

Statement of Accounts 2025/26



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Chief Financial Officer's Narrative Report

Introduction

Welcome to the Narrative Report and Statement of Accounts for Stroud District Council.

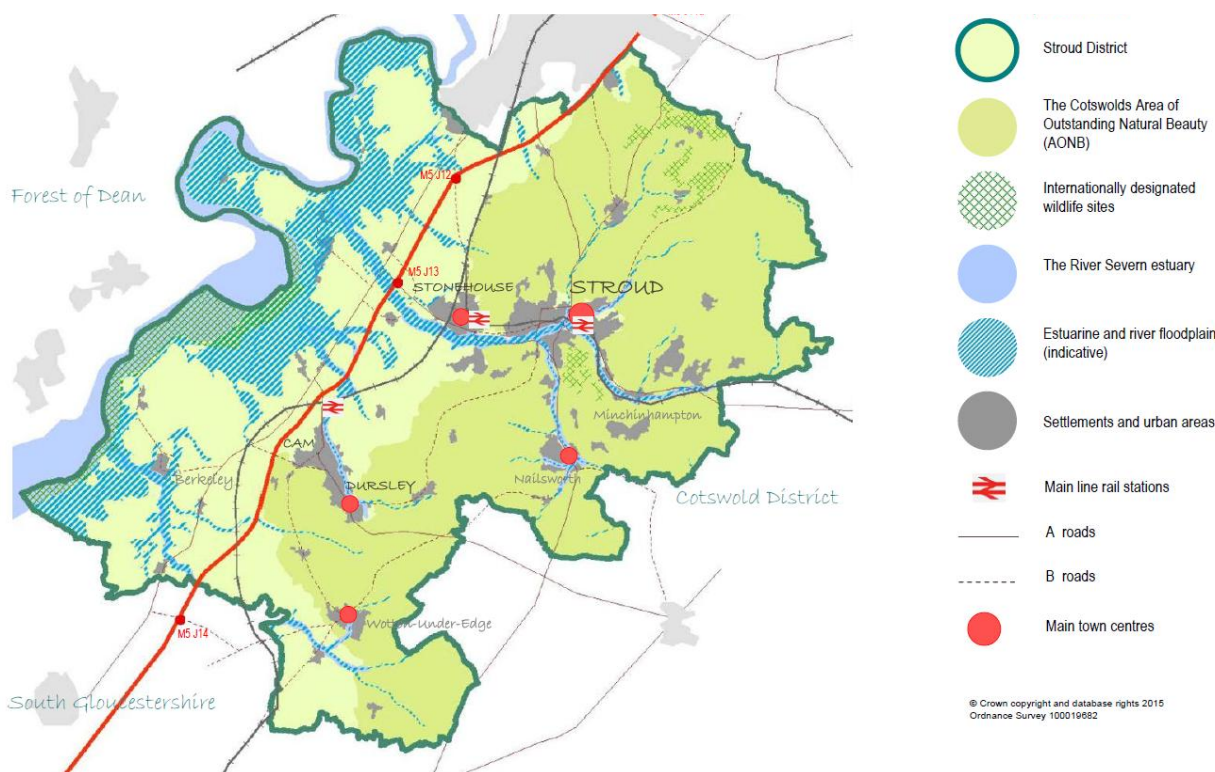
This narrative report will tell the story of our Council over the past year. The contents include details of our political makeup, senior management, financial and non-financial performance over the course of the year as well as a summary of the main points of consideration for the years ahead.

The financial year 2025/26 has seen the Council begin to position itself ready to face upcoming challenges, whilst continuing to deliver key services and priorities within the Council Plan. The announcement of Local Government Reorganisation in December 2024, followed by a three year local government finance settlement in February 2026 give some clarity for the future position of the council. This is further considered in the Outlook for the Future section.

The narrative report that follows provides a snapshot of the current position of the District Council and tells a summarised story of the year 2025/26 and the position going forward. I hope you find it an interesting read and that it gives you a better understanding of your District Council.

About the District

The District of Stroud is located in the County of Gloucestershire and covers an area of approximately 45,325 hectares (453 km² or 175 miles²). Stroud lies about 20 miles north of Bristol and immediately south of Gloucester and Cheltenham. Gloucestershire sits at the periphery of England’s southwest and has close links with the Midlands, as well as South Wales. Stroud District shares boundaries with Cotswold District, Gloucester City, Tewkesbury Borough and the unitary authority of South Gloucestershire. Our neighbour to the west is the Forest of Dean, which sits on the opposite bank of the River Severn estuary. Much of the eastern half of the District falls into the Cotswold National Landscape (formerly an Area of Outstanding Natural Beauty).



- Stroud District has a population of 124,540 (ONS – Mid Year 2023) living in 55,935 dwellings.
- Stroud’s population is expected to grow to 143,520 by 2040 (ONS Population Projections)
- The draft local plan has set out a strategy for distributing an additional 12,600 homes by 2040

Political Structure

The Council consists of 51 elected members representing 28 wards across the District. Elections are normally held every four years.

There were two vacancies at the start of the financial year due to the resignation of Cllr David Drew and the sad passing of Cllr Richard Maisey, the Vice-Chair of Council. Both Cllrs Maisey and Drew had represented the Labour Party.

By-Elections for these seats were held in May and June 2025 with both being won by the Green Party. A further by-election was held in March 2026 due to the resignation of Cllr Aldam, which was retained by the Green Party. There have been two members leave their political party and become independent members during the year. One from the Conservative Party in May 2025 and one from the Labour Party in November 2025.

The political makeup of the Council at the time of the publication of these accounts is therefore as follows:

Councillors June 2026	
Green	24
Labour	17
Conservative	6
Liberal Democrats	2
Independents	2
Total	51

Cllr Catherine Braun stepped down as leader in May 2025 to become Deputy Leader. The Leader of the Council is now Cllr Chloe Turner (also of The Green Party).

The Council has adopted the Committee system as its political management structure. The list of Committees and chairs during the 2025/26 year was as follows:

Strategy and Resources	Councillor Catherine Braun (Green) – until May 2025 Councillor Chloe Turner (Green) – May 2025 onwards
Community Services and Licensing	Councillor Martin Brown (Green)
Housing	Councillor Gary Luff (Green)
Environment	Councillor Chloe Turner (Green) – until May 2025 Councillor Martin Pearcey (Green) – May 2025 onwards
Audit and Standards	Councillor Bob Hughes (Labour)
Development Control	Councillor Martin Baxendale (Green)

Senior Management

The Council has a Strategic Leadership Team, reporting to the Chief Executive Kathy O’Leary.

There has been significant change in the Strategic Leadership Team throughout 2025/26.

During the 2025/26 year the team consisted of:

Deputy Chief Executive and Strategic Director of Resources (S151 Officer) – Andrew Cummings (until September 2025)

Strategic Director of Resources – Caroline Dumas (from January 2026)

Strategic Director of Place – James Brain (from June 2025)

Strategic Director of Communities – Keith Gerrard

Monitoring Officer – Hayley Sims (until May 2025), Stephen Taylor (June 2025), Alice McAlpine (from end June 2025)

Section 151 Officer – Lucy Clothier (from September 2025)

In July 2024, in addition to the Strategic Director of Resources role, Andrew Cummings also took on the title of Deputy Chief Executive. As part of this role he remained as the Council’s Section 151 Officer until his resignation in September 2025. Council has appointed Lucy Clothier as Section 151 Officer from 15th September 2025 and Caroline Dumas started as Strategic Director of Resources in January 2026. The Deputy Chief Executive role will not be appointed.

At the end of 2024/25 Brendan Cleere retired from his position at the Council. Following a recruitment process a new Strategic Director of Place, James Brain, was appointed and began work in the role at the end of June 2025.

The role of Monitoring Officer is now part of the support provided to Stroud District Council by the One Legal partnership and Hayley Sims served in this role until the end of May 2025. Stephen Taylor was the Interim Monitoring Officer in June 2025. From 30th June 2025 onwards the Monitoring Officer under this arrangement is Alice McAlpine.

In June 2026 Keith Gerrard retired from the position of Strategic Director of Communities. A newly named Strategic Director of Housing and Communities is expected to be in place from late August 2026.

The three statutory positions of the Council are therefore currently held by the following officers;
Head of Paid Service – Kathy O’ Leary
Chief Financial Officer (Section 151 Officer) – Lucy Clothier
Monitoring Officer – Alice McAlpine.

Our Vision and Priorities

The Council has a clear corporate vision, and this is supported by the Council Plan which sets out in detail our key priorities.

Our vision as a Council is:

Leading a community that is making Stroud district a better place to live, work and visit for everyone

The 2025/26 year saw the implementation of a new Council Plan 2025-2029, following a comprehensive review and adoption at the full Council meeting on 13th February 2025.

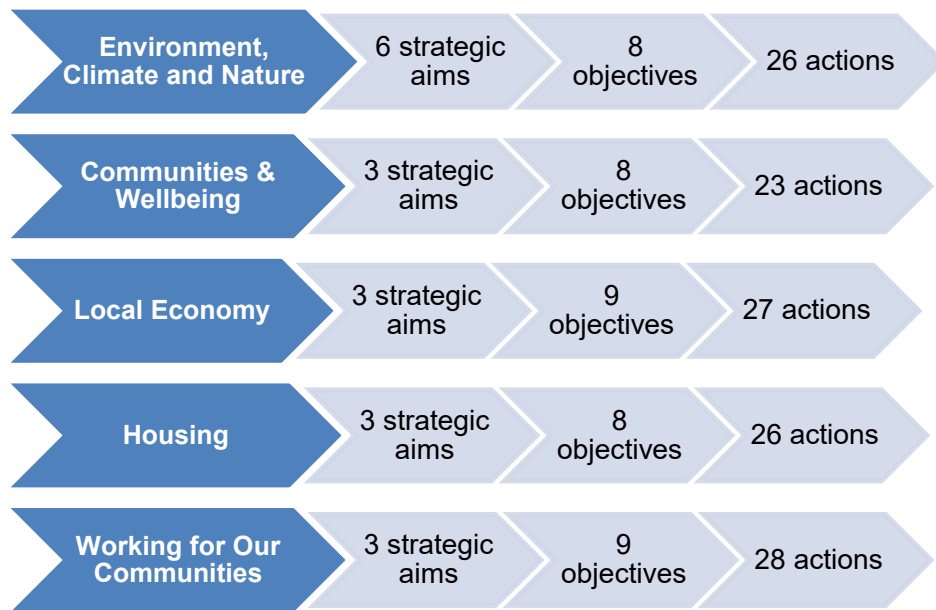
To ensure the council has a coordinated approach to delivering the objectives set out in the Council Plan, there is a corresponding Delivery Plan that outlines the sub actions, milestones and target dates for completion and the Lead Officer responsible for the successful delivery of each action. It also includes the proposed performance indicators to monitor progress some of which

Priority	Description
Environment, Climate and Nature	<i>This section sets out how we will work towards making Stroud District net zero and nature friendly, with a sustainable economy and communities that are well prepared for the impacts of the climate crisis.</i>
Communities and Wellbeing	<i>The health and wellbeing of people in our communities is a key priority, and the Council will work to reduce health inequalities, to support our district's network of community hubs, to enhance leisure services, cultural opportunities and work with young people, and to champion equality, diversity, inclusion and equity in all that we do.</i>
Local Economy	<i>Partnership working is key to building a more sustainable and inclusive local economy, and whether the Council is leading or supporting regeneration projects, investment bids, training opportunities, or strategic plans, our focus will be on meeting the needs of local communities, businesses and residents, and working to secure the infrastructure that will enable our future net zero economy.</i>
Housing (new priority)	<i>Good quality housing plays a vital role in ensuring our lives are lived well, and this priority outlines how the Council will play a full role in ensuring that the quality and quantity of homes in our district is enhanced, and that in the Council's role as a landlord our housing stock is good quality, energy efficient, safe, and fit for purpose.</i>
Working for our Communities (new priority)	<i>We are always looking for ways to improve Council services and this priority sets out how we will achieve this through fuller community engagement, ensuring our finances remain strong, and continuing to invest in our workforce and technology.</i>

may be introduced over time and following the completion of particular sub actions and/or milestones. The Delivery Plan ensures each action meets the SMART criteria (specific, measurable, achievable, realistic and timebound).

The new Council Plan has five key Corporate Priorities

Each Priority then has a series of aims, objectives and actions as set out in the table below.



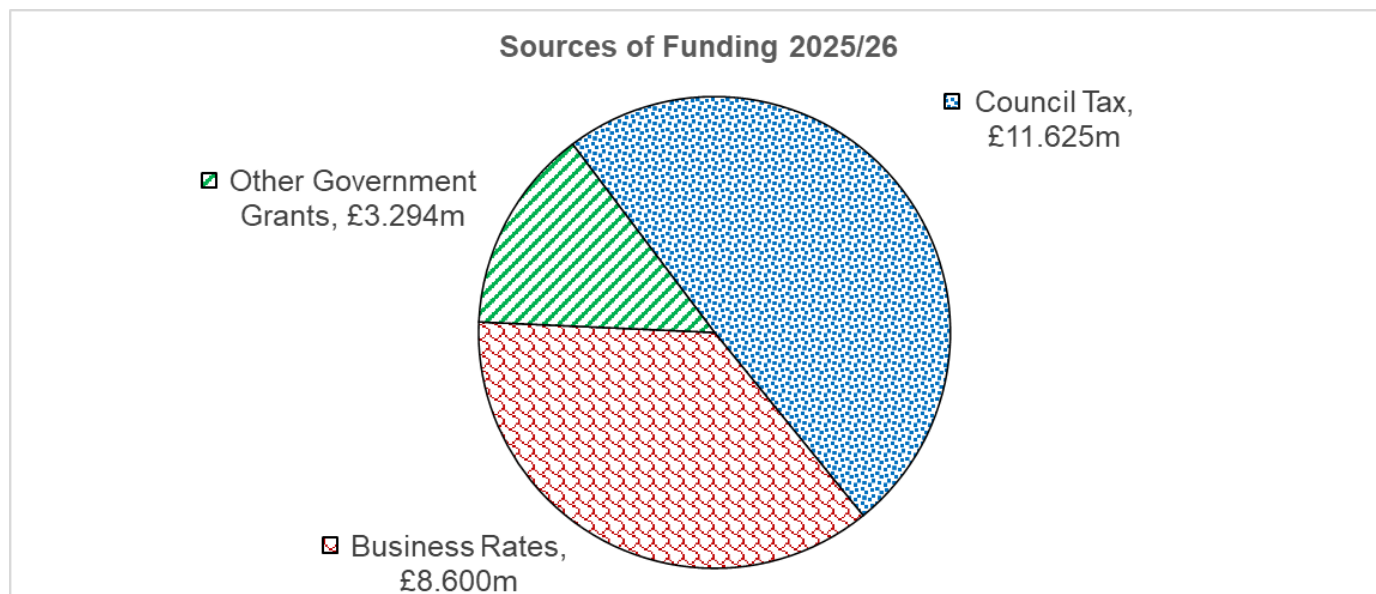
The detailed delivery plan can be found on the [Council's website](#).

A review of the Council Plan priorities was undertaken during 2025/26 and approved by Council on 19th February 2026.

In-Year Financial Performance

The final General Fund Revenue budget for 2025/26, including corporate items and reserve transfers, was £22.155m. The final outturn position for the year is £21.429m with a transfer from reserves of £0.627m. Total funding was £23.518m, generating an underspend of £2.716m.

Funding was received in the following amounts:



The detailed outturn position is shown in the following table:

Committee	2025/26 Revised Budget £m	2025/26 Outturn £m	2025/26 Reserve Transfers £m	2025/26 Outturn Variance £m
Community Services and Licensing	6.446	5.296	0.694	(0.456)
Development Control	0.722	0.480	0.050	(0.192)
Environment	7.041	6.049	0.568	(0.424)
Housing General Fund	1.064	0.748	0.325	0.009
Strategy and Resources	12.062	11.327	(0.333)	(1.068)
Support Service Charges to HRA	(2.505)	(2.471)	0.000	0.034
Net Revenue Expenditure	24.830	21.429	1.304	(2.097)
Funding from Govt Grants/ Council Tax	(22.155)	(23.518)	0.196	(1.167)
Transfers to Earmarked Reserves	(2.675)	(0.627)	(1.500)	0.549
Total General Fund	0.000	(2.716)	0.000	(2.716)

The Council's outturn variance can be summarised in the following table:

Service Area	Variance (under)/overspend £k
Community Services and Licensing Committee	
Revenues and Benefits	189
Leisure Centres	(525)
Development Control Committee	
Development Management	(192)
Environment Committee	
Waste and recycling	(534)
Strategy & Resources Committee	
Planning Strategy/Local Plan	(306)
Cross Committee and Central Costs/Funding	
Savings Targets	(201)
Capital programme funding	110
Investment income	(609)
Investment losses (funded from reserves)	297
Business Rates Pool Gain	(1,313)
Other variances (net)	368
Total	(2,716)

The Council's outturn report giving full details of budget performance across the year was presented to the Strategy and Resources Committee in June 2026. The full report is published on the Council's [website](#).

There has been no change in the Council's bottom-line General Fund balance which currently stands at £2.169m. The adequacy of this bottom line position is reviewed each year as part of the budget setting process, and considering the strong earmarked reserve position, this balance has remained stable for many years.

