

Unaudited Draft Summary of Accounts

2021/22

Summary of the council's spending, income sources, reserves and assets for 2021/22

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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 2022. 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 2022 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 £482.3M consisting of: an investment property portfolio of £372.8M; cash and investment assets of £124.9M; other assets (mainly operational land and buildings) of £95.4M; a potential future liability of £84.7M in its employees' pension fund; developers' contributions of £10.4M that could potentially require repayment (if the terms of the contributions are not met) and other net liabilities of £13.4M (mainly creditors).

Available Resources - The council has usable reserves of £92.8M of which £56.6M is available (based on current policies) to fund current and future spending plans and programmes. In addition the council also has £10.4M of developer's contributions (shown as long term liabilities) that are also available, resulting in £67.0M of resources that are available.

Financial Performance - The £51.3M surplus reported in the Income and Expenditure Account is adjusted by statutory adjustments totalling (£58.7M) for business rates accounting, the reversal of capital related items and notional pension costs. This resulted in a general fund deficit of £7.4M of which £6.9M relates to statutory business rates accounting adjustments and £0.5M which has been taken from revenue reserves in accordance with the council's financial policies.

The year end General Fund deficit was £1.0M 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 £16.0M, which was £5.1M less than the planned £21.1M. This was mainly due to the impact of the Covid-19 pandemic and the economic climate which has 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 2022

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 by Council Plan Priority	
Fit for the Future	6.4
Improving Safety	6.1
Planning for the Future	5.9
Protecting and Enhancing our Environment	4.3
Strengthening Communities	18.9
Net Cost of Services	41.6
Net income from investment property	(69.8)
Net Income from investments	(1.4)
Other operating costs	3.8
General government grant income	(5.6)
Net business rates income	(4.4)
Council tax income (including parishes)	(10.5)
Capital grants and contributions income	(5.0)
Surplus for the Year	(51.3)

Balance Sheet as at 31 March 2022

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

	£M
Assets and Liabilities	
Commercial property (council owned)	372.8
Other Buildings and land (council owned)	84.0
Investments	105.9
Cash and cash equivalent investments	39.5
Amounts owed to the council	24.7
Total Assets	626.9
Amounts owed by the council	(47.2)
Provisions	(2.3)
Repayable grants and contributions	(10.4)
Potential future pension fund liability	(84.7)
Net Assets	482.3
Represented by:	
Usable reserves (see below)	(92.8)
Unusable reserves	(389.5)
Total Reserves	(482.3)

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)	(51.3)
Statutory Adjustments	
Depreciation and other capital charges	(3.5)
Revaluations of land and property	55.5
Pension costs	(7.4)
Revaluations of Investments	(0.5)
Business Rates adjustments	6.9
Capital grants and contributions	3.8
Other Adjustments	3.9
General Fund Surplus before reserves	7.4
Surplus to:	
Contributions to General Fund Reserves - Business Rates	6.9
Contributions to General Fund Reserves -	0.5
Movement in General Fund Balances:	
General Fund Balances 31 March 2020	53.7
Deficit for the Year	(7.4)
General Fund Balances 31 March 2021	46.3

Reserves

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

	£M
Usable Reserves	
Capital receipts reserve	41.6
Capital grants and contributions reserve	4.9
Earmarked revenue reserves	44.8
General fund balance	1.5
Total Usable Reserves	92.8
Unusable Reserves	
Pension scheme reserve	(84.7)
Asset revaluation reserve	28.3
Capital adjustment account	449.7
Other statutory adjustment accounts	(3.8)
Total Unusable Reserves	389.5
Total Reserves	482.3

Collection Fund for the year ended 31 March 2022

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	123.0
Business rates collectable	64.0
Cost of non-payers and other costs	(1.3)
Total to be Distributed	185.7
Distributed to:	
Hampshire County Council	93.8
Basingstoke and Deane Borough Council	27.2
Parish Councils	1.5
Hampshire Fire and Rescue Authority	5.1
Hampshire Police Authority	15.1
The Government (Business Rates)	23.1
Total Distributed	165.8
Collection Fund Deficit for the Year	(19.9)
Surplus from Previous Years	26.0
Total Cumulative Deficit to be Distributed	6.1
Distribution of the Surplus	
Basingstoke and Deane Borough Council	3.2
Other Preceptors	2.9
Total Cumulative Deficit Distributed	6.1

Capital Expenditure for the year ended 31 March 2022

Amounts spent on assets with a lasting value.

	£M
Capital Schemes	
Property and Land Acquisitions	4.6
Digital and Transformation Programme	3.0
Leisure Management Aquadrome	1.3
Home Improvement Financial Assistance	1.3
Local Infrastructure Fund	1.2
Manydown Development	0.8
Replacement of Council Owned Vehicles	0.4
Play Area Improvements	0.4
Sports Facilities Improvements	0.4
ICT Replacement Programme	0.2
Other minor schemes (<£0.5M)	2.4
Capital Expenditure on Services	16.0
Capital Expenditure Statement of Accounts	16.0
Paid for from:	
Income from the sale of assets	7.8
Government grants and other contributions	0.8
Contributions from revenue and reserves	7.4
Total Financing	16.0

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:
Basingstoke and Deane Borough Council
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.