

Unaudited Statement of Accounts for the year ended 31 March 2026



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Foreword from Adam Swain FCPFA Chief Finance Officer (Section 151 Officer)

My role as the Chief Finance Officer of the council is to ensure that Basingstoke and Deane Borough Council's finances are managed appropriately and

that the financial position remains strong and sustainable. This narrative statement provides an overview of the council including its performance, both financial and non-financial. It also provides an easily understandable guide to the most significant matters reported in the accounts and assists in their interpretation.

The Statement of Accounts has been produced by Financial Services who work across the council to ensure robust processes for budget setting and financial management. Their aim is to ensure that the council is able to maintain a strong and sustainable financial position both now and into the future.

The council's financial arrangements are overseen by the Audit and Accounts Committee and are subject to regular review by Internal Audit, who reported a high level of assurance with all the core financial systems during 2025/26. The council's Statement of Accounts and its value for money and financial arrangements are subject to independent review by the council's external auditors, Ernst & Young LLP (EY). Furthermore, regular budget monitoring is carried out throughout the year with monthly reporting to the Senior Leadership Team (SLT) and quarterly reporting to both Cabinet, Council and, as appropriate, Resources Committee, with a final revenue outturn surplus of £1.51M being reported for the year.

During 2025/26, the borough element of council tax increased by £5.00 to £146.42 for an average Band D property. Despite the challenges the council continues to face, including rising costs and demand for services and lower government funding, Basingstoke and Deane's element of the council tax remains one of the lowest of all districts in Hampshire and is among the lowest across the country.

Alongside the income the council receives from council tax and fees and charges, it has been proactive in seeking new sources of income and its property portfolio continued to generate net rental income of around £19.1M during 2025/26. This is almost double the income the council receives from council tax and is fundamental to its ability to continue to deliver front line services that its residents value.

Following the publication of the devolution white paper in December 2024, in January 2025 Hampshire County Council, along with the three unitary authorities in the county, applied to join the Government's Devolution Priority Programme, which alongside the devolution of powers to a combined authority, is expected to result in local government reorganisation across the county.

Local Government Reorganisation across Hampshire is expected to replace the existing mainland councils with new unitary councils from 1 April 2028. The council submitted its proposals for Local Government Reorganisation to government in September 2025, which proposed a North Hampshire Unitary Council providing services across the current Basingstoke and Deane, Hart and Rushmoor boundary area, with 3 other mainland unitary councils covering the remaining Hampshire county area, alternative proposals were put forward by other councils.

The final decision was announced by the Secretary of State for Housing, Communities and Local Government on 25 March 2026, confirming the establishment of a single unitary authority covering the current Basingstoke and Deane, Hart and Rushmoor boundary area, along with three other mainland unitary councils covering the rest of Hampshire. Elections to the new authorities are scheduled to take place in May 2027, with the new authorities taking over services from 1 April 2028.


Basingstoke and Deane Borough Council achievements 2025/26

 Improved over **209 acres** for biodiversity

 Planted **1,182 new trees** and inspected **6,367 trees** in public open spaces

 Our Ranger team held **37 corporate conservation volunteering sessions**, with **383 people** taking part totalling **1,393.5 volunteer hours**

5 New charging ports installed
8 new council-owned charging locations opened



Charges from council-owned EV chargepoints powered journeys that saved over **320 tonnes** of greenhouse gas emissions compared to if those journeys were made using petrol or diesel


Our Green Team attended **57 events** and spoke with over **2,500 people**



571 home energy and garden surveys completed



Action as a result of surveys undertaken by the Green Team are now estimated to result in savings to residents of over **£100,000 per year** and over **450 tonnes** of greenhouse gas emissions



Following a further **4** completions, we reached milestone of supporting **14 households to buy their first home** through our Own Home Loan scheme




Supported **299 households** with funding totalling **£115,211** through the Household Support Fund



-  **1,199** planning applications including **40** major applications
-  Over **48,000** visitors enjoyed the Basingstoke Festival and other town centre events
-  A **134%** increase in the number of visits to the Love Basingstoke website

Our community safety patrol officers dealt with **2,979 incidents** during their regular patrols, issuing **47 fixed penalty notices** and **65 formal warnings** for antisocial behaviour



-  **717** mental health support sessions and **4,939 visits** to cardiac, cancer and Parkinson's rehabilitation sessions delivered through projects as part of our Wellbeing Strategy and Action Plan
-  Over **620,541 visits** to council-owned leisure facilities during the year including **403,711** visits to The Aquadrome, **169,258** visits to Tadley Health and Fitness Centre and **47,572** visits to Basingstoke Golf Centre

41 businesses were supported with **£376,000** of grant funding




£300,000 of fraud and error identified



Awarded **393** Discretionary Housing Payments to residents in need of financial assistance to meet shortfalls in their rent, with funding totalling **£251,704**



£866,449 of grant funding awarded to **112** community and voluntary organisations to support initiatives to bring communities together



62,670 tonnes of waste collected through our bin collections including:

-  **38,484 tonnes** of household waste through bin collections
-  **7,856 tonnes** of recyclable materials collected through recycling bin collections
-  **3,951 tonnes** of glass collected
-  **4,702 tonnes** of garden waste sent for composting and collected from **17,156 subscribers** to our garden waste collection service
-  **2,797 tonnes** of litter collected through by our street cleaning teams and road sweepers
-  **1,818 tonnes** of food waste collected since October 2025

Response to the climate emergency

The borough council declared a climate emergency in September 2019, setting ambitious targets for the council to become carbon neutral in its operations by 2025 and to work towards a net zero carbon borough. This recognises the significant impact that climate change will have, particularly on future generations.

To guide its work in response to the declaration, the borough council recently adopted an updated Climate Change and Air Quality Strategy in December 2025. This set out how the council was on track to meet the above target to make the council's operations carbon neutral by December 2025 and sets out a new route map for the borough to reach net zero carbon by 2045. This is an update from the original target date set out in the declaration (2030) and is based on technical assessment by climate experts the Carbon Trust, alongside extensive internal and external engagement. The updated strategy also outlines the measures and actions required to meet the targets and establishes the council's role in leading by example as it enables and inspires climate-positive action by others.

A key aspect of the updated strategy is collaborating with partners across the borough, including the creation of the Basingstoke and Deane Net Zero Steering Committee, bringing together strategic organisations seeking to collaborate and accelerate decarbonisation in the borough.

An established climate change fund, has helped to deliver projects such as:

Providing tailored carbon-cutting advice through our Green Team – one of the first of its kind in the country to be created by a district council, it gives residents, community groups and businesses free advice and support to help them save money on energy bills, nurture native wildlife in their gardens and green spaces and generally improve sustainability to reduce their carbon footprints. This includes promoting council initiatives around recycling and sustainable transport. In 2025/26, the team's advisors undertook 571 surveys in

people's homes, gardens, and businesses. This included the team undertaking their 1000th energy survey. They also attended 57 events in the borough, engaging over 2000 people.

Supporting residents with energy-saving help – with the energy homes use making up around a quarter of the borough's carbon footprint, helping people to make their homes more energy efficient is a particular focus.

The council has promoted several grant schemes and supported residents to access these, including 43 residents benefitting from schemes targeted at low income households, with over £120,000 of grants issued.

Additionally, based on follow-up feedback undertaken by the Green Team, we estimate that actions taken as a result of our energy surveys are resulting in annual savings of over £100,000 and annual carbon savings of over 450 tonnes of greenhouse gas emissions.

Rolling out electric vehicle chargers – the on-going roll-out of electric vehicle charging points on council-owned land, including car parks, has continued with 5 new chargepoints installed. A further 8 chargers have recently been made available to the public. The council has also received grant funding to support the costs of installing chargers at the council's main operational depot at Wade Road, enabling ongoing fleet electrification.

Use of the council's chargers in 2025/26 are estimated to have saved over 320 tonnes of greenhouse gas emissions compared to equivalent petrol/diesel vehicles.

Improving buildings' energy efficiencies – continuing to reduce emissions from heating and powering buildings, including a replacement heating system at the council offices and installing solar panels on council-owned community centres. This project reduced carbon emissions while also reducing the energy bills of running these

centres, allowing community associations to direct funding to much-needed services instead.

Encouraging climate-positive behaviour changes –

communications and campaigns continue to raise awareness of and encourage communities and companies to change their behaviours in support of the climate emergency. Funding has been used to promote the council’s toolkits for residents, groups and businesses and its Sustainable Basingstoke initiative that specifically aims to engage with communities.

To ensure that climate change is embedded into all council decisions on a day-to-day basis, issues associated with carbon reduction and biodiversity are referred to in all reports. This ensures that decision-makers are aware of the carbon and biodiversity implications of their proposals, alongside other matters. Climate change is also incorporated into all council strategies, forming a ‘golden thread’ throughout everything the council does that recognises the importance associated with the issue in the Council Plan. This is further supplemented by mandatory e-learning, climate change featuring in staff inductions and the ongoing rollout of detailed climate change workshops, in which nearly 100 staff have participated.

Other Issues

Local authorities are facing increasing financial pressures due to a growing demand for their services, the associated rising costs of those services and cuts in funding from central government. In response to these issues, the Chartered Institute of Public Finance and Accountancy (CIPFA) introduced an authoritative measure of local authority financial resilience, through the creation of an index to aid a clearer understanding of areas of financial risk. The latest index was published in January 2026 using the revenue outturn data for 2024/25.

The narrative statement

The following narrative statement is structured to help enable readers to understand the council, its operating environment, and to assist in understanding the Statement of Accounts. The sections contained within the Narrative Statement are:

1. Key facts about the Borough of Basingstoke and Deane
2. Council objectives and performance
3. Summary of risks and uncertainty
4. Financial strategy and performance
5. An explanation of the financial statements
6. A review of the financial statements
7. Significant movements and events
8. Horizon scanning

It should be noted that all local authorities are also required to publish an Annual Governance Statement (AGS) including the highlighting of any significant changes in governance arrangements. This is included on page 82.

1. KEY FACTS ABOUT THE BOROUGH OF BASINGSTOKE AND DEANE

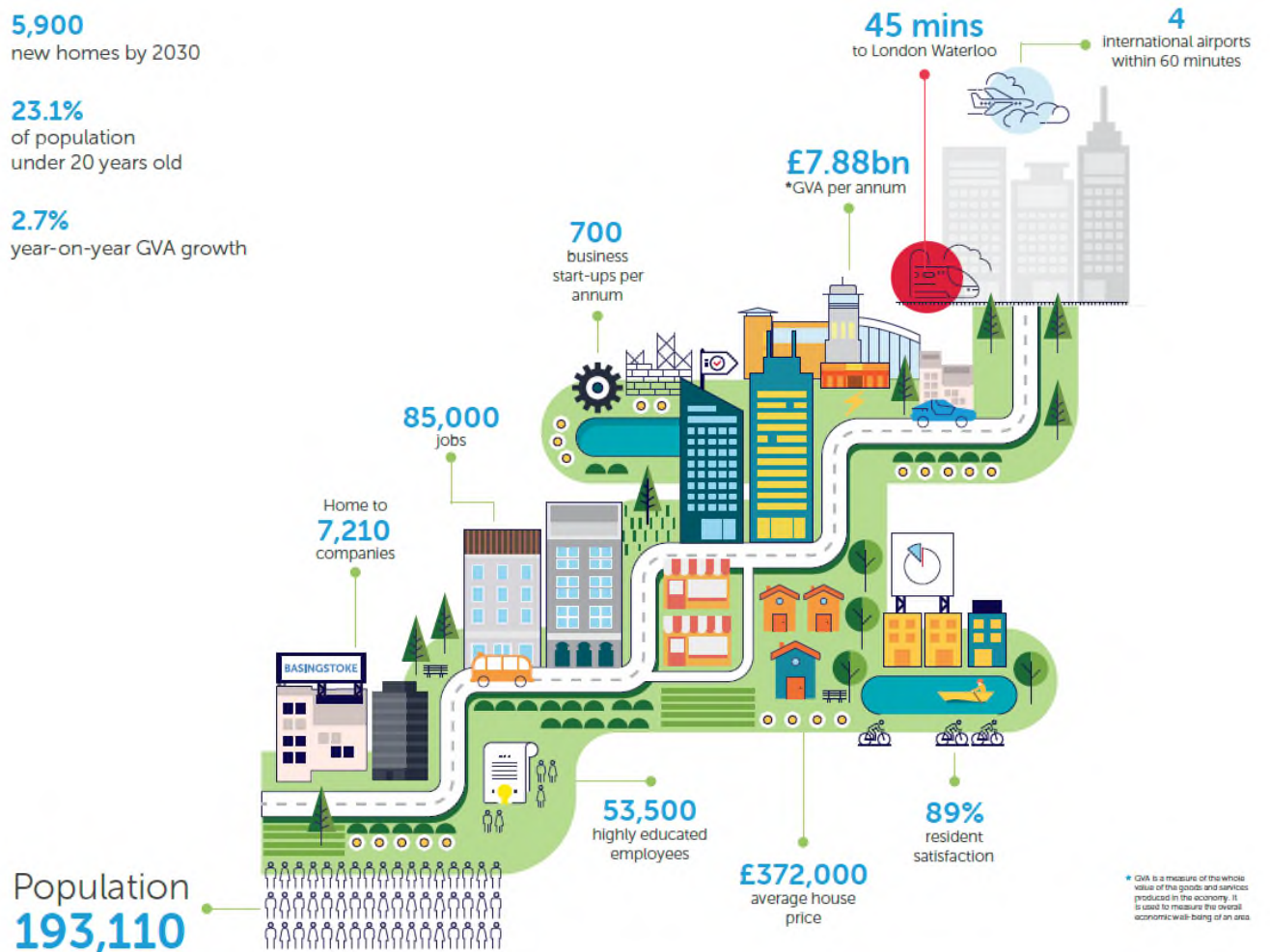
Further information about the Borough of Basingstoke and Deane are available on our website in the key facts section, available on this link: <https://www.basingstoke.gov.uk/key-facts-and-figures>

Basingstoke and Deane Borough Council is responsible for most of the day-to-day services and activities that residents come into contact with. This includes household waste and recycling, street cleaning, local planning and development control, administering council tax and housing benefits, enabling social housing and promoting good quality housing provision, environmental health and safety, licensing, car parking and enforcement, promoting economic development and tourism in the area and providing parks and leisure facilities.

5,900
new homes by 2030

23.1%
of population
under 20 years old

2.7%
year-on-year GVA growth

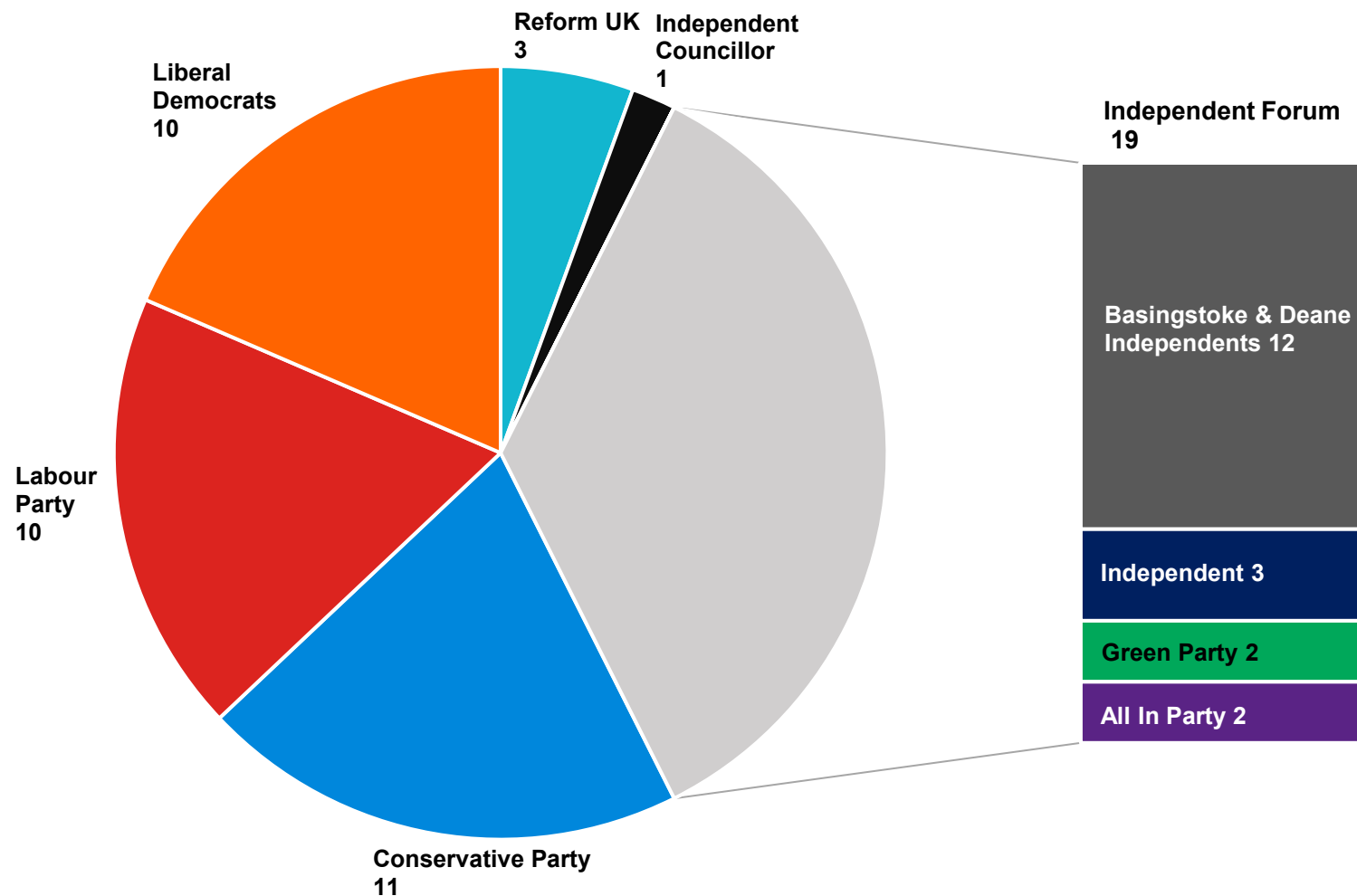


* GVA is a measure of the whole value of the goods and services produced in the economy. It is used to measure the overall economic well-being of an area.

Political structure

During 2025/26, there were 42 town and parish councils, and there were 54 elected members of the Council, representing 18 wards. Following the elections on 7 May 2026, the political structure is set out in the chart on this page.

The elected Leader of the Council is Cllr Paul Harvey (Basingstoke and Deane Independents), and Cllr Gavin James (Liberal Democrats) is the Co-leader.



The roles of key committees and officers are set out below:

Council and Cabinet	Council is made up of all councillors from across the borough who meet to decide the council's overall policies and set the budget. Cabinet (also known as the Executive) is the council's main day-to-day decision-making body. Each Cabinet member is responsible for an area of council services - known as their portfolio.
Overview and Scrutiny Committees	<p>Overview and scrutiny committees are responsible for reviewing and scrutinising decisions made, or actions taken, in connection with any of the council's functions. The council has four overview and scrutiny committees;</p> <ul style="list-style-type: none"> Resources Overview and Scrutiny Committee – which focuses on areas including the budget, council plan, performance and service transformation; Environment and Infrastructure Overview and Scrutiny Committee - which focuses on areas including climate change, regeneration, Manydown and the local plan; Resident Services Overview and Scrutiny Committee - which focuses on areas relating to services provided to residents, including waste collection, environmental health and housing and homelessness. South Ham and Buckskin Regeneration Committee – which focuses on the proposed regeneration of the South Ham and Buckskin areas of Basingstoke.
Audit and Accounts Committee	<p>This committee is responsible for providing independent assurance to the council regarding the adequacy of the risk management framework and the internal control environment. It independently reviews governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. More generally, it oversees internal and external audit, helping to ensure efficient and effective assurance arrangements are in place. The Annual Governance Statement can be found on page 85 of the document.</p> <p>The council also has a Human Resources Committee and there are three regulatory committees – Development Control, Licensing, and Standards.</p>
Management Team and Officer Support	<p>The Chief Executive, Russell O'Keefe, leads the Senior Leadership Team (SLT) which in 2025/26 included the Deputy Chief Executive, the Director of Regeneration, the Director of Resident Services, the Director of Customers, Digital and Improvement, the Chief Finance Officer (Section 151 Officer), the Head of Law and Governance (Monitoring Officer) and the Head of Human Resources and Organisational Development. The Senior Leadership Team, along with the Heads of Service, carry out the council's day-to-day management and oversee the delivery of council services. As at 31 March 2026 the council employed 624 staff (full time equivalent) to give advice, implement its decisions, and to deliver services to the local community. The staff are mostly based at the council's main Civic Offices and at Wade Road Depot, although the majority of staff work on hybrid basis spending an average of 3 days per week in the office, working at home the remainder of the time.</p>

2. COUNCIL OBJECTIVES AND PERFORMANCE

The council is committed to reviewing its performance and strives to achieve high standards to make sure the needs of the local community are being met in the most effective way.

To achieve quality services whilst offering value for money, the council closely monitors progress throughout the year to ensure the organisation delivers what it has said it will and to identify where further improvements may still be required. Senior Officers and Cabinet members regularly monitor key performance indicators (KPIs) and progress on major projects. During 2025/26 the Resources Committee reviewed performance and financial monitoring information that supported the delivery of the Council Plan and budget strategy.

The Council Plan 2023 to 2027 is a high level document which outlines the council’s ambition for the borough, identifying key themes and priorities. The projects to achieve these are set out in detailed Service Plans. Both the Council Plan and the Service Plans are reviewed annually.

The Council Plan is available at www.basingstoke.gov.uk and sits alongside the Medium Term Financial Strategy (MTFS).

These documents set out the council’s vision for future years, including how it will establish the basis for successful future growth and deliver the key priorities which are intended to maintain Basingstoke and Deane as an exceptional borough, providing opportunities for all that live and work here.

The council’s focus over the period of the plan is to lay strong foundations that will shape the way the borough grows over the next 25-30 years and deliver opportunities for all communities. The

council aims to ensure residents and future generations continue to enjoy an excellent quality of life and environment, which well planned growth can secure.

A report on the progress against the plan was published in February 2026 and is available on our website at [Council Plan 2023 to 2027 - our progress report](#).