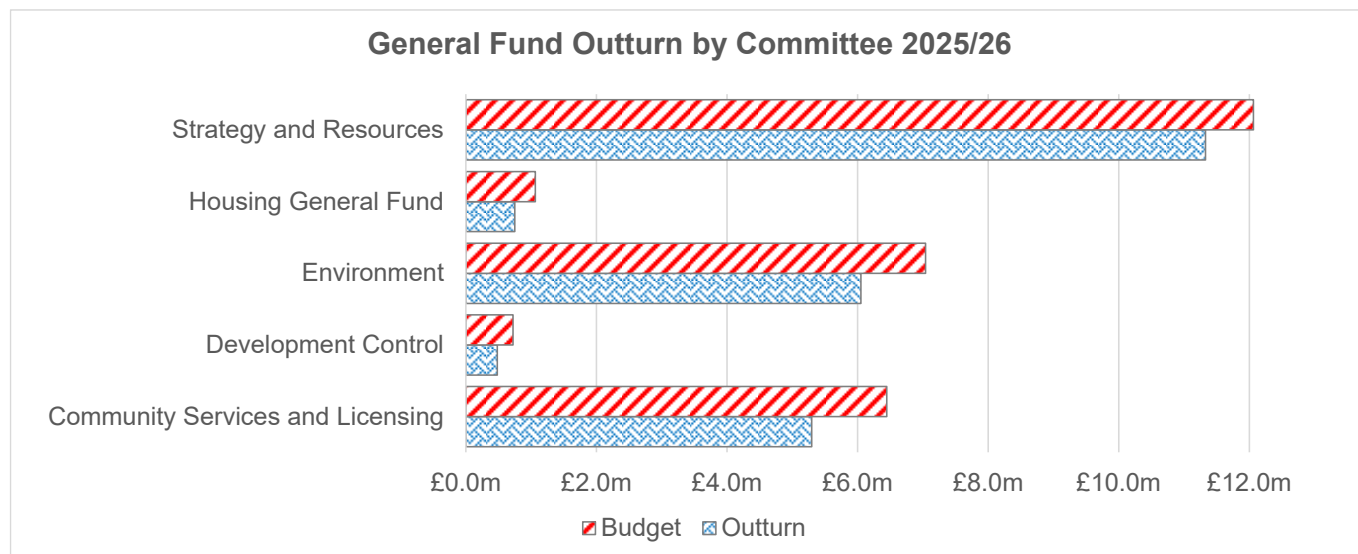
There has been a net increase in General Fund earmarked reserves in the year of £2.089m.

A summary of the General Fund reserve position is shown in the table. Full details of reserve movements are also included in the outturn report.

Earmarked Reserve	Balance 1 April 2025 £k	In year movement £k	Balance 31 March 2026 £k
Business rates pilot	1,325	(247)	1,078
Business rates safety net	4,333	800	5,133
Capital	1,039	(135)	904
Climate change	399	(117)	282
Collection Fund Smoothing reserve	186	169	355
Culture, arts and leisure reserve	363	1,024	1,387
General Fund carry forwards	981	(582)	399
Homelessness prevention	238	258	496
Investment risk	586	(297)	290
MTFP equalisation	7,041	(348)	6,693
Projects	2,047	1,205	3,252
Repairs and Replacement	930	32	961
Planning appeal costs	0	150	150
Waste management	691	0	691
Other earmarked reserves	1,093	177	1,270
General Fund Balance	2,169	-	2,169
Total General Fund Reserves	23,420	2,089	25,509

Table contains roundings (see Glossary) which can affect the arithmetic accuracy of the figures.

The following chart shows a comparison of budget against actual outturn for each of the Service Committees.



Business Rates Pooling

The Gloucestershire Local Authorities operate a Business Rates pool which allows authorities to share in the risks and rewards of the business rates retention system and allows additional growth to be retained in the County. This retained growth is allocated in the following proportions:

- 20% to the Strategic Economic Development Fund (SEDF).
- 20% of the remaining balance goes to Gloucestershire County Council.
- The remainder is split between District Councils.

The SEDF is now administered by the Gloucestershire City Region Board and is available to support economic development projects across the County. This is targeted to projects which provide benefits across individual District boundaries and are in line with the Economic Development Strategy.

The membership of the Gloucestershire pool has been amended in the 2025/26 year, with the voluntary removal of Cheltenham Borough Council. Although no longer part of the pool, Cheltenham Borough Council will continue to receive a share of the pool gain.

The total pool growth retained across the County in 2025/26 was £8.021m of which Stroud District Council received £1.132m, representing a significant source of funding for Council priorities. As a result of the inherent financial risk the pool gain does not form part of base budgets and is instead allocated as part of the outturn process. This protects the base General Fund budget from the inherent risks of pooling and also allows an opportunity to support the overall financial position of the Council at year end.

As part of the 2025/26 outturn process £0.900m of the pool gain for the District Council was allocated towards the costs of the Cotswold Canals Connected Project, £0.100m to the Economic Development Strategy and £0.132m to the Business Rates Pilot Reserve.

Central Government has announced a full reset of business rates growth in April 2026. This change removes the incentives of pooling, as the business rates from previous growth will no longer be retained locally, and there will not be a business rates pool in 2026/27.

Housing Revenue Account

The Council owns and maintains its own council housing stock and manages 4,965 properties with a balance sheet value of £360m (2024/25 £326m).

In 2025/26 the HRA had an underspend against budget of £1.295m. The main reasons for the variance are:

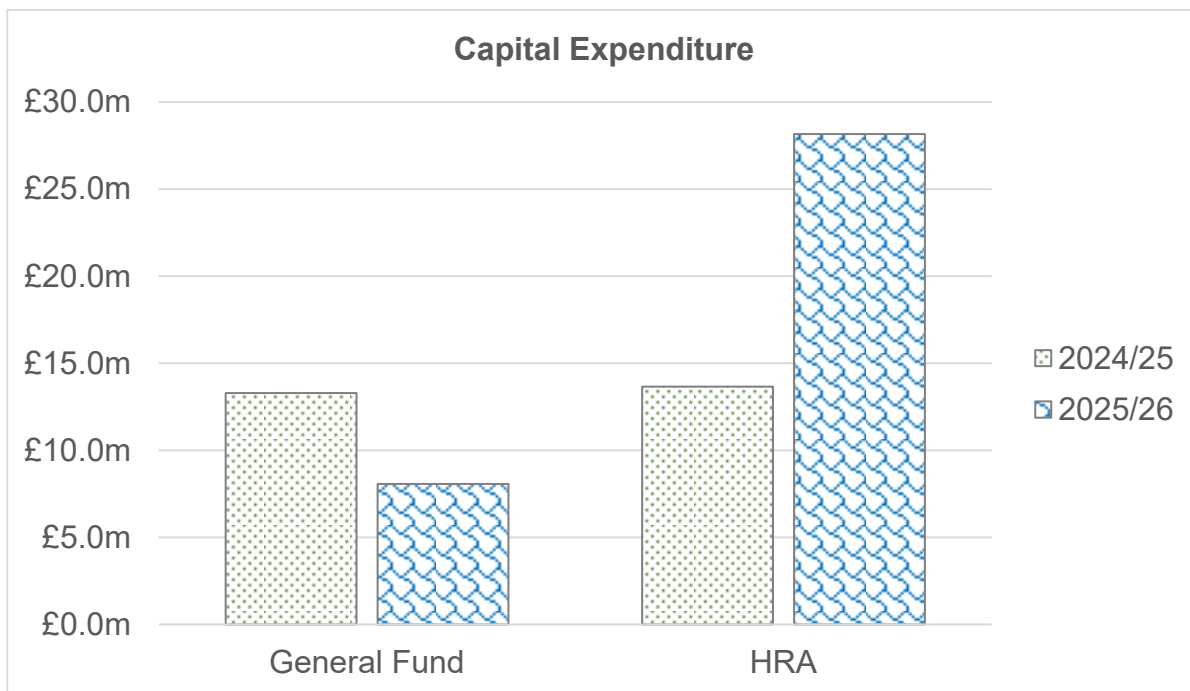
Service Area	Variance (under)/overspend £k
Rents and service charges	(582)
Property Care	670
Maintenance	(539)
Interest payable	(100)
Investment income	(406)
Other net variances	(338)
Total	(1,295)

The HRA outturn position for 2025/26 includes a planned transfer from general reserves of £3.157m less a transfer from the outturn position of £0.966m, a net transfer from earmarked reserves of £0.568m and a net transfer of £1.358m has been made from the Major Repairs Reserve. The following table shows the position of HRA reserves for 2025/26.

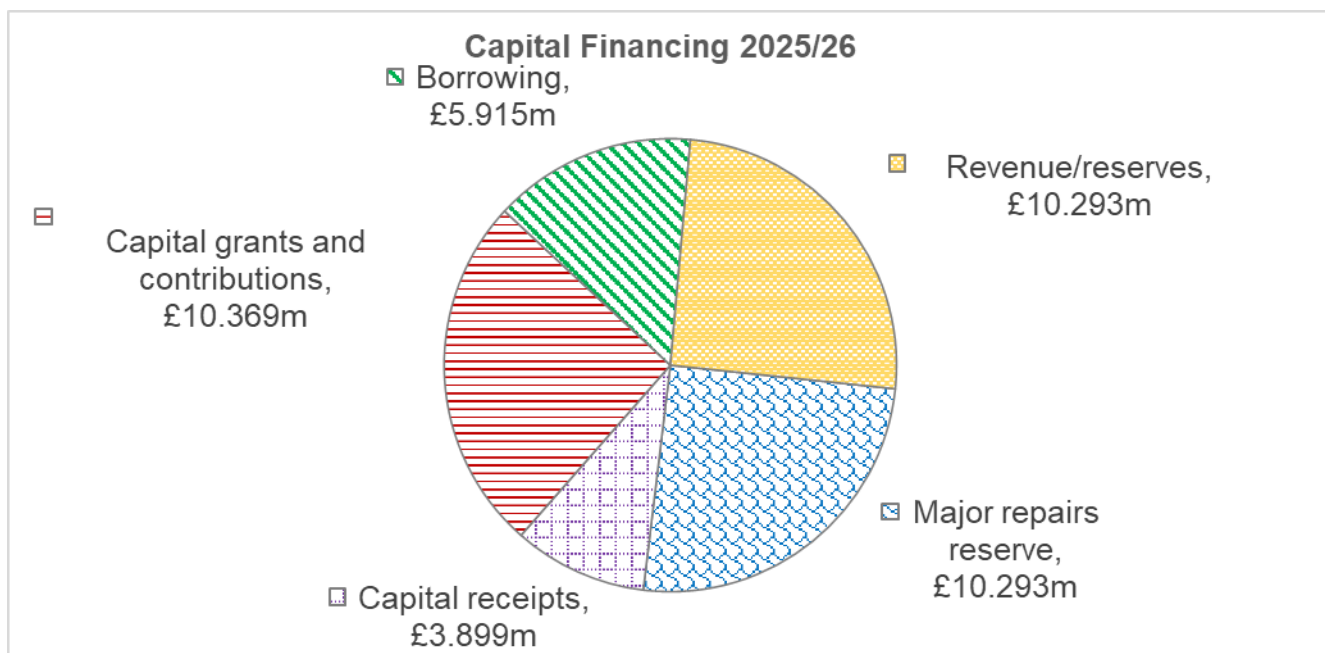
HRA Balances 2025/26	Opening balance £k	Net transfers to/(from) £k	Closing balance £k
General Reserves	4,918	(2,191)	2,727
Earmarked Reserves	10,805	(568)	10,237
Major Repairs Reserve	4,029	(1,358)	2,671
Total balances	19,752	(4,117)	15,635

Capital Outturn

General Fund capital expenditure for 2025/26 was £8.059m (£13.280m in 2024/25). Major General Fund capital projects included grants for energy and heating in private sector housing (£2.184), the Canal Phase 1B (Stonehouse to Saul Junction) (£3.031m), and Disabled Facilities Grants (£0.650m). HRA Capital spend was £28.163m (£13.655 in 2024/25). This includes major works on dwellings (£14.203m), new build and development (£9.159m) and the purchase of affordable housing (£4.374m).



The Capital Programme is financed through a number of different sources – capital receipts (including Right to Buy council house sales), external grants and contributions, General Fund capital reserve, other earmarked reserves and borrowing.



Pension Fund performance

The balance sheet position of the Council’s pension fund has moved by £7.585m to a deficit balance of £7.585m (£nil in 2024/25). The majority of this change is a result of changes in financial assessments made by the Pension Fund actuaries. Although it has no direct impact on funds available for the provision of services.

Non-Financial Performance

The Council recognises the vital importance of capturing non-financial performance. The Ideagen performance management system is used to record the Council Plan and service plans for each service, as well as key performance indicators and risk registers. Performance against Council Plan priorities is monitored quarterly through committee reporting and regular review by SLT.

The Strategic Risk Register is a key component of the council’s governance arrangements and is reviewed regularly by the Audit and Standards Committee. During 2025/26, the Strategic Risk Register was reviewed and streamlined to reduce the number of risks, strengthen their strategic focus and improve ownership and accountability, with the revised approach to be embedded during 2026/27. The register sets out the most significant risks facing the council, including those associated with Local Government Reorganisation (LGR), and supports informed decision making and oversight.

Engagement with residents remains a priority and a comprehensive Consultation and Engagement Framework was developed and approved in 2025. Results for the 2025/26 annual satisfaction survey indicate continued strong performance, with satisfaction levels and trust in the council performing above national benchmarks.



Key highlights of Council activity in the year include:

- Ongoing implementation of the Council Plan 2025-2029, following a review to align with budget and resource capacity.
- Adoption of the Climate and Nature Strategy in December 2025, following a three-month public consultation.

- The introduction of an in-house toolkit to measure social value across procurement, enabling alignment with council priorities.
- Strengthening of governance, risk and performance management arrangements, including a refreshed Risk Management and Opportunity Framework.
- The completion of the first phase of rolling out Electric Vehicle Charging Points (EVCPs) in car parks.
- Transitioning hundreds of Careline devices from analogue to digital and launching an online form allowing customers to register quickly and easily.
- Expanding the range of interventions offered under the Healthy Lifestyles Scheme to support with increasing physical activity and sports participation across the district.
- Continued investment in housing and compliance activity, alongside preparation for new regulatory requirements.
- Active participation in the countywide LGR programme, supported by the establishment of an internal Programme Management Office.

The council continues to support workforce wellbeing, engagement and inclusion, with a strong focus on organisational culture and values. Staff engagement is supported through structured communication and initiatives such as “Proud of Stroud” sessions and dedicated LGR staff and Member briefings and leadership engagement.

The Outlook for the Future

The Council continues to be in a strong financial position, ready to face the high-profile challenges experienced by many local authorities.

The fair funding review and business rates reset confirmed as part of the local government funding settlement in January 2026 sets out an intention of central government to move funding away from higher taxbase, lower need areas, like the Stroud District, to authorities around the country where there is a greater need. This will also see a move of funding towards those authorities with Social Care responsibilities. At the same time there is to be a full reset of business rates growth taking away rates income from high growth areas like this District. This change has a significant impact on the funding position for the council, although there are transition arrangements in place to reduce the impact over the three year settlement period. This change has been expected, and planned for, with earmarked reserves set aside to allow for a transition period to a lower funding position.

The latest round of Local Government Reorganisation (LGR) was begun by the English Devolution White Paper published in December 2024. This set out government ambitions to move all existing “two tier” areas to Unitary authority status, with a Mayoral Combined Authority to which Westminster could devolve existing powers. In Gloucestershire all authorities supported the submission of a draft proposal with three potential options in March 2025 and detailed business cases for submission to central government in November 2025. A decision from central government is expected in July 2026. Under current government timetables it is expected that the District Council would be replaced on 1st April 2028.

Stroud District Council is represented in all of the cross County workstreams which are taking place as part of reorganisation work and will continue to input towards the collaborative work being undertaken.

In light of the now confirmed funding position and LGR timelines, a full review of budgets and the Council Plan will be undertaken in 2026/27, looking at deliverability of services and priorities based on both financial affordability and staff resourcing.

The Housing Revenue Account continues to be impacted by regulatory and legislative changes, which although are largely welcome to ensure the safety and inclusion of tenants, are putting additional pressure on the financial position, whilst continuing to service the self financing debt.

Although facing significant challenges, previous planning means that the council is in a good starting position to prepare for and face the challenges. It is expected that the council will be able to set a balanced budget and it is not considered a significant risk that a S114 notice will be issued. The accounts have therefore been prepared on a going concern basis.

Inevitably both the Fair Funding Revenue and Local Government Reorganisation are fundamental challenges in both the short and medium term, and it will be necessary for members and officers to work together in approaching these issues.

Summary of the Core Financial Statements

The Statement of Accounts summarises the Council's financial performance and cash flows for the 2025/26 financial year from 1 April 2025 to 31 March 2026 and its position at the financial year-end of 31 March 2026. The Council remains in a strong financial position and the accounts have been prepared on an ongoing concern basis.

There are five core financial statements:

Expenditure and Funding Analysis (page 18)

This statement shows how the Council's annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) compared with those resources consumed or earned by the Council in accordance with generally accepted accounting practices.

Comprehensive Income and Expenditure Statement (page 20)

This statement shows the accounting cost in the year of providing the Council's services.

