)	Provisions	(3,410)
(28,514)	**Current Liabilities**	**(27,639)**
(16,206)	Queensway Finance Lease	(15,933)
(6,857)	Long term creditors	(7,096)
(234,987)	Long term borrowing	(247,436)
(5,788)	Long term borrowing (Queensway)	(5,690)
(19,835)	Pension Liability	(22,245)
(366)	Grants Receipts in Adv - Capital	(1,199)
(284,039)	**Long Term Liabilities**	**(299,599)**
662,238	**Net Assets**	**687,571**
(74,563)	Total Usable Reserves	(88,818)
(587,675)	Unusable Reserves	(598,753)
(662,238)	**Total Reserves**	**(687,571)**

These financial statements are authorised by Clare Fletcher – Strategic Director (Chief Financial Officer) on XX February 2026.

Clare Fletcher

Group Accounts – Cash Flow Statement

2023/24 £000	Cash Flow Statement	2024/25 £000
(2,806)	Net (Surplus) or Deficit on the Provision of Services	(35,539)
(14,747)	Adjustments to Net (Surplus) or Deficit on the provision of Services for Non-Cash Movements	(11,766)
22,371	Adjustments for items in the Net (Surplus) or Deficit on the Provision of Services that are Investing or Financing Activities	38,077
4,817	**Net cash flows from Operating Activities**	(9,228)
12,814	Investing Activities	8,200
(7,310)	Financing Activities	(12,695)
10,321	**Net (Increase) or Decrease in Cash and Cash Equivalents**	**(13,723)**
16,894	Cash and cash equivalents at the beginning of the period	6,573
6,573	**Cash and Cash Equivalents at the End of Period**	**20,296**

Group Accounts - Notes to the Group Accounts

The following notes are given below on areas that have materially changed in consolidating the accounts.

G1. Accounting Policies

The Council has reviewed the accounting policies applied to Queensway LLP, Marshgate Ltd and Swingate Developments LLP and has concluded that there is no material adjustments required to align accounting policies of both entities.

The accounts for all group companies have been consolidated with those of the Council on a line by line basis and any balances and/or transactions between the parties have been eliminated in full in both the Comprehensive Income and Expenditure account and Balance sheet.

G2. Leases and Long Term Debt

Stevenage Borough Council has entered into a 37 year lease with Aviva, for properties 85 Queensway and 89-103 Queensway and 24-26 The Forum, Stevenage. The Council has in turn leased these properties to Queensway Properties LLP Hertfordshire under the same terms and conditions. Upon consolidation £22Million of balances have been eliminated split between long and short term liabilities and assets - SBC debtor and QLLP creditor.

During 2023/24 and 2024/25, Marshgate Ltd borrowed £12Million from Stevenage Borough Council, to invest in housing within the borough. Upon consolidation this loan and the long term borrowing balances within the Marshgate Ltd accounts have been eliminated.

During 2024/25 Stevenage BC lent £1.9Million to Swingate Developments LLP as part of a total £9Million investment to finance 50% of the regeneration of the SG1 site in Stevenage. Swingate Developments LLP lent that funding out to Swingate Phase 1A LLP thus the investment is treated as being to a third party outside the group for consolidation purposes.

G3. Group short term Debtors

31/03/2024 £000		31/03/2025 £000
2,275	Trade Debtors	3,079
2,482	Prepayments	2,850
7,025	Other Debtors	9,641
11,782	**Total**	**15,570**

G4. Group short term Creditors

31/03/2024 £000		31/03/2025 £000
1,134	Trade Creditors	2,648
497	Accumulated leave	497
19,331	Other Creditors	16,896
2,769	Receipts in Advance	3,149
23,731	**Total Creditors**	**23,190**

G5. Group Companies Summary Profit and Loss Account

The following is summarised financial information for Queensway LLP (QLLP) and Marshgate Ltd (MG). Swingate Developments LLP have no material P&L transactions in 2023/24 or 2024/25.

2023/24 QLLP net expenditure £000	2023/24 MG net expenditure £000		2024/25 QLLP net expenditure £000	2024/25 MG net expenditure £000
(1,990)	(58)	Turnover	(2,269)	(57)
388	-	Cost of sales	361	-
(1,602)	**(58)**	**Gross (profit)/loss**	**(1,908)**	**(57)**
1,044	(34)	Other operational costs/revenues	1,171	59
(558)	**(92)**	**Net cost of sales as included in the group CIES**	**(737)**	**2**
1,268	-	Financing costs	1,250	(34)
710	**(92)**	**Net (profit)/loss for the period**	**513**	**(32)**