A dashboard of performance information is published on a quarterly basis on our website at www.basingstoke.gov.uk/performance. This provides detailed performance information against current key performance indicators. A summary of the latest 2025/26 position is below:

Number of measures	Exceeded	Target met/on track	Behind schedule/not met	Not met by a significant margin	Data not available
79	35	29	5	3	7

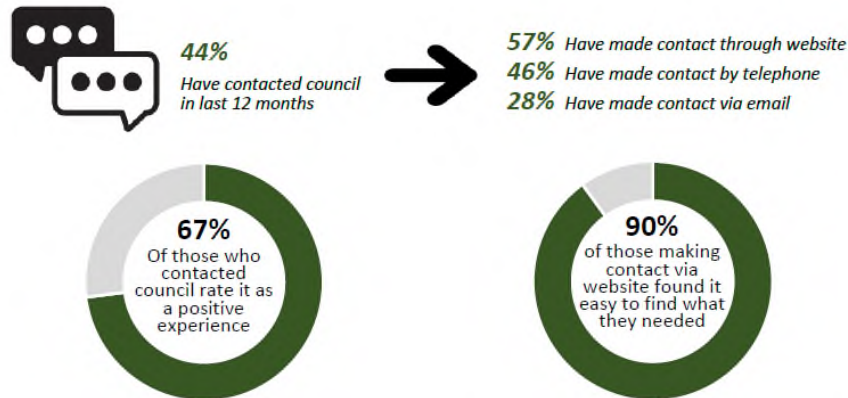


Residents Survey 2024

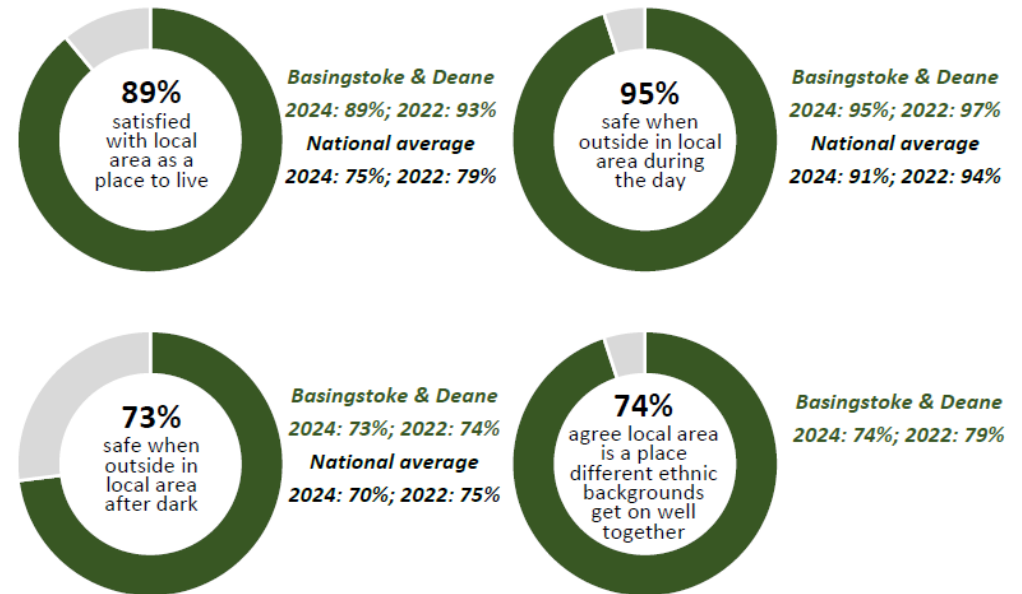
As part of the council’s engagement with the community, specialist independent researchers are commissioned every two years to carry out a residents’ survey to understand views on quality of life factors and service satisfaction.

The last survey was conducted between August and September 2024, the council carried out 15-minute, face-to-face doorstep surveys of a sample of 1,138 residents. The sample of residents were representative to the borough by age group, gender, disability, ethnicity and Rural Urban Classification and ward.

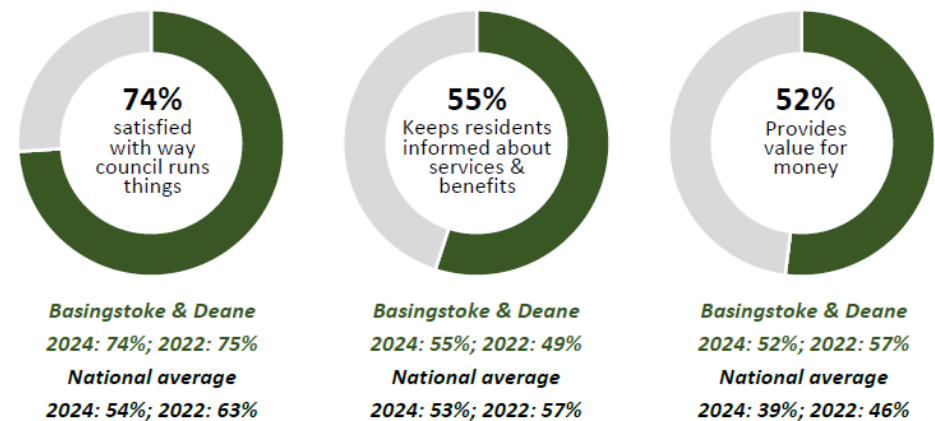
The results show that residents are positive about contact with the Council and living in Basingstoke and Deane.

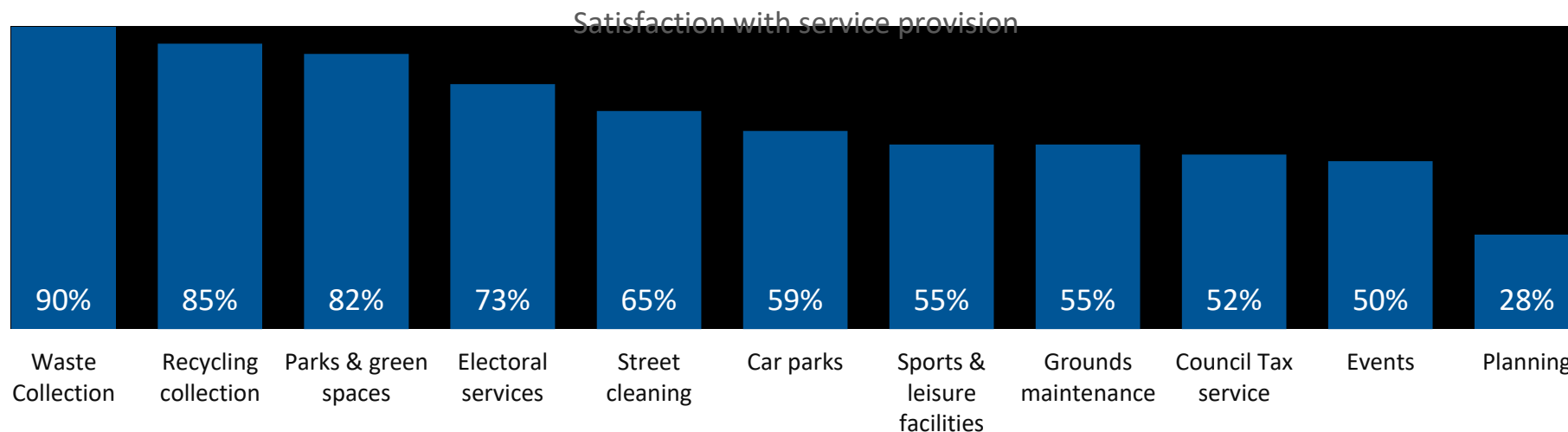


LOCAL AREA PERCEPTIONS



COUNCIL PERCEPTIONS





The five factors that make somewhere a good place to live, according to residents, are health services, the level of crime and antisocial behaviour, clean and litter free streets, access to the countryside and affordable housing. The factors that most need improving are, road and pavement repairs, parking in my street, health services, affordable housing health services and facilities and activities for young children and teenagers.

Residents were then asked how satisfied or dissatisfied they were with a number of services provided by the council. Over 80% of residents were satisfied with the council’s waste collection, recycling collection and parks and green spaces. Around 60-79% of residents were satisfied with the council’s electoral services and street cleaning. Around 50-60% of residents were satisfied with the council’s car parks, sports and leisure facilities, grounds maintenance, council tax and events.

This information was considered as part of budget setting for 2025/26 and future years.

3. SUMMARY OF RISKS AND UNCERTAINTY

Risk management is an essential part of the council’s overall governance arrangements in that it provides the framework and process to enable the organisation to manage risk in a systematic, consistent and efficient way. The council has in place a corporate risk register which captures those significant risks that need to be managed in order to enable and support delivery of the council plan priorities. The corporate risk register is subject to regular review by the Senior Leadership Team and is intended to ensure that key risks are not only identified and understood, but that appropriate actions and controls are in place in order that risks are managed to an acceptable level. Each risk is assessed in terms of likelihood of occurrence and potential impact. The identified strategic risks are subject to change for any new risks that may emerge, whilst other risks may become less significant as mitigating actions are implemented or as external factors change the nature of the risk.

There are several key strategic risks that the council faces; the impact of the current economic and legislative environment and continued funding reductions to local government, continue to make budget setting and forecasting challenging. There is also increased uncertainty around partner funding as those partner organisations also respond to the need to make savings.

The up to date table showing the corporate risks, likelihood and impact is available on <https://www.basingstoke.gov.uk/content/doclib/4452.pdf>. The table on the following page provides a summary of this.

Likelihood	6				
	5				
	4				
	3				
	2				
	1				
		I	II	III	IV
		Impact			

Likelihood – 1 – Almost Impossible, 2 – Low, 3 – Possible, 4 – Significant, 5 – High, 6 – Very High

Impact – I - Negligible, II – marginal, III – Critical, IV - Catastrophic

Strategic Risk Description	Overall Risk Assessment	Likelihood	Impact
Staffing, Skills and Capacity - due to the changing nature of the expertise required within the public sector, there is a risk that the council will not be able to recruit and retain a skilled and talented work force commensurate with their corporate ambitions.	Medium	Possible	Marginal
Major Strategic Partnerships, Relationships and Projects - There is a risk that number of high profile projects planned / in place working to support growth, economic development and regeneration of areas within the borough may not be delivered as planned.	Medium	Possible	Critical
Information Management - There is a risk that personal and commercially sensitive information required to be held by the council is inappropriately processed.	Medium	Possible	Critical
Finance and Budgets - There is a risk over the MTFS (Medium Term Financial Strategy) that budgets are not balanced, and savings are not delivered.	Medium	Possible	Critical
Treasury Management - There is a risk that the significant funds invested by the council could fail to provide the anticipated returns.	Medium	Possible	Marginal
Cyber Risk - The computer systems are subject to different forms of daily cyber-attacks. Human error is also an issue with the potential to cause data breaches.	High	High	Catastrophic
Business Continuity - Whilst business continuity arrangements have been developed to support the council respond to an incident, a major incident may impact on the council's ability to deliver services.	Medium	Possible	Critical
Fraud - The council is vulnerable to fraudulent activities, particularly due to the finances it manages and its role in awarding contracts and partnerships.	Medium	Possible	Marginal
Climate Emergency - Whilst the borough has significant green and open space, a high quality built environment and has taken a number of positive steps to date, emissions from borough council activities and more widely in the borough are high. The council has therefore declared a Climate Emergency.	Medium	Possible	Critical
Emergency Planning - The council has specific duties under the Civil Contingencies Act 2004 to plan for, respond to and recover from emergencies as well as undertaking business continuity management.	Medium	Possible	Critical
Provision of Waste and Recycling Services - There is a risk that the failure in provision of statutory waste, recycling and non-statutory ancillary services. This would result in failed compliance with our statutory duty as a Waste Collection Authority	High	Very High	Marginal
Local Government Reorganisation – There is a risk in relation to the preparation and resources required to successfully implement the reorganisation of local government across north Hampshire.	Medium	Possible	Critical

4. FINANCIAL STRATEGY AND PERFORMANCE

The council has a Medium Term Financial Strategy (MTFS) which sets out the broad issues and risks that will impact on the council’s financial position for 2026/27 and for the next four years. The latest strategy was approved in February 2026 and is published on the council’s website.

The MTFS sets out a multi-strand approach to address the financial challenges to balance the revenue budget. This includes growth and development opportunities; commercialisation; service review efficiency and transformation savings; improved asset management; review of central activities such as Treasury Management and policies on Council Tax and use of reserves; and understanding the council’s capital spending needs.

A significant amount of work has already been undertaken to assess the financial impact in 2026/27 and for the four-year MTFS which includes a review of the adequacy of reserves. The council has usable reserves of £109.8M as at 31 March 2026. The financial position for the council for 2026/27 and future years will be informed by any further funding announcements by government, both in response to the financial impact of the current cost of living pressures, and future funding of local government also over the medium term.

Looking beyond will require longer term financial planning, and the council will need to seek new ways of generating new revenue income streams through investment and original approaches, and innovative ways to deliver services.

The budget for 2026/27 was set by Council on 26 February 2026. The council incurs both revenue and capital expenditure. The revenue account (known as the General Fund) bears the net cost of providing day-to-day services. The capital account shows the net cost of transactions made to buy or sell land, property or other assets, build new property, make improvements and provide grants or loans to other bodies to undertake this type of activity.

Net cost of services are presented by Council service areas reflecting how the budget was agreed and reported in year. The list below provides a summary of the services included in each of these service areas;

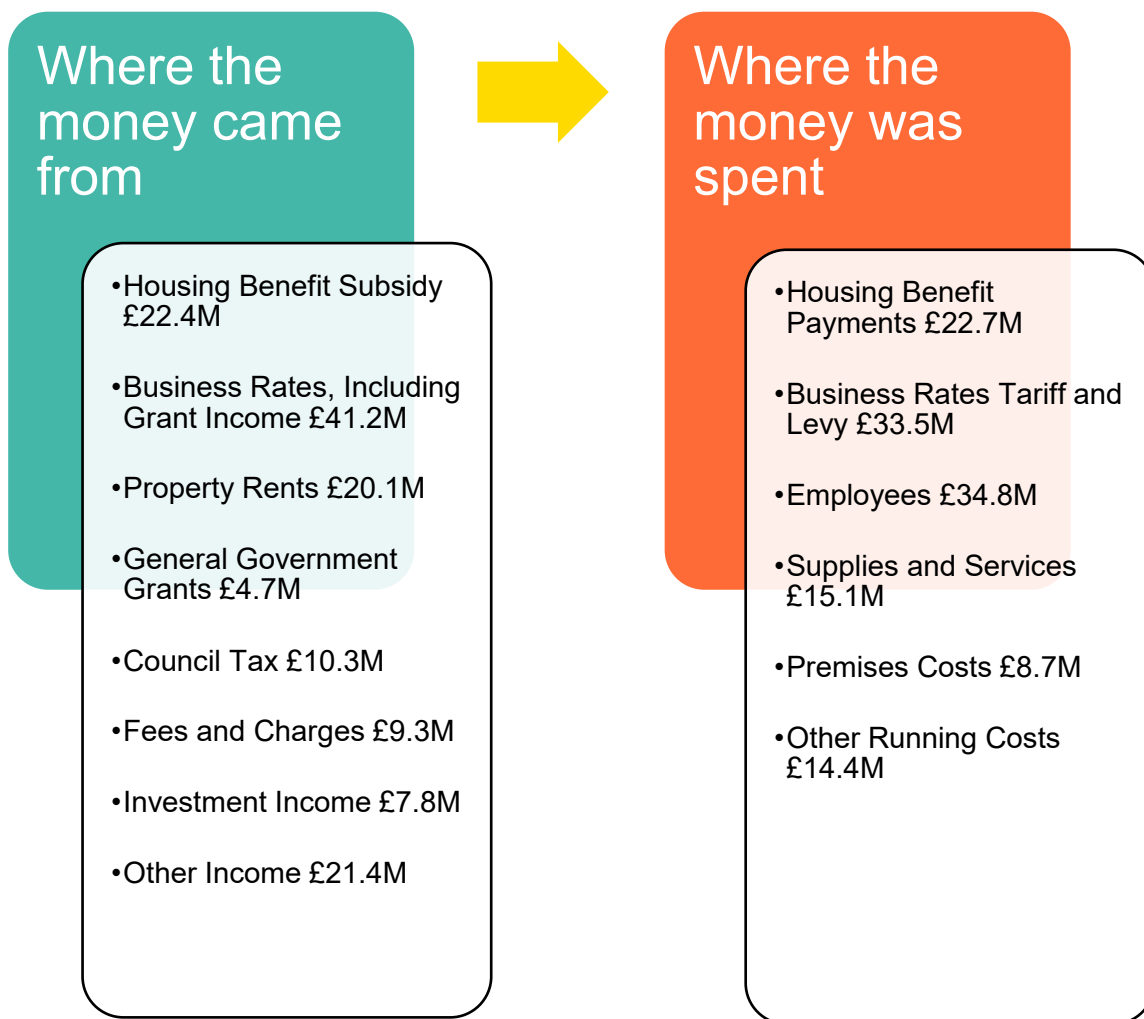
Central services and climate change	Climate change and sustainability; Financial services; Law and governance; and Human resources and organisational development
Customers, Digital and Improvement	Business continuity; Communications and marketing; Customer services; Digital and operational IT; and Programme management and improvement
Regeneration	Economy, culture and place marketing; Major projects and development; Manydown; and Property and assets
Resident Services	Contracted services; Environment and community services; Housing and homelessness; and Planning and infrastructure

Revenue Budget Outturn 2025/26

The table shows the council's revenue outturn position and variances from the latest approved budget.

The net revenue expenditure outturn variance, after carry forwards of grants to reserves, was a final surplus of £1.51M. This surplus has been transferred to reserves to for future use, £0.58M to the Budget Carry Forward Reserve and £0.93M to the MTFS Risk Reserve.

<i>Service Area:</i>	Original Budget 2025/26 £M	Budget Movements 2025/26 £M	Latest Approved Budget 2025/26 £M	Total Actual Outturn 2025/26 £M	Outturn Variation 2025/26 £M
Central Services and Climate Change	10.51	(0.02)	10.49	11.69	1.20
Customers, Digital and Improvement	6.17	0.17	6.34	6.25	(0.09)
Regeneration	7.06	0.50	7.56	7.72	0.16
Resident Services	22.03	(0.27)	21.76	19.02	(2.74)
Net Cost of Services	45.77	0.38	46.15	44.68	(1.47)
Corporate Income:					
Investment Property Accounts	(19.12)	(0.16)	(19.28)	(19.12)	0.16
Asset Disposal Cost	0.00	0.00	0.00	0.01	0.01
Interest and Investment Income	(6.44)	0.00	(6.44)	(7.67)	(1.23)
Council Tax Income	(10.30)	0.00	(10.30)	(10.34)	(0.04)
Retained Business Rates	(5.06)	0.00	(5.06)	(5.06)	0.00
Government Grants	(5.47)	1.42	(4.05)	(4.74)	(0.69)
Corporate Income	(46.39)	1.26	(45.13)	(46.92)	(1.79)
Contribution to/(from) earmarked reserves	0.62	(1.64)	(1.02)	(0.92)	0.10
Grant and Income Carry Forwards	0.00	0.00	0.00	1.65	1.65
Net Expenditure (Surplus)/Deficit	0.00	0.00	0.00	(1.51)	(1.51)
To Budget Carry Forward Reserve				0.58	0.58
To MTFS Risk Reserve				0.93	0.93
Overall (Surplus)/Deficit	0.00	0.00	0.00	0.00	0.00



The graphic shows an analysis of the several types of expenditure and income and the proportions that these represent of the total.

Housing benefits and business rates are significant sums. However, they are matched by payments to or from the government, with a small impact for housing benefits and £4.92M net income for retained business rates (this is after the statutory accounting adjustments required to account for surplus/deficits in the collection fund between years have been made).

Capital Programme Outturn 2025/26

The capital outturn position, as at 31st March 2026, was £16.3M which was £1.1M lower than the latest budget of £17.4M.

The capital outturn for 2025/26 reported £1.4M rephased spend relating to existing projects to be incurred in future years and net scheme savings of £0.2M in 2025/26.

Capital expenditure during the year was financed from capital receipts (£7.6M), capital grants and contributions (£3.9M), direct revenue financing from the general fund (£4.0M) and internal borrowing of (£0.8M).

The council has a substantial capital programme of £121.7M for the next four years from 2026/27 to 2029/30 to support the Council Plan. This includes the delivery of a wide range of improvement works to community and sports facilities; providing grants to enable people with disabilities to live independently in their own homes. Asset management works to council owned property and investment in major projects such as the building of a new leisure facility.

Council Service Area	Latest Budget 2025/26 £M	Outturn 2025/26 £M	Outturn Variance 2025/26 £M
Central Services and Climate Change	0.3	0.2	(0.1)
Customers, Digital and Improvement	1.0	0.5	(0.5)
Regeneration	6.5	6.8	0.3
Resident Services	9.6	8.8	(0.8)
Total Capital Programme	17.4	16.3	(1.1)

5. THE STATEMENT OF ACCOUNTS

Purpose and Format

The purpose of the published Statement of Accounts is to give local taxpayers, councillors and other interested parties clear information about the council's finances. The statements inform readers about the cost of services provided by the council, how these services were paid for, significant changes during the year and the financial position at the year end.

The format of the presentation of the statement is laid down by the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (The Code) which the council is legally required to follow.

The council's and group's financial statements consist of:

Comprehensive Income and Expenditure Statement (CIES)	This includes all the council's income and expenditure and gains and losses on assets (including revaluations) and movements in liabilities during the year. It also shows the total movement in the net assets of the council during the year.
Balance Sheet	This incorporates all the council's assets, liabilities and reserves at the end of the financial year.
Movement in Reserves Statement (MiRS)	This statement shows the movement in the year on the different reserves held by the council, analysed by usable and unusable. It also reconciles the surplus or deficit on the Comprehensive Income and Expenditure Statement to the movement on the General Fund (the statutory account used to set the council tax).
Cash Flow Statement	This incorporates all the council's activities during the year and shows all cash movements between the council and other parties.
Expenditure and Funding Analysis (EFA) (Council only)	The analysis reconciles the amounts reported internally in line with the council's General Fund and the amounts reported in the Comprehensive Income and Expenditure Statement.
Notes to the Financial Statements	The analysis reconciles the amounts reported internally in line with the council's General Fund and the amounts reported in the Comprehensive Income and Expenditure Statement.

In addition, the council is required to publish other statements, along with the financial statements, which include:

Collection Fund	A separate account used for the collection and distribution of council tax and business rate income collected on behalf of the Borough, County, Police and Fire Authorities, Parishes and Central Government.
Statement of Responsibilities	This sets out the council's and the Chief Finance Officer's (Section 151 Officer) responsibilities for the Statement of Accounts.
Independent Auditors' Report	The external auditors' report on the financial statements.
Annual Governance Statement	This statement summarises the systems and processes by which the council is directed and controlled and through which it accounts to, engages with, and leads the community. The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. The statement details material weaknesses identified in the system of internal control and any corrective action being taken.

A glossary of key terms is provided at the end of the Statement of Accounts to assist the reader.

Accounting Code Changes

Up to 31 March 2025, the Accounting Code required that assets included in the Balance Sheet at current value were re-valued sufficiently regularly to ensure that their carrying amount was not materially different from their current value at the year end, but as a minimum every five years.

From 1 April 2025 the requirement is to revalue assets every five years, with indexation in the years that a valuation is not carried out.

The change in policy is applied prospectively, so that the carrying amounts of Property, Plant and Equipment assets at 31 March 2025 have not been adjusted and indexation has been applied for the first time to establish carrying amounts at 31 March 2026.

6. REVIEW OF FINANCIAL STATEMENTS

Overall Financial Position of the Council

The council’s balance sheet shows that the council has a net worth (net assets) of £518.7M consisting of:

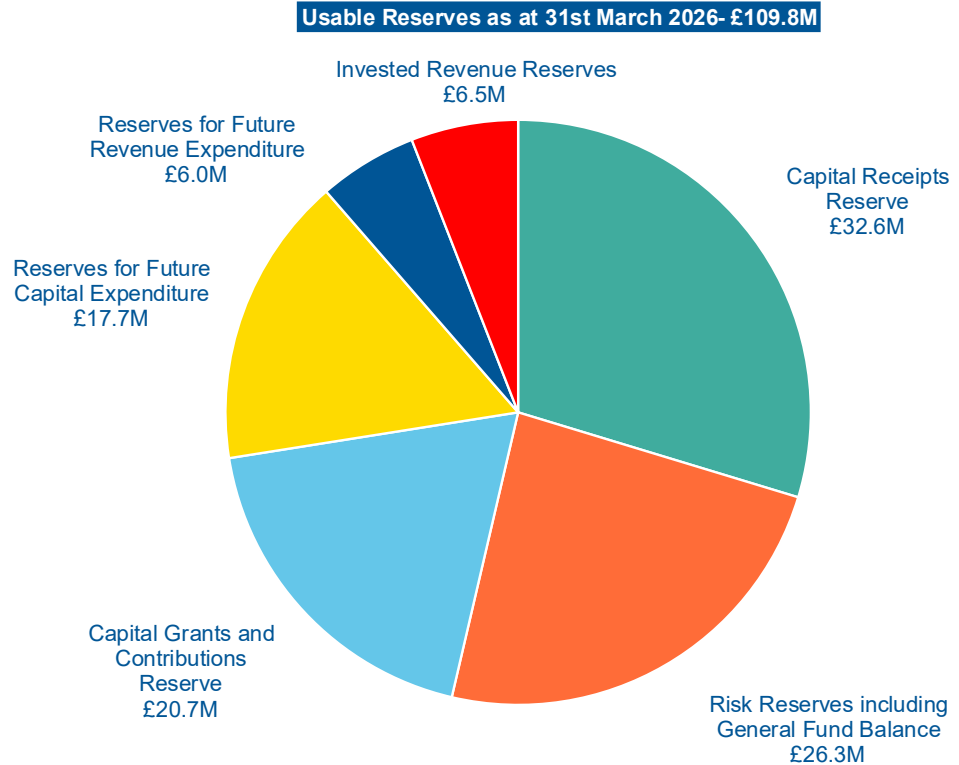
- an investment property asset portfolio of £298.2M;
- cash and investment assets of £113.9M;
- other assets (mainly operational land and buildings) of £146.5M;
- a potential future liability of £3.5M in its employees’ pension fund;
- developers’ contributions and other capital grants and contributions of £8.5M that could potentially require repayment (if the terms of the contributions are not met) and
- other net liabilities of £27.9M.