Movement in Reserves Statement (page 21)

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. Usable reserves decreased by £0.606m in 2025/26, (2025/26 £63.788m, 2024/25 £64.394m,), with unusable reserves increasing by £35.218m (2025/26 £298.271m 2024/25 £263.053m).

Balance Sheet (page 23)

This statement shows the assets and liabilities of the Council. The Total Net Worth of the Council increased by £34.613m in the year (2025/26 £362.060m, 2024/25 £327.447m).

Cash Flow Statement (page 24)

This statement shows the changes in cash and cash equivalents in the year. There was a decrease in cash and cash equivalents of £5.850m (2025/26 £15.936m, 2024/25 £21.786m).

These are further supported by **supplementary financial statements** for:

Housing Revenue Account Income and Expenditure Statement (page 92)

This statement shows the economic cost in the year of providing Housing services through the HRA.

Collection Fund Statement (page 98)

This statement shows the Council Tax and Non-Domestic Rates (NNDR) income received in the year less precepts and charges to the collection fund. Overall, the NNDR surplus has increased by £0.361m, (2025/26 £1.191m surplus, 2024/25 £0.830m surplus). There is also a surplus increase of £0.659m for Council Tax (2025/26 £0.909m surplus, 2024/25 £0.250m surplus).

Statement of Responsibilities for the Statement of Accounts

The Council's responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that the Section 151 Officer has responsibility for the administration of those affairs.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Section 151 Officer's responsibilities

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts (which includes the financial statements) in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Council Accounting in the United Kingdom* (the 'Code').

In preparing this Statement of Accounts, the Section 151 Officer has:

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

The Section 151 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.

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

Signed:

Date:



Lucy Clothier
Section 151 Officer

30 June 2026

Core Financial Statements

Core Financial Statements, Notes to the Core Financial Statements and Supplementary Financial Statements may contain roundings (see Glossary) which affects the arithmetic accuracy of the figures.

Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the Council (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices.

The Expenditure and Funding Analysis shows how this expenditure is allocated for decision-making purposes between the Council's committees in the first column. Income and expenditure accounted for under generally accepted accounting practices is shown in the third column, and is presented more fully in the Comprehensive Income and Expenditure Statement. The second column shows the adjustments made to the accounting basis shown in the Comprehensive Income and Expenditure Statement to get back to the net expenditure chargeable to the General Fund and HRA balances (funding basis), and is shown in more detail in Note 7.

Note: the presentation of this table has changed from previous years.

Expenditure and Funding Analysis

2024/25			2025/26			
Net Expenditure in the Comprehensive Income and Expenditure Statement	Adjustments between the Funding and Accounting Basis (Note 7)	Net Expenditure Chargeable to the General Fund and HRA Balances	Net Expenditure in the Comprehensive Income and Expenditure Statement	Adjustments between the Funding and Accounting Basis (Note 7)	Net Expenditure Chargeable to the General Fund and HRA Balances	
<i>Figures in £000s</i>						
Expenditure on Council Services						
6,852	-1,272	5,579	6,495	-1,199	5,296	
915	-531	384	669	-189	480	
13,451	-6,647	6,804	11,536	-5,487	6,049	
5,940	-4,931	1,009	3,921	-3,173	748	
-4,327	1,012	-3,315	675	2,084	2,759	
4,116	7,481	11,598	5,431	5,896	11,327	
26,947	-4,889	22,059	28,727	-2,068	26,659	
-31,491	8,575	-22,916	-37,708	11,718	-25,990	
-4,544	3,687	-857	-8,980	9,650	670	
-38,286			Opening General Fund and HRA balance			-39,143
-857			Surplus or deficit on General Fund and HRA balance in year			670
-39,143			Closing General Fund and HRA Balance			-38,473
General Fund Balance	Housing Revenue Account Balance	Total Balances	General Fund Balance	Housing Revenue Account Balance	Total Balances	
-25,878	-12,407	-38,286	-23,420	-15,723	-39,143	
2,458	-3,315	-857	-2,089	2,759	670	
-23,420	-15,723	-39,143	-25,509	-12,964	-38,473	

Comprehensive Income and Expenditure Statement

This statement 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. Authorities raise taxation to cover expenditure in accordance with regulations; 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.

Comprehensive Income and Expenditure Statement

2024/25				2025/26			
Gross expenditure	Gross income	Net expenditure		Gross expenditure	Gross income	Net expenditure	
<i>Figures in £000s</i>							
Expenditure on Council Services							
27,074	-20,222	6,852	Community Services and Licensing Committee	26,347	-19,852	6,495	
2,385	-1,469	915	Development Control Committee	2,331	-1,661	669	
18,858	-5,407	13,451	Environment Committee	16,983	-5,447	11,536	
6,828	-888	5,940	Housing Committee - General Fund	5,029	-1,108	3,921	
24,610	-28,937	-4,327	Housing Committee - Housing Revenue Account	30,491	-29,815	675	
6,699	-2,583	4,116	Strategy & Resources Committee	7,912	-2,481	5,431	
86,454	-59,506	26,947	Surplus (-) / Deficit on Operations	89,093	-60,365	28,727	
5,669	-313	5,357	Other Operating Expenditure	11	6,166	-1,754	4,412
2,496	-2,998	-502	Financing & Investment Income & Expenditure	12	1,196	-2,795	-1,600
-	-36,346	-36,346	Taxation & Non-Specific Grant Income	13	-	-40,520	-40,520
		-4,544	Surplus (-) / Deficit on Provision of Services			-8,980	
		-9,083	Surplus (-) / deficit on revaluation of property, plant & equipment assets	26		-36,663	
		-14,321	Actuarial remeasurement gains (-) / losses on pension assets / liabilities	26		11,030	
		-23,404	Other Comprehensive Income & Expenditure			-25,633	
		-27,948	Total Comprehensive Income & Expenditure			-34,613	

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and 'unusable reserves'. The statement shows how the movements in year of the authority'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.

Movement in Reserves Statement 2025/26

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
	General Fund Balance	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	
Notes	£000	£000	£000	£000	£000	£000	£000	£000	
Balance at 31 March 2025	23,420	15,723	4,029	15,399	5,823	64,394	263,053	327,447	
Surplus or (deficit) on provision of services (accounting basis)	6,088	2,893	-	-	-	8,980	-	8,980	
Other Comprehensive Income & Expenditure	-	-	-	-	-	-	25,633	25,633	
Total Comprehensive Income & Expenditure	6,088	2,893	-	-	-	8,980	25,633	34,613	
Adjustments between accounting basis & funding basis under regulations	9	-3,998	-5,651	-1,358	942	480	-9,586	9,586	-
Increase / (Decrease) in Year	2,089	-2,759	-1,358	942	480	-605	35,218	34,613	
Balance at 31 March 2026	25,509	12,964	2,671	16,341	6,303	63,788	298,271	362,060	

General Fund and HRA balance analysed over	General Fund	HRA	Total	
	£000	£000	£000	
Amounts earmarked	10	23,340	10,237	33,577
Amounts uncommitted		2,169	2,727	4,896
Total General Fund and HRA balance as at 31 March 2026		25,509	12,964	38,473

Movement in Reserves Statement 2024/25

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		General Fund Balance	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	<i>Notes</i>	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024		25,878	12,407	4,153	15,974	6,173	64,587	234,912	299,499
Surplus or (deficit) on provision of services (accounting basis)		444	4,099	-	-	-	4,544	-	4,544
Other Comprehensive Income & Expenditure		-	-	-	-	-	-	23,404	23,404
Total Comprehensive Income & Expenditure		444	4,099	-	-	-	4,544	23,404	27,948
Adjustments between accounting basis & funding basis under regulations	9	-2,903	-784	-124	-576	-350	-4,737	4,737	-
Increase / (Decrease) in Year		-2,458	3,315	-124	-576	-350	-193	28,141	27,948
Balance at 31 March 2025		23,420	15,723	4,029	15,399	5,823	64,394	263,053	327,447

		General Fund £000	HRA £000	Total £000
General Fund and HRA balance analysed over				
Amounts earmarked	10	21,251	10,805	32,055
Amounts uncommitted		2,169	4,918	7,087
Total General Fund and HRA balance as at 31 March 2025		23,420	15,723	39,143

Balance Sheet

Balance Sheet			
31 March 2025		Notes	31 March 2026
£000			£000
391,188	Property, Plant & Equipment	14	436,458
140	Heritage Assets	15	140
5,956	Long-term Investments	18	3,849
187	Long-term Debtors	18	206
397,471	Long-term Assets		440,652
14,912	Short-term Investments	18	16,236
63	Assets Held for Sale	22	30
90	Inventories		-
18,655	Short-term Debtors	20	19,212
21,786	Cash and Cash Equivalents	21	15,936
55,505	Current Assets		51,414
-19,135	Short-term Creditors	23	-16,997
-2,291	Grants Receipts in Advance (Capital)	35	-1,945
-21,427	Current Liabilities		-18,942
-2,635	Long-term Creditors	23	-2,494
-750	Provisions	24	-268
-100,717	Long-term Borrowing	18	-100,717
-	Other Long-Term Liabilities	33	-7,585
-104,102	Long-term Liabilities		-111,064
327,447	Net Assets		362,060
64,394	Usable Reserves	25	63,788
263,053	Unusable Reserves	26	298,271
327,447	Total Reserves		362,060

The Balance Sheet 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. Usable reserves are those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitation on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). Unusable reserves are reserves that the Council may not use to provide services. This category 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'.

Cash Flow Statement

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 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.

Cash Flow Statement			
31 March 2025		Notes	31 March 2026
£000			£000
-4,544	Net surplus (-) or deficit on the provision of services		-8,980
-11,272	Adjust net surplus or deficit on the provision of services for non-cash movements	27	-13,883
1,429	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		4,884
<u>-14,386</u>	Net cash flows from Operating Activities		<u>-17,979</u>
15,375	Investing Activities	28	23,298
-358	Financing Activities	29	531
631	Net increase (-) or decrease in cash and cash equivalents		5,850
22,417	Net cash and cash equivalents at the beginning of the reporting period		21,786
<u>21,786</u>	Net cash and cash equivalents at the end of the reporting period	21	<u>15,936</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

1. Accounting Policies

(a) General Principles

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Council is required to prepare an annual Statement of Accounts under the Accounts and Audit (England) Regulations 2015, which require the annual Statement of Accounts to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Chartered Institute of Public Finance and Accountancy (CIPFA) *Code of Practice for Local Authority Accounting in the United Kingdom* (the Code) 2025/26 which is based upon International Financial Reporting Standards (IFRS).

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.

(b) Accruals of Income and Expenditure

Transactions are accounted for in the year they take 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, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure, 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 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.

(c) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months 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.

(d) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise, as a result, of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period. There are none to be disclosed in this Statement of Accounts.

(e) Charges to Revenue for Non-Current Assets

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

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the services where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise Council tax to fund 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 – a Minimum Revenue Provision (MRP), by way of an adjusting transaction, with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

(f) Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks

and rewards that the amount of council tax and NDR collected being less or more than estimated.

Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of Council tax and NDR that must be included in the Authority's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement 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 Authority's share of the end-of-year balances in respect of Council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

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

(g) Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlement (or any form of leave, e.g. time off in lieu) earned by employees, but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to 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.

Termination Benefits

Termination benefits are amounts payable as a result of decisions by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accrual basis to the appropriate service segment in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

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 the 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 unpaid at the year-end.

(h) Post-employment Benefits

Most employees of the Council are members of the Local Government Pension Scheme, administered by Gloucestershire County Council. This scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Pension Scheme

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

- The liabilities of the Gloucestershire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method -i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 6.20% (5.80% in 2024/25) at the IAS19 valuation date (based on the indicative rate of return on high quality corporate bonds – iBoxx AA corporate bond index).
- The assets of the Gloucestershire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair values:
 - Quoted securities – current bid price.
 - Unquoted securities – professional estimate.
 - Unitised securities – current bid price.
 - Property – market value.
- The change in the net pensions liability is analysed into the following components:

Service Cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost – the increase in liabilities arising from 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 liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by

applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- Return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – 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 or changes relating to the Asset Ceiling – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Gloucestershire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

In relation to retirement benefits, statutory provisions require that the General Fund Balance is charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on, the basis of, cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to 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.

(i) Events After the Balance Sheet Date

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

- Those that provide evidence of conditions that existed at the end of the reporting period: the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period: the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

(j) Financial Instruments**Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement as the amount payable for the year according to the loan agreement.

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

Financial Assets

Financial assets are categorised 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).
- Fair value through other comprehensive income (FVOCI) [separate accounting policy is required where an authority holds financial instruments measured at fair value through other comprehensive income].

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e., where the cash flows do not take the form of a basic debt instrument).

Financial Assets measured at Amortised Cost

Financial assets measured at Amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the

instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition 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 authority recognises expected credit losses 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 measured at Fair Value through Profit or Loss (FVPL)

Financial assets that are measured at Fair Value through Profit or Loss are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

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

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

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the 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, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

(k) Foreign Currency Translation

Where the Council has entered into a transaction denominated in a foreign currency, the transaction will be converted into sterling at the exchange rate applicable on the date the transaction was effective. If amounts in foreign currency were outstanding at the year-end, they would be reconverted at the spot exchange rate at 31 March. Resulting gains or losses would be recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

(l) 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.
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contributions have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using 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 (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Balance in the Movement in Reserves Statement. 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, 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 authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the authority) 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.

CIL is recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement as a contribution without outstanding conditions. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges (for this Council) may be used to fund revenue expenditure.

(m) Heritage Assets

Heritage assets are defined as assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

Assets owned by the Council at 31 March 2026 that fit the definition of heritage assets are:

- Nailsworth Fountain
- Stroud from Rodborough Fort, painting c1850 by A N Smith
- The Anti-Slavery Arch, Paganhill
- Warwick Vase
- Woodchester Mansion

These assets are held at cost. The carrying amounts of heritage assets are reviewed where there is evidence of impairment, e.g., where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see note (s) in this summary of significant accounting policies. Should a heritage asset be disposed of the proceeds would be accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. 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.

(n) Intangible Assets

Expenditure on assets that do not have physical substance but are controlled by the Council, as a result, of past events (e.g., software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally-generated assets are capitalised when it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resource available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure is not capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, any amortisation, impairment losses and disposal gains and losses are treated such that they do not have an impact on the General Fund Balance. Thus, the gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

(o) Interests in Companies and Other Entities

The Council is required to consider all its interests (including those in local authorities and similar bodies) and to prepare a full set of Group Financial Statements where they have material interests in subsidiaries, associates or joint ventures. The canal phase 1A project required that significant sums of money were managed by the Council to deliver this major infrastructure scheme by the end of 2017, which included £12.7m of grant from the Heritage Lottery Fund. The Council is now working on the implementation of phase 1B, which is a £25m project to link to the national canal network. Many of the land aspects of this project are managed separately by the Stroud Valleys Canal Company. The Council has membership of the Company but does not have access to benefits or exposure to the risk of a potential loss so there is no group relationship.

Ubico Ltd was originally formed in 2012 as a company wholly owned by its current shareholders, namely: Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Gloucestershire County Council, Tewkesbury Borough Council, West Oxfordshire District Council and Stroud District Council. Each of the eight local authorities are equal 12.5% shareholders. The company is responsible for delivering the shareholders' environmental services such as refuse and recycling within their respective council boundaries. Stroud District Council joined in January 2016 and in July 2016 Ubico Ltd took over delivery of the waste and recycling service from Veolia Ltd. Since Stroud District Council does not exercise control or joint control or significant influence over the company, its accounts have not been consolidated into the group accounts, however, full disclosure notes are provided.

(p) Inventories and Long-term Contracts

Inventories are included in the Balance Sheet at the lower of cost or net realisable value.

Long-term contracts are accounted for, on the basis, of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

(q) Leases

The Council adopted IFRS 16 (Leases) with effect from 1 April 2024. The adoption of the standard resulted in the balance sheet recognition of a right-of-use (ROU) asset and related lease liability in relation to all former operating leases. The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short-term leases and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Properties and other vehicles, plant and equipment that fall under the scope of IFRS16 have now been reclassified as right of use assets on the balance sheet. Stroud District Council has leases in property, vehicles and copying equipment. The amount charged to the Comprehensive Income and Expenditure Statement under these arrangements and the value of future payments under operating leases is shown in Note 17.

The Accounting policy for the Council as Lessor is unchanged.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment 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. A gain, representing the Council's net investment in the lease, is 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), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable is apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received).
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement 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. When the future rentals are received, the element for the capital receipt for the disposal of the asset 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 a charge 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.

Operating Leases

Leases that do not meet the definition of a finance lease are accounted for as operating leases. Finance leases, which have substantially transferred to the authority the benefits and risks of ownership of a non-current asset, are treated as if the asset had been purchased

outright. Rental payments, net of benefits received, under operating leases are charged to the relevant service on a straight-line basis over the life of the lease.

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

(r) Overheads and Support Services

The costs of overheads and support services are charged to the Committee that benefits from the supply or service in accordance with the Council's arrangements for accountability and financial performance.

(s) Property, Plant and Equipment

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

Recognition

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

The Council's capitalisation de minimis is £20,000, except where the sum of the assets is significant, such as public conveniences and car parks. Additionally, items below the de minimis limit may be capitalised and included on the asset register if, for example, they are deemed portable and attractive.

