

Summary of Unaudited Draft Accounts

2020/21

Summary of the council's spending, income sources, reserves and assets for 2020/21

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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 2021. 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 2021 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 £395.6M consisting of: an investment property portfolio of £316.6M; cash and investment assets of £129.7M; other assets (mainly operational land and buildings) of £91.2M; a potential future liability of £107.9M in its employees' pension fund; developers' contributions of £9.9M that could potentially require repayment (if the terms of the contributions are not met) and other net liabilities of £24.1M (mainly creditors).

Available Resources - The council has usable reserves of £101.1M of which £62.3M is available (based on current policies) to fund current and future spending plans and programmes. In addition the council also has £9.9M of developer's contributions (shown as long term liabilities) that are also available, resulting in £72.2M of resources that are available.

Financial Performance - The £3.5M surplus reported in the Income and Expenditure Account is adjusted by statutory adjustments totalling £14.1M for business rates accounting, the reversal of capital related items and notional pension costs. This resulted in a general fund surplus of £17.6M of which £11.9M relates to statutory business rates accounting adjustments and £5.7M (includes £2.0M to respond to the Climate Emergency, £1.0M to an Economic Recovery Fund and £1.4M of Covid-19 grants and budget carry forwards) which is added to revenue reserves in accordance with the council's financial policies.

The year end General Fund deficit was £2.6M less than budgeted.

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 reported total capital spending on services was £32.4M, which was £4.6M less than the planned £37.0M. This was mainly due to the impact of Covid-19 which resulted in revised timescales for some 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 Corporate Services (Section 151 Officer), Civic Offices, London Road, Basingstoke, Hampshire, RG21 4AH

Income and Expenditure for the year ended 31 March 2021

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	6.5
Homes and Families	4.3
Environment and Enforcement	10.2
Planning, Infrastructure and Natural Environment	9.2
Communities, Culture and Partnerships	5.6
Borough Development and Improvement	3.7
Finance and Service Improvement	4.7
Regeneration and Property	0.6
Net Cost of Services	44.8
Net income from investment property	(12.4)
Net Income from investments	(7.8)
Other operating costs	3.4
General government grant income	(14.7)
Net business rates income	(4.4)
Council tax income (including parishes)	(9.8)
Capital grants and contributions income	(2.6)
Surplus for the Year	(3.5)

General Fund

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

	£M
Surplus for the year (from above)	(3.5)
Statutory Adjustments	
Depreciation and other capital charges	(3.4)
Revaluations of land and property	(2.1)
Pension costs	(4.8)
Revaluations of Investments	5.6
Business Rates adjustments	(11.9)
Other adjustments	2.5
General Fund Surplus before reserves	(17.6)
Surplus to:	
Contributions to General Fund Reserves - Business Rates	11.9
Contributions to General Fund Reserves - Other	5.7
Movement in General Fund Balances:	
General Fund Balances 31 March 2020	36.2
Surplus for the Year	17.6
General Fund Balances 31 March 2021	53.8

Balance Sheet as at 31 March 2021

A position statement for the council's assets, liabilities and reserves.

	£M
Assets and Liabilities	
Commercial property (council owned)	316.6
Other Buildings and land (council owned)	78.9
Investments	81.3
Cash and cash equivalent investments	48.5
Amounts owed to the council	26.7
Total Assets	552.0
Amounts owed by the council	(33.4)
Provisions	(3.0)
Repayable grants and contributions	(9.9)
Potential future pension fund liability	(107.9)
Long Term Borrowing	(2.2)
Net Assets	395.6
Represented by:	
Usable reserves (see below)	(101.1)
Unusable reserves	(294.5)
Total Reserves	(395.6)

Reserves

The amount of the council's usable reserves that are available to spend on future expenditure plans.

	£M
Usable Reserves	
Capital receipts reserve	45.4
Capital grants and contributions reserve	1.9
Earmarked revenue reserves	52.3
General fund balance	1.5
Total Usable Reserves	101.1
Unusable Reserves	
Pension scheme reserve	(107.9)
Asset revaluation reserve	25.5
Capital adjustment account	387.6
Other statutory adjustment accounts	(10.7)
Total Unusable Reserves	294.5
Total Reserves	395.6

Collection Fund for the year ended 31 March 2021

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	115.3
Business rates collectable	44.8
Cost of non-payers and other costs	(4.2)
Total to be Distributed	155.9
Distributed to:	
Hampshire County Council	92.6
Basingstoke and Deane Borough Council	37.5
Parish Councils	1.4
Hampshire Fire and Rescue Authority	5.3
Hampshire Police Authority	14.2
The Government (Business Rates)	36.2
Total Distributed	187.2
Collection Fund Deficit for the Year	31.3
Deficit from Previous Years	(5.3)
Total Cumulative Deficit to be Distributed	26.0
Distribution of the Deficit	
Basingstoke and Deane Borough Council	10.2
Other Preceptors	15.8
Total Cumulative Deficit Distributed	26.0

Capital Expenditure for the year ended 31 March 2021

Amounts spent on assets with a lasting value.

	£M
Capital Schemes	
Basing View Regeneration	14.7
Property Investment Strategy	8.9
Manydown Development	1.5
Local Infrastructure Fund	1.0
Home Improvement Financial Assistance	1.0
Digital and Transformation Programme	1.0
ICT Replacement Programme	0.5
Replacement of Council Owned Vehicles	0.5
Play Area Improvements	0.6
Sports Facilities Improvements	0.5
Other minor schemes (<£0.5M)	2.2
Capital Expenditure on Services	32.4
Less internal loan advanced/repaid in year	(8.9)
Capital Expenditure Statement of Accounts	23.5
Paid for from:	
Income from the sale of assets	15.8
Government grants and other contributions	1.0
Contributions from revenue and reserves	4.5
External borrowing	2.2
Total Financing	23.5

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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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.