Reserves and Available Resources

The council’s Balance Sheet also shows usable reserves of £109.8M and usable developers’ contributions of £8.5M (shown as a long term liability). However, of this £118.3M of usable resource, £85.4M is available (based on current policies) to fund current and future spending plans and programmes.

The remaining £32.9M is invested in order to earn income to help support the future 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).

The usable reserves of £109.8M consist of capital receipts, revenue reserves including the general fund balance and capital grants and contributions unapplied. A chart of the useable reserve balances is shown on this page, and further details of reserves are shown in notes 15 and 16 to the accounts.



	Net Charge to General Fund 2024/25 £M	Net Charge to General Fund 2025/26 £M	Year on Year Variance £M
Net Cost of Service	40.2	41.5	1.3
Investment Property Net Income	(18.0)	(19.1)	(1.1)
Interest and Investment Income	(7.5)	(7.7)	(0.2)
Council Tax Income	(10.0)	(10.3)	(0.3)
Net Business Rate Income	(4.1)	(7.7)	(3.6)
General Government Grant Income	(4.9)	(4.7)	0.2
Other Corporate Items	(0.3)	0.0	0.3
General Fund Deficit/(Surplus) Transfer From/(To) Reserves	(4.6)	(8.0)	(3.4)
Business Rates Statutory Accounting Adjustment	1.3	(2.8)	(4.1)
Revenue Outturn Deficit/(Surplus) Transferred From/(To) Reserves	(2.7)	(2.0)	0.7
Pension prepayment	(3.2)	(3.2)	0.0
General Fund Deficit/(Surplus) Transfer From/(To) Reserves	(4.6)	(8.0)	(3.4)

Borrowing

The council had no external debt as at 31 March 2026 and the council has no future budgeted borrowing requirements. However, it participates in several large important housing and regeneration schemes, which carry a large degree of uncertainty of scale, timing and future funding requirements.

Financial Performance (year on year)

The Comprehensive Income and Expenditure Statement shows a deficit of £10.9M on the provision of services for 2025/26 (£8.6M surplus in 2024/25).

However, the reported deficits/surpluses in the financial statements include statutory adjustments relating to notional pension costs and capital accounting adjustments (for example revaluation of assets and depreciation), which are not allowed to be included in the General Fund. Details of these statutory adjustments are set out in the Expenditure and Funding Analysis (Note 1 to the accounts). The adjustments which tend to create large variances between years, have no impact on the General Fund as they are reversed out to unusable reserves.

For these reasons, when looking at performance, it is advisable to exclude them and focus on the controllable General Fund items. In 2025/26 the £10.9M deficit on the provision of services shown in the Comprehensive Income and Expenditure Statement was adjusted by £18.9M of statutory adjustments to arrive at a movement to the General Fund Reserves of £8.0M (in 2024/25 the £8.6M surplus was adjusted by £4.0M to arrive at a movement to General Fund reserves of £4.6M).

The table includes the main General Fund items and shows how the General Fund Deficit/(Surplus) (transfer from/(to) General Fund Reserves) has changed between years.

7. SIGNIFICANT MOVEMENTS AND EVENTS

There were a number of significant differences between the financial statements for 2024/25 and 2025/26 which are set out below.

Comprehensive Income and Expenditure Statement Movements

The reported deficit on the provision of services has increased by £19.5M from a £8.6M surplus in 2024/25 to a £10.9M deficit in 2025/26. The main reason for this is as follows:

Cost of Services	The presentation of the current year cost of services aligns with service areas. The cost of services has increased overall by £14.0M from £47.0M to £61.0M. This is driven by a significant increase of £14.4M in capital charges to services in year. A significant proportion relates to the valuation decrease of £8.2M in relation to the aquadrome, recognising this asset is approaching the end life as the proposed development of the new leisure centre has been approved. Additionally, there has been a £0.9M increase in employee costs and £0.5M increase in premises related costs. This was offset by a reduction in pension costs charged to services in year of £1.2M.
Interest and Investment Income	Due to reductions in interest rates and balances invested, interest and investment income has decreased by £1.4M, from £9.1M in 2024/25 to £7.7M in 2025/26.
Capitals Grants and Contributions Income	The amount of capital grants and contributions income recognised in the CIES has reduced by £4.8M, from £10.9M in 2024/25 to £6.1M in 2025/26. This is mainly due to applying the accounting treatment required for the recognition of community infrastructure income and has led to £1.6M income being reported in 2025/26 and £7.0M in 2024/25.

Balance Sheet Movements

Overall, the total net assets reported in the Balance Sheet have decreased by £12.7M, with the total net assets £518.7M at as 31 March 2026. There are some significant movements on the balance sheet which are explained below:

Asset Revaluations	All Investment Property and most Property, Plant and Equipment assets were subject to revaluation during 2025/26. In addition, new assets were purchased or constructed, and existing assets were subject to improvement, enhancement and depreciation where applicable. This exercise has led to an overall decrease of £3.9M in the net book value of investment property this year. There has been a decrease of £9.6M in the net book value of Property, Plant and Equipment. (Revaluation details can be seen in notes 2 and 3 to the financial statements).
Changes to Investments	Total cash and investment assets have decreased by £1.9M, mostly due to planned use of investment balances held to support the capital programme.
Decrease in Short Term Debtors	Debtors are shown net of allowances for doubtful debts. The council has an allowance for doubtful debts of £3.4M as at 31 March 2026 (£3.6M as at 31 March 2025) consisting of an allowance for Housing Benefits overpayments of £0.8M (£1.0 as at 31 March 2025) and other allowances of £2.6M (£2.6M as at 31 March 2025). There is an overall decrease in year-end debtors of £2.8M. Central Government debtors have increased by £1.2M. This is due to Business rates taxpayer receipts due from central government increasing by £1.8M, an additional £0.5M MHCLG funding for the Manydown development offset by a £1.2M decrease in rent allowance subsidy due. Local authority debtors have increased by £2.6M due to the early payment of Business Rates of £1.2M due for 2026/27 and a £1.3M invoice relating to the shared service waste contract with Hart District Council. The decrease in debtors from other entities and individuals of £6.6M is primarily due to reduction of £4.6M in amounts due from community infrastructure levy payers, a £1.4M Section 106 invoice recognised at the 2024/25 year end and realised in 2025/26 and a £0.6M increase in Debtors Raised in Advance.
Decrease in Short Term Creditors	Overall, there is a net decrease in short-term creditors of £6.1M between the Balance Sheet dates of 31 March 2025 and 31 March 2026. Central Government creditors have decreased in aggregate by £3.4M, due to Business rates taxpayer receipts due to central government at the Balance Sheet dates decreasing by £4.0M in the year. This is offset by an increase in VAT owed to HMRC at the year end. Creditors relating to Other Entities and Individuals have decreased by £3.0M. This is due to an investment property lease surrender premium settlement of £1.5M that was held as a conditional deposit in 2024/25 and then recognised as income during 2025/26 and a reduction of the amounts owed to Parish Councils for Community Infrastructure Levy of £0.9M. Other movements make up the remaining £0.6M.

Increase in Net Pension Scheme Liability

The estimated future potential liability for the council has increased by £4.0M. The council's defined benefit position has changed from a net pension surplus asset of £0.5M at 31 March 2025 to a net pension liability of £3.5M at 31 March 2026. This is due to the impact of the prepayment of pension payments, relating to the 2025/26 financial year, recognised at 31 March 2025 which is no longer recognised at 31 March 2026.

The fair value of the pension fund assets are greater than the present value of obligations, however due to accounting requirements, which require only the realisable element of a net asset position to be recognised, result in an adjustment of £28.2M to recognise the impact of the "asset ceiling".

The position shown on the balance sheet is a pension liability of £3.5M, net of the asset ceiling adjustment, this is explained further in the pension fund disclosures in Note 14.

The net liability on its share of the pension scheme of £3.5M relates to its share of discretionary and unfunded pension liabilities.

8. HORIZON SCANNING

Major Projects

The council has already started work on a number of major capital regeneration projects, including the Leisure Park and Town Centre, which will potentially lead to significant increases in revenue and capital expenditure and income in future years.

Local Plan

The council is currently preparing a new local plan to ensure it delivers national and local objectives, including the delivery of new homes. Significant progress on plan making has been made and a detailed evidence base to underpin the plan has been established. The most recent consultation on the draft plan ended in January 2026.

Due to significant infrastructure constraints identified by stakeholder organisations and statutory consultees through the consultation, further work is now required to determine the way forward for plan making in the immediate term.

This is highly likely to lead to a rephasing of the work programme and the plan may need to move forward under the newly legislated planning system, the details of which are currently emerging.

Local Government Reorganisation

On Wednesday 25 March 2026, the Minister for Housing, Communities and Local Government The Rt Hon Steve Reed OBE MP announced the final structure for new councils across [Hampshire and the Isle of Wight](#), as part of its plans to simplify how local services are delivered across the county.

This means that a new northern Hampshire unitary council will be created in April 2028 to deliver services currently run by Basingstoke and Deane, Hart District Council, Rushmoor Borough Council and Hampshire County Council.

Until April 2028, all local government services will continue to be provided by Basingstoke and Deane Borough Council and Hampshire County Council, alongside town and parish councils in some areas of the borough.

We will work closely with Hart District Council, Rushmoor Borough Council and Hampshire County Council to ensure that residents see no change in our day-to-day services while we get everything ready for the new unitary council to take over.

FOR THE YEAR ENDED 31 MARCH 2026						
2024/25 Expenditure £M	Restated 2024/25 Income £M	2024/25 NET £M		2025/26 Expenditure £M	2025/26 Income £M	2025/26 NET £M
			Service Area			
38.4	(28.6)	9.8	Central Services and Climate Change	33.1	(23.7)	9.4
0.0	0.0	0.0	Customers, Digital and Improvement	0.0	0.0	0.0
5.9	(1.9)	4.0	Regeneration	6.3	(0.9)	5.4
46.4	(13.2)	33.2	Resident Services	63.3	(17.1)	46.2
90.7	(43.7)	47.0	COST OF SERVICES	102.7	(41.7)	61.0
			Other Operating Income and Expenditure			
		1.9	Payment of Precepts (collected on behalf of Parish Councils)			2.0
		0.0	Other Operating Income and Expenditure			0.9
			Financing and Investment Income and Expenditure			
		(16.8)	Net (Gain)/Loss on Investment Property (Note 3)			(17.3)
		(9.1)	Net Interest and Investment Income (Note 7)			(7.7)
		1.0	Unrealised (Gain)/Loss on Pooled Investment Funds (Note 7)			0.0
		0.4	Net Interest on the Pension Liability (Note 14)			0.0
			Taxation and Non-Specific Grant Income and Expenditure			
		(11.8)	Council Tax Income (including parish precepts)			(12.3)
		(5.4)	Net Business Rates Income and Expenditure (Note 12)			(4.9)
		(4.9)	Other Non-Ring-fenced Government Grants Income (Note 13)			(4.7)
		(10.9)	Capital Grants and Contributions Income (Note 13)			(6.1)
		(8.6)	DEFICIT/(SURPLUS) ON PROVISION OF SERVICES			10.9
			Other Comprehensive Income and Expenditure			
		(8.1)	(Gain)/Loss on Revaluation of Non Current Assets (Note 2)			0.0
		(10.0)	Re-measurement of Pension Liability (Note 14)			1.9
		(26.7)	TOTAL COMPREHENSIVE (INCOME) / EXPENDITURE			12.8

This statement shows the accounting cost to the council in the year on the provision of services and other operating activities in accordance with International Financial Reporting Standards (IFRS) adapted by the Local Authority Accounting Code of Practice (the Code).

It includes everything that affects the council's net asset position and therefore includes all of the council's operating activities, along with any gains or losses on the council's investing and financing activities and movements in the value (i.e. revaluations and impairments) of long term assets and liabilities. The total comprehensive income and expenditure represents the total movement on net assets within the Balance Sheet.

The statement includes some incomes and costs that are not allowed to be charged as income and expenditure to the General Fund (the account used to set the level of council tax). This means that in order to give a comparable presentation of the performance of the council during the year, it is necessary to adjust the surplus or deficit on the Comprehensive Income and Expenditure Statement to obtain the movement on the General Fund. These adjustments are called "Adjustments between the accounting basis and the funding basis under regulations" and are shown in the Movement in Reserves Statement and the Expenditure and Funding Analysis (EFA) (Note 1).

In 2025/26 the presentation of in year reporting of spend on services changed from council plan priorities to service areas. To allow for comparison, the 2024/25 entries presented above have been restated to align to the revised presentation. The total expenditure, income and net position for the cost of services has not changed as a result of this change. The prior year comparator in Note 1 - Expenditure and Funding Analysis has also been updated to reflect this change.

AS AT 31 MARCH 2026

31 March 2025	31 March 2026	
£M	£M	Notes
102.4	92.8	2
302.1	298.2	3
51.6	42.7	7
36.3	37.9	4
0.5	0.0	14
492.9	471.6	
42.3	50.0	7
18.6	15.8	8
21.9	21.2	9
82.8	87.0	
(24.0)	(17.9)	10
(1.7)	(2.1)	11
(25.7)	(20.0)	
(10.4)	(8.5)	13
0.0	(3.5)	14
(5.2)	(5.4)	
(3.0)	(2.5)	10
(18.6)	(19.9)	
531.4	518.7	
(100.4)	(109.8)	15
(431.0)	(408.9)	16
(531.4)	(518.7)	

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 reserves held by the council.

There are two types of reserve shown in the Balance Sheet. The first category of reserves are usable reserves, i.e. those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category is unusable reserves which are those that the council is not able to use to provide services. This category includes reserves that contain unrealised gains and losses (for example the Asset Revaluation Reserve), where amounts would only become available to provide services if the assets were to be realised. They also include reserves that hold timing differences and any adjustments made between the accounting basis and funding basis under regulations within the Movement in Reserves Statement.

The unaudited accounts were issued on 26 June 2026.

Adam Swain FCPFA
Chief Finance Officer
(Section 151 Officer)

26 June 2026

FOR THE YEAR ENDED 31 MARCH 2026

	Movements							Notes
	Balance as at 31/03/24 £M	Adjustment to opening balance*	Balance as at 01/04/24 £M	Total Comprehensive Income and Expenditure Statement £M	Adjustment between accounting basis and funding basis under regulations £M	Total Movement in 2024/25 £M	Balance as at 31/03/25 £M	
2024/25								
Usable Reserves								
General Fund Balance (incl. earmarked reserves)	(43.9)	0.0	(43.9)	(8.6)	4.0	(4.6)	(48.5)	
Capital Receipts Reserve	(28.4)	0.0	(28.4)	0.0	(3.3)	(3.3)	(31.7)	
Capital Grants and Contributions	(13.4)	0.0	(13.4)	0.0	(6.8)	(6.8)	(20.2)	
Total Usable Reserves	(85.7)	0.0	(85.7)	(8.6)	(6.1)	(14.7)	(100.4)	15
Unusable Reserves								
Pension Scheme Reserve	5.8	0.0	5.8	(10.0)	3.7	(6.3)	(0.5)	
Asset Revaluation Reserve	(33.1)	0.0	(33.1)	(8.1)	1.0	(7.1)	(40.2)	
Capital Adjustment Account*	(396.0)	(1.2)	(397.2)	0.0	25.4	25.4	(371.8)	
Other Statutory Adjustment Accounts	4.4	0.0	4.4	0.0	(0.2)	(0.2)	4.2	
Deferred Capital Receipts Reserve	0.0	0.0	0.0	0.0	(22.7)	(22.7)	(22.7)	
Total Unusable Reserves	(418.9)	(1.2)	(420.1)	(18.1)	7.2	(10.9)	(431.0)	16
Total Reserves	(504.6)	(1.2)	(505.8)	(26.7)	1.1	(25.6)	(531.4)	

	Movements					Notes
	Balance as at 31/03/25 £M	Total Comprehensive Income and Expenditure Statement £M	Adjustment between accounting basis and funding basis under regulations £M	Total Movement in 2025/26 £M	Balance as at 31/03/26 £M	
2025/26						
Usable Reserves						
General Fund Balance (incl. earmarked reserves)	(48.5)	10.9	(18.9)	(8.0)	(56.5)	
Capital Receipts Reserve	(31.7)	0.0	(0.9)	(0.9)	(32.6)	
Capital Grants and Contributions	(20.2)	0.0	(0.5)	(0.5)	(20.7)	
Total Usable Reserves	(100.4)	10.9	(20.3)	(9.4)	(109.8)	15
Unusable Reserves						
Pension Scheme Reserve	(0.5)	1.9	2.1	4.0	3.5	
Asset Revaluation Reserve	(40.2)	0.0	3.3	3.3	(36.9)	
Capital Adjustment Account	(371.8)	0.0	12.3	12.3	(359.5)	
Other Statutory Adjustment Accounts	4.2	0.0	1.6	1.6	5.8	
Deferred Capital Receipts Reserve	(22.7)	0.0	0.9	0.9	(21.8)	
Total Unusable Reserves	(431.0)	1.9	20.2	22.1	(408.9)	16
Total Reserves	(531.4)	12.8	(0.1)	12.7	(518.7)	

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" (see Notes 15 and 16 for more details).

*Note due to the 1 April 2024 transitional adjustments required for the introduction of IFRS 16 Leases, there has been an adjustment on the capital adjustment account to recognise the right of use assets totalling £1.2M. This has changed the opening balance on 1 April 2024 from (£396.0M) to (£397.2M).

FOR THE YEAR ENDED 31 MARCH 2026

2024/25		2025/26
£M		£M
	OPERATING ACTIVITIES	
	(8.6) (Surplus)/Deficit on the Provision of Services	10.9
	Adjustments for Non Cash Movements:	
	(3.7) Pension Fund adjustments	(2.1)
	(4.2) Depreciation and amortisation of long-term assets	(9.1)
	(1.6) Revaluation of property, plant and equipment	(10.0)
	5.0 Revaluation of investment property	1.5
	(14.3) Write out of long-term assets on disposal	(8.2)
	(1.0) Revaluation of Pooled Investment Funds	0.0
	22.7 Deferred proceeds from disposal of long-term assets	0.0
	(0.9) Other Non-Cash Movements	(0.1)
	Adjustments for Items included in Investing Activities:	
	12.8 Realised proceeds from disposal of long-term assets	7.8
	Adjustments for Items on an Accruals Basis:	
	8.7 Increase/(decrease) in operating activity debtors	(3.1)
	(3.2) (Increase)/decrease in operating activity creditors	6.1
	0.4 (Increase)/decrease in provisions	(0.4)
	12.1 Net Cash Out Flow/(In Flow) from Operating Activities	(6.7)
	INVESTING ACTIVITIES	
	21.8 Payments for additions and subsequent expenditure on long-term assets	11.1
	451.7 Payments for purchase of investments	367.5
	(35.5) Proceeds from disposal of long-term assets	(7.8)
	(436.9) Proceeds from disposal of investments	(368.9)
	1.1 Net Cash Out Flow/(In Flow) from Investing Activities	1.9
	FINANCING ACTIVITIES	
	(2.6) Net (inflow)/outflow for business rates payable to government and preceptors	6.5
	0.3 Net (inflow)/outflow for council tax payable to preceptors	(1.0)
	(2.3) Net Cash (In Flow)/Out Flow from Financing Activities	5.5
	10.9 NET DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS	0.7

The purpose of the Cash Flow Statement is to show how the Cash and Cash Equivalents (see note 9) shown in the Balance Sheet has changed. It therefore includes all cash amounts received and paid out irrespective of the type of transaction.

Cash and Cash Equivalents includes cash in hand, the council's main bank account, deposit accounts with other banks and money market funds with financial institutions that are held for meeting short-term cash commitments rather than for investment purposes. They are repayable, without penalty, on notice of not more than 30 days and are convertible to known amounts of cash with insignificant risk of change in value.

The Cash Flow Statement is different to the other statements because it is on a cash basis and some of the figures may not agree with other figures in the financial statements which are all on an accruals basis (i.e. based on amounts payable and receivable rather than actually paid or received).

1. EXPENDITURE AND FUNDING ANALYSIS

The purpose of this analysis is to reconcile the amounts reported internally in line with the council's General Fund and the amounts reported in the Comprehensive Income and Expenditure Statement (CIES). This is required because the internal reporting does not include charges relating to capital expenditure (e.g. depreciation etc.) or notional pension costs (current service cost etc.) and expenditure on support services is budgeted for centrally within business units and is only charged to services at the end of the year. These items form part of the reconciliation between the internally reported net charge to the general fund and the actual net charge to the CIES.

The reconciliation for 2025/26 is as follows:

	Adjustments between funding and accounting basis					Net charge to CIES 2025/26 £M
	Net charge to General Fund 2025/26 £M	Pension Adjustments 2025/26 £M	Capital Accounting 2025/26 £M	Support Service Recharges 2025/26 £M	Other Statutory Adjustments 2025/26 £M	
Service Costs by Service Area						
Central Services and Climate Change	10.9	0.2	0.2	(1.9)	0.0	9.4
Customers, Digital and Improvement	5.8	0.4	1.0	(7.2)	0.0	0.0
Regeneration	7.4	0.2	2.0	(4.2)	0.0	5.4
Resident Services	17.4	1.3	17.9	9.6	0.0	46.2
Cost of Services	41.5	2.1	21.1	(3.7)	0.0	61.0
Corporate Items						
Payments to Parishes	0.0	0.0	0.0	0.0	2.0	2.0
Investment Property	(19.1)	0.0	(1.9)	3.7	0.0	(17.3)
Interest and Investment Income	(7.7)	0.0	0.0	0.0	0.0	(7.7)
Pooled Investment Funds	0.0	0.0	0.0	0.0	0.0	0.0
Pension Interest Costs	0.0	0.0	0.0	0.0	0.0	0.0
Council Tax Income	(10.3)	0.0	0.0	0.0	(2.0)	(12.3)
Net Business Rates Income	(7.7)	0.0	0.0	0.0	2.8	(4.9)
Non-Specific Grants	(4.7)	0.0	0.0	0.0	0.0	(4.7)
Other Corporate Items	0.0	0.0	(5.2)	0.0	0.0	(5.2)
(Surplus)/Deficit on Provision of Services	(8.0)	2.1	14.0	0.0	2.8	10.9
Opening General Fund Balance		(48.5)				
(Surplus)/Deficit on Provision of Services - Statutory Adjustment Business Rates		(2.8)				
(Surplus)/Deficit on Provision of Services - Adjustment Employers Superannuation Prepayment 2025/26 (paid in 2023/24)		(3.2)				
(Surplus)/Deficit on Provision of Services - Approved Reserve Transfers		(2.0)				
Closing General Fund Balance		(56.5)				

In the table above the Net Charge to General Fund column are those costs and income shown in the council's Revenue Outturn Report and the Net Charge to CIES are those shown in the Comprehensive Income and Expenditure Statement. The comparable figures for 2024/25 have been restated to reflect the change in service cost reporting, which is now presented by service area.