Assets are componentised if the cost of the component is more than 25% of the cost of the whole asset, and the cost of the component is more than £0.5m. This is subject to the over-riding requirement that not componentising would result in a material misstatement of depreciation.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

The cost of assets acquired other than by purchase is deemed to be its fair value unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

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

- Infrastructure, community assets and assets under construction – depreciated on historical cost.
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- Council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other classes of 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 there are non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

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 at year-end 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 a loss previously charged to a service.

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

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

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

Impairment

Assets are assessed at each year-end as to 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 as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for in the first full year and in full in the final year on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant, furniture and equipment – straight-line allocation of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer.
- Infrastructure – straight-line allocation up to 30 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing 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 or 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 line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses previously recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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 or their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment 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 (if any) 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 accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess, of £10,000, are categorised as capital receipts. The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of the 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 Balance in the Movement in Reserves Statement.

Capitalisation of Salaries

The Council may capitalise salaries where employees work full-time on a project. In the case of computer software installations, the cost of software consultants' time will be included within the overall cost of a capital scheme.

(t) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For

instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered (e.g., from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

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 control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place 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 control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

(u) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service 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 appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept, to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

(v) Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but do 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 then reverses out the amounts charged so there is no impact on the level of council tax.

(w) Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue & Customs (HMRC). VAT receivable is excluded from income.

2. Accounting Standards Issued, not Adopted

The following changes in accounting standards will be introduced in the 2026/27 Code:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued May 2024.
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024.
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

These amendments will not have a material impact on the financial statements or balances of the Council.

3. Critical Judgements in Applying Accounting Policies

Other than critical assumptions covered in Note 4, in applying the accounting policies set out in Note 1, the Council had to make certain judgements about complex transactions. The critical judgements made in the Statement of Accounts are:

- The Council has applied its judgement that there is no group relationship arising from the Canal works. The Council was successful in October 2020 in being awarded £8.9m funding from the National Lottery Heritage Fund (NLHF), with an additional £6.46m awarded in 2025 to deliver a £25m Phase 1B canal restoration project, which will see the Stroudwater Navigation linked to the national canal network. Phase 1A of the canal restoration project from The Ocean in Stonehouse to Bowbridge in Stroud was concluded in 2017 and included £12m of HLF funding. The restored canal is owned and managed by the Stroud Valleys Canal Company (SVCC). A group relationship between

the Council and the SVCC does not exist because the Council does not have access to benefits or exposure to risk of a potential loss from the restored canal.

- Stroud District Council has a 12.5% shareholding in a not-for-profit local authority company called Ubico Ltd., which provides environmental services (street cleaning, refuse collection, recycling and grounds maintenance). The fair value of the Council's interest in the company at 31 March 2026 is considered to be nil, since it is a wholly local authority owned not-for-profit 'Teckal' company. The company (registration No. 07824292) is limited by share capital and governed by its Memorandum and Articles of Association. The liability in respect of the shares is set out in the Memorandum of Association and is limited to £1 per member of the company, of which there are eight at 31 March 2026. There is no group relationship.

The Council purchases vehicles that are utilised by Ubico Ltd. in the provision of services to the Council. As substantially all the rights of ownership are retained by the Council and the vehicles are used exclusively for the benefit of Stroud District Council, they have been accounted for as assets within Property, Plant and Equipment. Those vehicles have a net book value of £4.1m.

- There is a high degree of uncertainty about 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 and reduce levels of service provision. The Council has been reviewing property assets and transferring them to other local organisations where the opportunity arises and it is appropriate.

4. 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.

As well as the items described in Note 3, the items in the Council's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions 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, Hymans Robertson LLP, is engaged to provide the Council with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability of £8.135m (2024/25 £8.860m). However, the assumptions interact in complex ways. During 2025/26, the Council's actuaries advised that their remeasurements had increased the net pension liability by £11.030m (decrease of £14.320m 2024/25) The overall increase was £6.143m (decrease of £17.017m 2024/25).
PPE	Valuations of property, plant and equipment are carried out in accordance with the CIPFA Code of Practice.	A 0.5% under or over estimation of the value of PPE equates to £2.18m of the £436m PPE net book value.
Arrears	At 31 March 2026 the Council had a short-term debtor balance of £21.133m and a bad debt provision of £1.921m or 9.1% of the debt.	If collection rates were to deteriorate, an additional bad debt provision would have to be made. See notes 18, 19 and 20 for further details of debt outstanding.

5. Material Items of Income and Expense

The nature and amount of material items not separately disclosed on the face of the Comprehensive Income and Expenditure Statement are as follows:

- Increase in net pension fund liabilities of £6.143m (see note 33).
- HRA capital programme which includes new build properties and acquisitions was £28.1m (2024/25 £13.7m). For more detail see note 4 of the HRA financial statements on page 95.
- Canal project expenditure was £3m (2024/25 £2.7m).

6. Events after the Balance Sheet Date

There are no material events after the Balance Sheet date to disclose.

7. Note to the Expenditure and Funding Analysis

Note to the Expenditure and Funding Analysis				
Adjustments between Funding and Accounting Basis 2025/26				
	Adjustments for Capital Purposes (a)	Net change for the Pensions Adjustments (b)	Other Differences (c)	Total Adjustments
	£000	£000	£000	£000
Expenditure on Council Services				
Community Services Committee	-784	664	-1,079	-1,199
Development Control Committee	-	230	-420	-189
Environment Committee	-4,401	239	-1,325	-5,487
Housing Committee - General Fund	-2,889	91	-375	-3,173
Housing Committee - Housing Revenue Account	75	1,309	699	2,084
Strategy & Resources Committee	1,418	605	3,873	5,896
Net cost of services	-6,581	3,138	1,375	-2,068
Other income and expenditure from the expenditure and funding analysis	-	1,747	9,971	11,718
Difference between General Fund Surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-6,581	4,885	11,346	9,650

Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis 2024/25

	Adjustments for Capital Purposes (a)	Net change for the Pensions Adjustments (b)	Other Differences (c)	Total Adjustments
	£000	£000	£000	£000
Expenditure on Council Services				
Community Services Committee	-1,054	269	-488	-1,272
Development Control Committee	-	88	-619	-531
Environment Committee	-5,286	173	-1,533	-6,647
Housing Committee - General Fund	-4,542	44	-433	-4,931
Housing Committee - Housing Revenue Account	-2,106	699	2,419	1,012
Strategy & Resources Committee	2,969	699	3,813	7,481
Net cost of services	-10,020	1,972	3,159	-4,889
Other income and expenditure from the expenditure and funding analysis	-	725	7,850	8,575
Difference between General Fund Surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-10,020	2,697	11,010	3,687

(a) Adjustments for Capital Purposes

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

Other Operating Expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Financing and Investment Income and Expenditure – the statutory charges for capital financing, i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

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 receivable in the year, to those receivable 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

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension-related expenditure and income:

For Services - this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

For Financing and Investment Income and Expenditure — the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

(c) Other Differences

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

For Financing and Investment Income and Expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

The charge under **Taxation and Non-Specific Grant Income and Expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year, and the income recognised under 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.

8. Expenditure and Income Analysed by Nature

Expenditure and Income Analysed by Nature		
	2024/25	2025/26
	£000	£000
Expenditure		
Employee benefits expenses	20,160	21,920
Other services expenses	44,194	42,548
Depreciation, amortisation, impairment	18,222	16,820
Revaluations of property and assets	3,880	7,852
Interest payments	2,493	1,149
Precepts and levies	5,669	6,166
Total Expenditure	94,619	96,454
Income		
Fees, charges and other service income	-39,000	-42,868
Interest and investment income	-2,978	-2,703
Gain (-) or loss on disposal of assets	-313	-1,754
Income from council tax and non-domestic rates	-24,247	-26,377
Grants and contributions	-32,625	-31,732
Total Income	-99,163	-105,435
Surplus (-) or Deficit on the Provision of Services	-4,544	-8,980

9. 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 the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

Adjustments between Accounting Basis and Funding Basis under Regulations 2025/26

2025/26	Usable Reserves					Movement in Unusable Reserves £000
	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
Adjustments to the Revenue Resources						
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>						
Pensions costs (transferred to (or from) the Pensions Reserve)	-3,576	-1,309	-	-	-	4,885
Council tax and NDR (transfers to or from Collection Fund Adjustment Account)	-204	-	-	-	-	204
Holiday pay (transferred to the Accumulated Absences Reserve)	-6	4	-	-	-	2
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)	9,465	15,203	-	-	-	-24,667
Reversal of Gains/losses on investments	-292	-	-	-	-	292
Total Adjustments to Revenue Resources	5,387	13,898	-	-	-	-19,285
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-95	-4,789	-	4,884	-	-
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	43	-	-43	-	-
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	105	2,982	-	-	-	-3,087
Posting of HRA resources from revenue to the Major Repairs Reserve	-	-7,438	7,438	-	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	-1,473	-178	-	-	-	1,651
Total Adjustments between Revenue and Capital Resources	-1,463	-9,380	7,438	4,841	-	-1,436
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-3,899	-	3,899
Use of the Major Repairs Reserve to finance capital expenditure	-	-	-8,795	-	-	8,795
Application of capital grants to finance capital expenditure	-6,577	-4,271	-	-	480	10,369
Capital expenditure charged against the General Fund and HRA balances	-1,346	-5,898	-	-	-	7,244
Total Adjustments to Capital Resources	-7,923	-10,169	-8,795	-3,899	480	30,307
Adjustments between accounting basis & funding basis under regulations	-3,998	-5,651	-1,358	942	480	9,586

Adjustments between Accounting Basis and Funding Basis under Regulations 2024/25

2024/25	Usable Reserves					Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	£000
Adjustments to the Revenue Resources						
<i>Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</i>						
Pensions costs (transferred to (or from) the Pensions Reserve)	-1,998	-699	-	-	-	2,697
Council tax and NDR (transfers to or from Collection Fund Adjustment Account)	-245	-	-	-	-	245
Holiday pay (transferred to the Accumulated Absences Reserve)	-7	-7	-	-	-	14
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)	11,214	10,813	-	-	-	-22,027
Reversal of Gains/losses on investments	-833	-	-	-	-	833
Total Adjustments to Revenue Resources	8,131	10,108	-	-	-	-18,239
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	-18	-1,411	-	1,429	-	-
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	10	-	-10	-	-
Amounts of non-current assets written off on disposal or sale as part of the gain / loss on disposal to the Comprehensive Income and Expenditure Statement	-	1,106	-	-	-	-1,106
Posting of HRA resources from revenue to the Major Repairs Reserve	-	-7,086	7,086	-	-	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	-1,482	-44	-	-	-	1,526
Total Adjustments between Revenue and Capital Resources	-1,500	-7,424	7,086	1,419	-	420
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-1,995	-	1,995
Use of the Major Repairs Reserve to finance capital expenditure	-	-	-7,210	-	-	7,210
Application of capital grants to finance capital expenditure	-7,734	-2,185	-	-	-350	10,269
Capital expenditure charged against the General Fund and HRA balances	-1,800	-1,283	-	-	-	3,083
Total Adjustments to Capital Resources	-9,534	-3,468	-7,210	-1,995	-350	22,556
Adjustments between accounting basis & funding basis under regulations	-2,903	-784	-124	-576	-350	4,737

10. Transfers to / from 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 2025/26.

Transfers to / from Earmarked Reserves 2025/26							
	Balance 31 March 2024 £000	Transfers From 2024/25 £000	Transfers To 2024/25 £000	Balance 31 March 2025 £000	Transfers From 2025/26 £000	Transfers To 2025/26 £000	Balance 31 March 2026 £000
General Fund:							
<i>Project reserves:</i>							
Building control shared service	-75	74	-	-1	-	139	138
Brimscombe Port Redevelopment	23	-	105	127	-39	94	182
Business rates pilot	953	-232	604	1,325	-1,380	1,133	1,078
Capital	2,594	-1,555	-	1,039	-135	-	904
Climate change	686	-287	-	399	-160	43	282
Recovery	181	-	-	181	-	-	181
Culture, arts and leisure reserve	704	-341	-	363	-52	1,076	1,387
General Fund carry forwards	1,129	-	-148	981	-725	143	399
Homelessness prevention	254	-60	44	238	-	258	496
Projects	2,290	-715	472	2,047	-144	1,349	3,252
Repairs and replacement	715	-53	268	930	-133	165	961
Street cleaning funding	17	-	-	17	-17	-	-
Transformation	266	-185	-	81	-	-	81
Waste management	771	-80	-	691	-	-	691
<i>Specific Risk Reserves:</i>							
Collection Fund Smoothing reserve	491	-305	-	186	-	169	355
Investment risk	1,493	-907	-	586	-297	-	290
Legal counsel	50	-	-	50	-	-	50
Local Plan Reserve	94	-100	100	94	-	-	94
Neighbourhood planning grant	15	-	-	15	-	-	15
Opportunity land purchase	250	-	-	250	-	-	250
Planning appeal costs	50	-50	-	-	-	150	150
Redundancy	250	-	-	250	-	-	250
Welfare reform	30	-	-	30	-	-	30
<i>Medium Term Risk Reserves:</i>							
Business rates safety net	3,633	-	700	4,333	-	800	5,133
MTFP equalisation	6,847	-100	295	7,041	-348	-	6,693
Total earmarked reserves - General Fund	23,709	-4,896	2,438	21,251	-3,430	5,519	23,340
HRA:							
HRA earmarked reserve	8,515	-1,066	3,355	10,805	-2,073	1,505	10,237
Total earmarked reserves - HRA	8,515	-1,066	3,355	10,805	-2,073	1,505	10,237
Total earmarked reserves	32,224	-5,962	5,793	32,055	-5,502	7,024	33,577

11. Other Operating Expenditure

Other Operating Expenditure	
2024/25	2025/26
£000	£000
5,467	5,949
202	216
-313	-1,754
5,357	4,412
Total Other Operating Expenditure	Total Other Operating Expenditure

12. Financing and Investment Income and Expenditure

Financing & Investment Income & Expenditure	
2024/25	2025/26
£000	£000
3,489	3,510
-980	-2,361
-2,993	-2,703
-20	-92
74	5
-72	42
-502	-1,600
Total Financing & Investment Income & Expenditure	Total Financing & Investment Income & Expenditure

13. Taxation and Non-Specific Grant Income

Taxation & Non-Specific Grant Income	
2024/25	2025/26
£000	£000
-16,592	-17,676
-7,655	-8,701
-2,180	-3,294
-9,919	-10,849
-36,346	-40,520
Total Taxation & Non-Specific Grant Income	Total Taxation & Non-Specific Grant Income

14. Property, Plant and Equipment

Property, Plant and Equipment						
Movements in 2025/26	Council dwellings £000	Council dwellings under construction £000	Other land & buildings * £000	Vehicles, plant furniture & equipment £000	Infra-structure assets £000	Total property, plant & equipment £000
Cost or valuation						
At 1 April 2025	325,534	6,427	52,900	18,238	228	403,327
Additions	16,976	11,187	293	612	-	29,067
Donations	-	-	-	-	-	-
Revaluation increases / decreases (-) recognised in the Revaluation Reserve	34,435	-5	1,370	-	-	35,800
Revaluation increases / decreases (-) recognised in the Surplus / Deficit on the Provision of Services	-14,901	-	-298	-	-	-15,199
Derecognition - disposals	-1,808	-	-89	-	-	-1,897
Derecognition - disposals recognised in revaluation reserve	-545	-	-583	-	-	-1,128
Transfers	-	-246	246	-	-	-0
At 31 March 2026	359,690	17,363	53,839	18,850	228	449,971
Accumulated Depreciation & Impairment						
At 1 April 2025	-	-	-341	-11,637	-161	-12,139
Depreciation charge	-7,144	-	-835	-1,568	-11	-9,559
Depreciation written out to the Revaluation Reserve	-	-	863	-	-	863
Depreciation written out to the Surplus / Deficit on the Provision of Services	7,144	-	178	-	-	7,322
Transfers	-	-	-	-	-	-
At 31 March 2026	-	-	-135	-13,205	-172	-13,513
Net Book Value						
At 31 March 2026	359,690	17,363	53,704	5,645	55	436,458
At 31 March 2025	325,534	6,427	52,559	6,601	66	391,188

*Other land and buildings includes £55k net book value of Community Assets, and £344k net book value of Surplus Assets. ROU assets to a value of £630k are included (Vehicles £552k; Plant & equipment £17k; Other land and buildings £60k).