G6. Group Companies Summary Balance Sheet

Q LLP 31/03/2024 £000	MG 31/03/2024 £000	SD LLP (50%) 31/03/2024 £000		Note	Q LLP 31/03/2025 £000	MG 31/03/2025 £000	SD LLP (50%) 31/03/2025 £000
15,437	**1,320**	**-**	**Total long-term assets**		**14,936**	**1,290**	**1,850**
-	7,553	-	Inventories		-	9,609	-
412	79	-	Short term debtors	G7	733	32	-
1,945	3,119	-	Cash and cash equivalents		1,262	1,839	-
2,357	**10,751**	**-**	**Current assets**		**1,995**	**11,480**	**-**
(692)	(70)	-	Creditors due in less than one year	G7	(714)	(12,265)	-
(692)	**(70)**	**-**	**Current liabilities**		**(714)**	**(12,265)**	**-**
(16,206)	-	-	Finance lease		(15,933)	-	-
(5,788)	(11,931)	-	Long term borrowing		(5,690)	-	(1,850)
(21,994)	**(11,931)**	**-**	**Long term liabilities**	G7	**(21,622)**	**-**	**(1,850)**
(4,892)	**70**	**-**	**Net assets**		**(5,405)**	**506**	**-**
4,892	-	-	Partnership funds		5,405	-	-
-	-	-	Shareholders' funds		-	(418)	-
-	(70)	-	Profit and loss reserves		-	(88)	-
4,892	**(70)**	**-**	**Total funds**		**5,405**	**(506)**	**-**

G7. Group Companies Short Term Debtors and Creditors

Q LLP 31/03/2024 £000	MG 31/03/2024 £000	SD LLP (50%) 31/03/2024 £000	-	Q LLP 31/03/2025 £000	MG 31/03/2025 £000	SD LLP (50%) 31/03/2025 £000
			Debtors due in less than one year			
-	-	-	Stevenage BC	431	15	-
157	78	-	Trade debtors	254	-	-
255	1	-	Other debtors	48	17	-
412	**79**	**-**	**Total**	**733**	**32**	**-**
			Debtors due in more than one year			
-	**1,320**	**-**	**Stevenage BC**	**-**	**1,290**	**1,850**
			Creditors due in less than one year			
(267)	-	-	Stevenage BC	(376)	(12,131)	-
(331)	-	-	Trade creditors	(338)	(94)	-
(94)	(70)	-	Other creditors		(40)	-
(692)	**(70)**	**-**	**Total**	**(714)**	**(12,265)**	**-**
			Creditors due in more than 1 year			
(21,994)	**(11,931)**	**-**	**Stevenage BC**	**(21,622)**	**-**	**(1,850)**

Annual Governance Statement 2024/25

Glossary of Terms

Accounting Standards
By law local authorities must follow "proper accounting practices" which are set out both in acts of parliament and in professional codes and statements of recommended practice. These are based on accounting standards, primarily International Financial Reporting Standards set by the International Accounting Standards Board.

Accruals
The accounting concept that income and expenditure are recognised as they are earned or incurred not as money is received or paid.

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
The actuarial assumptions have changed

Agency Services
Services which are provided by the Council for another Local Authority or public body and the principal (the authority responsible for the service) reimburses the agent (the authority doing the work) for the cost of the work carried out.

Amortisation
The measure of the cost or revalued amount of benefits of the intangible non-current asset that have been consumed during the period. Consumption includes the wearing out, using up or other reduction in the useful life of a non-current asset whether arising from use, effluxion of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

Appointed Auditors
Independent external auditors, that provide an audit opinion as to whether the Statement of Accounts shown are true and fair.

Balances
In general, the surplus or deficit on any account at the end of the financial year. Often used to refer to an available surplus, which has accumulated over a number of past years.

Budget
A statement defining in financial terms, the Council's policies over a specified period of time. Original Budget the estimate for a financial year approved by the Council before the start of the financial year. Working Budget – an updated revision of the original budget for the financial year approved at Executive Meetings and/or Council Meetings throughout the year

Capital Expenditure
Expenditure on the acquisition of assets or works which have a long term value to the Council, either directly by the Council or indirectly in the form of grants to other persons or bodies. Expenditure which does not fall within this definition must be charged to a revenue account.

Capital Receipts
Income over £10,000 from the sale of a non-current asset.

Capital Financing Costs
A charge to services to reflect the cost of assets used in the provision of the service.

CIPFA
Chartered Institute of Public Finance and Accountancy. The principal accounting body dealing with local government finance.

Code of Practice
Code of Practice on Local Authority Accounting sets out the arrangements required to be followed in the Statement of Accounts. It constitutes 'proper accounting practice' and is recognised as such by statute.

Collection Fund
Every billing authority (District/Borough Council) is required to maintain a Collection Fund into which is paid the Council Tax and National Non-Domestic Rates collected from the tax/rate payers. Payments are made from the Fund to the precepting authorities (County Council, Police Authority and District/Borough Council) whilst National Non-Domestic Rates income is passed to the Government.

Community Assets
Assets that the local authority intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. An example of a community asset would be parks.