1. EXPENDITURE AND FUNDING ANALYSIS (continued)

The comparable figures for 2024/25 were:

	Adjustments between funding and accounting basis					
	Net charge to General Fund 2024/25 £M	Pension Adjust ments 2024/25 £M	Capital Accounting 2024/25 £M	Support Service Recharges 2024/25 £M	Other Statutory Adjustments 2024/25 £M	Net charge to CIES 2024/25 £M
Service Costs by Service Area (Restated)						
Central Services and Climate Change	10.7	0.5	0.1	(1.5)	0.0	9.8
Customers, Digital and Improvement	5.3	0.4	1.0	(6.7)	0.0	0.0
Regeneration	6.4	0.3	0.6	(3.3)	0.0	4.0
Resident Services	17.8	2.1	5.0	8.3	0.0	33.2
Cost of Services	40.2	3.3	6.7	(3.2)	0.0	47.0
Corporate Items						
Payments to Parishes	0.0	0.0	0.0	0.0	1.9	1.9
Investment Property	(18.0)	0.0	(2.0)	3.2	0.0	(16.8)
Interest and Investment Income	(7.5)	0.0	(1.6)	0.0	0.0	(9.1)
Pooled Investment Funds	0.0	0.0	0.0	0.0	1.0	1.0
Pension Interest Costs	0.0	0.4	0.0	0.0	0.0	0.4
Council Tax Income	(10.0)	0.0	0.0	0.0	(1.8)	(11.8)
Net Business Rates Income	(4.1)	0.0	0.0	0.0	(1.3)	(5.4)
Non-Specific Grants	(4.9)	0.0	0.0	0.0	0.0	(4.9)
Other Corporate Items	(0.3)	0.0	(10.6)	0.0	0.0	(10.9)
(Surplus)/Deficit on Provision of Services	(4.6)	3.7	(7.5)	0.0	(0.2)	(8.6)
Opening General Fund Balance		(43.9)				
(Surplus)/Deficit on Provision of Services - Statutory Adjustment Business Rates		1.3				
(Surplus)/Deficit on Provision of Services - Adjustment Employers Superannuation Prepayment 2024/25 (paid in 2023/24)		(3.2)				
(Surplus)/Deficit on Provision of Services - Approved Reserve Transfers		(2.7)				
Closing General Fund Balance		(48.5)				

Explanation of adjustments between funding and accounting basis

Pension Adjustments For services this represents the removal of employer pension contribution payments and replacing them with a notional Current Service Cost based on a calculation of how much the pension liability or asset has changed in the current year for the current employees required by IAS19 Employee Benefits.

For Pension Interest Costs this represents the net interest which includes the interest payable on the pension liability and the interest income on the assets in accordance with IAS19.

1. EXPENDITURE AND FUNDING ANALYSIS (continued)

Explanation of adjustments between funding and accounting basis (continued)

Capital Accounting Adjustments	For services this represents the addition of depreciation, impairments and revaluation gains and losses on assets used in the provision of services. For Investment Property this represents the addition of impairments and revaluation gains and losses on investment property.
Support Service Recharges Adjustment	Most of the council's employee costs and support service costs (including IT equipment, Council Offices and Vehicles) are held within Business Units, Agency and Holding Accounts and are apportioned to the reported service areas using various recharge methods to identify the total cost of each of the council's services areas. As the CIES shows the total cost of services by service area, support service recharges are a reconciling item between the analysis reported internally and the CIES.
Other Statutory Adjustments	This represents; the separation of Council Tax between amounts collected on behalf of Parishes from the Council's own requirement; the timing differences between the way that Council Tax and Business Rates are accounted for under statute and proper accounting practice under IFRS; and the adjustments made for the statutory reversal of valuation changes to pooled investments funds under IFRS9.

The Code requires a note to the EFA that analyses certain items of income and expense on a segmental (service area) basis if they are reported internally (i.e. within General Fund reporting). The only item that needs further analysis is revenues from external customers (service income) and this is already shown by council plan segments on the face of the CIES.

The Code also requires an analysis of the nature of material expenses included within the segmental reporting. The Council's total revenue expenditure and income can be analysed as follows:

General Fund 2024/25 £M	Statutory Adjustment 2024/25 £M	CIES 2024/25 £M	Expenditure	General Fund 2025/26 £M	Statutory Adjustment 2025/26 £M	CIES 2025/26 £M
27.9	0.0	27.9	Housing Benefit Payments	22.7	0.0	22.7
32.8	0.0	32.8	Business Rates Expenditure	33.5	0.0	33.5
32.3	3.7	36.0	Employees	34.8	2.1	36.9
8.2	0.0	8.2	Premises	8.7	0.0	8.7
15.3	0.0	15.3	Supplies and Services	15.0	0.0	15.0
0.0	9.7	9.7	Capital Charges	0.0	23.2	23.2
0.0	1.0	1.0	Investment Revaluation Losses	0.0	0.0	0.0
10.9	1.4	12.3	Other Running Costs	14.4	2.0	16.4
127.4	15.8	143.2		129.1	27.3	156.4
Income						
(27.8)	0.0	(27.8)	Housing Benefit Subsidy	(22.4)	0.0	(22.4)
(36.9)	(1.3)	(38.2)	Income from Business Rates	(41.2)	2.8	(38.4)
(19.5)	0.0	(19.5)	Property Rents	(20.1)	0.0	(20.1)
0.0	(3.0)	(3.0)	Property Revaluation Gains	0.0	(1.9)	(1.9)
(4.9)	0.0	(4.9)	General Government Grants	(4.7)	0.0	(4.7)
(10.0)	(1.8)	(11.8)	Income from Council Tax	(10.3)	(2.0)	(12.3)
(7.4)	(1.7)	(9.1)	Interest Income	(7.8)	0.0	(7.8)
(7.7)	0.0	(7.7)	Fees and Charges	(9.3)	0.0	(9.3)
(17.7)	(12.1)	(29.8)	Other Income	(21.3)	(7.3)	(28.6)
(131.9)	(19.9)	(151.8)		(137.1)	(8.4)	(145.5)
(4.5)	(4.1)	(8.6)	(Surplus)/Deficit on Services	(8.0)	18.9	10.9

2. PROPERTY, PLANT AND EQUIPMENT (PPE)

The net book value and movements for the different categories of Property, Plant and Equipment assets are shown below:

	Land and Buildings £M	Right of Use Assets £M	Assets Under Construction £M	Infrastructure Assets £M	Vehicles Plant and Equipment £M	Community Assets £M	Total PPE Assets £M
Net Book Value at 31 March 2024	76.0	0.0	0.0	0.0	11.4	10.0	97.4
Right of use asset recognised on transition	0.0	1.2	0.0	0.0	0.0	0.0	1.2
As at 1st April 2024	76.0	1.2	0.0	0.0	11.4	10.0	98.6
Movements in 2024/25							
Additions	1.5	0.0	0.3	0.1	2.2	0.2	4.3
Disposals/Derecognitions	0.0	0.0	0.0	0.0	(0.9)	0.0	(0.9)
Reclassifications	2.3	0.0	0.0	0.0	0.0	0.0	2.3
Revaluations (charged to services)	(1.6)	0.0	0.0	0.0	0.0	0.0	(1.6)
Revaluations (to Revaluation Reserve)	6.2	0.0	0.0	0.0	0.0	0.0	6.2
As at 31 March 2025	84.4	1.2	0.3	0.1	12.7	10.2	108.9
Accumulated Depreciation							
As at 31 March 2024	(0.4)	0.0	0.0	0.0	(5.5)	0.0	(5.9)
Right of use asset recognised on transition	0.0	0.0	0.0	0.0	0.0	0.0	0.0
As at 1st April 2024	(0.4)	0.0	0.0	0.0	(5.5)	0.0	(5.9)
Movements in 2024/25							
Depreciation	(2.4)	0.0	0.0	0.0	(1.3)	0.0	(3.7)
Disposals/Derecognitions	0.0	0.0	0.0	0.0	0.9	0.0	0.9
Depreciation written out (to Revaluation Reserve)	2.2	0.0	0.0	0.0	0.0	0.0	2.2
As at 31 March 2025	(0.6)	0.0	0.0	0.0	(5.9)	0.0	(6.5)
Net Book Value at 31 March 2025	83.8	1.2	0.3	0.1	6.8	10.2	102.4
Cost or Valuation							
As at 31 March 2025	84.4	1.2	0.3	0.1	12.7	10.2	108.9
Movements in 2025/26							
Additions	5.3	0.0	0.5	0.1	4.4	0.2	10.5
Disposals/Derecognitions	(1.3)	0.0	0.0	0.0	(1.0)	0.0	(2.3)
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revaluations (charged to services)	(10.0)	0.0	0.0	0.0	0.0	0.0	(10.0)
Revaluations (to Revaluation Reserve)	(6.6)	0.0	0.0	0.0	0.0	0.0	(6.6)
Indexation (charged to services)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indexation (to Revaluation Reserve)	(1.1)	0.0	0.0	0.0	0.0	0.0	(1.1)
As at 31 March 2026	70.7	1.2	0.8	0.2	16.1	10.4	99.4
Accumulated Depreciation							
As at 31 March 2025	(0.6)	0.0	0.0	0.0	(5.9)	0.0	(6.5)
Movements in 2025/26							
Depreciation	(7.2)	0.0	0.0	0.0	(1.5)	0.0	(8.7)
Disposals/Derecognitions	0.1	0.0	0.0	0.0	0.9	0.0	1.0
Depreciation written out (to Revaluation Reserve)	7.6	0.0	0.0	0.0	0.0	0.0	7.6
As at 31 March 2026	(0.1)	0.0	0.0	0.0	(6.5)	0.0	(6.6)
Net Book Value at 31 March 2026	70.6	1.2	0.8	0.2	9.6	10.4	92.8

2. PROPERTY, PLANT AND EQUIPMENT (PPE) (continued)

Analysis of Property Plant and Equipment - Land and Buildings

Paragraph 4.2.4.18 of the Accounting Code requires all the Property, Plant and Equipment disclosures to be split between the assets used by the authority and those let out to others under operating leases. The table below shows this split for Land and buildings owned by the Council.

	Land and Buildings let to third parties under Operating Lease £M	Land and Buildings used by the Council £M	Total £M
Net Book Value at 31 March 2025	56.0	27.8	83.8
Cost or Valuation			
As at 31 March 2025	56.1	28.3	84.4
Movements in 2025/26			
Additions	2.4	2.9	5.3
Disposals/Derecognitions	(0.8)	(0.5)	(1.3)
Reclassifications	0.0	0.0	0.0
Revaluations (charged to services)	(8.8)	(1.2)	(10.0)
Revaluations (to Revaluation Reserve)	(7.4)	0.8	(6.6)
Indexation (charged to services)	0.0	0.0	0.0
Indexation (to Revaluation Reserve)	(0.2)	(0.9)	(1.1)
As at 31 March 2026	41.3	29.4	70.7
Accumulated Depreciation			
As at 31 March 2025	(0.1)	(0.5)	(0.6)
Movements in 2025/26			
Depreciation	(6.3)	(0.9)	(7.2)
Disposals/Derecognitions	0.0	0.1	0.1
Depreciation written out to Revaluation Reserve	6.3	1.3	7.6
As at 31 March 2026	(0.1)	0.0	(0.1)
Net Book Value at 31 March 2026	41.2	29.4	70.6

Depreciation and Estimated Useful Lives

The following useful lives have been used in the calculation of depreciation which is based on a straight-line allocation over the expected life of the asset.

Buildings	from 10 to 100 years
Vehicles, Plant and Equipment	from 3 to 10 years
Infrastructure Assets	from 10 to 50 years

2. PROPERTY, PLANT AND EQUIPMENT (PPE) (continued)**Revaluations and Impairments**

Most of the council's PPE land and building assets have been revalued or indexed by Montagu Evans LLP during 2025/26.

The valuations have been carried out in accordance with the methodologies and bases for estimates set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS), the CIPFA Code and the council's Accounting Policies (see note 25). Where the assets are not depreciated (for example, community assets) they are reviewed for impairment at the end of the year.

Please also refer to Note 28 for uncertainties relating to assumptions and estimates used in the preparation of property valuations.

The table below presents PPE assets by category, indicating which are measured at cost, which are held at depreciated cost, and, for revalued assets, the year in which they most recently underwent a full valuation. In the intervening years, assets within the revaluation model are indexed. Where an appropriate index is not available, a desktop revaluation is undertaken in year three of the five-year valuation cycle.

Assets	Carried at Cost £M	Carried at			Revalued During 2025/26 £M	Total PPE Assets £M
		Depreciated Cost £M	Revalued During 2023/24 £M	Revalued During 2024/25 £M		
Land and Buildings	0.0	0.0	12.2	22.2	36.2	70.6
Right of Use Assets - Land and Buildings	0.0	0.0	0.0	0.0	1.2	1.2
Assets Under Construction	0.8	0.0	0.0	0.0	0.0	0.8
Infrastructure Assets	0.0	0.2	0.0	0.0	0.0	0.2
Vehicles Plant and Equipment	0.0	9.6	0.0	0.0	0.0	9.6
Community Assets	10.4	0.0	0.0	0.0	0.0	10.4
Total Property, Plant and Equipment Assets	11.2	9.8	12.2	22.2	37.4	92.8

2. PROPERTY, PLANT AND EQUIPMENT (PPE) (continued)**Revaluations of Significant Land and Buildings Assets**

During 2025/26 there were revaluations on significant operational land and buildings as follows:

31/03/25 Carrying Value	2025/26 Additions/ Disposals/ Reclassifications	2025/26		2025/26		2025/26		2025/26		31/03/26 Carrying Value
		Depreciation Adjustment	Revaluation Reserve	Revaluation Change To Services	Indexation Change Revaluation Reserve	Change To Services				
£M Asset	£M	£M	£M	£M	£M	£M	£M	£M	£M	
16.0 The Anvil	0.6	0.0	1.4	(0.5)	0.0	0.0	0.0	17.5		
21.8 The Aquadrome	0.2	0.0	(10.7)	(8.2)	0.0	0.0	0.0	3.1		
4.5 Tadley Swimming Pool	0.0	0.0	0.1	0.0	0.0	0.0	0.0	4.6		
3.8 Haymarket Theatre	0.1	0.0	0.1	0.0	0.0	0.0	0.0	4.0		
2.5 Civic Offices	0.6	0.0	0.4	(0.5)	0.0	0.0	0.0	3.0		
9.7 Public Car Parks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.7		
10.9 Sports Pavilions and Pitches	0.1	0.7	1.2	0.0	(1.0)	0.0	0.0	11.9		
14.6 Other PPE Land and Buildings	2.4	(0.2)	0.9	(0.8)	(0.1)	0.0	0.0	16.8		
83.8 Total Land and Buildings	4.0	0.5	(6.6)	(10.0)	(1.1)	0.0	70.6			

The main driver for the changes in values is the update to the valuer's assumptions, particularly in relation to build costs, adopted areas, and most notably for The Aquadrome due to the reassessment of remaining useful life because of the planned replacement of the facility with a new leisure centre, all of which feed into the overall valuations. There were no material contractual commitments for capital expenditure at 31 March 2026.

3. INVESTMENT PROPERTY

The movement in the fair value (estimated market value) of Investment Property is shown below:

2024/25	2025/26
£M	£M
320.1	302.1
Balance at the Start of the Year	
Movements in Year	
14.0 Additions	0.0
0.9 Subsequent Expenditure	0.5
(35.6) Disposals - Carrying Value Written Out	(5.8)
(2.3) Reclassifications - (to)/from Property, Plant & Equipment	0.0
5.0 Net Gain/(Loss) on Revaluations	1.4
302.1	298.2
Balance at the End of the Year	

Investment Property Revaluations - Fair Value

All Investment Property valuations have been updated in 2025/26 in accordance with the requirements of RICS professional standards and the CIPFA Code on a fair value basis.

The fair values have been based on the market approach using observable inputs, namely current market conditions for rents, yields, recent sales prices and other relevant information for similar assets in the local area. Market conditions for these asset types are such that the level of observable inputs are significant leading to the properties being categorised as level 2 in the fair value hierarchy.

The valuations for all Investment Properties were carried out by Montagu Evans LLP.

Revaluations of Significant Investment Property Assets

During 2025/26 there were some significant revaluations on investment property as follows:

31/03/25 Carrying Value		2025/26 Additions / Disposals / Reclassification	2025/26 Revaluation Change	31/03/26 Carrying Value
£M	Asset	£M	£M	£M
66.6	Daneshill Industrial Estate	0.0	(0.1)	66.5
47.2	Houndmills Industrial Estate	0.0	(0.2)	47.0
46.7	Viabes	0.0	0.4	47.1
43.6	Basing View	0.0	0.2	43.8
3.5	Winchester Road	0.2	(0.6)	3.1
5.1	Lister Road	(5.1)	0.0	0.0
9.5	Property Investment Strategy Acquisitions	0.0	0.0	9.5
12.3	Land at Manydown*	0.0	(0.1)	12.2
11.0	The Malls	0.1	(1.0)	10.1
8.1	Festival Place	0.0	0.0	8.1
5.9	West Ham Leisure Park	0.0	(0.2)	5.7
4.2	St Andrews Medical Centre	0.0	0.1	4.3
38.4	Other Investment Property	(0.5)	2.9	40.8
302.1	Total Investment Property	(5.3)	1.4	298.2

* This represents a 50% interest in Land at Manydown jointly leased with Hampshire County Council.

The main reason for the overall decrease in the carrying value of investment property is the disposal of the Lister Road site which took place during 2025/26.

3. INVESTMENT PROPERTY (continued)**Investment Property held under leases**

The council leases land at Manydown that is currently classified as an Investment Property.

Investment Property Income and Expenditure Account

The Investment Property Income and Expenditure Account is used to record the operating activity relating to investment properties. It does not include expenditure on the acquisition or enhancement of Investment Property as these are shown as investing activities and form part of the cost/value of the assets.

The net gain of £17.3M in 2025/26 (net gain of £16.8M in 2024/25) is shown in the Comprehensive Income and Expenditure Statement.

A breakdown of the expenditure and income is shown below:

2024/25 £M	2025/26 £M
(5.0) Net (Gain)/Loss on Revaluation of Investment Property	(1.4)
2.0 Net (Gain)/Loss on Disposals of Investment Property	(0.5)
(22.8) Income from Investment Property (rents and service charges)	(24.4)
7.6 Maintenance and Running Costs of Investment Property	7.7
2.0 Costs Relating to Strategic Site Development	1.7
(0.6) Income from Strategic Site Development	(0.4)
(16.8) Net (Gain)/Loss on Investment Property	(17.3)

The three strategic development sites; Manydown, Basing View Regeneration and the Leisure Park Redevelopment have been separated from investment property income and maintenance costs.

4. OTHER LONG-TERM ASSETS

Other long-term assets consist of:

2024/25 £M	2025/26 £M
2.3 Loans to Housing Associations (part of Existing Satisfactory Purchases Scheme)	2.3
0.3 Loan to SERCO Ltd. (waste collection contract)	0.0
21.2 Loans to Manydown Garden Communities LLP	21.8
6.8 Loan to Manydown Development LLP	8.7
1.2 Intangible Assets	0.8
1.4 Heritage Assets	1.5
3.1 Other Long-Term Assets	2.8
36.3 Other Long-Term Assets	37.9

Loans to Housing Associations are held at £2.3M cost as their fair value cannot be measured reliably. This is because the repayment value of principal and a future return based on increases in residential property values (proportionate to the investment amount made by the council and housing association) which will not be known until either the sale of the property or the fifteenth anniversary of the loan advance. The first loan advance was during 2014/15.

Loans to Manydown Garden Communities LLP are inclusive of an operational facility loan of £1.1M, and the long term element of a (C and D) Loan of £20.7M received as part of the sale of Manydown North land to Manydown Garden Communities LLP. Of this loan amount £5.6M is non-interest bearing.

5. STATUTORY CAPITAL EXPENDITURE AND FINANCING

Total capital expenditure for 2025/26 amounted to £16.3M (£27.4M in 2024/25). Movements in the Capital Financing Requirement (the council's need to borrow to finance capital expenditure) are shown below:

2024/25 £M	2025/26 £M
0.0	0.0
Opening Capital Financing Requirement	
Statutory Capital Expenditure	
4.3 Property Plant and Equipment Assets	10.5
16.3 Investment Property Assets	0.5
2.9 Other Long-Term Assets	1.2
3.9 Revenue Expenditure Funded from Capital Under Statute	4.1
27.4	16.3
Total Capital Expenditure	
Source of Finance	
(21.2) Capital Receipts Reserve	(7.6)
(1.1) Capital Grants and Contributions	(3.9)
(3.6) Direct Revenue Financing from the General Fund	(4.0)
(1.5) Internal Borrowing	(0.8)
0.0	0.0
Closing Capital Financing Requirement	

6. LEASES

The council leases out its Investment Property under operating leases for the purpose of generating income. It also leases out land and buildings for the purpose of the provision of community services such as sports and leisure facilities and community centres. Paragraph 4.2.4.18 of the Accounting Code requires the disaggregation of lease receivables between classes of assets owned by the Council therefore the below disclosure (along with comparative information) splits the rental income receivable between both Property, Plant and Equipment and Investment Property. IFRS16 also requires leases receivables to be analysed in each of the next 5 years and the period over 5 years.

The estimated future aggregate minimum lease rentals receivable from these leases are:

Property, Plant and Equipment 2024/25 £M	Investment Property 2024/25 £M		Property, Plant and Equipment 2025/26 £M	Investment Property 2025/26 £M
0.1	16.4	Due within one year	0.0	17.1
0.0	14.7	Due within two years	0.0	15.9
0.0	14.0	Due within three years	0.0	15.1
0.0	13.5	Due within four years	0.0	14.2
0.0	12.9	Due within five years	0.0	13.6
0.0	883.5	Due after five years	0.0	891.3
0.1	955.0	Total Future Minimum Lease Rentals Receivable	0.0	967.2

The estimated future minimum lease rentals receivable do not include rents that are contingent on events taking place in the future such as rent reviews. In 2025/26 the contingent rents receivable by the council for the year were £3.5M (£4.5M in 2024/25). All contingent rents are within the investment property category.

7. FINANCIAL INSTRUMENTS (INCLUDING INVESTMENTS)

Financial instruments are contractual arrangements that give rise to a financial asset in one entity and a financial liability in another. For the council, this primarily relates to financial assets in the form of investments and debtors where deferred payment terms have been agreed and financial liabilities in the form of short-term borrowing and creditors where deferred payment terms have been agreed.

The council's financial assets are shown in different places in the Balance Sheet: Long-Term Investments, Short-Term Investments, Cash and Cash Equivalents (see note 9), Other Long-Term Assets (see note 4) and Short-Term Debtors (see note 8).

This note encompasses the disclosure requirements for long and short-term investments and borrowing.

7. FINANCIAL INSTRUMENTS (INCLUDING INVESTMENTS) (continued)**Financial Instruments Classifications**

The Council measures its financial instruments using two categories: Amortised Cost and Fair Value Through Profit or Loss (FVTPL)

Amortised Cost financial instruments (where cash flows are solely payments of principal and interest and the council's business model is to collect those cash flows) consist of:

- Supranational Bonds (£10.0M as at 31 March 2026)
- Cash Deposits (£40.0M as at 31 March 2026)
- Gilts and Treasury Bills (£19.0M as at 31 March 2026)
- Bank Deposits (shown in Cash and Cash Equivalents)
- Loans made for Service Purposes excluding Loans to Housing Associations and the Manydown Development (shown in Other Long-Term Assets)

Fair Value Through Profit or Loss financial instruments (where cash flows are not solely payments of principal and interest) consist of:

- Bond Funds
- Money Market Funds (shown in Cash and Cash Equivalents)
- Property Funds
- Loans made for Service Purposes - Loans to Housing Associations and the Manydown Development (shown in Other Long-Term Assets)

The council's financial liabilities consist only of short-term borrowing in the form of parish loans (where parishes have deposited cash balances with the council which are subject to variable rates of interest). These are measured at amortised cost (£0.1M as at 31 March 2026) as their fair value cannot be measured reliably. There is no market to transfer the liabilities and as a result of the specific repayment terms for the liabilities, calculating fair value is not possible due to the uncertain timing of future cash flows.