Property, Plant and Equipment						
Movements in 2024/25	Council dwellings	Council dwellings under construction	Other land & buildings *	Vehicles, plant furniture & equipment	Infra-structure assets	Total property, plant & equipment
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2024	317,121	4,097	52,618	13,727	228	387,791
Adjustment - IFRS16 Right of use assets			110	65		174
Revised Total at 1 April 2024	317,121	4,097	52,728	13,792	228	387,965
Additions	11,922	1,733	527	4,447	-	18,629
Donations	-	-	-	-	-	-
Revaluation increases / decreases (-) recognised in the Revaluation Reserve	8,099	-	200	-	-	8,298
Revaluation increases / decreases (-) recognised in the Surplus / Deficit on the Provision of Services	-10,710	-	-89	-	-	-10,799
Derecognition - disposals	-422	-	12	-	-	-410
Derecognition - disposals recognised in revaluation reserve	-125	-	-472	-	-	-597
Transfers	-351	597	-6	-	-	240
At 31 March 2025	325,534	6,427	52,900	18,238	228	403,327
Accumulated Depreciation & Impairment						
At 1 April 2024	-	-	-153	-10,307	-150	-10,609
Adjustment - IFRS16 Right of use assets			-38	-16		-54
Revised Total at 1 April 2024	-	-	-191	-10,323	-150	-10,663
Depreciation charge	-6,960	-	-941	-1,315	-11	-9,227
Depreciation written out to the Revaluation Reserve	-	-	785	-	-	785
Depreciation written out to the Surplus / Deficit on the Provision of Services	6,960	-	11	-	-	6,971
Transfers	-	-	-5	-	-	-5
At 31 March 2025	-	-	-341	-11,637	-161	-12,139
Net Book Value						
At 31 March 2025	325,534	6,427	52,559	6,601	66	391,188
At 31 March 2024	317,121	4,097	52,466	3,420	78	364,893

*Other land and buildings includes £54k net book value of Community Assets, and £349k net book value of Surplus Assets. ROU assets to a value of £734k are included (Vehicles £640k; Plant & equipment £28k; Other land and buildings £66k).

The table above includes net transfers of £240k to Assets Held for Sale.

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Council Dwellings: 33 years.
- Buildings: 20 to 50 years.
- Vehicles, Plant, Furniture and Equipment: 3 to 15 years.
- Infrastructure: 20 to 30 years.

Capital Commitments

There are four capital contractual commitments greater than £0.300m at 31 March 2026. There are two contract with Speller Metcalf Living Ltd for the construction of new affordable housing at Glebelands (£4.670m) and Queens Drive (£1.390m), one contract with Persimmon Homes (£1.424m) for the acquisition of affordable housing, and one contract with Dennis Eagle Ltd (0.513m) for the purchase of vehicles to be used by Ubico on the multi service contract.

Revaluations

In 2025/26 Vickery Holman valued property assets including car parks and public conveniences, whilst Savills valued the council house stock. Properties not due for revaluation this year were updated using an appropriate index where available.

The valuations of land and buildings were carried out in accordance with the RICS Valuation – Global Standards in so far as they are consistent with the IFRS Standards and CIPFA interpretation.

Revaluations are as at 31 March 2026.

The basis of the valuations of property assets is shown in the Accounting Policies.

15. Heritage Assets

Heritage Assets				
	Heritage Properties £000	Painting £000	Warwick Vase £000	Total £000
Cost or valuation				
At 31 March 2026	20	80	40	140

There were no transactions involving the purchase, donation, disposal or impairment during the five financial years from 2021/22 to 2025/26.

The Council's painting 'Stroud from Rodborough Fort' and the Warwick Vase are reported in the Balance Sheet at insurance valuation which is based on market values. Heritage properties are included at historic cost.

- ***Nailsworth Fountain*** - a drinking fountain erected in 1862 in memory of a local solicitor, William Smith. He worked throughout his life to improve the supply of drinking water in Nailsworth. In 1938 it was moved to a new location in Old Market, and in 1963 moved again a few yards for road widening. In 2009 it returned close to its original site.
- ***Stroud from near Rodborough Fort*** - circa 1848 painted by Alfred Newland Smith (1812–1876) depicting an extensive panoramic landscape with two groups of people in the foreground – a genteel group in fashionable clothing, and women carrying wheat sheaves; with the town of Stroud and the wider countryside stretching out beyond, depicting views of a viaduct, Stroud railway station, St. Lawrence's Church, the Great Western Railway, Holy Trinity Church and the Old Workhouse.
- ***The Anti-Slavery Arch (The Archway), Paganhill*** - a Grade II* memorial to commemorate the abolition of slavery erected in 1834. It was built as a gateway at the end of the drive to Farmhill Park by staunch abolitionist Henry Wyatt, who owned Farmhill Park. It is inscribed 'Erected to commemorate the abolition of slavery in the British Colonies on the first of August AD MDCCCXXXIV'.
- ***Warwick Vase*** - a Grade II listed structure, which up until 2003 sat in the Orangery in Stratford Park. It was vandalised in 2003 and moved to a secure location. The listing description includes 'Urn in Stratford Park. Late c18th, sculpted stone, after antique. Very elaborate.' The vase is a copy of the original Warwick Vase unearthed in Italy around 1780 by the then Lord of Warwick. The piece was copied many times.
- ***Woodchester Mansion*** - is a Grade I listed house in the Victorian Gothic style. It is absolutely unique because it is unfinished. Work started on the mansion in the mid-1850s. The architect was a young local man called Benjamin Bucknall. It is situated at the western end of Woodchester Park, with the village of Woodchester to the eastern end.

16. Capital Expenditure and Capital Financing

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

Capital Expenditure and Financing		
	2024/25	2025/26
	£000	£000
Opening Capital Financing Requirement	122,965	126,622
Capital Investment		
Property, Plant and Equipment	18,754	29,067
Revenue Expenditure Funded from Capital under Statute	8,985	7,261
Sources of Finance		
Capital receipts	-1,995	-3,899
Government grants and other contributions	-10,269	-10,369
Sums set aside from revenue	-9,010	-10,457
Direct revenue contributions	-1,282	-5,582
Minimum Revenue Provision	-1,526	-1,651
Voluntary Revenue Provision	-	-
Closing Capital Financing Requirement	126,622	130,993
Explanation of movement in year		
Increase in underlying need to borrow (unsupported by government financial assistance)	3,657	4,371
Increase / decrease(-) in Capital Financing Requirement	3,657	4,371

17. Leases

The Council has adopted IFRS16 (Leases) with effect from 1 April 2024. The adoption of the standard resulted in the balance sheet recognition of a right-of-use (ROU) assets, and related lease liability in relation to all former operating leases. The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for, a period of time, in exchange for consideration.

Right of Use Assets (ROU)

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease.

The lease liability is subsequently measured at amortised cost using the effective interest rate method.

The right of use asset is initially measured and recognised at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The right of use asset is tested for impairment if there are any indicators of impairment.

Leases of low value assets (value when new less than £10,000) and short-term leases of 12 months or less are expensed to the Comprehensive Income and Expenditure Statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

This has resulted in the following additions to the balance sheet:

- £552,215 Leased vehicles (right-of-use assets)
- £ 60,237 Land and buildings (right-of-use assets)
- £ 17,398 Photocopiers (right of use assets)

IFRS 16 based Right of Use Assets and Lease Liabilities comparative values for 2025/26 and 2024/25 balances are stated below:

Right of Use Assets

31 March 2026

	Vehicles	Plant & Equipment	Other Land & Buildings	Total
	£000	£000	£000	£000
Opening balance at 1 April	640	28	66	734
Additions	107	-	-	107
Depreciation	-195	-10	-5	-211
Derecognition	-	-	-	-
Closing Balance 31 March	552	17	60	630

31 March 2025

	Vehicles	Plant & Equipment	Other Land & Buildings	Total
	£000	£000	£000	£000
Adjusted opening balance at 1 April	11	38	71	120
Additions	678	-	-	678
Depreciation	-49	-10	-5	-65
Derecognition	-	-	-	-
Closing Balance 31 March	640	28	66	734

Lease Liabilities

31 March 2026

	Short Term £000	Long Term £000	Total £000
Opening balance at 1 April	179	560	738
Additions	22	85	107
Interest	36	-	36
Payments	-237	-	-237
Transfers	212	-212	-
Closing Balance 31 March	211	433	644

31 March 2025

	Short Term £000	Long Term £000	Total £000
Adjusted opening balance at 1 April	18	107	125
Additions	48	631	678
Interest	15	-	15
Payments	-80	-	-80
Transfers	179	-179	-
Closing Balance 31 March	179	560	738

The Council as Lessee

- **Finance Leases**

The Council has no assets acquired by finance lease on its Balance Sheet.

- **Operating Leases**

The Council leases vehicles for Animal Welfare Officers, Pest Control, Property Care and Independent Living services; and the Museum is leasing two buildings.

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

Future Minimum Lease Payments		
	31-March 2025 £000	31-March 2026 £000
Not Later than one year	211	238
Later than one year and not later than five years	555	417
Later than five years	60	51
Future Minimum Lease Payments	826	706

The expenditure charged to the Comprehensive Income and Expenditure Statement in relation to these leases was £237k 2025/26 (£96k 2024/25).

The Council as Lessor

- **Finance Leases**

The Council has no finance leases as a lessor.

- **Operating Leases**

The Council provides vehicles to Ubico Ltd for the delivery of waste collection and recycling services.

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

Authority as Lessor		
	31 March 2025 £000	31 March 2026 £000
Not later than one year	-906	-1,047
Later than one year and not later than five years	-3,136	-3,060
Later than five years	-471	-85
Total Authority as Lessor	-4,513	-4,191

The income credited to the Comprehensive Income and Expenditure Statement in relation to these leases was £1,247k in 2025/26 (£1,256k in 2024/25).

18. Financial Instruments

Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

Categories of Financial Instruments				
	Long-term		Current	
	31 March 2025	31 March 2026	31 March 2025	31 March 2026
	£000	£000	£000	£000
Investments				
Financial assets at amortised cost	-	-	14,912	16,236
Financial assets at fair value through profit and loss	5,956	3,849	-	-
Total Investments	5,956	3,849	14,912	16,236
Cash and cash equivalents				
Financial assets at amortised cost	-	-	21,786	15,936
Total cash and cash equivalents	-	-	21,786	15,936
Debtors				
Financial assets at amortised cost	187	206	3,878	4,185
Assets not defined as financial instruments	-	-	14,777	15,028
Total Debtors	187	206	18,655	19,212
Borrowings				
Financial liabilities at amortised cost	-100,717	-100,717	-	-
Total Borrowings	-100,717	-100,717	-	-
Creditors				
Financial liabilities at amortised cost	-2,635	-2,494	-8,321	-8,678
Liabilities not defined as financial instruments	-	-	-10,814	-8,318
Total Creditors	-2,635	-2,494	-19,135	-16,997
Fair Values of Assets and Liabilities				

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost.

The 2025/26 Code of Practice sets out the fair value valuation hierarchy that authorities are required to follow, to increase consistency and comparability in fair value measurements and related disclosures. Authorities are required to disclose the methods used and any assumptions made in arriving at fair values. The valuation basis adopted for investments and borrowing uses **Level 2 Inputs** – i.e. inputs other than quoted prices that are observable

for the financial asset/liability, except for Property Fund and Multi-Asset fund investments which use **Level 1 Inputs** – i.e. unadjusted quoted prices in active markets for identical shares.

The following valuation basis has been applied:

Valuation of fixed term deposits (maturity investments)

Valuation is made by comparison of the fixed term investment with a comparable investment with the same/similar lender for the remaining period of the deposit.

Valuation of property fund and multi-asset fund investments

Property funds and multi-asset funds prices are quoted in active markets.

Valuation of PWLB loans

For loans from the PWLB the Debt Management Office provides a transparent approach to allow the exit cost of PWLB loans to be calculated for disclosure purposes.

Valuation of non-PWLB loans payable

For non-PWLB loans the PWLB redemption rates provide a reasonable proxy for rates that market participants have used when asked about early redemption costs for market loans.

Inclusion of accrued interest

The purpose of the fair value disclosure is primarily to provide a comparison with the carrying value in the Balance Sheet. Since this will include accrued interest as at the Balance Sheet date, accrued interest is included in the fair value calculation. This figure is calculated up to and including the valuation date.

Discount rates used in NPV calculation

The rates for valuation were obtained from the market on 31 March 2026, using bid prices where applicable.

Assumptions regarding interest calculation do not have a material effect on the fair value of the instrument.

The fair values calculated are as follows:

Fair Values - Liabilities				
	31 March 2025		31 March 2026	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Financial liabilities	100,717	70,075	100,717	67,939
Long-term creditors	2,635	2,191	2,494	2,074
Short-term creditors	8,321	8,321	8,678	8,678

The fair value of financial liabilities is shown as lower than the carrying amount because the interest rate was higher at the Balance Sheet date than when the fixed rate PWLB loans commenced. The fair value of long-term creditors and long-term debtors below, is lower than the carrying amount due to the time value of money.

Fair Values - Receivables

	31 March 2025		31 March 2026	
	Carrying amount	Fair value	Carrying amount	Fair value
	£000	£000	£000	£000
Loans & receivables	18,655	18,655	19,212	19,212
Long-term debtors	187	155	206	171

Short-term creditors and loans and receivables are carried at cost as this is a fair approximation of their value.

Fair Values - Financial Assets

	31 March 2025	31 March 2026
	£000	£000
Lothbury Property Fund	347	56
Hermes Property Fund	1,818	12
Royal London Multi-Asset Fund	2,835	2,880
CCLA	956	901
TOTAL	5,956	3,849

Financial assets at fair value through profit and loss are valued using Level 1 unadjusted quoted prices in active markets for identical shares.

During 2019/20 the Council conducted a selection process involving a cross-party group of Members for long term financial investments in property and multi-asset funds. A total of £9m was invested. A further £1m was invested in CCLA multi-asset fund during 2020/21. Any change in capital value at year end is taken through the CIES and reversed out to an unusable reserve (see Financial Instrument Adjustment Account Note 26).

Lothbury Property Fund terminated in 2024/25 and since then most of the fund assets have been sold. By March 2026, £2.918m had been repaid. A total crystallised loss on disposal to date of £1.007m has been charged to the Investment Risk Reserve (24/25 £0.907m, 25/26 £0.100m)

Also, Hermes Property Fund has terminated during 2025/26 and £1.811m has been repaid. A capital loss of £0.189m has been charged to the Investment Risk Reserve.

19. Nature and Extent of Risks Arising from Financial Instruments

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

- **Credit Risk** – the possibility that counterparties might fail to pay amounts due to the Council when due.
- **Liquidity Risk** – the possibility that the Council might not have liquid funds available to meet its commitments to make payments as they fall due.
- **Re-financing Risk** – the possibility that the Council might be requiring to renew a financial instrument on maturity at unfavourable interest rates or terms.
- **Market Risk** – the possibility that financial loss might arise for the Council, as a result of, interest rates and stock market movements.

Council's Procedures for Managing Risk

The Council's overall risk management procedures focus on the unpredictability of financial markets and are structured to implement suitable controls to minimise these risks. The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act. Overall, these procedures require the Council to manage its potential risks in the following ways:

- By formally adopting the requirements of the CIPFA Treasury Management Code of Practice.
- By the adoption of a Treasury Management Policy Statement and Treasury Management clauses within financial regulations / standing orders / constitution.
- By approving annually in advance Prudential and Treasury Indicators for the following three years limiting:
 - The Council's overall borrowing.
 - Maximum and minimum exposures to the maturity structure of its borrowing.
 - Maximum annual exposures to investments maturing beyond a year.
- By approving an investment strategy for the forthcoming year setting out criteria for both investing and selecting investment counterparties in compliance with Government guidance.

These are required to be reported and approved before the start of the year to which they relate. These items are reported with the Annual Treasury Management Strategy, which outlines the detailed approach to managing risk in relation to the Council's financial instruments exposure. Actual performance is also reported after each year, as well as at mid-year and quarterly updates.

The Annual Treasury Management Strategy which incorporates the prudential indicators was approved by Council on 13th February 2025 and is available on the Council website. The key issues within the strategy were:

- The Authorised Limit for 2025/26 was set at £145m. This is the maximum limit of external borrowings or other long-term liabilities.
- The Operational Boundary was set £140m. This is the expected level of debt and other long-term liabilities during the year.

These policies are implemented by the treasury team, within the Finance section. The Council maintains written principles for overall risk management, as well as written policies (Treasury Management Practices – TMPs) covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash. These TMPs are a requirement of the CIPFA Code of Practice and are reviewed annually.

Credit Risk

Credit risk arises from potential defaults by counterparties such as banks and financial institutions, as well as credit exposures to the Council's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not placed with financial institutions unless they meet identified minimum credit criteria, as laid down by MUFG Corporate Markets, the Council's treasury management advisers. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution or counterparty.

The credit criteria in respect of financial assets held by the Council are as detailed below:

- A financial institution must be included as a creditworthy counterparty on MUFG Corporate Markets weekly listing.
- There is an individual bank and group limit of £8m. Outside the UK, the Council will only place deposits with banks in AA-rated countries. Investments can be for a maximum period of three-year duration.

Customers for goods and services are assessed, taking into account, their financial position, past experience and other factors, but formal individual credit limits are not set.

The Council's maximum exposure during 2025/26 to credit risk in relation to its investments in banks and building societies was £62m. It cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Experience has shown that, whilst rare, it can happen that such entities can fail to meet their commitments. A risk of recoverability applies to all of the Council's deposits, but there was no new evidence at 31 March 2026 that this risk was likely to crystallise.

The Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets, based on experience of default and collectability over the last five financial years, adjusted to reflect current market conditions.

Potential Maximum Exposure to Credit Risk					
	Amount at 31 March 2026 £000	Historical experience of default %	Historical experience adjusted for market conditions at 31 March 2026 %	Estimated maximum exposure to default & uncollectability at 31 March 2026 £000	Estimated maximum exposure to default & uncollectability at 31 March 2025 £000
Bonds	-	-	-	-	-
Customers	19,212	4.5%	10.0%	1,921	1,492
				1,921	1,492

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is readily available as and when needed. If unexpected movements happen, the Council has ready access to drawdowns from the money markets deposits and borrowings from the Public Works Loans Board (PWLB). There is no significant risk that it will be unable to meet its commitments as and when they fall due. The Council has eighteen (18) PWLB loans that mature in more than five years.

