

Summary of Accounts

2018/19

Summary of the council's spending, income sources, reserves and assets for 2018/19

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Basingstoke and Deane Borough Council

Chief Financial Officer's Narrative Statement

Introduction

This document is a summary of the council's full Statement of Accounts for the year ended 31 March 2019. The council's full Statement of Accounts was prepared in accordance with the Accounting Code of Practice. Some of the figures in this summary of the full accounts have been modified in order to make the accounts easier to understand.

A full copy of the council's Statement of Accounts for the year ended 31 March 2019 is available on the council's website www.basingstoke.gov.uk or if you wish to purchase a printed copy telephone 01256 845506.

Financial Review

The following statements by the Chief Financial Officer describes some of the key points on the council's stewardship of public funds.

Financial Position - The council has a net worth (net assets) of £419.0M consisting of: an investment property portfolio of £285.7M; cash and investment assets of £138.7M; other assets (mainly operational land and buildings) of £94.2M; a potential future liability of £85.3M in its employees' pension fund; developers' contributions of £9.4M that could potentially require repayment (if the terms of the contributions are not met) and other net liabilities of £4.9M (mainly creditors).

Available Resources - The council has usable reserves of £116.4M and usable developers' contributions of £9.4M shown in the balance sheet. However, of this £125.8M of usable resources, £57.7M is available (based on current policies) to fund current and future spending plans and programmes. The remaining £68.1M is invested in order to earn income to help support the annual running costs of the council, or is being held in the form of risk reserves to provide protection against the main risks to the council's finances (for example a fall in interest rates affecting the amount of income from cash investments or a fall in rental income from the investment property portfolio).

Financial Performance - The £13.7M deficit reported in the Income and Expenditure Account is adjusted by statutory adjustments totalling £13.5M for the reversal of capital related items and notional pension costs, resulting in a general fund deficit of £0.2M which was met from revenue reserves in accordance with the council's policy. The general fund deficit was £0.4M less than budgeted and this was mainly due to £0.2M of additional property rental income and £0.1M of additional interest and investment income.

Capital Expenditure - This is the amount spent on items that have a value to the council or community for more than a year, and is generally met from reserves, grants and contributions or the proceeds from the sale of assets. The council's capital spending on services was £15.9M, which was £1.5M less than the planned £17.4M. This was mainly due to revised timescales for capital schemes.

Collection Fund - The council is required to maintain a collection fund account which is used for the collection and distribution of council tax and business rates on behalf of the government and other local authorities.

Sue Cuerden (Executive Director of Finance and Resources), Civic Offices, London Road, Basingstoke, Hampshire, RG21 4AH

Income and Expenditure for the year ended 31 March 2019

The day to day running costs and income for council services and where the money came from to finance those costs.

	£M
Net Cost of Service Areas	
Leader	2.1
Housing, Regeneration, Arts and Heritage	6.2
Digital Innovation and Inclusion	1.1
Communities and Community Safety	5.2
Finance, Service Delivery and Improvement	4.4
Property and Development	0.0
Planning and Infrastructure	9.4
Regulatory Services and the Environment	11.1
Net Cost of Services	39.5
Net income from investment property	(7.7)
Net Income from investments	(1.9)
Other operating costs	3.4
General government grant income	(3.6)
Net business rates income	(3.4)
Council tax income (including parishes)	(8.9)
Capital grants and contributions income	(3.7)
Deficit for the Year	13.7

General Fund

The account used for the setting of the council tax and the recording of spending of that council tax.

	£M
Deficit for the year (from above)	13.7
Statutory Adjustments	
Depreciation and other capital charges	3.2
Revaluations of land and property	(11.4)
Pension costs	(5.5)
Other adjustments	0.2
General Fund Deficit before reserves	0.2
Deficit Met From:	
Contributions from General Fund Reserves	(0.2)
Movement in General Fund Balances:	
General Fund Balances 31 March 2018	41.5
Deficit for the Year	(0.2)
General Fund Balances 31 March 2019	41.3

Balance Sheet as at 31 March 2019

What the council owns and is owed.

	£M
Assets and Liabilities	
Commercial property (council owned)	285.7
Other Buildings and land (council owned)	86.6
Investments	119.1
Cash and cash equivalent investments	19.6
Amounts owed to the council	25.5
Total Assets	536.5
Amounts owed by the council	(18.6)
Provisions	(4.2)
Repayable grants and contributions	(9.4)
Potential future pension fund liability	(85.3)
Net Assets	419.0
Represented by:	
Usable reserves (see below)	(116.4)
Unusable reserves	(302.6)
Total Reserves	(419.0)

Available Resources

The amount of the council's usable reserves that are actually available to spend on future expenditure plans, because some are invested to earn interest to support the council's annual running costs.

	£M
Usable Reserves (Not Available)	
Usable capital reserves (invested)	46.9
Interest income risk reserve	2.7
Rent income risk reserve	2.5
Other risk reserves	7.9
Developer contributions (invested)	6.6
General fund balance	1.5
Total Not Available	68.1
Usable Reserves (Available)	
Reserves to fund future capital expenditure	10.1
Reserves to fund infrastructure	6.5
Other earmarked revenue reserves	3.5
Usable capital reserves (earmarked)	28.2
Other Available Balances	
Repayable grants and contributions	9.4
Total Available Resources	57.7

Collection Fund for the year ended 31 March 2019

The account used for the collection and distribution of council tax and business rates on behalf of the government and other local authorities.

	£M
Amounts Collectable	
Council tax collectable	103.1
Business rates collectable	73.7
Cost of non-payers and other costs	(7.8)
Total to be Distributed	169.0
Distributed to:	
Hampshire County Council	84.5
Basingstoke and Deane Borough Council	36.1
Parish Councils	1.3
Hampshire Fire and Rescue Authority	5.0
Hampshire Police Authority	11.6
The Government (Business Rates)	35.6
Total Distributed	174.1
Collection Fund Deficit for the Year	5.1
Surplus from Previous Years	(1.5)
Total Cumulative Deficit to be Distributed	3.6
Distribution of the Deficit	
Basingstoke and Deane Borough Council	1.9
Other Preceptors	1.7
Total Cumulative Deficit Distributed	3.6

Capital Expenditure for the year ended 31 March 2019

Amounts spent on assets with a lasting value.

	£M
Capital Schemes	
Waste Contract Vehicle Financing	4.7
Basing View Regeneration	3.3
Community Facilities	1.4
Housing and Renewal Grants	1.4
Local Infrastructure	1.3
Property Planned Works	1.3
New Transport Infrastructure	0.6
Property Investment Acquisitions	0.5
Environmental Works	0.4
IT Replacement	0.4
Council Offices	0.2
Parking Improvements	0.2
Other minor schemes	0.2
Capital Expenditure on Services	15.9
Paid for from:	
Income from the sale of assets	10.0
Government grants and other contributions	2.1
Contributions from revenue and reserves	3.8
Total Financing	15.9

Feedback and How to get in touch with the Council

The council is committed to the continual improvement of its services and looks for every opportunity to seek the views and opinions of the people that it serves. Please let us know what you think about this or any of our publications.

You can write to or visit us at:
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Civic Offices, London Road
Basingstoke
RG21 4AH

By website, click: www.basingstoke.gov.uk
By e-mail, write to: finance@basingstoke.gov.uk
By SMS message, text: 07797 877006
By minicom/text phone: 01256 845400
By phone, call: The Contact Centre on 01256 844844

The Summary of Accounts is also available in large print format.