Financial Instruments - Investment Balances

As at the 31 March 2026 the council had the following balances on investments:

Long Term 31 Mar-25 £M	Short Term 31 Mar-25 £M	Investment Total 31 Mar-25 £M		Long Term 31 Mar-26 £M	Short Term 31 Mar-26 £M	Investment Total 31 Mar-26 £M
29.0	41.5	70.5	Amortised Cost	20.0	49.0	69.0
22.6	0.0	22.6	Fair Value Through Profit and Loss	22.7	0.0	22.7
0.0	0.8	0.8	Accrued Interest	0.0	1.0	1.0
51.6	42.3	93.9	Total Carrying Value	42.7	50.0	92.7

Financial Instruments - Borrowing Balances

As at the 31 March 2026 the council had the following balances on borrowings:

Long Term 31 Mar-25 £M	Short Term 31 Mar-25 £M	Investment Total 31 Mar-25 £M		Long Term 31 Mar-26 £M	Short Term 31 Mar-26 £M	Investment Total 31 Mar-26 £M
0.0	0.1	0.1	Amortised Cost	0.0	0.1	0.1
0.0	0.1	0.1	Total Carrying Value	0.0	0.1	0.1

Financial Instruments - Fair Values

The Fair Value Through Profit or Loss financial instruments are shown at fair value level 1 based on quoted market prices in active markets that the council can access at the measurement date, with the exception of £8.6M of property fund investments held at 31 March 2026 which are fair value level 2. Values for these investments were based on quoted prices in an active market but due to a redemption notice period would not have been accessible at the Balance Sheet date.

7. FINANCIAL INSTRUMENTS (INCLUDING INVESTMENTS) (continued)**Financial Instruments - Amounts included within the Comprehensive Income and Expenditure Statement**

The income, expense, gains and losses recognised in the Comprehensive Income and Expenditure Statement for the different categories of financial instruments were as follows:

Amortised Cost 2024/25 £M	Fair Value Through Profit or Loss 2024/25 £M	Total Financial Instruments 2024/25 £M	Within Deficit/(Surplus) on Provision of Services	Amortised Cost 2025/26 £M	Fair Value Through Profit or Loss 2025/26 £M	Total Financial Instruments 2025/26 £M
(3.1)	(3.7)	(6.8)	Interest and Investment Income	(4.4)	(3.3)	(7.7)
0.0	(2.3)	(2.3)	Realised (Gain)/Loss on Disposal of Investments	0.0	0.0	0.0
0.0	1.0	1.0	Net (Gain)/Loss on Revaluation of Investments	0.0	0.0	0.0
(3.1)	(5.0)	(8.1)	Total Income, Expense, Gains and Losses	(4.4)	(3.3)	(7.7)

Financial Instruments - Amounts included within the Cash Flow Statement

The interest income and expenditure figures in the table above include accruals. However, the Code requires the council to disclose the actual cash amounts of interest received and paid. In 2025/26 the council received £5.5M and paid £0.0M (£4.8M received and £0.0M paid in 2024/25).

Interest and investment income includes a £0.4M gain (£0.1M in 2024/25) from the fair value adjustment to the discounted D-Loan to Manydown Garden Communities and a £0.4M loss from the fair value adjustment on deferred payments to the Manydown Company relating to the land transaction dated 18 October 2024.

Financial Instruments - Nature and Extent of Risk

The council's treasury management activities expose it to a variety of financial risks. Whilst the council does not carry external borrowing (thus removing some risk elements), its investments remain exposed to a range of financial risks. These include:

credit risk	the possibility that other parties might fail to pay amounts due to the council
liquidity risk	the possibility that the council might not have funds available to meet its commitments
market risk	the possibility that losses may arise due to changes in interest rates and market prices

The council's risk management on financial instruments (substantially comprising investments) focuses on the credit risk and the unpredictability of financial markets and seeks to minimise the potential for adverse effects on the resources available to fund services.

Risk management in this area is carried out by a central treasury management team under policies reviewed and approved annually by the council and set out in the Treasury Management Strategy. The council has a policy for risk management, has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice and has set treasury management indicators to control financial instrument risks in accordance with the CIPFA Prudential Code of Practice. These indicators are monitored throughout the year and are reported periodically to the council's Audit and Accounts Committee and Full Council.

7. FINANCIAL INSTRUMENTS (INCLUDING INVESTMENTS) (continued)**Credit Risk - Investments**

Credit risk arises from all of the council's investments and some of the council's customers. These include service-related debtors but exclude council tax and business rate debtors.

In order to reduce credit risk the council has transferred the assessment and management of credit selection to external fund managers via the use of highly diversified funds. The external fund managers have the necessary expertise, resources and access to real-time market information to manage credit risk in a more effective way than the council could do in-house. In-house investments are restricted to government-backed/collateral backed instruments, other local authorities or overnight only deposits with highly-rated banks. The council also has a policy of maintaining strict investment limits with any one counterparty.

The council has not made any specific allowances for expected credit losses. An assessment as at 31 March 2026 did not identify any potential material defaults on financial instruments. No loss allowance is recognised where the counterparty for the financial asset is central government or a local authority (where relevant statutory provisions prevent default) or for instruments measured at Fair Value, such as Money Market Funds, where any expected losses would be included in the published list price.

The table below compares the percentage of the council's investment portfolio and cash and cash equivalents invested in each type of monetary instrument at both the beginning and end of the financial year.

Indicative Credit Rating			Indicative Credit Rating		
31 Mar-25	% of Portfolio	Investment Instrument	31 Mar-26	% of Portfolio	% point Change
AA-	17%	Government Bonds (Gilts/T Bills)	AA-	16%	-1%
AAA	19%	Supranational Bonds	AAA	9%	-10%
BBB+	12%	Bond Funds	A-	13%	1%
A+	26%	Local Authority Deposits	A+	35%	9%
A+	1%	Bank Deposits	A+	1%	0%
AAAm	17%	Money Market Funds	AAAm	18%	1%
N/A	8%	Property Funds	N/A	8%	0%

The average credit rating for the investment portfolio as a whole as at 31 March 2026 is AA- (AA as at 31 March 2025), which is an indication of the level of credit risk in the investment portfolio.

The code requires the council to disclose the amount that best represents its maximum exposure to credit risk. The council neither has had nor expects any default losses in relation to investments. Some of the council's investments are in financial instruments where the amount of credit risk is reflected in the market price of those investments.

Liquidity Risk - Investments

As at 31 March 2026 the council had £46.6M of cash and investments that could be realised within a 3-month period (£47.5M as at 31 March 2025).

All trade and other payables (creditors) are due to be paid in less than one year.

Market Risk (interest rates/prices/exchange rates) - Investments

The council mitigates the risk of its exposure to interest rate movements by having an Interest Rate Risk Reserve of £1.0M as at 31 March 2026 (£1.6M as at 31 March 2025) to accommodate any adverse changes in the year.

As with Credit Risk, identified above, the external fund managers protect the council from interest rate risk more effectively than the council could do in-house.

In order to give some indication of the level of risk, a 1.0% change in the rate of return on the council's variable rate investments would have resulted in £0.8M of increased or decreased interest income in 2025/26 (£1.0M in 2024/25).

The council is exposed to changes in market prices for its bond investments and pooled investment funds. However, as the council has a policy of purchasing bonds with the intention of holding them to maturity and investing in external funds for the longer term, variations in market prices do not have an immediate financial impact on the council unless they are realised (i.e. investments are sold). As at 31 March 2026 the council had an unrealised net loss of £0.1M on its directly held bond investments (£0.1M on 31 March 2025). Unrealised gains or losses on pooled investments are shown within the Comprehensive Income and Expenditure Statement.

The council has no financial instruments denominated in foreign currencies and thus has no direct exposure to gains or losses arising from movements in exchange rates.

8. SHORT-TERM DEBTORS

The council's short-term debtors as at 31 March are summarised as follows:

2024/25	2025/26
£M	£M
2.2 Central Government	3.4
1.5 Other Local Authorities	4.1
14.9 Other Entities and Individuals (includes Property Rents and Housing Benefits Overpayments)	8.3
18.6 Total Short-Term Debtors	15.8

Debtors are shown net of allowances for doubtful debts. The council has an allowance for doubtful debts of £3.4M as at 31 March 2026 (£3.6M as at 31 March 2025) consisting of an allowance for Housing Benefits overpayments of £0.8M (£1.0 as at 31 March 2025) and other allowances of £2.6M (£2.6M as at 31 March 2025). There is an overall decrease in year-end debtors of £2.8M. Central Government debtors have increased by £1.2M. This is due to Business rates taxpayer receipts due from central government increasing by £1.8M, an additional £0.5M Homes England Funding for the Manydown development offset by a £1.2M decrease in rent allowance subsidy due. Local authority debtors have increased by £2.6M due to the early payment of Business Rates of £1.2M due for 2026/27 and a £1.3M invoice relating to the shared service waste contract with Hart District Council. The decrease in debtors from other entities and individuals of £6.6M is primarily due to reduction of £4.6M in amounts due from community infrastructure levy payers, a £1.4M Section 106 invoice recognised at the 2024/25 year end and realised in the current year and a £0.6M increase in Debtors Raised in Advance.

9. CASH AND CASH EQUIVALENTS

Cash equivalents include deposits and money market funds with financial institutions that are repayable, without penalty, on notice of not more than 30 days and are convertible to known amounts of cash with insignificant risk of change in value.

The main items included within Cash and Cash Equivalents were as follows:

2024/25	2025/26
£M	£M
0.0 Cash In Hand	0.0
2.4 Bank Current Account	0.6
19.5 Money Market Funds	20.6
21.9 Total Cash and Cash Equivalents	21.2

The movement in cash and cash equivalents during 2025/26 was a decrease of £0.7M (£10.9M decrease in 2024/25). More details of the movements are shown in the Cash Flow Statement.

10. CREDITORS

The council is required to categorise creditors as at 31 March as follows:

2024/25	2025/26
£M	£M
(5.1) Central Government (includes net business rates)	(1.7)
(3.2) Other Local Authorities (includes council tax and business rates payable to precepting authorities)	(3.5)
(15.7) Other Entities and Individuals (includes contractors deposits, capital works and receipts in advance)	(12.7)
(24.0) Total Short-Term Creditors	(17.9)
(3.0) Other Entities and Individuals	(2.5)
(3.0) Total Long-Term Creditors	(2.5)

Overall, there is a net decrease in short-term creditors of £6.1M between the Balance Sheet dates of 31 March 2025 and 31 March 2026. Central Government creditors have decreased in aggregate by £3.4M, due to Business rates taxpayer receipts due to central government at the Balance Sheet dates decreasing by £4.0M in the year. This is offset by an increase in VAT owed to HMRC at the year end. Creditors relating to Other Entities and Individuals have decreased by £3.0M. This is due to an investment property lease surrender premium settlement of £1.5M that was held as a conditional deposit in 2024/25 and then recognised as income during 2025/26 and a reduction of the amounts owed to Parish Councils for Community Infrastructure Levy of £0.9M. Other movements make up the remaining £0.6M.

The balance in Long-Term Creditors relates to deferred consideration payable to Manydown Company Ltd in respect of the Council's acquisition of the freehold of land at Manydown North in October 2024. The liability is recognised at amortised cost using a 12% effective interest rate. The movement of £0.5M includes an increase of £0.4M from the unwinding of the discount on the liability and a decrease of (£0.9M) due to amounts being reclassified from Long-Term to Short-Term creditors.

11. PROVISIONS

Total provisions of £2.1M (£1.7M in 2024/25) consist of the council's share of the provision for appeals on business rates in addition to a provision relating to contractual obligations.

The council's share of the provision for appeals on business rates is £1.5M (£1.4M in 2024/25). It includes the council's share of movements of £1.2M (£0.9M in 2024/25) of charges to the provision and a £1.3M increase in the provision (£0.8M increase in 2024/25).

There are a number of outstanding contractual obligations involving the council which are expected to result in a cost to the council, the provision for the estimated settlement of these obligations is £0.6M (£0.3M in 2024/25).

Whilst the actual settlement costs are not yet known, they are expected to be determined during the 2026/27 financial year.

12. NET BUSINESS RATES INCOME AND EXPENDITURE

The government funding arrangements allow the council to retain a proportion of the total £81.7M of business rates receivable income in 2025/26 (£81.5M in 2024/25).

The income and expenditure relating to the council's share of business rates income was as follows:

2024/25	2025/26
£M	£M
Business Rates Income and Expenditure	
(33.2) Business Rate Income	(34.2)
(0.2) Net Change in Provision Made for Business Rates Appeals	0.1
0.4 Change in Allowances for Doubtful Debt	0.5
(33.0) Business Rates Income and Expenditure	(33.6)
Business Rates Grant Income and Expenditure	
(4.8) Business Rate Relief Grants from Government	(3.6)
31.8 Tariff Payment to Government	32.3
0.6 Levy to / (Safety net from) Government	0.0
27.6 Business Rates Grant Income and Expenditure	28.7
(5.4) Total Retained Business Rates	(4.9)

13. GRANTS AND CONTRIBUTIONS INCOME / RECEIPTS IN ADVANCE**Government Grants**

The council credited £34.2M in 2025/26 (£40.8M in 2024/25) in government grants to the Comprehensive Income and Expenditure Statement during the year.

A summary of the total government grants income is shown below followed by an analysis of the Other Non-Ringfenced Grants income for the year.

2024/25	2025/26
£M	£M
£M Included in Cost of Services Specific Grants	
(30.2) Housing Benefit and Discretionary Housing Payments	(25.2)
(0.9) Other grants	(0.7)
(31.1) Total Included in Cost of Services	(25.9)
(4.8) Business Rates Grant Income (included in Note 12)	(3.6)
Included in Taxation and Non Specific Grant Income	
(4.9) Other Non-Ringfenced Grants	(4.7)
(4.9) Total Included in Taxation and Non-Specific Grant Income	(4.7)
(40.8) Total Government Grants	(34.2)
2024/25 Other Non Ringfenced Government Grants	
£M (included in Taxation and Non Specific Grant Income)	2025/26
	£M
(2.5) Funding Guarantee Grant	0.0
(0.9) New Homes Bonus Grant	(0.7)
(0.3) Housing Benefit Administration Grant	(0.3)
(0.3) Weekly Food Waste Collections	(0.1)
(0.2) Local Plans Fund Grant	0.0
(0.2) Revenue Support Grant	(0.2)
(0.1) Rough Sleeping Winter Pressures	0.0
0.0 Employers National Insurance Contribution Scheme	(0.3)
0.0 Funding Floor Grant	(2.1)
0.0 Manydown Garden Community Capacity Support	(0.5)
(0.4) Other Non-Ringfenced Grants (including new burdens)	(0.5)
(4.9) Total Non-Ringfenced Government Grants	(4.7)

No Additional grants (£0.4M in 2024/25) were received from the Government where the council was deemed to be acting as an agent and so passing these funds onto the eventual beneficiaries. These transactions do not have an impact on the Statement of Accounts, except where they pass through the Cash Flow Statement and adjustments are made for creditors relating to grants not fully paid out at the balance sheet date.

Capital Grants and Contributions

The council credited £6.1M in 2025/26 (£10.9M in 2024/25) in capital grants and contributions to the Comprehensive Income and Expenditure Statement during the year. Details of these credits are shown below:

2024/25	2025/26
£M	£M
(1.9) Disabled Facilities Grant	(2.1)
(7.0) Community Infrastructure Levy	(1.6)
(1.2) Donated Asset	0.0
(0.8) Other Contributions	(2.4)
(10.9) Total Capital Grants and Contributions	(6.1)

Of the £1.6M total community infrastructure levy income recognised during 2025/26 the amount received was £1.3M and the balance of £0.3M is held as a short-term debtor representing monies due to the council.

13. GRANTS AND CONTRIBUTIONS INCOME / RECEIPTS IN ADVANCE (Continued)**Grants and Contributions Receipts in Advance**

The council has a number of grants and contributions receivable that have yet to be recognised as income as they have conditions attached to them that will, if not met, require the monies to be returned to the contributor. These mainly relate to section 106 developer contributions that carry a range of conditions for their use, including time limits for their use. The balances and movements on these were as follows:

2024/25 £M	2025/26 £M
(10.4) Balance at the Start of the Year	(10.4)
Movements in Year	
(2.4) Amounts receivable (with conditions)	(2.0)
0.4 Amounts repaid to central government	0.0
2.0 Amounts recognised as income	3.9
(10.4) Balance at the End of the Year	(8.5)

14. PENSION SCHEME LIABILITY/ASSET**Pension Scheme - Participation**

As part of the terms and conditions of employment of its employees, the council offers retirement benefits. Although these benefits will not actually be payable until the employees retire, the council has a commitment to make the payments, and this needs to be disclosed at the time that employees earn their future entitlement.

The council participates in the Local Government Pension Scheme (LGPS) administered by Hampshire County Council. This is a defined benefit scheme with benefits earned up to 31 March 2014 linked to final salary and benefits earned after this date based on a career average earnings. The pension payments are also index linked. This is a funded scheme, meaning that both the council and its employees pay contributions into a fund. Contributions are calculated at a level intended to balance the future Scheme's pension obligations with its pension assets, those assets mainly comprising of investments.

The council has, in the past, made discretionary unfunded awards for early retirements which were termination benefits that impact on the council's future pension liability. These are unfunded defined benefit arrangements, under which liabilities are recognised when the awards are made. However, there are no investment assets built up to meet these pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due.

Pension Scheme - Operation and Risks

The pension scheme is operated under 'The Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'. The governance of the scheme is the responsibility of the Pension Fund Panel and Board of Hampshire County Council. Policy is determined in accordance with the Pension Fund Regulations. The investment managers of the fund are appointed by the Panel and Board.

The principal risks to the council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme, changes in inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the council's General Fund the amounts required by statute as described in the accounting policies note.

14. PENSION SCHEME LIABILITY/ ASSET (continued)**Pension Scheme - Transactions Relating to Retirement Benefits and Termination Benefits**

The following transactions have been made in the financial statements during the year:

2024/25	2025/26
£M	£M
£M Included in Cost of Services	
4.6 Current Service Costs	3.5
0.0 Past Service Costs	0.1
Included in Financing and Investment Income and Expenditure	
0.4 Net Interest on Pension Liability	(1.4)
0.0 Net Interest on the affect of the Asset Ceiling	1.4
5.0 Sub Total Included in Provision of Services	3.6
Included in Re-measurement of the Pension Liability	
Actuarial losses/(gains)	
(33.9) - due to change in financial assumptions	(5.9)
(0.4) - due to change in demographic assumptions	(3.5)
(2.4) - due to liability experience	10.8
25.3 Effect of the asset ceiling movement	1.4
1.4 Return on assets in excess of that recognised in net interest	(0.9)
(10.0) Sub Total Included in Re-measurement of Liability	1.9
(5.0) Total Included in Comprehensive Income and Expenditure Statement	5.5
2024/25 Movement in Reserves Statement	2025/26
£M (General Fund)	£M
(5.0) Reversal of charges made for retirement benefits	(3.6)
1.3 Inclusion of employer's contributions payable (see below)	1.5
(3.7) Total Included in Movement in Reserves Statement	(2.1)

The analysis of actual employers contributions payable is as follows:

2024/25	2025/26
£M	£M
0.9 Normal Funded Contributions	1.1
0.4 Discretionary / Unfunded Added Years Contributions	0.4
1.3 Total Employer Contributions	1.5

14. PENSION SCHEME LIABILITY/ ASSET (continued)**Pension Scheme - Assets and Liabilities Recognised in the Balance Sheet**

2024/25	2025/26
£M	£M
(190.8) Present value of the pension obligation*	(199.8)
216.6 Fair value of pension fund assets	224.5
(25.3) Effect of the asset ceiling adjustment	(28.2)
0.5 Net (Liability)/Asset arising from Pension Obligation	(3.5)

*Includes a liability of £3.5M as at 31 March 2026 for discretionary and unfunded added years (£3.9M as at 31 March 2025).

As at the last valuation date, the split of the pension obligation by category of members was 29% active members, 54% pensioners and 17% deferred pensioners.

Pension Scheme - Movement in the Present Value of the Pension Obligation

The movement in the pension obligation for the year was as follows:

2024/25	2025/26
£M	£M
(219.1) Opening pension obligation	(190.8)
(4.6) Current service cost	(3.5)
0.0 Past service cost	0.0
(10.4) Interest on pension obligation	(11.0)
(1.8) Contributions by scheme participants	(1.9)
Actuarial gains/(losses):	
33.9 - due to changes in financial assumptions	5.9
0.4 - due to changes in demographic assumptions	3.5
2.3 - due to liability experience	(10.8)
8.5 Benefits paid	8.8
(190.8) Closing present value of pension obligation	(199.8)

Pension Scheme - Movement in the Fair Value of Pension Fund Assets

The movement in the fair value of assets for the year was as follows:

213.3 Opening fair value of assets	216.6
10.1 Interest Income on assets*	12.4
(1.4) Re-measurement gains/(losses) on assets*	0.9
1.3 Contributions by the employer	1.5
1.8 Contributions by scheme participants	1.9
(8.5) Benefits paid	(8.8)
216.6 Closing fair value of assets	224.5

*Actual Return on Scheme Assets

The actual return on scheme assets in the year was a gain of £13.3M (gain of £8.7M in 2024/25).

Pension Scheme - Movement in the Asset Ceiling

The movement in the Asset Ceiling for the year was as follows:

2024/25	2025/26
£M	£M
0.0 Opening Asset Ceiling	(25.3)
0.0 Interest on the effect of the Asset Ceiling	(1.5)
(25.3) Movement in the Asset Ceiling	(1.4)
(25.3) Closing Asset Ceiling	(28.2)

14. PENSION SCHEME LIABILITY/ ASSET (continued)**Pension Scheme - Impact on the Council's Cash Flow**

The net liability will be made good by employee's and employer's contributions over the remaining working life of employees as assessed by the scheme actuary.

The Pension Fund's strategy is to achieve a fully funded scheme over the longer term. The latest annual review for 2025 identified that as at 31 March 2025 the scheme was 123% funded, compared to 107.1% at 31 March 2022. The main factor which has improved the funding position is the investment returns achieved by the Fund, which exceeded the discount rate adopted (5.9%) at the 2025 valuation. The scheme will be revalued in 2028 when the funding level will be assessed again.

In April 2023, the council made a prepayment of £9.6M for future pension contributions in respect of the contributions due in 2023/24 and the next two financial years, concluding in the current year. The pre-payment is based on a discounted estimate of employer contributions due for the three year period. In addition there were "true-up" payments made in year to reflect the differences between the estimated pension contributions paid as part of the pre-payment, these amounts are also reflected in the employer contributions made in year.

Pension Scheme - Basis for Estimating Assets and Liabilities

Pension fund liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years, dependent on assumptions about mortality rates, salary levels, etc. The funded scheme liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, being based on the latest full valuation of the funded scheme as at 31 March 2025. Valuations for unfunded elements were assessed by the actuary at 31 March 2026.