Maturity - Liabilities		
	31 March 2025 £000	31 March 2026 £000
Less than one year	19,135	16,997
Between one and two years	186	237
Between two and five years	2,399	2,213
More than five years	100,767	100,761
	122,487	120,208

Refinancing Risk

This risk relates to both the maturity of longer-term financial liabilities and longer-term financial assets. The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments of greater than one year in duration are the key parameters used to address this risk. The Council's approved treasury and investment strategies address the main risks whilst the treasury team addresses the operational risks within the approved parameters. This includes:

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

The maturity analysis of financial liabilities is below.

Maturity Analysis - Loan (PWLB)

	31 March 2025 £000	31 March 2026 £000
Less than one year	-	-
Between one and two years	-	-
Between two and five years	-	-
Between five and ten years	6,000	6,000
More than ten years*	94,717	94,717
Total	100,717	100,717

*PWLB maturities are during the period up until 2066.

Market Risk

This is the risk that the Council will be adversely affected by market movements in the value of its investments.

The Council is protected from this risk through not holding investments with the intention of trading; where tradeable investments are held it is the Council's policy to hold them until maturity, or for the medium to long term in the case of property funds and multi-asset funds. This has the effect of nullifying or greatly reducing market risk.

Interest Rate Risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise.
- Borrowings at fixed rates – the fair value of borrowings will fall.
- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services, or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Council has a number of strategies for managing interest rate risk. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans

will be repaid early to limit exposure to losses. Risk of loss may be ameliorated if a proportion of government grant payable on financing costs moves with prevailing interest rates or the Council's cost of borrowing and provides compensation for a proportion of any higher costs.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to revise the budget during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this assessment strategy, as at 31 March 2026, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

1% Interest Higher	
	2025/26 £000
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income &	7,926

The impact of a 1% fall in interest rates would be as above but with the movement being reversed.

Price Risk

The Council does not invest in equity shares. If it did, these would be classified as 'available for sale' and all movements in price would impact on gains and losses recognised in Other Comprehensive Income and Expenditure.

20. Debtors

Debtors		
	31 March 2025 £000	31 March 2026 £000
Trade receivables	6,382	5,351
Prepayments	1,703	1,466
Other receivables	10,570	12,395
Total Debtors	18,655	19,212

21. Cash and Cash Equivalents

Cash and Cash Equivalents		
	31 March 2025 £000	31 March 2026 £000
Cash held by the Authority	2	1
Bank current accounts	-792	-2,399
Short-term deposits with banks	22,576	18,334
Total Cash and Cash Equivalents	21,786	15,936

22. Assets Held for Sale

Assets Held for Sale		
	31 March 2025 £000	31 March 2026 £000
Balance outstanding at 1 April	380	63
Assets newly classified as held for sale:		
Other land and buildings	40	-
Revaluation gains	23	30
Assets declassified as held for sale:		
Assets sold	-100	-63
Assets declassified	-280	-
Balance outstanding at 31 March	63	30

23. Creditors

Creditors				
	Current		Non-Current	
	31 March 2025 £000	31 March 2026 £000	31 March 2025 £000	31 March 2026 £000
Trade payables	7,946	8,986	-	-
Other payables	11,011	7,799	2,076	2,062
Lease liabilities (PPE)	179	212	560	433
Total Creditors	19,135	16,997	2,635	2,494

Lease liabilities have been included following the implementation of IFRS 16 from 1 April 2024.

24. Provisions

Provisions			
	Outstanding Legal Cases £000	NNDR £000	Total £000
Balance at 31 March 2025	75	675	750
Additional provisions made in 2025/26	-	46	46
Amounts used in 2025/26	-75	-393	-468
Unused amounts reversed in 2025/26	-	-60	-60
Balance at 31 March 2026	-	268	268

The NNDR provision is for the estimated cost of National Non-Domestic Rating appeals.

Provisions			
	Outstanding Legal Cases £000	NNDR £000	Total £000
Balance at 31 March 2024	-	774	774
Additional provisions made in 2024/25	75	370	445
Amounts used in 2024/25	-	-469	-469
Unused amounts reversed in 2024/25	-	-	-
Balance at 31 March 2025	75	675	750

25. Usable Reserves

Usable Reserves	
31 March 2025 £000	31 March 2026 £000
2,169 General Fund	2,169
21,251 Earmarked General Fund Reserves	23,340
4,918 Housing Revenue Account	2,727
10,805 Earmarked HRA Reserves	10,237
4,029 Major Repairs Reserve	2,671
15,399 Capital Receipts Reserve	16,341
5,823 Capital Grants Unapplied	6,303
64,394 Total Usable Reserves	63,788

26. Unusable Reserves

Unusable Reserves	
31 March 2025	31 March 2026
£000	£000
101,899 Revaluation Reserve	137,137
162,870 Capital Adjustment Account	168,497
-507 Financial Instruments Revaluation Reserve	-215
-1,440 Pensions Reserve	-7,585
419 Collection Fund Adjustment Account	622
-187 Accumulating Absences Adjustment Account	-185
263,053 Total Unusable Reserves	298,271

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are either:

- 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 contains only 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.

Revaluation Reserve	
31 March 2025 £000	31 March 2026 £000
93,851	101,899
<hr/>	
9,431	43,074
-348	-6,412
<hr/>	
9,083	36,663
<hr/>	
-390	-287
-645	-1,137
-1,035	-1,424
<hr/>	
101,899	137,137
<hr/>	

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 enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or subsequent costs as depreciation; impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). 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 properties and gains recognised on 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 that the Revaluation Reserve was created to hold such gains.

Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

Capital Adjustment Account

31 March 2025		31 March 2026
£000		£000
160,886	Balance at 1 April	162,870
	<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</i>	
-9,236	Charges for depreciation and impairment of non-current assets	-9,559
-3,806	Revaluation (losses)/gains on PPE	-7,848
-8,985	Revenue expenditure funded from capital under statute	-7,261
-1,106	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-3,087
-23,134		-27,755
1,035	Adjusting amounts written out of the Revaluation Reserve	1,424
-22,098	Net written out amount of the cost of non-current assets consumed in the year	-26,330
	<i>Capital financing applied in the year:</i>	
1,995	Use of the Capital Receipts Reserve to finance new capital expenditure	3,899
7,210	Use of the Major Repairs Reserve to finance new capital expenditure	8,795
10,269	Application of grants to capital financing from the Capital Grants Unapplied Account	10,369
1,526	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	1,651
-	Voluntary provision for the financing of capital investment charged against the General Fund and HRA balances	-
3,083	Capital expenditure charged against the General Fund and HRA balances	7,244
24,082		31,958
162,870	Balance at 31 March	168,497

Financial Instruments Revaluation Reserve

The financial instruments revaluation reserve contains the gains and losses made by the authority arising from increases in the value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- disposed of and the gains are realised.

Financial Instruments Revaluation Reserve			
31 March 2025	£000	£000	31 March 2026
£000	£000		£000
-1,339		Balance at 1 April	-507
19		Upward revaluation of investments	50
-93		Downward revaluation of investments	-54
907		Net gain/loss transferred to General Fund balance	297
	833		292
	-507	Balance at 31 March	-215

Pensions Reserve

The Pensions 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 Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement, as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, 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 contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall between 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.

Pension Reserve

31 March 2025	31 March 2026
£000	£000
-18,458 Balance at 1 April	-1,440
14,321 Actuarial gains or losses on pensions assets and liabilities	-11,030
-1,669 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	332
4,366 Employers pension contributions and direct payments to pensioners payable in the year	4,553
-1,440 Balance at 31 March	-7,585

Collection Fund Adjustment Account

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

Collection Fund Adjustment Account

31 March 2025	31 March 2026
£000	£000
174 Balance at 1 April	419
<i>Amount by which income credited to the Comprehensive Income and Expenditure Statement is different from income calculated for the year in accordance with statutory requirements:</i>	
45 Council tax	102
200 Non-domestic rates	101
419 Balance at 31 March	622

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance, from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account.

Accumulated Absences Account	
31 March 2025 £000	31 March 2026 £000
-201	-187
Balance at 1 April	
201	187
Settlement or cancellation of accrual made at the end of the preceding year	
-187	-185
Amounts accrued at the end of the current year	
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	
14	2
Balance at 31 March	
-187	-185

27. Cash Flow Statement – Operating Activities

Cash Flow Statement - Non-Cash Items Included in Surplus (-) / Deficit on Provision of Services

31 March 2025 £000	31 March 2026 £000
-2,242 Depreciation charges	-2,237
-10,777 Impairments and revaluations	-15,446
1,330 Increase (-) / decrease in creditors	2,019
-528 Increase (-) / decrease in long term creditors	108
797 Increase (-) / decrease in grants in advance	346
43 Increase / decrease (-) in debtors	473
5 Increase / decrease (-) in long-term debtors	19
24 Increase (-) / decrease in provisions	482
1,257 Non-cash charges for retirement benefits	3,445
-1,106 Carrying amount of non-current assets sold	-3,087
-74 Fair value of long term investments	-5
-11,272 Non-cash items in Net Surplus (-) / Deficit	-13,883

28. Cash Flow Statement – Investing Activities

Cash Flow Statement - Investing Activities

31 March 2025 £000	31 March 2026 £000
18,754 Purchase of property, plant and equipment, investment property and intangible assets	28,960
184,950 Purchase of short-term and long-term investments	143,748
-1,429 Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-4,884
-186,900 Proceeds from short-term and long-term investments	-144,526
15,375 Net cash flows from investing activities	23,298

29. Cash Flow Statement – Financing Activities

Cash Flow Statement - Financing Activities

31 March 2025 £000	31 March 2026 £000
-423 Other receipts from financing activities	330
65 Repayments of short- and long-term borrowing	201
-358 Net cash flows from financing activities	531

30. Members' Allowances

The Council paid the following amounts to members of the Council during the year:

Members' Allowances		
	2024/25	2025/26
	£000	£000
Allowances	427	424
Expenses	5	7
Total Members' Allowances	432	431

31. Officers' Remuneration

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

Officers' Remuneration				
	Year	Salary, Fees & Allowances	Pension Contribution	Total
		£	£	£
Chief Executive	2025/26	133,720	26,744	160,464
	2024/25	129,574	25,915	155,489
Deputy Chief Executive and Strategic Director of Resources*	2025/26	51,876	10,090	61,965
	2024/25	103,989	20,798	124,787
Strategic Director of Resources*	2025/26	23,868	4,774	28,642
	2024/25	-	-	-
Strategic Director of Place	2025/26	96,403	19,281	115,683
	2024/25	96,688	19,338	116,026
Strategic Director of Communities	2025/26	100,265	17,829	118,094
	2024/25	96,688	17,214	113,902
Strategic Head of Finance (Section 151 Officer)*	2025/26	39,493	7,899	47,391
	2024/25	-	-	-
Corporate Director (Monitoring Officer)	2025/26	-	-	-
	2024/25	7,936	1,534	9,470

The Strategic Director of Place role was vacant on 1 April 2025 and was filled in June 2025.

The Deputy Chief Executive and Strategic Director of Resources (S151 Officer) left the organisation in September 2025, at which point the role was split. The new Strategic Director of Resources was appointed in January 2026. The Strategic Head of Finance & Section 151

Officer was appointed in September 2025 and took on the Section 151 Officer element of the role. The Deputy Chief Executive role has not been reappointed.

From May 2024 the Monitoring Officer function has been delivered through the partnership with One Legal and the Corporate Director position was removed from the structure.

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer pension contributions) were paid the following amounts:

Remuneration Band	2024/25 Number of employees	2025/26 Number of employees
£50,000 - 54,999	7	22
£55,000 - 59,999	11	6
£60,000 - 64,999	8	3
£65,000 - 69,999	2	5
£70,000 - 74,999	-	2
£75,000 - 79,999	1	2
£80,000 - 84,999	1	-
£85,000 - 89,999	-	1

32. Termination Benefits

The Council terminated the contracts of 8 employees in 2025/26, incurring a liability of £79k (6 employees, £85k in 2024/25).

Termination Benefits								
Exit package cost	Compulsory		Other		Total exit		Total cost of exit	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25 £000	2025/26 £000
0 - 20	-	2	5	4	5	6	27	31
20 - 40	-	-	-	2	-	2	-	48
40 - 60	1	-	-	-	1	-	58	-
60 - 80	-	-	-	-	-	-	-	-
80 - 100	-	-	-	-	-	-	-	-
100 - 120	-	-	-	-	-	-	-	-
TOTAL	1	2	5	6	6	8	85	79

33. Defined Benefit Pension Scheme

Participation in Pension Scheme

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time the employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered locally by Gloucestershire County Council. This was a funded defined benefit final salary scheme until 31 March 2014, and is a defined benefit career average scheme from 1 April 2014. The Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits 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 we are required to make against council tax is based on the cash payable to the pension fund in the year, so the real cost of post-employment retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Transactions Relating to Post-employment Benefits

	Local Government Pension Scheme	
	2024/25	2025/26
	£000	£000
Comprehensive Income and Expenditure Statement		
<i>Cost of Services</i>		
Current service cost	2,609	2,029
Past service costs (including curtailments)	40	-
<i>Financing and Investment Income and Expenditure</i>		
Net interest expense	-980	-2,361
Total Post-employment Benefit Charged to the Surplus or Deficit on the Provision of Services	1,669	-332
Other Post-employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Return on plan assets (excluding the amount included in the net interest expense)	540	-6,044
Actuarial gains and losses on changes in demographic assumptions	-207	-1,520
Actuarial gains and losses arising on changes in financial assumptions	-18,062	-2,453
Asset ceiling adjustment	4,507	12,397
Other experience	-1,098	8,650
Total Post-employment Benefit Charged to the Comprehensive Income and Expenditure Statement	-12,651	10,698
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	17,017	-6,143
Actual amount charged against the General Fund Balance for pensions in the year:		
Employer contributions payable to the scheme	4,366	4,555

Assets and Liabilities Recognised in the Balance Sheet

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

Pensions Assets and Liabilities Recognised in the Balance Sheet		
	2024/25	2025/26
	£000	£000
Present value of the defined benefit obligation	-143,248	-164,423
Fair value of plan assets	143,248	156,838
Net liability arising from the defined benefit obligation	-	-7,585

The present value of unfunded benefits is £517k (£547k 2024/25).

Reconciliation of the Movements in the Fair Value of Scheme Assets

Reconciliation of the Movements in the Fair Value of Scheme Assets		
	2024/25	2025/26
	£000	£000
Opening fair value of scheme assets	137,839	143,248
Interest income	6,667	8,291
<i>Remeasurement gain / (loss):</i>		
The return on plan assets, excluding the amount included in the net interest expense	-540	6,044
Contributions from employer	2,925	3,113
Contributions from employees into the scheme	932	1,003
Benefits paid	-4,575	-4,861
Closing fair value of scheme assets	143,248	156,838

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

Reconciliation of the Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	2024/25	2025/26
	£000	£000
Opening balance at 1 April	153,415	143,248
Current service cost	2,609	2,029
Interest cost	5,687	5,930
Contributions from scheme participants	932	1,003
<i>Remeasurement (gains) and losses:</i>		
Actuarial (gains) / losses arising from changes in demographic assumptions	-207	-1,520
Actuarial (gains) / losses arising from changes in financial assumptions	-18,062	-2,453
Other	-1,098	8,650
Asset ceiling adjustment	4,507	12,397
Past service cost - including curtailments	40	-
Benefits paid	-4,575	-4,861
Closing balance at 31 March	143,248	164,423

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £164.423m is part of the net worth of the Council as recorded in the Balance Sheet, resulting in a negative overall pensions reserve balance of £7.583m.

- If a deficit arises on the local government scheme it will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.
- Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the Local Government Pension Scheme by the Council for the year to 31 March 2027 are £3.066m. In 2017/18 and 2023/24, the Council paid lump sum pension deficit payments scheduled for the following two financial years early to benefit from a discounted lump sum amount. In 2020/21 the Council declined the opportunity to pay lump sum deficit payments in advance. Expected contributions for the Discretionary Benefits Scheme in the year to 31 March 2027 are £60k.