Community Infrastructure Levy
The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008, as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. The Levy was ratified on 29th February 2012 and applies to developments agreed after 1st April 2012.

Contingent Asset
A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the Council's control.

Contingent Liability
A contingent liability is a possible liability arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the local authority's control.

Council Tax
The property based tax by which Local Authorities and Police Authorities, raise revenue from the local community. All domestic properties have been valued and placed within eight bandings to which is applied the local rate assessed by the relevant authorities. A discount on charges is

applied where dwellings are occupied by only one adult. Rebates are available to those Council Tax payers meeting the Government's criteria.

Creditors
Amounts of money owed by the council for goods of services received.

Debtors
Amounts of money owed to the council for goods or services provided.

Deferred Capital Receipts
This refers to income of a capital nature that will be received in future financial years.

Defined Benefit Scheme
A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Depreciation
The measure of the cost or revalued amount of benefits of the non-current asset that have been consumed during the period. Consumption includes the wearing out, using up or other reduction in the useful life of a non-current asset whether arising from use, effluxion of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

Earmarked Reserve
These are funds that are set aside for a specific purpose, or a particular service, or type of service. Stevenage Borough Council refers to these as "allocated reserves" in budget reports.

Exceptional Items
Material items which derive from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Extraordinary Items
Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the authority and which are not expected to recur. They do not include exceptional items nor do they include prior period items merely because they relate to a prior period.

Fees and Charges
Income arising from the provision of services e.g. parking facilities, planning applications.

Finance Lease
A lease that substantially transfers the risks and rewards of a fixed asset to the lessee. Any lease that is not a finance lease is known as an operating lease.

General Fund
The main revenue fund of the Council. Day to day spending on services is met from this fund. Spending on the provision of Council housing, however, must be charged to the separate Housing Revenue Account.

Going Concern
The concept that the authority will remain in operational existence for the foreseeable future, in particular that the Comprehensive Income and Expenditure Statement and Balance Sheet assume no intention to curtail significantly the scale of operations.

Government Grants
Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

Heritage Assets
Assets that are held and maintained principally for their contribution to knowledge and culture and are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations.

Housing Revenue Account (HRA)
A separate account dealing with expenditure and income arising from the letting of Council dwellings. Expenditure includes supervision and management costs, repairs and capital financing charges. Income includes rent, Government subsidies and investment interest. It is a “ring fenced” (i.e. the transfer of amounts between the HRA and the General Fund is restricted by legislation).

Impairment
A reduction in the value of a non-current asset below its carrying amount on the Balance Sheet.

Infrastructure Assets
Expenditure on assets whose value is recoverable, e.g. roads footpaths, and bridges.

Interest on Balances and from Investments
The interest earned by investing the day to day surplus on the authority’s cash flow and balances in hand.

Members’ Allowances
Payments to councillors, authorised by law, in respect of the costs incurred in carrying out their duties as elected representatives.

Minimum Revenue Provision
The minimum amount that the council must charge to the General Fund to prudently provide for the repayment of debt.

Movement in Reserves Statement (MIRS)
This presents the movement in usable and unusable reserves.

Non Domestic Rates (NDR)
A levy on businesses based on a notional rate in the pound (multiplier) set by Central Government and multiplied by the 'rateable value' (RV) of the premises they occupy. The amount depends on the RV assigned to the property by the District Valuer and the multiplier, which is uniform across the whole country. The government compensates the council through a S31 grant for additional NDR reliefs announced in recent budgets

Net Book Value
The amount at which non-current assets are included in the balance sheet. This would be either the asset's historic cost or current value less the cumulative amount provided for depreciation. It does not represent the sale value.

Overheads
Administration costs e.g. finance, personnel, information technology together with other central costs which cannot be allocated direct to services such as general expenses.

Precepts
Sums levied by District/Borough, County and Parish Councils and Police Authorities on the Collection Funds of billing authorities (Districts and Boroughs) and forming part of the overall demand for Council Tax.

Provision
A liability that is of uncertain timing or amount which is to be settled by transfer of economic benefits.

Public Works Loan Board (PWLB)
A government agency established to provide long-term loans to local authorities to finance part of their capital expenditure.

Rateable Value
A value on all non-domestic properties subject to Non-Domestic Rates (NDR). The value is based on a notional rent that the property could be expected to yield and revaluations take place every five years.

Related Parties
For a relationship to be treated as a related party relationship there has to be some element of control or influence by one party over another, or by a third party over the two parties.

Revenue Contributions to Capital (RCCO)
Contributions from revenue to finance capital expenditure.

Revenue Expenditure
The day to day running costs incurred by the Council in providing its services.

Revenue Expenditure Funded from Capital under Statute
Legislation in England allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a non-current asset. Examples include works on property owned by other parties, renovation grants and capital grants to other organisations.