Pension Scheme - Calculation of the Asset Ceiling

The effect of the asset ceiling has been determined by the Scheme's actuaries on the basis of the limitation on the Council's ability to recover the full economic benefit of its assets through reductions in future employer's contributions because of the minimum funding requirement imposed on it by the funding strategy for the Scheme in place at 31 March 2026. Under this strategy, the Council has an obligation to fund a deficit of £28.2M. The Scheme actuaries have assessed the Council's estimated future service costs less the estimated minimum funding requirement contributions to establish the economic benefit that is available to the Council. The net pensions asset has therefore been adjusted by this effect of the asset ceiling.

There are a number of recent legal judgements which have implications for the assets and liabilities of the LGPS and, where the effect of this is known or can be estimated, the actuary has taken these into account in its estimates. Where the legal judgements have not been finalised or accepted by the government, or the changes to the pension scheme have not yet been made, the actuary makes certain assumptions. These cases are referred to in the following:-

Goodwin

In June 2020 an Employment Tribunal ruled, in relation to the Teachers' Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements. Those changes are yet to be reflected in the LGPS Regulations. However, Hymans expects that the Goodwin judgement will add around 0.1% to the defined benefit obligation for a typical employer, depending on the employer's membership profile. This has not been provided for in the calculations for 2025/26, on grounds of materiality.

Guaranteed Minimum Pension (GMP)

This relates to equalisation and indexation of benefits. The impact of full GMP indexation in the calculation of the latest funding valuation results. Hymans have commented that the Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance for full GMP indexation has already been included in the accounting disclosure included in the financial statements. With respect to a second ruling in the Lloyds bank case in October 2020, Hymans' view is this further ruling is unlikely to have a significant impact on the pension obligations of a typical employer, and the historic individual member data they would need to assess the impact is not readily available. As a result, Hymans have not made any allowance for this within their calculations at 31 March 2026. Consequently, no allowance has been made for any potential liability.

Virgin Media Limited v NTL Pension Trustees II Limited

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgement was upheld by the Court of Appeal in July 2024. The Local Government Pension Scheme is a contracted out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, Basingstoke and Deane Borough Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

14. PENSION SCHEME LIABILITY/ ASSET (continued)

Pension Scheme - Assumptions

The main assumptions used in the actuary's calculations were:

31/03/25 Funded	31/03/25 Unfunded	General assumptions (per annum)	31/03/26 Funded	31/03/26 Unfunded
5.8%	5.8%	Rate for discounting scheme liabilities	6.2%	6.2%
3.8%	n/a	Rate of Increase in Salaries	4.0%	n/a
2.8%	2.8%	Rate of Increase to pensions in payment	3.0%	3.0%

The main assumptions relating to the split of pension fund assets were:

31/03/25 Quoted	31/03/25 Unquoted	Assumed Split of Pension Fund Assets	31/03/26 Quoted	31/03/26 Unquoted
33.3%	8.9%	Equities	33.3%	8.9%
14.6%	0.0%	Government Bonds	14.6%	0.0%
0.0%	9.2%	Property	0.0%	9.1%
4.5%	4.7%	Corporate Bonds	4.5%	4.7%
1.9%	0.0%	Cash	2.0%	0.0%
9.2%	13.7%	Other Assets	9.2%	13.7%

The basis for the overall expected return is a weighted average of the individual expected returns on each class of assets.

As well as the financial assumptions above, actuaries have made the following assumptions based on recent experience and allowing for changes in expected future mortality:

Mortality Assumptions (measured in years)

31/03/25	Future lifetime at 65 for current pensioners	31/03/26
22.0	Male	22.1
24.7	Female	24.7
31/03/25	Future lifetime at 65 for future pensioners (currently 45)	31/03/26
22.5	Male	22.8
25.6	Female	25.9

The assumption for the take up of commutation (converting pension to a lump sum) is based on 70% of the permitted maximum for 2025/26 (70% in 2024/25).□

Pension Scheme - Sensitivity of Actuarial Assumptions

The table below shows the sensitivity of the actuarial assumptions and what impact a 0.1% change would have for each of the assumptions.

	Change +/-	Impact on Net Liability +/-	Approximate % increase to Defined Benefit Obligation
Discount rate assumption	+0.1%	(£3.0M)	+2%
	-0.1%	£3.0M	-2%
Rate of Increase in Salaries	+0.1%	£0.1M	0%
	-0.1%	(£0.1M)	0%
Rate of Increase to pensions in payment and deferred pensions	+0.1%	£2.9M	-2%
	-0.1%	(£2.9M)	2%
Mortality Assumptions	-1 year	£8.0M	-4%
	+1 year	(£8.0M)	+4%

15. USABLE RESERVES

Usable reserves are reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations (for example the Capital Receipts Reserve can only be used to fund capital expenditure).

The balances and movements on usable reserves for 2024/25 are shown below:

	General Fund Reserves	Capital Receipts Reserve	Capital Grants & Contributions Reserve	Total Usable Reserves
	£M	£M	£M	£M
Usable Reserves				
Balance as at 31 March 2024	(43.9)	(28.4)	(13.4)	(85.7)
(Surplus)/Deficit on provision of services	(8.6)	0.0	0.0	(8.6)
Total comprehensive income and expenditure	(8.6)	0.0	0.0	(8.6)

Adjustments between accounting basis and funding basis under regulations:

Depreciation and amortisation of long-term assets	(4.2)	0.0	0.0	(4.2)
Revaluation of property, plant and equipment	(1.6)	0.0	0.0	(1.6)
Revaluation of property, plant and equipment (Indexation)	0.0	0.0	0.0	0.0
Revaluation of investment property	5.0	0.0	0.0	5.0
Investment property written out (disposals)	(37.0)	0.0	0.0	(37.0)
Property plant and equipment written out (disposals)	0.0	0.0	0.0	0.0
Capital pooled investment fund (disposal) written out	(10.0)	0.0	0.0	(10.0)
Proceeds from investment property disposals	35.0	(12.3)	0.0	22.7
Proceeds from property plant and equipment asset disposals	0.0	0.0	0.0	0.0
Proceeds from right of use asset	1.1	(0.1)	0.0	1.0
Proceeds from capital pooled investment fund disposal	11.5	(11.5)	0.0	0.0
Revaluation of financial instruments	0.0	0.0	0.0	0.0
Revaluation of pooled fund investments	(1.0)	0.0	0.0	(1.0)
Revenue expenditure funded from capital under statute	(3.9)	0.0	0.0	(3.9)
Pension costs adjustment	(3.7)	0.0	0.0	(3.7)
Capital expenditure charged to the general fund (financing)	3.7	0.0	0.0	3.7
Capital repayments (loans/grants)	0.0	(0.6)	0.0	(0.6)
Capital grants and contributions unapplied	7.9	0.0	(7.9)	0.0
Capital grants and contributions applied (financing)	0.0	0.0	1.1	1.1
Capital receipts applied (financing)	0.0	21.2	0.0	21.2
Other statutory adjustments	1.2	0.0	0.0	1.2
Total adjustments between accounting basis and funding basis under regulations	4.0	(3.3)	(6.8)	(6.1)
Net (increase)/decrease	(4.6)	(3.3)	(6.8)	(14.7)
Balance as at 31 March 2025	(48.5)	(31.7)	(20.2)	(100.4)

15. USABLE RESERVES (continued)

The balances and movements on usable reserves for 2025/26 are shown below:

	General Fund Reserves £M	Capital Receipts Reserve £M	Capital Grants & Contributions Reserve £M	Total Usable Reserves £M
Usable Reserves				
Balance as at 31 March 2025	(48.5)	(31.7)	(20.2)	(100.4)
(Surplus)/Deficit on provision of services	10.9	0.0	0.0	10.9
Total comprehensive income and expenditure	10.9	0.0	0.0	10.9
Adjustments between accounting basis and funding basis under regulations:				
Depreciation and amortisation of long-term assets	(9.1)	0.0	0.0	(9.1)
Revaluation of property, plant and equipment	(10.0)	0.0	0.0	(10.0)
Revaluation of property, plant and equipment (Indexation)	0.0	0.0	0.0	0.0
Revaluation of investment property	1.4	0.0	0.0	1.4
Investment property written out (disposals)	(5.8)	0.0	0.0	(5.8)
Property plant and equipment written out (disposals)	(1.4)	0.0	0.0	(1.4)
Capital pooled investment fund (disposal) written out	0.0	0.0	0.0	0.0
Proceeds from investment property disposals	6.3	(7.3)	0.0	(1.0)
Proceeds from property plant and equipment asset disposals	0.5	(0.5)	0.0	0.0
Proceeds from right of use asset	0.0	0.0	0.0	0.0
Proceeds from capital pooled investment fund disposal	0.0	0.0	0.0	0.0
Revaluation of financial instruments	0.0	0.0	0.0	0.0
Revaluation of pooled fund investments	0.0	0.0	0.0	0.0
Revenue expenditure funded from capital under statute	(4.1)	0.0	0.0	(4.1)
Pension costs adjustment	(2.1)	0.0	0.0	(2.1)
Capital expenditure charged to the general fund (financing)	4.0	0.0	0.0	4.0
Capital repayments (loans/grants)	0.0	(0.7)	0.0	(0.7)
Capital grants and contributions unapplied	4.3	0.0	(4.3)	0.0
Capital grants and contributions applied (financing)	0.0	7.6	3.8	11.4
Capital receipts applied (financing)	0.0	0.0	0.0	0.0
Other statutory adjustments	(2.9)	0.0	0.0	(2.9)
Total adjustments between accounting basis and funding basis under regulations	(18.9)	(0.9)	(0.5)	(20.3)
Net (increase)/decrease	(8.0)	(0.9)	(0.5)	(9.4)
Balance as at 31 March 2026	(56.5)	(32.6)	(20.7)	(109.8)

Available Resources

The table above shows the reserves that the Code defines as "usable". However, the council has already decided to invest some of these reserves either in property-related or in treasury-related investments in order to earn interest income to support the annual revenue budget rather than to make them available to spend.

The estimated amount of usable reserves that are available to spend is £76.9M as at 31 March 2026 (£79.9M as at 31 March 2025).

In addition to these available funds the council also has £8.5M as at 31 March 2026 (£10.4M as at 31 March 2025) of developers' contributions (shown as long-term liabilities) that are also available, resulting in £85.4M of resources that are available to fund current and future spending plans as at 31 March 2026 (£90.3M as at 31 March 2025).

The MTF period 2026/27 to 2029/30 already includes a planned capital programme spend of £121.7M which will be largely funded from the council's usable reserves and forecast new capital receipts, grants and contributions.

15. USABLE RESERVES (continued)

Capital Receipts Reserve	This represents the accumulated capital receipts (proceeds from the disposal of long-term assets) that are available to finance any future capital expenditure.
Capital Grants and Contributions Reserve	This represents the accumulated capital grants and contributions that are available to finance any future capital expenditure.
General Fund Reserves	General Fund reserves consist of Earmarked Revenue Reserves and a General Fund Balance Reserve.
Earmarked Revenue Reserves	These are reserves that are earmarked to fund specific items in the future. There are four types of earmarked revenue reserves: - those set aside to fund future capital expenditure - risk reserves - those set aside to fund specific future revenue expenditure; and - "perpetuity" reserves, which are required to support specific future revenue expenditure obligations and which are invested to earn interest to preserve their balances.
General Fund Balance Reserve	This represents the council's working balance and is effectively a contingency balance that is available for unforeseen events.

The movement and balance for each of the General Fund reserves is shown below:

From/(To) Reserves 2024/25 £M	Balance 31/03/25 £M		From/(To) Reserves 2025/26 £M	Balance 31/03/26 £M
General Fund Reserves				
Reserves for Future Capital Expenditure				
(4.2)	(12.2)	Revenue Reserve for Capital Purposes (General)	(3.6)	(15.8)
0.1	(1.5)	Manydown Reserve (former Housing Reserve - Manydown)	(0.4)	(1.9)
0.3	0.0	Local Infrastructure Fund (LIF) Reserve	0.0	0.0
Risk Reserves				
0.0	(3.4)	Rent Risk Reserve	1.4	(2.0)
0.0	(1.6)	Interest Rate Risk Reserve	0.6	(1.0)
0.9	(3.5)	Business Rate Risk Reserve	(1.7)	(5.2)
(1.4)	(10.1)	MTFS Risk Reserve	(6.2)	(16.3)
0.0	(0.4)	Other Risk Reserves	0.1	(0.3)
Reserves for Future Revenue Expenditure				
0.5	(1.8)	Efficiency, Transformation and Digital Reserve	0.4	(1.4)
(0.6)	(0.9)	Government Grants Unapplied Reserve	0.7	(0.2)
(0.2)	(1.0)	Budget Carry Forward Reserve	0.0	(1.0)
(0.2)	(1.5)	Housing and Homelessness Reserve	0.1	(1.4)
0.0	(0.6)	Economic Recovery Fund Reserve	0.0	(0.6)
0.5	(1.9)	Climate Change Reserve	0.8	(1.1)
0.0	(0.3)	Sinking Fund Reserves	0.0	(0.3)
Reserves Invested to Earn Interest				
(0.3)	(6.3)	Commuted Sums Reserve	(0.2)	(6.5)
0.0	(1.5)	General Fund Balance (Unearmarked)	0.0	(1.5)
(4.6)	(48.5)	Total General Fund Reserves	(8.0)	(56.5)

15. USABLE RESERVES (continued)

The purpose of each of the earmarked reserves held at 31 March 2026 is shown below:

Revenue Reserve for Capital Purposes (General)	To provide resources for current and future capital expenditure.
Revenue Reserve for Capital Purposes (Asset Management Plan works - AMP)	To provide resources for the Asset Management Plan and property portfolio future capital expenditure.
Revenue Reserve for Capital Purposes (Green Investment)	To provide resources for future green investment. This will form part of the Climate Change Reserve in future years.
Manydown Reserve	To provide funds to support the development of Manydown. The reserve was created utilising New Homes Bonus grant.
Local Infrastructure Fund (LIF) Reserve	To provide enhanced funding for local community infrastructure utilising New Homes Bonus grant.
Rent Risk Reserve	To provide funds to cover the risk of not achieving the required amount of rent income from the council's investment property assets to support the revenue budget.
Interest Risk Reserve	To provide funds to cover the risk of not achieving the required amount of interest income from the council's investments to support the revenue budget.
Business Rate Risk Reserve	To cover the increased risk and volatility from the impact of the localisation of business rates.
MTFS Risk Reserve	To cover the increased risk and volatility from legislative and economic changes and delays or failure to achieve future years savings or income targets.
Other Risk Reserves	Includes the insurance risk reserve to provide funds to cover the risk of future payments to Municipal Mutual Insurance Company resulting from future claims.
Efficiency, Transformation and Digital Reserve	To meet one-off costs of implementing the efficiency and savings strategy and the digital transformation programme.
Government Grants Unapplied Reserve	To deal with the accounting and timing issues of when government grants are received.
Budget Carry Forward Reserve	To provide funds for items that were budgeted for in the year that will not be spent until the following year.
Housing and Homelessness Reserve	To provide additional revenue funding to help the council deal with its statutory housing duties towards homelessness and vulnerable people.
Economic Recovery Fund Reserve	To provide funding to support and progress the Economic Recovery Framework Action Plan for the borough.
Climate Change Reserve	To provide additional resources to support the council's response to the Climate Change Emergency.
Sinking Fund Reserves	To provide funding to pay for future property repairs and maintenance met from contributions from tenants as part of the service charge.
Other Earmarked Reserves	
Neighbourhood Planning Reserve	To provide resources to meet revenue costs associated with neighbourhood planning, utilising the government's neighbourhood planning grants.
Commuted Sums Reserve	To provide funds for the future maintenance of specific areas of land and play areas adopted by the council arising from developer's planning obligations.
General Fund Balance	To provide funds to cushion the effect of any unexpected events.

16. UNUSABLE RESERVES

Unusable reserves are reserves that are not available to the council to provide services because they generally relate to unrealised gains or losses on assets and liabilities.

The balances and movements on unusable reserves in 2024/25 are shown below:

	Pension Scheme Reserve £M	Asset Revaluation Reserve £M	Capital Adjustment Account £M	Statutory Adjustment Accounts £M	Deferred Capital Receipts Reserve £M	Total Unusable Reserves £M
Balance as at 31 March 2024	5.8	(33.1)	(396.0)	4.4	0.0	(418.9)
Right of use asset recognised on transition	0.0	0.0	(1.2)	0.0	0.0	(1.2)
Balance as at 1 April 2024	5.8	(33.1)	(397.2)	4.4	0.0	(420.1)
Other comprehensive income and expenditure						
(Surplus)/Deficit on revaluation of non-current assets	0.0	(8.1)	0.0	0.0	0.0	(8.1)
Actuarial loss/(gain) on pension fund assets and liabilities	(10.0)	0.0	0.0	0.0	0.0	(10.0)
Total comprehensive income and expenditure	(10.0)	(8.1)	0.0	0.0	0.0	(18.1)
Adjustments between accounting basis and funding basis under regulations:						
Depreciation and amortisation of long-term assets	0.0	1.0	3.2	0.0	0.0	4.2
Revaluation of property, plant and equipment	0.0	0.0	1.6	0.0	0.0	1.6
Revaluation of property, plant and equipment (Indexation)	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation of investment property	0.0	0.0	(5.0)	0.0	0.0	(5.0)
Revaluation of pooled fund investments	0.0	0.0	0.0	1.0	0.0	1.0
Property plant and equipment written out (disposals)	0.0	0.0	0.1	0.0	0.0	0.1
Investment property written out (disposals)	0.0	0.0	37.0	0.0	0.0	37.0
Capital pooled investment fund written out (disposal)	0.0	0.0	10.0	0.0	0.0	10.0
Intangible assets written out	0.0	0.0	0.0	0.0	0.0	0.0
Revenue expenditure funded from capital under statute	0.0	0.0	3.9	0.0	0.0	3.9
Pension costs adjustment	3.7	0.0	0.0	0.0	0.0	3.7
Capital expenditure charged to the General Fund (financing)	0.0	0.0	(3.7)	0.0	0.0	(3.7)
Capital repayments (loans/grants)	0.0	0.0	0.6	0.0	0.0	0.6
Capital grants and contributions applied (financing)	0.0	0.0	(1.1)	0.0	0.0	(1.1)
Capital receipts applied (financing)	0.0	0.0	(21.2)	0.0	0.0	(21.2)
Other statutory adjustments	0.0	0.0	0.0	(1.2)	0.0	(1.2)
Transfer of deferred sale proceeds (Manydown)	0.0	0.0	0.0	0.0	(22.7)	(22.7)
Total adjustments between accounting basis and funding basis under regulations	3.7	1.0	25.4	(0.2)	(22.7)	7.2
Net decrease/(increase) in 2024/25	(6.3)	(7.1)	25.4	(0.2)	(22.7)	(10.9)
Balance as at 31 March 2025	(0.5)	(40.2)	(371.8)	4.2	(22.7)	(431.0)

16. UNUSABLE RESERVES (continued)

The balances and movements on unusable reserves in 2025/26 are shown below:

	Pension Scheme Reserve £M	Asset Revaluation Reserve £M	Capital Adjustment Account £M	Statutory Adjustment Accounts £M	Deferred Capital Receipts Reserve £M	Total Unusable Reserves £M
Balance as at 31 March 2025	(0.5)	(40.2)	(371.8)	4.2	(22.7)	(431.0)
Other comprehensive income and expenditure						
(Surplus)/Deficit on revaluation of non-current assets	0.0	0.0	0.0	0.0	0.0	0.0
Actuarial loss/(gain) on pension fund assets and liabilities	1.9	0.0	0.0	0.0	0.0	1.9
Total comprehensive income and expenditure	1.9	0.0	0.0	0.0	0.0	1.9
Adjustments between accounting basis and funding basis under regulations:						
Depreciation and amortisation of long-term assets	0.0	2.9	6.2	0.0	0.0	9.1
Revaluation of property, plant and equipment	0.0	0.0	10.0	0.0	0.0	10.0
Revaluation of property, plant and equipment (Indexation)	0.0	0.0	0.0	0.0	0.0	0.0
Revaluation of investment property	0.0	0.0	(1.4)	0.0	0.0	(1.4)
Revaluation of pooled fund investments	0.0	0.0	0.0	0.0	0.0	0.0
Property plant and equipment written out (disposals)	0.0	0.4	1.0	0.0	0.0	1.4
Investment property written out (disposals)	0.0	0.0	5.8	0.0	0.0	5.8
Capital pooled investment fund written out (disposals)	0.0	0.0	1.3	(1.3)	0.0	0.0
Intangible assets written out	0.0	0.0	0.0	0.0	0.0	0.0
Revenue expenditure funded from capital under statute	0.0	0.0	4.1	0.0	0.0	4.1
Pension costs adjustment	2.1	0.0	0.0	0.0	0.0	2.1
Capital expenditure charged to the general fund (financing)	0.0	0.0	(4.0)	0.0	0.0	(4.0)
Capital repayments (loans/grants)	0.0	0.0	0.7	0.0	0.0	0.7
Capital grants and contributions applied (financing)	0.0	0.0	(3.8)	0.0	0.0	(3.8)
Capital receipts applied (financing)	0.0	0.0	(7.6)	0.0	0.0	(7.6)
Other statutory adjustments	0.0	0.0	0.0	2.9	0.0	2.9
Transfer of deferred sale proceeds	0.0	0.0	0.0	0.0	0.9	0.9
Total adjustments between accounting basis and funding basis under regulations	2.1	3.3	12.3	1.6	0.9	20.2
Net decrease/(increase) in 2025/26	4.0	3.3	12.3	1.6	0.9	22.1
Balance as at 31 March 2026	3.5	(36.9)	(359.5)	5.8	(21.8)	(408.9)

16. UNUSABLE RESERVES (continued)

Unusable Reserves	Descriptions and Purpose
Pension Scheme Reserve	The Code requires the net liability of the council's share in its employees' pension fund to be recognised in the financial statements and this gives rise to a Pension Scheme Reserve. The debit balance on the Pension Scheme Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.
Asset Revaluation Reserve	The purpose of this reserve is to reflect movements in the council's Property, Plant and Equipment and Heritage assets resulting from revaluations. The reserve contains only revaluation gains accumulated since 1 April 2007, the date the reserve was created. Accumulated gains arising before that date are consolidated in the Capital Adjustment Account.
Capital Adjustment Account	The purpose of this account is to record capital amounts used to finance capital expenditure, the write down of assets on disposal and adjustments made to the Comprehensive Income and Expenditure Statement relating to capital items.
Deferred Capital Receipts Reserve	This holds the gains recognised on the disposal of the Manydown development for which cash settlement has yet to take place. Under statutory arrangements the council does not treat these gains as usable for financing new capital expenditure until a capital receipt is obtained. Upon receipt of cash these amounts will be transferred to the capital receipts reserve.
Statutory Adjustment Accounts	
These consist of three adjustment accounts:	
Collection Fund Adjustment Account	This represents the council's share of Council Tax and Business Rates within the Collection Fund Balance.
Paid Absences Adjustment Account	This represents the reversal of the accrual for paid absences (annual leave not taken at the year-end). The accrual is required under the Code but under regulations is not allowed to count as expenditure against the General Fund and subsequent level of council tax.
Financial Instruments Adjustment Account	This represents the reversal of the fair value gains and losses on pooled investment funds (non-capital) that are charged to the General Fund in the first instance, but are then reversed to this account using a government-issued statutory override.

17. RELATED PARTY TRANSACTIONS

The council is required to disclose material transactions with related parties. Related parties are bodies or individuals that have the potential to control or significantly influence the council or to be controlled or significantly influenced by the council.

Central Government has effective control over the general operations of the council. It is responsible for providing the statutory framework within which the council operates, provides a significant amount of its funding in the form of grants and it prescribes the terms of many of the transactions the council has with other parties (e.g. housing benefits). Details of funding transactions with UK government departments in the form of grants and contributions are set out in Notes 12 and 13, above.