Local Government Pension Scheme Assets Comprised

Local Government Pension Scheme Assets Comprised								
Asset Category	31 March 2025				31 March 2026			
	Quoted prices in active markets £000	Quoted prices in not active markets £000	Total £000	% of Total Assets	Quoted prices in active markets £000	Quoted prices in not active markets £000	Total £000	% of Total Assets
Private Equity:								
All	-	4,103	4,103	3%	-	4,430	4,430	3%
Real Estate:								
UK Property	4,766	3,910	8,675	6%	2,099	7,669	9,769	6%
Overseas Property	-	2,668	2,668	2%	-	2,500	2,500	2%
Investment Funds and Unit Trusts:								
Equities	-	87,188	87,188	62%	-	94,097	94,097	61%
Bonds	10,316	14,482	24,798	17%	10,842	15,233	26,075	17%
Hedge Funds	-	-	-	0%	-	-	-	0%
Commodities	-	-	-	0%	-	-	-	0%
Infrastructure	-	7,784	7,784	5%	-	7,780	7,780	5%
Other	-	6,107	6,107	4%	-	6,112	6,112	4%
Derivatives:								
Foreign Exchange	106	-	106	0%	677	-	677	0%
Cash and Cash Equivalents:								
All	1,885	-	1,885	1%	3,402	-	3,402	2%
Totals	17,073	126,241	143,314	100%	17,021	137,821	154,842	100%

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years, dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Council being based on the latest full valuation of the scheme as at 31 March 2025. The principal assumptions used by the actuary have been:

Assumptions		
	2024/25	2025/26
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	21.3	22.1
Women	23.7	24.5
Longevity at 65 for future pensioners:		
Men	22.3	23.1
Women	25.4	26.0
Rate of inflation	2.75%	3.00%
Rate of increase in salaries	3.25%	3.50%
Rate of increase in pensions	2.75%	3.00%
Discount rate	5.80%	6.20%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Change in Assumptions at 31 March 2026

	Estimated % increase to Employer Liability	Estimated monetary amount £000
0.1% decrease in Real Discount Rate	1%	1,627
* 1-year increase in member life expectancy	4%	4,395
0.1% increase in the Salary Increase Rate	0%	76
0.1% increase in the Pension Increase Rate	1%	1,549

*The principal demographic assumption is the longevity assumption (i.e. Member life expectancy). For sensitivity purposes, the actuaries estimate that a one-year increase in life expectancy would approximately increase the Employer Defined Benefit Obligation by around 3-5%. In practice, the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements predominantly apply at younger or older ages).

Funding Strategy Statement

The Gloucestershire County Council Pension Fund has a Funding Strategy Statement (FSS) prepared in collaboration with the fund's actuary, Hymans Robertson LLP, after consultation with the fund's employers and investment adviser. The latest FSS is effective from April 2026.

An objective of the FSS is an investment strategy that is set for the long-term solvency of the fund, using a prudent long-term view to ensure sufficient funds are available to pay members' benefits as they fall due. Normally a full review of the investment strategy is carried out after each actuarial valuation and is reviewed annually to ensure it remains appropriate to the fund's liability profile.

A balance needs to be maintained between risk and reward, and this has been considered using Asset Liability Modelling. This is a set of calculation techniques applied by the fund's actuary, to model a range of potential future solvency levels and contribution rates.

Modelling demonstrates that retaining the present investment strategy, coupled with constraining employer contribution rates, meets the need for stability of contributions without jeopardising the Administering Authority's aim of prudent stewardship of the fund.

The next FSS review will be at the time of the next actuarial valuation in 2029.

Impact on the Authority's Cash Flows

An objective of the Administering Authority is to keep employers' contribution rates as constant as possible. Funding levels are set for a three-year period. The results from the latest triennial valuation as at 31 March 2025 were completed in November 2025 and will be in place from 2026/27 to 2028/29. Stroud District Council anticipates employer contributions of £3.066m to the scheme in 2026/27.

A lump sum payment covering 2024/25 to 2025/26 of £4.321m paid in advance in April 2024 for a discount, of which one third is in respect of 2025/26.

34. External Audit Costs

The authority has incurred the following costs in relation to the audit of the statement of accounts:

External Audit Costs		
	2024/25	2025/26
	£000	£000
External audit services carried out by the appointed auditor for the year	164	168
Additional costs for audit of prior year	23	7
Total External Audit Costs	187	175

35. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2025/26 and 2024/25:

Grant Income, Contributions and Donations		
	2024/25	2025/26
	£000	£000
Total Non Ringfenced Government Grants		
MHCLG - New Homes Bonus Scheme	565	490
MHCLG - New Burdens	8	-
MHCLG- Services Grant	17	-
MHCLG - Funding Floor Grant	-	998
MHCLG - Employers National Contribution	-	161
Extended Producer Responsibility	1,417	1,438
MHCLG - Revenue Support Grant	170	208
Other Grants	3	-
Total Non Ringfenced Government Grants	2,180	3,294
Capital Grants & Contributions:-		
Better Care Fund	652	679
CCG Health Through Warmth	86	197
GCC Adult Social Care	70	-
Homes England	-	1,820
National Lottery Heritage Fund	1,641	1,920
Green Homes and Home Upgrade Scheme	3,816	1,970
Environment Agency Stroud Valleys	25	50
Community Infrastructure Levy	539	1,247
Warm Homes: Social Housing Fund	1,507	1,003
UK Shared Prosperity Fund	408	87
Rural England Prosperity Fund	300	120
Local Authority Housing Fund	608	660
Sport England Swimming Pool Support Fund	257	
Brownfield Land Release Fund		490
Cotswold Canals Trust - contribution		50
S106 Contributions		497
Other Capital Grants and Contributions	10	58
Total Capital Grants & Contributions	9,919	10,848

	2024/25 £000	2025/26 £000
Grants and Contributions Credited to Services		
DWP Housing Benefit Grant	16,320	13,228
DWP Discretionary Housing Payments	58	58
DWP Housing Benefit Administration Grant	220	252
MHCLG Homelessness Prevention Grant	395	589
MHCLG Business Rate Collection	173	171
MHCLG Domestic Abuse	35	35
MHCLG Rough Sleeping Initiative	22	5
New Burdens Funding	110	64
Other Government Grants	75	148
Household Support Funding	150	277
GCC Recycling Credits	899	910
Environment Agency Stroud Valleys	4	120
Other LA Covid Grants (Including COMF)	55	-
Holiday Activity Fund	96	71
Homes For Ukraine Funding	404	212
Resettlement Grants	26	7
UK Shared Prosperity Fund (UKSPF)	449	365
Contributions towards the Canal Project	4	96
Climate Change Projects	68	-
Land Drainage	23	-
Strengthening Local Communities Grant	70	-
LGA Grants	30	-
Contributions towards Warm and Well	190	-
Elections Funding	467	-
Section 106 Contributions	89	-
DEFRA Biodiversity Net Gain	27	-
Land Charges Migration	-	80
Local Plan Implementation Support	-	108
Supported Housing Strategies Funding	-	45
Private Housing	-	27
Energy Efficiency (SWEA)	-	245
Building Safer Communities-Revenue	-	23
Other Grants and Contributions	65	160
Total Grant and Contributions Credited to Services	20,526	17,297
Total Grants and Third Party Contributions	32,625	31,439

The Council has received some grants and contributions that have yet to be recognised as income as they have conditions attached to them that may require monies to be returned to the contributing organisation. The balances at year end are as follows:

Grants Receipts in Advance

	2024/25	2025/26
	£000	£000
Grants Receipts in Advance (Capital)		
Social Housing Decarbonisation	-	846
Brownfield Release Fund	540	-
Better Care Fund	212	-
S106 Developers Contributions	1,539	1,099
Total Grants Receipts in Advance (Capital)	2,291	1,945

There has been grant funding where the Council has acted as an agent, passporting grants to businesses and individuals in accordance with Government guidelines. These payments and grant income have not been included in the Comprehensive Income and Expenditure Statement but are summarised in the following table for information.

Acting as Agent on behalf of Government

	2024/25	2025/26
	£000	£000
Grants Received		
Social Housing Decarbonisation Grants to Registered Providers	2,783	2,320
Total Grants Acting as Agent	2,783	2,320

36. Related Parties

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

Central Government

Central government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants, and prescribes the terms of many transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in note 35.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2025/26 and 2024/25 is shown in note 30. A number of Members have declared interests in related parties which are mainly local organisations; however, they are not material in nature.

The Register of Members' Interests is on the Council's website, or is open to public inspection at Ebley Mill during office hours, on application.

Officers/Other Public Bodies

Senior Officers have not disclosed any material transactions with related parties and the Council has no material pooled budget arrangements with other public bodies.

Entities Controlled or Significantly Influenced by the Council

There are no entities controlled or significantly influenced by the Council.

The Council is a Member of the Stroud Valleys Canal Company (SVCC) and is entitled to nominate a Director to the Board of Directors. The company was formed in 2009 to hold land associated with the Canal Restoration Project led by the Council and to maintain and operate the canal post-restoration. All payments to SVCC during 2025/26 relate to the Agreement between the respective parties dated 16 March 2012.

Also, the Council is one of eight equal shareholders of Ubico Ltd. The other owners are Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Gloucestershire County Council, Tewkesbury Borough Council and West Oxfordshire District Council. The company is responsible for delivering the shareholders' environmental services such as refuse and recycling within their respective council boundaries. Stroud District Council joined in January 2016 and in July 2016 Ubico Ltd took over collection of waste and recycling from Veolia Limited. Since Stroud District Council does not exercise control or joint control or significant influence over the company, its accounts have not been consolidated into group accounts; however, full disclosure notes are provided to the Council.

37. Contingent Liabilities

The Council has no contingent liabilities as at 31 March 2026 or 31 March 2025.

38. Contingent Assets

The Council has no contingent assets as at 31 March 2026 or 31 March 2025.

Supplementary Financial Statements

Housing Revenue Account

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

Housing Revenue Account Income and Expenditure Account

2024/25		2025/26
£000		£000
	Income	
-26,769	Dwelling rents	6 -26,918
-172	Non-dwelling rents	8 -145
-1,433	Charges for services and facilities	-1,998
-220	Transfers from General Fund	-250
-338	Contribution towards expenditure	-504
-28,932	Total income	-29,816
	Expenditure	
5,872	Repairs and maintenance	6,306
5,432	Supervision and management	6,743
2,307	Special services	2,121
10,813	Depreciation, impairment and revaluation	11 15,203
180	Increased provision for bad or doubtful debt	10 118
24,605	Total expenditure	30,491
-4,327	Net cost of HRA services as included in the whole authority Comprehensive Income and Expenditure Statement	675
384	HRA share of corporate and democratic core	378
-3,943	Net cost of HRA services	1,053
	HRA share of operating income and expenditure included in the whole authority Comprehensive Income and Expenditure Statement:	
-295	Gain (-) or loss on sale of HRA non-current assets	13 -1,764
3,388	Interest payable and similar charges	3,410
-809	HRA interest and investment income	-706
-255	Pensions interest cost and expected return on pensions assets	-614
-2,185	Capital grants and contributions receivable	-4,271
-4,099	Surplus (-) / deficit for the year on HRA services	-2,893

Movement on the Housing Revenue Account Statement

2024/25 £000	2025/26 £000
-2,722 Balance on the HRA at 1 April	-4,998
-4,099 Surplus (-) / deficit for the year on the HRA Income and Expenditure	-2,893
784 Adjustments between accounting basis and funding basis under regulations	5,651
-3,315 Net increase (-) or decrease before transfers to or from reserves	2,759
1,040 Transfers to or from reserves	-488
-2,276 Increase (-) or decrease in year on HRA	2,271
-4,998 Balance on the HRA at 31 March	-2,727

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

Note to the Movement on the Housing Revenue Account

2024/25 £000	2025/26 £000
2,185 Capital grants and contributions receivable	4,271
295 Gain or loss (-) on sale of HRA non-current assets	1,764
699 HRA share of contributions to or from the Pensions Reserve	1,309
1,283 Capital expenditure funded by the HRA	5,898
7,130 Transfer to / from (-) Major Repairs Reserve	7,438
-10,807 Transfer to / from (-) the Capital Adjustment Account	-15,029
784 Net additional amount required to be credited (-) or debited to the HRA balance for the year	5,651

Notes to the Housing Revenue Account (HRA)

1. Housing Stock

The Council was responsible for managing an average of 4,977 dwellings during the year. 33 dwellings were sold under the right-to-buy legislation, compared to a total of 8 sales in the previous year. There were 10 dwellings added through acquisitions. The table below summarises movements in stock during the year.

Movement in Housing Stock												
2024/25						2025/26						
1 April	Right-to-buy sales	Other disposals	Transfers	Additions	31 March	Number by type of dwellings	1 April	Right-to-buy sales	Other disposals	Adjustment	Additions	31 March
1,254	-	-	-	-	1,254	Bungalows	1,254	-	-	1	-	1,255
1,495	-2	-	-	2	1,495	Flats	1,495	-6	-	-	-	1,489
2,186	-6	-	-4	6	2,182	Houses	2,182	-27	-	-1	6	2,160
13	-	-	-	-	13	Maisonettes	13	-	-	-	-	13
43	-	-	-	1	44	Shared ownership	44	-	-	-	4	48
4,991	-8	-	-4	9	4,988	Total Housing Stock	4,988	-33	-	-	10	4,965

The total Balance Sheet value of the land, houses and other property within the HRA, including independent living dwellings, is shown below:

Movement in HRA Fixed Assets							
<i>Figures in £000s</i>	Balance 1 April 25	Additions in year	Disposals	Revaluation	Depreciation and impairment	Transfers	Balance 31 March 26
Operational assets							
Council dwellings	325,534	16,976	-2,353	26,678	-7,144	-	359,690
Community assets	23	-	-	-	-	-	23
Development sites	6,427	11,187	-	-5	-	-246	17,363
Other land and buildings	3,594	-	-572	103	-29	246	3,343
Vehicles Plant and equipment	684	103	-	-	-242	-	545
Non-operational assets							
Asset held for sale	63	-	-63	30	-	-	30
Total Net Fixed Assets	336,325	28,266	-2,987	26,806	-7,415	-	380,995

In 2025/26 the Council Dwelling stock was revalued and increased in value by £26.678m (revaluation increase of £35.422m, plus depreciation reversal of £7.144m, less capital spend on existing dwellings of £14.632m and revaluation of purchased properties to social housing use (see note 2) of £1.256m, net increase of £4.349m in 2024/25).

2. Vacant Possession Value of Dwellings

The open market vacant possession of dwellings including land within the HRA at 31 March 2026, at March 2026 prices, is £1,028m (March 2025 £930m). The value of dwellings net of the social element factor (35%) is £360m. The difference of £668m between the vacant possession value and Balance Sheet value of dwellings within the HRA shows the economic cost of providing council housing at less than open market rents.

3. Major Repairs Reserve (MRR)

An analysis of the gross movements on the MRR is shown below. Note that the Council does not operate a housing repairs account.

Major Repairs Reserve	
2024/25 £000	2025/26 £000
-4,153	-4,029
-7,086	-7,437
7,210	8,795
-4,029	-2,671

4. Capital Expenditure

A summary of total capital expenditure on land, houses and other property within the HRA is shown below:

Funding HRA Capital Expenditure										
Spend 2024/25	Financing 2024/25				Capital schemes <i>Figures in £000s</i>	Spend 2025/26	Financing 2025/26			
	Capital receipts	Capital grants	Borrowing	Revenue funding			Capital receipts	Capital grants	Borrowing	Revenue funding
9,445	-	1,577	-	7,868	Major Works Programme	14,203		1,003		13,200
3,586	1,883	608	1,095	-	New Build and Development	13,534	3,870	3,268	5,328	1,068
624				624	Independent Living Modernisation	426				426
13,655	1,883	2,185	1,095	8,492	Total capital expenditure	28,163	3,870	4,271	5,328	14,694

5. Capital Receipts

A summary of total capital receipts from the disposals of houses and other property within the HRA is shown below:

HRA in year Capital Receipts	
2024/25 £000	2025/26 £000
809	4,171
-10	-43
602	618
1,401	4,746

6. Rent Income

This is the total dwelling rent collectable for the year after allowance for empty property. At 31 March 2026 there were 105 vacant properties for rent representing 2.1% of the total (on 31 March 2025 the figures were 119 and 2.4%). The average weekly rent at 31 March 2026 was £112.04, an increase of £8.48 or 8.1%, over the previous year. This change is a composite figure that includes stock improvements, addition of new builds, inflation and the effect of sales.

7. Rent Arrears

During the year the amount of rent arrears, which include £320k in respect of former tenants, has increased by £11k. See also note 10.

Analysis of rent arrears		
2024/25		2025/26
£000		£000
16	court costs	17
528	current rent arrears	511
293	former tenant arrears	320
837	gross arrears at 31 March	848

8. Non-dwelling Rents

Non-dwelling income is primarily from shop rents and garages.

9. Pensions Accounting

Under IAS 19 accounting rules, services must bear the full cost of pension liabilities. This also applies to HRA services. However, charges to or from the HRA are subject to a statutory determination and no regulation allows this IAS 19 charge to be made, therefore it is necessary to credit the HRA with these additional pension costs so that no further charge falls on the rents.

10. Allowance for Bad Debt

The cumulative allowance for uncollected rent payments and other debts was £0.942m at 31 March 2026 (£0.903m at 31 March 2025).

11. Depreciation, Impairment and Revaluation

The HRA incurs capital charges in respect of depreciation in accordance with the Item 8 Credit and Item 8 Debit (General) Determination.

The depreciation charge is based upon a 33-year life of the operational dwellings, less an allowance for residual land value. The depreciation charge for dwellings is £7.144m (£6.960m in 2024/25). The depreciation charge for other buildings, equipment and vehicles, including right of use leased assets, is £0.271m (£0.126m in 2024/25).

The debit of £15.203m to the HRA Income and Expenditure Statement includes upwards revaluations of properties of £26.806m (net of adjustments for depreciation and component replacement), with £34.594m transferring to the revaluation reserve (upwards net revaluations of £4.251m, with £7.979 transferred to the revaluation reserve in 2024/25).