The council entered into a joint venture partnership (Manydown Garden Communities LLP – MGC LLP) with Hampshire County Council in August 2018 (both Councils are entitled to an equal 50% ownership), working together with a private sector master developer to create a new development of up to 3,520 homes to the southwest of Basingstoke. As part of this development, MGC LLP became a partner in the Manydown Development Vehicle LLP (MDV LLP) in July 2020, a partnership with Manydown Investco LLP (a joint venture between The Wellcome Trust and Urban and Civic). In October 2024 the council, with Hampshire County Council, completed the purchase of the freehold from the Manydown Company for part of site known as Manydown North. This land was sold to MGC in October 2024 to enable the proposed development of the site.

The council had a loan receivable balance from MGC LLP of £23.5M as at 31 March 2026 (£22.7M at 31 March 2025) and a loan receivable from MDV LLP of £8.7M (including accrued interest) as at 31 March 2026 (£6.8M as at 31 March 2025).

21. EMPLOYEES' REMUNERATION

Information relating to employees' remuneration is required to be published in accordance with the Accounts and Audit (England) Regulations 2015. This note gives the number of employees whose remuneration was equal to or more than £50,000, this excludes senior employees whose remuneration is included in note 23. Remuneration includes gross pay, all taxable benefits and termination benefits, but excludes employer pension contributions.

Total Employees 2024/25	Remuneration Band	Total Employees 2025/26
41	£50,000 - £54,999	55
19	£55,000 - £59,999	21
13	£60,000 - £64,999	19
13	£65,000 - £69,999	12
4	£70,000 - £74,999	4
7	£75,000 - £79,999	7
12	£80,000 - £84,999	10
2	£85,000 - £89,999	2
2	£90,000 - £94,999	3
0	£95,000 - £99,999	2
0	£100,000 - £104,999	0
0	£105,000 - £109,999	0
4	£110,000 - £114,999	2
0	£115,000 - £119,999	2
117		139

22. REDUNDANCY AND EXIT PACKAGES

The Code requires information relating to redundancies and exit packages to be disclosed. This note gives the number of redundancies and exit packages. For this purpose, exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex-gratia payments and other departure costs.

The council terminated the contracts of 7 employees in 2025/26 incurring liabilities of £134,246.52 (4 being in the £0 to £20,000 cost band and 3 being in the £20,001 to £60,000 cost band). Of the 7 terminations, one was due to compulsory redundancy. In 2024/25, the comparable figures were 6 employees incurring liabilities of £103,247.72 (3 being in the £0 to £20,000 cost band and 3 being in the £20,001 to £40,000 cost band). Of the 6 terminations in 2024/25, none were due to compulsory redundancy.

There were £13,777.70 of additional pension costs in 2025/26 payable to the pension fund for early retirements as a result of redundancy (£0 in 2024/25).

23. SENIOR EMPLOYEES' REMUNERATION

Information relating to individual senior employees' remuneration is required to be published under the Accounts and Audit (England) Regulations 2015.

This note gives the details of salary, allowances, benefits in kind and pension payments for individual senior employees during 2025/26 (as defined in the Regulations) whose salary was £50,000 or more and comparative figures for payments made to those employees in the previous year (where applicable).

Salary, Allowances & Benefits in Kind 2024/25 £*	Pension Payments 2024/25 £	Total 2024/25 £	Senior Employee Position	Salary, Allowances & Benefits in Kind 2025/26 £*	Pension Payments 2025/26 £	Total 2025/26 £
157,581	27,431	185,012	Chief Executive - Russell O'Keefe	162,691	28,308	190,999
127,836	21,450	149,286	Deputy Chief Executive	141,831	23,924	165,755
116,974	20,160	137,134	Director of Regeneration	123,956	21,246	145,202
127,312	22,164	149,476	Director of Residents Services	133,424	23,216	156,640
92,418	16,238	108,656	Director of Customer Services Improvement and Performance	97,460	17,122	114,582
103,011	17,689	120,700	Chief Finance Officer (Section 151 Officer)	108,890	18,576	127,466
110,728	19,278	130,006	Head of Law and Governance and Monitoring Officer	114,338	19,895	134,233
83,932	14,671	98,603	Head of Human Resources and Organisational Development	85,770	15,140	100,910

Notes:

* The salary disclosed is before the salary sacrifice deductions made for the employee pension contributions to the local government pension scheme.

24. INTEREST IN COMPANIES AND OTHER ENTITIES

The council reviews annually any interests in companies and other entities for financial relationships which would require the council to produce Group Accounts. The council entered into a Joint venture partnership (Manydown Garden Communities LLP – MGC LLP) with Hampshire County Council in August 2018 to work together with a private sector master developer to create a new development of up to 3,520 homes to the southwest of Basingstoke. As part of this development, MGC LLP became a partner in the Manydown Development Vehicle LLP (MDV LLP), a partnership with Manydown Investco LLP. Due to the value of the land transferred to MGC LLP in 2024/25, it has been determined that the transactions between the Council and MGC are material and therefore Group Accounts are prepared to reflect this interest.

25. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies were reviewed by the Chief Finance Officer (Section 151 Officer) in March 2026.

25.1 Basis of Preparation

The Accounts and Audit Regulations 2015 require the council to prepare a Statement of Accounts for each financial year in accordance with proper accounting practices. For 2025/26, these proper accounting practices principally comprise:

- (i) The Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code)

The Statement of Accounts is prepared using the going concern and accruals bases. The historical cost convention has been applied, modified by the fair valuation of the following material categories of non-current assets and financial instruments:

Class of Assets	Measurement Basis
Property, Plant and Equipment: Land and Buildings	Current Value Where prices for comparable properties are available in an active market, the current value of properties are measured at Market Value taking into account the existing use. Where no market exists or the property is specialised, current value is measured at Depreciated Replacement Cost (DRC).
Investment Properties	Fair value
Financial Instruments - Fair Value Through Profit or Loss	Fair value
Pensions Assets	Fair value

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The Statement of Accounts is adjusted to reflect events after 31 March 2026 and before the date the Statement was authorised for issue only where the events provide evidence of conditions that existed at 31 March.

All accounting policies are applied consistently. In applying the accounting policies the council has to make judgements and these are set out in a separate note to the financial statements.

25.2 Adjustments between Accounting Basis and Funding Basis

The amounts shown in Comprehensive Income and Expenditure Statement (CIES) are on the basis of proper accounting practice. However, the resources available to the council in any financial year and the expenses that are charged against those resources are specified by statute (the 2003 Regulations). Where the statutory provisions differ from the accounting basis used in the CIES, adjustments to the accounting treatment are made in the Movement in Reserves Statement (MiRS) so that usable reserves reflect the statutory funding available at the year-end.

Unusable reserves are used to manage the differences between the accounting and statutory funding bases. The material adjustments are:

Expense	Proper Accounting Basis in CIES	Statutory Funding Basis in MiRS	Unusable Reserve (used for differences)
Property, Plant and Equipment	Depreciation, indexation and revaluation/ impairment losses	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Investment Properties	Movements in fair value	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Revenue Expenditure Funded from Capital under Statute	Expenditure incurred in year	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Capital Grants and Contributions	Grants that became unconditional in year or were received in year without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at year-end) Capital Adjustment Account (other amounts)
Long-Term Asset Disposals	Gain or loss based on sale proceeds less carrying amount of asset (net of costs of disposal)	No charge or credit	Capital Adjustment Account (carrying amount) Capital Receipts Reserve (sale proceeds and costs of disposal)
Financial Instruments	Movements in the fair value of investments in pooled funds	Historical cost gains/losses for pooled funds disposed of in year	Financial Instruments Adjustment Account
Pensions Costs	Movements in pensions assets and liabilities	Employer's pensions contributions payable and direct payments made by the council to pensioners in year	Pensions Reserve
Council Tax Income	Accrued income from bills in year	Demand on the Collection Fund/precept for year plus recovery of estimated deficit/share of estimated surplus for previous year	Collection Fund Adjustment Account
Business Rates Income	Accrued income from bills in year	Budgeted income receivable from the Collection Fund for the year plus recovery of estimated deficit/share of estimated surplus from the previous year	Collection Fund Adjustment Account
Holiday Pay Accrual	Projected cost of untaken leave entitlements at 31 March	No charge	Paid Absences Adjustment Account

25.3 Council Tax and Business Rates (Non-Domestic Rates)

Revenue relating to Council Tax and Business Rates is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates. The council acts as an agent, collecting council tax and business rates (non-domestic rates) on behalf of the major preceptors (including government, in respect of business rates) and, as principal, collecting council tax and business rates for itself. The council is required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and business rates. 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 business rates collected could be less or more than predicted.

The council tax and business rates income included in the Comprehensive Income and Expenditure Statement is the council's share of accrued income for the year. However, regulations determine the amount of council tax and business rates that must be included in the council'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 business rates relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

25.4 Revenue from Contracts with Service Recipients

The Council recognises revenue from contracts with service recipients when it satisfies a performance obligation by transferring promised goods or services to a recipient, measured as the amount of the overall transaction price allocated to that obligation.

25.5 Financial Instruments

Financial instruments are recognised on the Balance Sheet when the council becomes a party to their contractual provisions and are initially measured at fair value or amortised cost if fair value cannot be measured reliably.

Financial Liabilities (borrowing and creditors on deferred payment terms)

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement (CIES). For the borrowing that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

The council's financial liabilities include borrowing in the form of parish loans (where parishes have deposited cash balances with the council which are subject to variable rates of interest) and trade creditors if the council has been given deferred payment terms.

Financial Assets (investments and debtors on deferred payment terms)

Financial assets are classified into one of the following types:

Amortised Cost	these are financial assets that take the form of basic lending arrangements (i.e. they have cash flows that are solely payments of principal and interest on specified dates) and are not held for trading (i.e. the business model is to hold to collect the cash flows).
Fair Value Through Profit or Loss (FVTPL)	all other financial assets

25.6 Financial Instruments (continued)**Amortised Cost Financial Assets (excluding debtors)**

Amortised cost financial assets are carried in the Balance Sheet at a cost representing the outstanding principal receivable plus or minus any un-amortised premium/discount initially paid.

Annual credits to the CIES for interest receivable are based on the amortised cost of the asset, multiplied by the effective rate of interest for the instrument. Some amortised cost investments can be purchased above or below face value. This would lead to paying premiums, or receiving discounts, on the face value of these investments in return for being paid a higher or lower interest rate over the life of the investment. Premiums or discounts are amortised to the CIES over the life of the investment. This has the effect of recording the interest income using the effective interest rate rather than the coupon rate.

Any gains and losses that arise on the sale or maturity of amortised cost investments are credited or charged to the CIES as Interest and Investment Income. Allowances for impairment losses are calculated for amortised cost assets, applying the expected credit loss model (which is based on the impact and likelihood of default) and are charged to the CIES as Interest and Investment Income.

Fair Value Through Profit or Loss (FVTPL) Financial Assets

FVTPL financial assets are initially measured at fair value (estimated market value) which is deemed to be the purchase price.

FVTPL financial assets are subsequently carried in the Balance Sheet at fair value (estimated market value). The council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Valuation techniques use categories within the fair value hierarchy, as follows:

Level 1	quoted prices in active markets for identical assets or liabilities
Level 2	inputs other than quoted prices that are observable for the asset or liability
Level 3	unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

Any changes in fair value (market price) and gains or losses that arise on sale or maturity are credited or charged to Interest and Investment Income line within the CIES.

The historic purchase of some FVTPL financial assets has been capitalised and financed in accordance with local authority investment regulations. This means that any gains or losses relating to capitalised investments that have been charged to the CIES are not allowed to be charged to the General Fund and are therefore reversed out of the General Fund to the Capital Adjustment Account in the MiRS.

25.7 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 any conditions attached to the payments, and the grants or contributions are expected to be received.

Amounts recognised as due to the council are not credited to the CIES until the council has satisfied any conditions attached to the grant or contribution that would require repayment if not met.

The grant or contribution is credited to the relevant service line (ring-fenced/service specific revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ring-fenced revenue grants and all capital grants) in the CIES.

25.8 Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. Investment properties are measured in the Balance Sheet initially at cost and subsequently at fair value (estimated market value).

Investment properties are not depreciated, because they are revalued every year, with gains and losses on revaluation being posted to the Financing and Investment Income and Expenditure line in the CIES. The line is also credited/debited with gains/losses on the disposal of properties, measured as the difference between the carrying amount and the net sale proceeds.

25.9 Leases

The council as a lessor

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

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Leases of council owned land are normally classified as operating leases, recognised as an asset of the council. However granting of long leases (for example over 150 years) of council land could be treated as a finance lease and therefore the land would not be recognised as an asset of the council, this will be dependant on an assessment of control.

The council as a lessee

Right of use assets

The Council applies IFRS 16 Leases as adopted by the Code of Practice on Local Authority Accounting. Rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition.

At the commencement of a lease, a liability is recognised for the obligation to make future payments (discounted to their present value using the interest rate implicit in the lease or (where this is not readily determinable) the Council's incremental borrowing rate (the Council has opted to use the standard fixed PWLB borrowing rate (aligned to the term of the lease), at the point of the inception of the lease, for this purpose). The right acquired under the lease to use the leased item is recognised as an asset, measured on the commencement date at cost based on the lease liability plus any payments made before that date. Initial direct costs of the Council are added to the carrying amount of the asset.

Liabilities are recalculated where rents change as a result of a change in an index or rate used to determine future payments. Adjustments to liabilities are matched with adjustments to the cost of the right-of-use asset.

Lease payments are apportioned between a charge for the acquisition of the right to use the property, plant or equipment which is applied to write down the lease liability, and a finance charge which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. This will include valuation where the cost model does not provide a reliable proxy for the current value of the right-of-use asset.

Where leases are for items of low value (less than £10,000) or of short duration (less than 1 year), amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased item. Charges are made on a straight-line basis over the life of the lease.

25.10 Overheads and Support Service Costs

The cost of overheads and support services are charged to services in accordance with the council's arrangements for accountability and financial performance.

25.11 Post-Employment Benefits (Pensions)

Most employees of the council are members of the Local Government Pension Scheme, administered by Hampshire County Council.

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

- (i) The liabilities of the Hampshire 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 and projections of earnings for current employees).
- (ii) Liabilities are discounted to their value at current prices, using a calculated discount rate based on a series of calculations for high quality corporate bonds over a range of periods.
- (iii) The assets of the pension fund attributable to the council are included in the Balance Sheet at their fair value (see 26.1).

The change in the net pension liability is analysed into the following components:

Service cost comprising:

Current Service Cost	allocated in the CIES to the service area for which the employees worked
Past Service Cost	debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs (within Central Services and Climate Change service area)
Net interest on the net defined benefit liability	charged to the Financing and Investment Income and Expenditure line of the CIES

Re-measurements comprising:

The return on plan assets	excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure within the CIES
Actuarial gains and losses	changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure within the CIES
Contributions paid to the Hampshire County Council Pension Fund	accounted for as part of the cost of services within the CIES
The Effect of the Asset Ceiling	The limitation on the Council's ability to realise pensions assets through reductions in future employer's contributions as a result of minimum funding requirements.

25.12 Property, Plant and Equipment (PPE)

Recognition: Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals 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 (i.e. repairs and maintenance) is charged as a revenue expense when it is incurred.

Measurement: Assets are initially measured at cost and include the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

Certain categories of Property, Plant and Equipment are measured subsequently at current value – see 25.1 for details. All other categories are measured subsequently using depreciated historical cost. Up to 31 March 2025, the Accounting Code required that assets included in the Balance Sheet at current value were re-valued sufficiently regularly to ensure that their carrying amount was not materially different from their current value at the year end, but as a minimum every five years. From 1 April 2025 the requirement is to revalue assets every five years, with indexation in the years that a valuation is not carried out. Where no index is available the asset will be revalued via a desktop valuation in year three. The Council will engage our valuers to prescribe and apply indices to assets not undergoing a full valuation in the given year. The change in policy is applied prospectively, so that the carrying amounts of Property, Plant and Equipment assets at 31 March 2025 have not been adjusted and indexation has been applied for the first time to establish carrying amounts at 31 March 2026. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

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

- (i) 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).
- (ii) 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 CIES.

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.

Impairments: Assets are assessed at each year-end as to whether there is any indication that items 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 in the same way as revaluation losses.

Depreciation: Depreciation is provided for 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 Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Disposals: When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Income and Expenditure line in the CIES against any receipts arising from the disposal as a gain or loss on disposal.

25.13 Provisions

Provisions are charged as an expense to the appropriate service line in the CIES when:

- (i) The council has a present obligation (i.e. an event has taken place that gives the council a legal or constructive obligation), and
- (ii) It is probable that an outflow of resources will be required to settle the obligation, and
- (iii) A reliable estimate can be made of the amount of the obligation.

Provisions are charged as the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

25.14 Reserves

The council sets aside specific amounts as reserves for future policy purposes or for risks to the revenue budget. Reserves are created by appropriating amounts out of the General Fund Balance in the MiRS.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate heading within the CIES in that year and is included in the Surplus or Deficit on the CIES. The reserve is then appropriated back into the General Fund Balance in the MiRS so that there is no net charge against council tax for the expenditure.

Certain reserves and accounts are kept to manage the accounting processes for Property, Plant and Equipment assets, investments and retirement benefits and do not represent usable resources for the council – see the table in note 25.2 for unusable reserves.

25.15 VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs, and all VAT paid is recoverable from it.

25.16 Prior Period Adjustments, Changes In Accounting Policies and Estimates and Errors

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 (if required) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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.

Material errors discovered in prior period figures are corrected retrospectively by amending the opening balance of assets, liabilities and net worth for the earliest prior period, where the error occurred before the earliest prior period, and comparative amounts for the prior period.

26. ACCOUNTING STANDARDS ISSUED, BUT NOT YET ADOPTED

There are no changes in accounting requirements for 2026/27 that are anticipated to have a material impact on the council's financial position or financial performance.

27. JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies which are set out in Note 25, the council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements that have the most significant effect on the amounts in the financial statements are:

Asset classifications	The council has made judgements on whether assets are classified as Investment Property or Property, Plant and Equipment. These judgements are based on the main reason that the council is holding the asset. If the asset is used in the delivery of services or is occupied by third parties who are subsidised by the council they are deemed to be Property, Plant and Equipment assets. If there is no subsidy and/or full market rent is being charged this would indicate that the asset is an Investment Property. The classification determines the valuation method to be used.
Lease classifications	The council has made judgements on whether its lease arrangements are operating leases or finance leases. These judgements are based on a series of tests designed to assess whether the risks and rewards of ownership have been transferred from the lessor to the lessee. The results of the tests are taken "in the round" and together with a judgement on materiality the decisions have been made. The accounting treatment for operating and finance leases is different and could have a significant effect on the financial statements.
Contractual arrangements	The council has made judgements on whether its contractual arrangements contain embedded leases (i.e. arrangements that are not legally leases but take the form of payments in return for the use of specific assets).
Providing for potential liabilities	The council has made judgements about the likelihood of pending liabilities and whether a provision should be made or whether there is a contingent liability. The judgements are based on the degree of certainty around the results of pending issues.
Allowances for doubtful debts	The council has made judgements about the level of allowances for doubtful debts that it needs to provide for. These judgements are based on historical experience of debtor defaults.
Conditions on Developers' Contributions	The council has made a judgement about whether developer contributions agreements have conditions based on a "substance over form" concept and has assumed that all agreements have a constructive obligation to repay contributions if not used, even if this is not explicit in the legal agreement.
Events after the Balance Sheet date	The council has made judgements about whether there have been any material post Balance Sheet events that it would need to make adjustments for in the financial statements or disclosed as a note.

All of these judgements are the responsibility of the Section 151 Officer as set out in the Statement of Responsibilities for the Statement of Accounts.

28. UNCERTAINTIES RELATING TO ASSUMPTIONS AND ESTIMATES USED

The financial statements contain some 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 made.

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 (excluding investments, investment property and land and buildings that are carried at fair value based on recently observed market values) are as follows:

Item and Uncertainties	Effect if Actual Results Differ from Assumptions/Estimates
<p>Property Valuations Estimation of property valuations depends on a number of complex judgements and assumptions, including determining the appropriate comparative market data upon which the market value of investment property is based.</p>	<p>PPE Land and Buildings - If the value of operational property were to fall by 1%, this would result in a charge to the Revaluation Reserve of £0.6M and an unrealised loss charged to the CIES of £0.1M. An increase in estimated valuations would result in increases to the Revaluation Reserve and / or reversals of previous negative revaluations to the CIES. Building depreciation charges would change in direct relation to changes in estimated current value. Investment Property - Estimated fair values may differ from the actual prices that could be achieved in an arm's length transaction at the reporting date. If the value of the council's Investment Property were to fall by 1% this would produce an unrealised charge to the CIES and Balance Sheet of approximately £3.0M.</p>
<p>Pension Obligation Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged via Hampshire County Council (the scheme administrators) to provide the council with expert advice about the assumptions to be applied. The net asset is not recognised in the accounts due to the application of the asset ceiling. There is a significant risk that the assumptions and judgments underpinning this assessment may change in the next 12 months due to actuary valuations</p>	<p>The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the net pension liability of approximately £3.0M. The sensitivity of each of the assumptions used by the actuaries can be seen in Note 14 on pensions.</p>
<p>Allowance For Doubtful Debts As at 31/03/26, the Council had an outstanding balance of short-term debtors totalling £15.8M net of £2.0M of prepayments (£18.6M net of £0.9M as at 31/3/25). Against this debtors' balance, there is an impairment allowance of £3.4M (£3.6M as at 31/03/25). The impairment allowances are based on policies adapted to historic experience of debtor defaults and success rates experienced in collection. The nature of the debt and service area have been considered.</p>	<p>An understatement of doubtful debts would lead to a future adjustment and impairment to be reflected. For example if commercial rent income collection rates were to deteriorate by 1% an increase in the doubtful debt allowance of £0.2M would be required and the council would need to review its judgements for assessing future allowances for doubtful debts.</p>
<p>Business Rates Appeals Provision The council has made provision for its share of appeals on business rates of £1.5M (£1.4M in 2024/25) based on what it believes to be a prudent but realistic level. A review of the appeals data available from the Valuation Office Agency has been undertaken to consider the appeals provision required. This has taken into account various factors including results of appeals and estimated success rates and reduction rates for outstanding appeals.</p>	<p>A change in the predicted cost of appeals of 2.5% would require an estimated adjustment to the financial statements of £0.38M of which the council's share is £0.15M.</p>

29. GOING CONCERN

The accounts are prepared on a going concern basis: that is, on the assumption that the authority will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.

The council's latest budget plans for 2026/27 and the medium-term financial strategy to 2029/30 were agreed by Council in February 2026. A balanced budget and forecast was set for 2026/27, 2027/28 and 2028/29. Financial risks have been carefully considered within planning assumptions and forecasts and the S151 Officer has reviewed the adequacy of risk reserves held. Despite the continued uncertainties, the council's current financial position provides a high degree of financial resilience, underpinned by still-healthy financial reserves, large property and investment portfolios and no external borrowing.

As at 31 March 2026 the council had £21.2M cash and cash equivalents and approximately £46.6M of long-term strategic investments that could be liquidated at short notice (within 7 days) if required. Furthermore the council has a General Fund Balance of £1.5M and risk reserves of £19.6M as at 31 March 2026 (excluding the Business Rates Risk Reserve).

The going concern period of assessment is twelve months from the authorisation date of the financial statements. Risk reserves (excluding the Business Rates Risk Reserve) are forecast to remain stable with the balance of £19.6M as at 31 March 2026 decreasing to £14.5M at the end of 2026/27 as a result of making approved contributions to and draws from the risk reserves with no change to the £1.5M General Fund balance.

It is therefore noted that there is significant headroom within the General Fund and Risk Reserves to absorb the estimated financial impact of any higher than expected inflationary increases or unforeseen cost pressures in the short to medium-term. As well as access to the external sources for its long-term borrowing needs, the council is also able to borrow short-term for revenue purposes if necessary.