Depreciation, Impairment and Revaluation

2024/25	2025/26
£000	£000
-4,251 Revaluation per note 1 above	-26,806
7,979 Revaluation charged to revaluation reserve	34,594
3,728 Revaluation charged to CIES	7,788
7,086 Depreciation	7,415
<u>10,813 Balance at 31 March</u>	<u>15,203</u>

12. Capital Expenditure Funded by Revenue Under Statute

There has been no capital expenditure funded by revenue under statute (e.g. grants) attributable to the HRA during the year.

13. Gain (-) / Loss on Sale of HRA Fixed Assets

This includes the costs of the team administering the Right to Buy sales of HRA properties to the tenants (see note 1). The costs are charged against the capital receipt that they generate and are reversed in the Statement of Movement on the HRA Balance.

Collection Fund

2024/25					2025/26		
Business rates £000	Council tax £000	Total £000	Income	notes	Business rates £000	Council tax £000	Total £000
-	-106,934	-106,934	Council tax receivable	16	-	-114,608	-114,608
-37,673	-	-37,673	Net rates payable by ratepayers	18	-41,058	-	-41,058
			Expenditure				
			Apportionment of previous year surplus / deficit (-)				
-140	-	-140	Central Government		235	-	235
-112	-16	-128	Stroud District Council		188	15	203
-28	-72	-100	Gloucestershire County Council		47	66	113
-	-14	-14	Gloucestershire Police and Crime Commissioner		-	13	13
			Precepts / shares				
19,039	-	19,039	Central Government		19,938	-	19,938
15,231	11,096	26,327	Stroud District Council		15,950	11,610	27,560
3,808	75,211	79,019	Gloucestershire County Council		3,988	80,223	84,211
-	14,484	14,484	Gloucestershire Police and Crime Commissioner		-	15,383	15,383
-	5,467	5,467	Parish and Town Councils		-	5,949	5,949
			Charges to collection fund				
439	-	439	Less: Write-offs / Write-ons (-) of uncollectable amounts		225	-	225
-18	501	483	Less: Increase / decrease (-) in bad debt provision		170	720	890
-247	-	-247	Less: Increase / decrease (-) in provision for appeals		-1,018	-	-1,018
164	-	164	Less: Cost of collection		164	-	164
11	-	11	Interest		-	-	-
-2,509	-	-2,509	Less: Transitional protection payments		-824	-	-824
1,609	-14	1,595	Less: Disregarded amounts		1,634	-30	1,604
-426	-291	-717	Surplus (-) / deficit for the year		-361	-659	-1,020
-404	41	-363	Balance at 1 April		-830	-250	-1,080
-830	-250	-1,080	Balance at 31 March		-1,191	-909	-2,100

Notes to the Collection Fund

14. General

The Collection Fund (England) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement to local authorities, and the government of council tax and non-domestic rates shows the transactions of the billing council in relation to the collection from taxpayers and distribution.

15. Council Tax Base

The Council's tax base represents the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts, premiums and exemptions apply) converted by a prescribed ratio to give an equivalent number of "band D" dwellings. The band D equivalent is adjusted by 2.0% to cover appeals, changes in discounts and bad debts that arise. The tax base for 2025/26 was calculated as follows:

Council Tax Base			
Band	Estimated number of properties after effect of discounts	Ratio	Band D equivalent dwellings
DISR A	20.98	5/9	11.66
A	4,808.73	6/9	3,205.82
B	10,376.96	7/9	8,070.97
C	11,565.88	8/9	10,280.78
D	8,037.46	9/9	8,037.46
E	6,937.08	11/9	8,478.65
F	4,083.65	13/9	5,898.61
G	2,546.83	15/9	4,244.72
H	254.02	18/9	508.04
	<u>48,631.59</u>		<u>48,736.70</u>
	Less: Adjustment for collection rate (2.0%)		<u>-974.72</u>
	Council Tax Base		<u>47,761.98</u>

16. Council Tax Income

The council tax base can be reconciled to the income from council tax as follows:

Income from Council Tax		
	2024/25	2025/26
Total council tax base (see note 15)	47,012.30	47,761.98
Multiplied by average band D tax rate	£2,260.22	£2,369.37
	£000	£000
Total property income	-106,258	-113,166
Add: Transitional relief	-	-
Add: Other adjustments	-676	-1,442
Income from Council Tax	-106,934	-114,608

17. Council Tax Rates

Council Tax Rates by Precepting Body and Band									
	Band								
	disr A	A	B	C	D	E	F	G	H
Precepting body	£	£	£	£	£	£	£	£	£
District council	135.04	162.05	189.06	216.07	243.08	297.10	351.12	405.13	486.16
County council	933.14	1,119.77	1,306.39	1,493.02	1,679.65	2,052.91	2,426.16	2,799.42	3,359.30
Police authority	178.93	214.72	250.51	286.29	322.08	393.65	465.23	536.80	644.16
Average parish	69.20	83.04	96.88	110.72	124.56	152.24	179.92	207.60	249.12
Total	1,316.32	1,579.58	1,842.84	2,106.11	2,369.37	2,895.90	3,422.42	3,948.95	4,738.74

(Note: band 'disr A' is for band A properties that receive relief)

18. Income from Business Ratepayers

The Council collects National Non-Domestic Rates (NNDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA), multiplied by a uniform business rate set nationally by Central Government.

Local authorities retain a proportion of the total collectable rates due. In 2025/26, Stroud's local share is 40% with the remainder due to Central Government (50%) and Gloucestershire County Council (10%).

The net business rates for 2025/26 were estimated before the start of the year at £39.875m (£15.950m to Stroud, £3.987m to Gloucestershire County Council and £19.938m to Central Government). In addition, a share of the estimated collection fund surplus from 2025/26 of £0.469m has been charged to the collection fund and distributed according to the relevant shares. Stroud's share of the estimated surplus paid was £0.188m.

Net Rates Payable by Ratepayers

	£000	£000
	2024/25	2025/26
Gross rates payable by ratepayers	54,349	54,752
<i>Less:</i>		
Transitional relief	-2,509	-824
Mandatory reliefs	-8,243	-8,519
Unoccupied property relief	-1,914	-1,163
Discretionary reliefs (unfunded)	-218	-215
Discretionary reliefs (funded through s31 grant)	-3,793	-2,974
Total cost of reliefs	-16,677	-13,695
 Net Rates Payable by Ratepayers	37,672	41,057

Net rates payable is then adjusted for estimates of uncollectable debts, appeals provisions and any sums directly allocated to authorities to give a total non-domestic rating income in 2025/26 of £41.057m (£37.672m in 2024/25).

For 2025/26, the total non-domestic rateable value at the year-end is £120.117m (£103.889m in 2024/25). The national multipliers for 2025/26 were 49.9p for qualifying Small Businesses, and the standard multiplier being 55.5p for all other businesses (49.9p and 54.6p respectively in 2024/25).

19. Business Rate Net Share

The income credited to the Comprehensive Income and Expenditure Statement for business rates is £8.701m (2024/25 £7.655m). This comprises as follows:

	£000	£000
	2024/25	2025/26
SDC local share	15,232	15,950
<i>Add:</i> Share actual prior year deficit / surplus (-)	-162	-332
<i>Less:</i> Share of estimated prior year deficit (-) / surplus	-112	188
<i>Less:</i> Share of current year deficit (-) / surplus	332	477
	15,290	16,283
<i>Less:</i> Tariff payment to Government Levy	-10,669	-10,778
	-2,432	-2,770
<i>Add:</i> Section 31 grant	4,448	4,415
Renewable energy schemes	414	418
 Net income from business rates	7,051	7,568
<i>Add:</i> Gloucestershire BR pool surplus / deficit (-)	604	1,133
Net income from business rates	7,655	8,701

20. Apportionment of Collection Fund Balances

The year-end balances on the Collection Fund are apportioned between the major preceptors and will be distributed in future years. The balances at the end of 2025/26 are as follows:

Share of Collection Fund		
	£000	£000
	Council tax	Business rates
Stroud District Council	141	476
Gloucestershire County Council	644	119
Gloucestershire Police	124	-
Central Government	-	596
Total surplus / deficit (-)	909	1191

In 2025/26 Stroud District Council has an overall Collection Fund surplus figure of £2.100m (£1.080m surplus 2024/25).

21. Council tax and Business Rate Provision for Bad Debts

A Council Tax provision was made during 2025/26 amounting to £720k (£501k 2024/25). This was calculated using CIPFA Guidelines. The total amount of the provision at 31 March 2026 is £2.006m and represents 27% of the £7.397m debt outstanding (£1.599m, 25% and £6.282m at 31 March 2025).

The Business Rate provision for bad debts is £1.017m and represents 39% of the £2.578m outstanding amount (£0.847m, 40% and £2.121m at 31 March 2025).

INDEPENDENT AUDITOR'S REPORT

Keep free for opinion

Keep free for opinion

Keep free for opinion

Keep free for opinion

Glossary

The following are expressions and terms used in these accounts that are not explained elsewhere. Words referred to in *italics* are contained in the glossary.

Accounting Policies	The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.
Actual	Financial transactions that have occurred in the year.
Actuary	Person professionally trained in the technical aspects of pensions, insurance and related fields. The actuary estimates how much money must be contributed to an insurance or pension fund in order to provide future benefits.
Appropriation	Transfer to or from a <i>revenue</i> or capital reserve.
Asset Ceiling	Under IFRIC 14 actuaries may calculate an asset ceiling, which limits the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan.
Balances	The amount remaining at the end of the year after income and expenditure has occurred. May refer to the amount available to meet expenditure in future years.
Budget	A statement defining the Council's policy over a specified period in terms of finance.
Business Rates Retention (BRR)	A change in the administration of business rates funding whereby a greater proportion of business rates income may be retained locally.
Capital Charges	Where a service owns a fixed asset to provide those services [operational assets] or holds an asset for future development or investment [non-operational assets] it bears a cost of its use. This represents depreciation (where appropriate). Maintenance of the asset is a <i>revenue</i> cost.
Capital Expenditure	Spending on assets that have a long-term use such as purchase or improvement of land, buildings and equipment. Where the asset is not owned by the Council that expenditure is <i>revenue expenditure funded by capital under statute</i> .
Capital Receipts	Income from the sale of capital assets such as land and council houses. Capital receipts can only be used (subject to certain legal exceptions) to finance new <i>capital expenditure</i> .
Change in Accounting Estimate	Is an adjustment of the carrying amount of an asset or a liability or the amount of the periodic consumption of an asset that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not correction of errors.

Chartered Institute of Public Finance and Accountancy (CIPFA)	CIPFA is the professional body of accountants and auditors working in local government and public services. Membership of the Institute is by way of examination and entitles members to use the letters CPFA (Chartered Public Finance Accountant) after their names. The Institute provides financial and statistical information services and advises central government and other bodies on local government and public finance matters. It also publishes accounting requirements and accounting standards, including those relating to the production of statement of accounts.
Collection Fund	Stroud District Council collects council tax and business rates on behalf of a number of public bodies – Gloucestershire County Council, Gloucestershire Police and Crime Commissioner and town and parish councils. Also, the Council is lead authority of the Gloucestershire Business Rates Pool. The Collection Fund account is separate to the Council's normal funds, belonging collectively to these bodies.
Corporate and Democratic Core (CDC)	Comprises two divisions of service: democratic representation and management (DRM) and corporate management (CM). If anything does not fall within the definitions given for either DRM or CM, then it cannot be within CDC. DRM concerns corporate policy-making and all other member-based activities. CM concerns those activities and costs that relate to the general running of the Council. These provide the infrastructure that allows services to be provided, whether by the Council or not, and the information required for public accountability. Activities relating to the provision of services, even indirectly, are overheads on those services, not CM.
Curtailment	A curtailment for a defined benefit pension scheme is an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of the defined benefit for some or all of their future service. Curtailments include: Termination of employees' services earlier than expected, for example as a result of discontinuing a segment of business. Termination or amendment of the terms of a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will only qualify for reduced benefits.
Depreciation	Charges reflecting the decline in the value (not cost) of assets as a result of their usage or ageing.
Estimate	Often used instead of the word <i>budget</i> ; and is a forecast of income and expenditure for the year.
Financial Instrument	International Financial Reporting Standard (IFRS 9) defined a financial instrument as any contract that gives rise to both a financial asset in one entity and a financial liability or equity in another.

Forecast	An estimate of income and expenditure in a financial year.
Gloucestershire Business Rates Pool (GBRP)	Set up to maximise business rates income retained within the county. Currently, Gloucestershire County, Cheltenham Borough, Cotswold District, Forest of Dean District, Gloucester City, Tewkesbury Borough and Stroud District councils.
General Fund	The account that records and finances Council <i>revenue</i> expenditure, other than <i>HRA</i> .
Housing Revenue Account (HRA)	A separate statutory account dealing with the <i>revenue</i> income and expenditure arising from the provision of Council-owned and managed dwellings.
IAS 19	International Accounting Standard 19 <i>Employee Benefits</i> is the accounting requirement as regards pensions that local authorities must fully recognise in the publication of their statement of accounts.
Intangible Asset	Expenditure on assets that gives access to a future economic benefit that is controlled by the Council such as software licences.
Impairment	Values of individual assets and categories of assets that are reviewed for evidence of reductions in value.
Investment Assets	Interest in land and/or buildings which is held for its investment potential, any rental being negotiated at arm's length.
Material	Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessment of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or combination of both, could be the determining factor.
Medium Term Financial Plan (MTFP)	The Council's rolling five-year estimate of all effects on the <i>General Fund</i> , including inflation, government grants, service changes, base rate changes and the <i>tax base</i> .
Net Cost	The cost of continuing operations after deducting specific grants and income from fees and charges.
National Non-domestic Rates 1 (NNDR1)	An annual estimate of business rate income submitted to government by a billing authority.
NNDR3	An annual declaration of actual business rate income submitted to government by a billing authority.
Non-distributed Costs	Elements that are excluded from recharge to the total cost of a service but limited to: past service costs, settlement costs, curtailments, unused share of IT facilities and cost of shares of other long-term unused but unrealisable assets.
Overspend	Where <i>actual</i> expenditure is more than the <i>budget</i> .
Precept	A levy made by the Police and Crime Commissioner, county council, district council or parish/town councils on the <i>Collection Fund</i> to provide the required income from council taxpayers and business ratepayers on their behalf.

Prospective Application	Of a change in accounting policy and of recognising the effect of a change in an accounting estimate, respectively, are: Applying the new accounting policy to transactions, other events and conditions occurring after the date at which the policy is changed, and Recognising the effect of change in the accounting estimate in the current and future periods affected by the change.
Public Works Loan Board (PWLB)	An institution that borrows money on behalf of the government and lends it to public bodies that meet its borrowing criteria.
Retrospective Application	Is applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.
Retrospective Restatement	Is correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.
Revenue Expenditure Funded by Capital Under Statute	Expenditure which does not result in, or remain matched with, assets controlled by the Council, such as housing improvement grants. They do not appear on the Council's Balance Sheet.
Revenue	This word is used in two different contexts: 1) sources of income, and 2) expenditure that is not of a <i>capital</i> nature such as general running costs including salaries and capital financing costs.
Revenue Support Grant (RSG)	A grant paid by or to central government to or from local authorities to support general <i>revenue</i> expenditure and not for specific services.
Right-to-Buy (RTB)	Legislation allows tenants of local council dwellings to buy their property, at a discount, after a qualifying period as local council tenants. The net income from the sale is a <i>capital receipt</i> .
Rounding	Figures in the Statement of Accounts are generally presented in thousands and are rounded using the convention $2.5 = 3$ and $2.4 = 2$. Applied with consistency this can lead to obvious and simple arithmetic errors, for example $2.4 + 2.4 = 4.8$ becomes $2 + 2 = 5$. Where possible the arithmetic integrity of the figures is maintained by making simple adjustments. Sometimes, however, the interrelation of figures within the Statement of Accounts does not permit simple adjustment. In this Statement of Accounts the following sentence is appended where a table contains figures that do not strictly add up, 'Table contains rounding (see Glossary) which can affect the arithmetic accuracy of the figures'.
Settlement	An irrevocable action that relieves the employer (or defined benefit scheme) of the primary responsibility for the pension obligation and eliminates risks relating to the obligation and the assets used to effect the settlement. Settlements include: A lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits, The purchase of an irrevocable annuity contract sufficient to cover vested benefits, and The transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

Tax Base	Used to measure the taxable value of properties in a council's area based upon numbers of properties in each tax band.
Underspend	Where <i>actual</i> expenditure is less than the <i>budget</i> .

Feedback form – your views

We would like to know what you think about this Statement of Accounts in order to make future statements more usable for readers. They are made available on the Council’s www.stroud.gov.uk

Please note that the majority of information in the Accounts is prescribed by regulations that the Council is obliged to follow.

Please take a few minutes to answer the questions below and send the form to:

Financial Services, Stroud District Council, Ebley Mill, Ebley Wharf, Stroud GL5 4UB

Alternatively, comments can be made to:

Lucy Clothier, Section 151 Officer
Email: finance@stroud.gov.uk

You can give your name and address if you wish.

Do you think the Statement of Accounts is easy to read? Yes No

Do you think it is informative? Yes No

How could we improve the Statement of Accounts?

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Do you have any further comments on the services provided by Stroud District Council or the information in these Accounts?

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Your name

Your address.....
.....

Telephone..... Email.....

Thank you