Furthermore, the CIPFA Code requires that local authorities prepare their accounts on a going concern basis, as they can only be discontinued under statutory prescription. For these reasons, the council does not consider that there is material uncertainty in respect of its ability to continue as a going concern for the foreseeable future.

30. EVENTS AFTER THE REPORTING PERIOD

The statement of accounts was authorised for issue by the Chief Finance Officer on 26 June 2026. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

INTRODUCTION

In line with the CIPFA Code of Practice (the code), the council completes an annual review of any interests in companies and other entities for a financial relationships which would require the council to produce group accounts. These relationships are whereby there are material financial interests and significant level of control over one or more entities. The aim of any prepared group account statements is to provide an overall picture of the Council's financial activities and the resources employed in carrying out those activities.

ENTITIES FOR INCLUSION WITHIN THE GROUP ACCOUNTS

Basingstoke and Deane Borough Council has assessed the requirement to produce group accounts because of its 50% interest in Manydown Garden Communities LLP and the continuing progress in delivering a strategic housing development on land at Manydown North, Manydown Garden Communities LLP's principle place of operation. Further details of this relationship are available in note 24 of the primary statements "Interest in Companies and Other Entities".

The relationship has been assessed as requiring the council to prepare group accounts. Manydown Garden Communities LLP is considered a joint venture, in line with the code's definition of it being a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

BASIS OF PREPERATION

In accordance with the CIPFA Code, the councils investments in joint ventures are accounted for under IFRS11 – Joint Arrangements and International Accounting Standard 28, 'Interests in Joint Ventures'. These accounting standard requires the investment, Manydown Garden Communities LLP, to be incorporated into the Group Accounts using the equity method. This requires the investment to be initially recognised at cost, and thereafter adjusted for any future changes in the councils share of the net assets of the joint venture.

The group accounts have been prepared using Manydown Garden Community LLP's audited accounts prepared for that entities financial year end of 31st December 2025. These accounts were prepared using IFRS accounting standards, being the same as the council's. Furthermore there are no material differences between the accounting policies of the Council and Manydown Garden Community LLP.

An assessment of Manydown Garden Community LLP's March 2026 management accounts has discerned that there have been no material transactions occurring between 1st January 2026 and 31st March 2026 that would require Manydown Garden Community LLP to produce a set of accounts as at the 31st March 2026, this will be reviewed annually.

SUMMARY OF JOINT VENTURE'S FINANCIAL STATEMENTS

As at 31 December 2025, Manydown Garden Communities LLP reported net assets of £41.3M and a loss of £5.0M for the year. The net assets comprise land inventory of £71.0M, cash and cash equivalents of £0.1M, and a loan liability of £29.7M due to the development partner, Urban & Civic. The reported loss includes £1.8M of accrued interest on loans and £3.2M of expenditure incurred from the members of the LLP. The councils' share of the net assets is £20.6M, and their share of the loss for the year is £2.5M.

LOANS

The council had a loan receivable balance from MGC LLP of £23.9M as at MGC LLP's reporting date of 31 December 2025 with the comparator of £22.5M as at 31 December 2024, the agreed terms of these loans stipulate the following;

C-Loan Notes: £14.9M as at 31 December 2025 (£13.0M as at 31 December 2024) These are repayable in line with the phased sale of land parcels by MGC LLP. Interest is charged at a premium plus SONIA, which is capitalised and added to the loan balance rather than paid periodically.

D-Loan Notes: £8.0M adjusted to a Fair Value of £7.2M as at 31 December 2025 (£8.6M as at 31 December 2024) which will be unwound over a period of 5 years. These are non-interest bearing and are redeemed annually, for a period of 5 years, through a combination of £1.0M in capital receipts and the issuance of £1.0M in C-Loan Notes.

Operational Loan Facility: £1.0M as at 31 December 2025 (£0.9M as at 31 December 2024) The loan accrues interest at a premium plus SONIA, with interest payable twice annually. The principal is scheduled for repayment on termination of the facility, which is due on the 10th anniversary of the agreement (2029/30).

CONTINGENT LIABILITY

Manydown Garden Communities LLP is party to an arrangement, resultant from the land purchase deal completed on the 18th October 2024, whereby a small percentage of land sale receipts are payable to The Manydown Company. At the reporting date there is no reliable basis to quantify the value of the percentage payment or determine the timing of any potential outflow. Accordingly, no provision has been made in the accounts. The matter is disclosed as a contingent liability in accordance with IAS 37.

NOTES TO THE GROUP ACCOUNTS - EXPLANATION OF MOVEMENT

1. This adjustment recognises BDBC's 50% share of MGC LLP's £5.0M loss for the year ending 31st December 2025.
2. This adjustment removes the councils loan investments within MGC LLP and any accrued interest on these loans.
3. This adjustment recognises BDBC's 50% share of MGC LLP's Members' interest of £41.3M
4. This adjustment reflects BDBC's 50% share of other components of equity being £2.6M.

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026						
2024/25 Expenditure £M	Restated 2024/25 Income £M	2024/25 NET £M		2025/26 Expenditure £M	2025/26 Income £M	2025/26 NET £M
			Service Area			
38.4	(28.6)		9.8 Central Services and Climate Change	33.1	(23.7)	9.4
0.0	0.0		0.0 Customers, Digital and Improvement	0.0	0.0	0.0
5.9	(1.9)		4.0 Regeneration	6.3	(0.9)	5.4
46.4	(13.2)		33.2 Resident Services	63.3	(17.1)	46.2
90.7	(43.7)		47.0 COST OF SERVICES	102.7	(41.7)	61.0
			Other Operating Income and Expenditure			
			1.9 Payment of Precepts (collected on behalf of Parish Councils)			2.0
			0.0 Other Operating Income and Expenditure			0.9
			Financing and Investment Income and Expenditure			
			(16.8) Net (Gain)/Loss on Investment Property			(17.3)
			(9.1) Interest and Investment Income			(7.7)
			1.0 Unrealised (Gain)/Loss on Pooled Investment Funds			0.0
			0.4 Net Interest on the Pension Liability			0.0
			Taxation and Non-Specific Grant Income and Expenditure			
			(11.8) Council Tax Income (including parish precepts)			(12.3)
			(5.4) Net Business Rates Income and Expenditure			(4.9)
			(4.9) Other Non-Ring-fenced Government Grants Income			(4.7)
			(10.9) Capital Grants and Contributions Income			(6.1)
			(8.6) DEFICIT/(SURPLUS) ON PROVISION OF SERVICES			10.9
			Other Comprehensive Income and Expenditure			
			(8.1) (Gain)/Loss on Revaluation of Non Current Assets			0.0
			(10.0) Re-measurement of Pension Liability			1.9
			0.6 (Surplus)/ Deficit on Associates and Joint Ventures (Note 1)			2.5
			(26.1) TOTAL GROUP COMPREHENSIVE (INCOME) / EXPENDITURE			15.3

In 2025/26 the presentation of in year reporting of spend on services changed from council plan priorities to service areas. To allow for comparison the 2024/25 entries presented above have been restated to align to the revised presentation.

AS AT 31 MARCH 2026

31 March 2025 GROUP £M	31 March 2026 BDBC £M	31 March 2026 GROUP ADJUSTMENTS £M	31 March 2026 GROUP £M
102.4 Property, Plant and Equipment	92.8	0.0	92.8
302.1 Investment Property	298.2	0.0	298.2
51.6 Long-Term Investments	42.7	0.0	42.7
15.6 Other Long-Term Assets (Note 2)	37.9	(21.5)	16.4
0.5 Pension Scheme Asset	0.0	0.0	0.0
21.2 Investments in Joint Ventures (Note 3)	0.0	20.7	20.7
493.4 LONG-TERM ASSETS	471.6	(0.8)	470.8
42.3 Short-Term Investments	50.0	0.0	50.0
16.8 Short-Term Debtors (Note 2)	15.8	(1.7)	14.1
21.9 Cash and Cash Equivalents	21.2	0.0	21.2
81.0 CURRENT ASSETS	87.0	(1.7)	85.3
(24.0) Short-Term Creditors	(17.9)	0.0	(17.9)
(1.7) Provisions	(2.1)	0.0	(2.1)
(25.7) CURRENT LIABILITIES	(20.0)	0.0	(20.0)
(10.4) Grants & Contributions Receipts In Advance	(8.5)	0.0	(8.5)
0.0 Pension Scheme Liability	(3.5)	0.0	(3.5)
(5.2) Deferred Lease Income	(5.4)	0.0	(5.4)
(3.0) Long Term Creditors	(2.5)	0.0	(2.5)
(18.6) LONG-TERM LIABILITIES	(19.9)	0.0	(19.9)
530.1 NET ASSETS	518.7	(2.5)	516.2
(100.4) Usable Reserves	(109.8)	0.0	(109.8)
(431.0) Unusable Reserves	(408.9)	0.0	(408.9)
1.3 Usable Reserves (Profit)/ Loss in Joint Ventures (Note 1)	0.0	3.8	3.8
0.0 Unusable Reserves Other Component of Equity in Joint Ventures (Note 4)	0.0	(1.3)	(1.3)
(530.1) TOTAL GROUP RESERVES	(518.7)	2.5	(516.2)

The unaudited accounts were issued on 26 June 2026.

Adam Swain FCPFA
Chief Finance Officer
(Section 151 Officer)

26 June 2026

FOR THE YEAR ENDED 31 MARCH 2026					
2024/25 GROUP £M		2025/26 BDBC £M	2025/26 GROUP ADJUSTMENTS £M	2025/26 GROUP £M	
	(7.3) (Surplus)/Deficit on the Provision of Services (Note 1)		10.9	2.5	13.4
	Adjustments for Non Cash Movements:				
	(3.7) Pension Fund adjustments		(2.1)	0.0	(2.1)
	(4.2) Depreciation and amortisation of long-term assets		(9.1)	0.0	(9.1)
	(1.6) Revaluation of property, plant and equipment		(10.0)	0.0	(10.0)
	5.0 Revaluation of investment property		1.5	0.0	1.5
	(14.3) Write out of long-term assets on disposal		(8.2)	0.0	(8.2)
	(1.0) Revaluation of Pooled Investment Funds		0.0	0.0	0.0
	22.7 Deferred proceeds from disposal of long-term assets		0.0	0.0	0.0
	(2.2) Other Non-Cash Movements (Note 1)		(0.1)	(2.5)	(2.6)
	Adjustments for Items included in Investing Activities:				
	12.8 Realised proceeds from disposal of long-term assets		7.8	0.0	7.8
	Adjustments for Items on an Accruals Basis:				
	8.7 Increase/(decrease) in operating activity debtors		(3.1)	0.0	(3.1)
	(3.2) (Increase)/decrease in operating activity creditors		6.1	0.0	6.1
	0.4 (Increase)/decrease in provisions		(0.4)	0.0	(0.4)
	12.1 Net Cash Out Flow/(In Flow) from Operating Activities		(6.7)	0.0	(6.7)
	INVESTING ACTIVITIES				
	21.8 Payments for additions and subsequent expenditure on long-term assets		11.1	0.0	11.1
	451.7 Payments for purchase of investments		367.5	0.0	367.5
	(35.5) Proceeds from disposal of long-term assets		(7.8)	0.0	(7.8)
	(436.9) Proceeds from disposal of investments		(368.9)	0.0	(368.9)
	1.1 Net Cash Out Flow/(In Flow) from Investing Activities		1.9	0.0	1.9
	FINANCING ACTIVITIES				
	(2.6) Net (inflow)/outflow for business rates payable to government and preceptors		6.5	0.0	6.5
	0.3 Net (inflow)/outflow for council tax payable to preceptors		(1.0)	0.0	(1.0)
	(2.3) Net Cash (In Flow)/Out Flow from Financing Activities		5.5	0.0	5.5
	10.9 NET DECREASE/(INCREASE) IN GROUP CASH AND CASH EQUIVALENTS		0.7	0.0	0.7

FOR THE YEAR ENDED 31 MARCH 2026							
	Movements			Total Comprehensive Income and Expenditure Statement £M	Adjustment between accounting basis and funding basis under regulations £M	Total Movement in 2024/25 £M	Balance as at 31/03/25 £M
	Balance as at 31/03/24 £M	Adjustment to opening balance*	Balance as at 01/04/24 £M				
2024/25							
Usable Reserves							
General Fund Balance	(43.9)	0.0	(43.9)	(8.6)	4.0	(4.6)	(48.5)
Capital Receipts Reserve	(28.4)	0.0	(28.4)	0.0	(3.3)	(3.3)	(31.7)
Capital Grants and Contributions	(13.4)	0.0	(13.4)	0.0	(6.8)	(6.8)	(20.2)
Total Usable Reserves	(85.7)	0.0	(85.7)	(8.6)	(6.1)	(14.7)	(100.4)
Unusable Reserves							
Pension Scheme Reserve	5.8	0.0	5.8	(10.0)	3.7	(6.3)	(0.5)
Asset Revaluation Reserve	(33.1)	0.0	(33.1)	(8.1)	1.0	(7.1)	(40.2)
Capital Adjustment Account	(396.0)	(1.2)	(397.2)	0.0	25.4	25.4	(371.8)
Other Statutory Adjustment Accounts	4.4	0.0	4.4	0.0	(0.2)	(0.2)	4.2
Deferred Capital Receipts Reserve	0.0	0.0	0.0	0.0	(22.7)	(22.7)	(22.7)
Total Unusable Reserves	(418.9)	(1.2)	(420.1)	(18.1)	7.2	(10.9)	(431.0)
Total Council Reserves	(504.6)	(1.2)	(505.8)	(26.7)	1.1	(25.6)	(531.4)
Usable Reserves (Profit)/ Loss in Joint Ventures	0.0	0.0	0.0	1.3	0.0	1.3	1.3
Total Group Reserves	(504.6)	(1.2)	(505.8)	(25.4)	1.1	(24.3)	(530.1)

	Movements			Total Comprehensive Income and Expenditure Statement £M	Adjustment between accounting basis and funding basis under regulations £M	Total Movement in 2025/26 £M	Balance as at 31/03/26 £M
	Balance as at 31/03/25 £M						
2025/26							
Usable Reserves							
General Fund Balance (incl. earmarked reserves)	(48.5)		10.9		(18.9)	(8.0)	(56.5)
Capital Receipts Reserve	(31.7)		0.0		(0.9)	(0.9)	(32.6)
Capital Grants and Contributions	(20.2)		0.0		(0.5)	(0.5)	(20.7)
Total Usable Reserves	(100.4)		10.9		(20.3)	(9.4)	(109.8)
Unusable Reserves							
Pension Scheme Reserve	(0.5)		1.9		2.1	4.0	3.5
Asset Revaluation Reserve	(40.2)		0.0		3.3	3.3	(36.9)
Capital Adjustment Account	(371.8)		0.0		12.3	12.3	(359.5)
Other Statutory Adjustment Accounts	4.2		0.0		1.6	1.6	5.8
Deferred Capital Receipts Reserve	(22.7)		0.0		0.9	0.9	(21.8)
Total Unusable Reserves	(431.0)		1.9		20.2	22.1	(408.9)
Total Council Reserves	(531.4)		12.8		(0.1)	12.7	(518.7)
Usable Reserves (Profit)/ Loss in Joint Ventures (Note 1)	1.3		2.5		0.0	2.5	3.8
Other Component of Equity in Joint Ventures (Note 4)	0.0		(1.3)		0.0	(1.3)	(1.3)
Total Group Reserves	(530.1)		14.0		(0.1)	13.9	(516.2)

*Note due to the transitional adjustment for the introduction of IFRS 16 there was an additional adjustment on the capital adjustment account to recognise the right of use assets totalling £1.2M, this changed the opening balance on 1 April 2024 from (£396.0M) to (£397.2M).

The council is required to maintain a separate Collection Fund Account which is used to record the collection and distribution of council tax and business rates on behalf of the Borough, County, Police and Fire Authorities, Parishes and Central Government.

2024/25 Council Tax £M	2024/25 Business Rates £M	2024/25 Total £M		2025/26 Council Tax £M	2025/26 Business Rates £M	2025/26 Total £M
(144.5)	(82.7)	(227.2)	FOR THE YEAR ENDED 31 MARCH 2026	(153.0)	(84.8)	(237.8)
Amounts Receivable						
Contributions towards Previous Years' Estimated Deficits						
0.0	(1.2)	(1.2)	Central Government	0.0	3.0	3.0
0.0	(0.3)	(0.3)	Hampshire County Council	0.0	0.5	0.5
0.0	(1.5)	(1.5)	General Fund (BDBC)	0.0	2.4	2.4
0.0	(0.0)	(0.0)	Fire and Rescue Authority	0.0	0.1	0.1
0.0	0.0	0.0	Police Authority	0.0	0.0	0.0
(144.5)	(85.8)	(230.3)	TOTAL INCOME	(153.0)	(78.8)	(231.8)
Precepts, Demands and Shares						
0.0	40.0	40.0	Central Government	0.0	41.7	41.7
107.0	7.2	114.2	Hampshire County Council	112.7	7.5	120.2
11.8	32.0	43.8	General Fund (BDBC)	12.2	33.3	45.5
5.8	0.8	6.6	Fire and Rescue Authority	6.2	0.8	7.0
18.2	0.0	18.2	Police Authority	19.3	0.0	19.3
Distribution of Previous Years' Estimated Surpluses						
0.0	0.0	0.0	Central Government	0.0	0.0	0.0
1.1	0.0	1.1	Hampshire County Council	0.8	0.0	0.8
0.1	0.0	0.1	General Fund (BDBC)	0.1	0.0	0.1
0.1	0.0	0.1	Fire and Rescue Authority	0.0	0.0	0.0
0.2	0.0	0.2	Police Authority	0.1	0.0	0.1
Charges to Collection Fund						
0.0	(1.3)	(1.3)	Transitional Protection Payments	0.0	(0.2)	(0.2)
1.1	2.5	3.6	Other	2.0	3.3	5.3
145.4	81.2	226.6	TOTAL EXPENDITURE	153.4	86.4	239.8
0.9	(4.6)	(3.7)	MOVEMENT IN FUND BALANCE	0.4	7.6	8.0
(1.5)	4.9	3.4	OPENING FUND BALANCE	(0.6)	0.3	(0.3)
(0.6)	0.3	(0.3)	CLOSING FUND BALANCE	(0.2)	7.9	7.7

1. CALCULATION OF THE COUNCIL TAX BASE

The Council Tax Base was calculated as follows:

Band	Ratio to Band D	Discounted Equivalent Properties		Band D Equivalent Properties		Discounted Equivalent Properties		Band D Equivalent Properties	
		2024/25	2024/25	2024/25	2024/25	2025/26	2025/26	2025/26	2025/26
*A	5/9	6.0	3.3			6.2	3.5		
A	6/9	2,083.3	1,388.9			2,125.3	1,416.9		
B	7/9	11,253.8	8,752.9			11,427.8	8,888.2		
C	8/9	25,237.8	22,433.6			25,382.3	22,562.1		
D	1	14,141.7	14,141.8			14,470.0	14,470.0		
E	11/9	10,567.2	12,915.5			10,754.3	13,144.1		
F	13/9	6,343.5	9,162.8			6,494.5	9,380.9		
G	15/9	3,334.0	5,556.7			3,430.5	5,717.5		
H	18/9	434.8	869.5			437.0	874.0		
		73,402.10	75,225.0			74,527.90	76,457.2		
		Growth in tax base	759.9	Growth in tax base	354.5				
		Allowance for council tax support	(4,760.1)	Allowance for council tax support	(4,941.7)				
		Allowance for doubtful debts	(1,424.5)	Allowance for doubtful debts	(1,437.5)				
		Council Tax Base (Band D equivalent properties)	69,800.3	Council Tax Base (Band D equivalent properties)	70,432.5				

*A - Entitled to disabled relief reduction

2. NON-DOMESTIC RATEABLE VALUE

For 2025/26 the Uniform Business Rate was split between a small and standard multiplier which were previously aggregated.

In 2025/26 the small business rate multiplier was 49.9p (49.9p in 2024/25) with the standard rate multiplier at 55.5p (54.6p in 2024/25).

The total non-domestic rateable value at 31 March 2026 was £219.0M (£197.6M as at 31 March 2025).

The total potential gross business rates collectable in 2025/26 were £106.0M (£105.7M in 2024/25) but this was reduced to £83.2M in 2025/26 (£81.7M in 2024/25) due to adjustments, including reassessments of rateable values, losses and business rate reliefs.

3. DISTRIBUTION OF THE COLLECTION FUND BALANCE

The distribution of the Collection Fund Balance and where it is shown in the financial statements is as follows:

2024/25			2025/26		
Council Tax	Business Rates	Total	Council Tax	Business Rates	Total
£M	£M	£M	£M	£M	£M
0.0	0.1	0.1	0.0	3.2	3.2
(0.6)	0.2	(0.4)	(0.2)	4.7	4.5
(0.6)	0.3	(0.3)	(0.2)	7.9	7.7

The Council's Responsibilities

The council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this council, that officer is the Chief Finance Officer (Section 151 Officer);
- Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets; and
- Approve the Statement of Accounts (the council has delegated this responsibility to the Audit and Accounts Committee).

Responsibilities of the Chief Finance Officer (Section 151 Officer)

The Chief Finance Officer (Section 151 Officer) is responsible for the preparation of the council's Statement of Accounts, in accordance with proper practices, as set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

In preparing this Statement of Accounts, the Chief Finance Officer (Section 151 Officer) has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Complied with the Code of Practice (any significant non-compliance being fully disclosed);
- Kept proper accounting records which are up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Confirmation and Approval

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

Signed:

Date: 26 June 2026

Adam Swain FCPFA – Chief Finance Officer (Section 151 Officer)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASINGSTOKE & DEANE BOROUGH COUNCIL –
AVAILABLE POST AUDIT**

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AVAILABLE POST AUDIT**

EXECUTIVE SUMMARY

Basingstoke and Deane Borough Council (the council) is required to maintain robust governance arrangements to ensure that it conducts its business lawfully, safeguards public funds, achieves value for money, manages risk effectively, and delivers the outcomes set out in its Council Plan.

The council's governance framework is based on the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016) and the 2025 Addendum, which require an annual review of effectiveness and public reporting through an Annual Governance Statement.

During 2025/26, the council continued to operate an established system of internal control comprising constitutional arrangements, ethical standards, risk management, financial management, internal audit, external audit and performance oversight. The council's governance framework remained in place for the full financial year and up to the approval of the Statement of Accounts.

Review of Effectiveness

In accordance with CIPFA/SOLACE requirements, the Council undertook a comprehensive annual review of its governance arrangements, informed by:

- Internal Audit progress reports and annual opinion
- External Audit findings
- Service Lead Assurance Statements
- Review of the Local Code of Corporate Governance
- Risk Management arrangements
- Oversight by the Audit & Accounts Committee

The review concluded that the Council's governance arrangements remain fit for purpose and continue to support the achievement of its strategic priorities.

Progress on Significant Governance Issues since 2024/25

Section 5 of this statement sets the progress made against the governance issues identified in 2024/25.

Governance Improvement Priorities for 2026/27

The Council has identified areas for continued enhancement, set out in section 6, this includes:

1. Continuing the review of existing council policies to ensure they are relevant and up to date, and that the ownership of the policies is understood.
2. Progressing the implementation of new financial reporting tools and enhanced financial management training.
3. Continuing the review and updating of the constitution, giving due regard to best practice and legislative changes.
4. Progressing the detailed planning to support the transition to the new unitary authority, including establishing governance arrangements through a joint committee, ahead of the shadow authority elections in May 2027.

CONCLUSION

We propose over the coming year to take steps to address the identified matters to further enhance our governance arrangements. We are satisfied that these steps will address the needs for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: _____ Date: July 2026

Cllr Paul Harvey
Leader of the Council

Signed: _____ Date: July 2026

Russell O'Keefe
Chief Executive

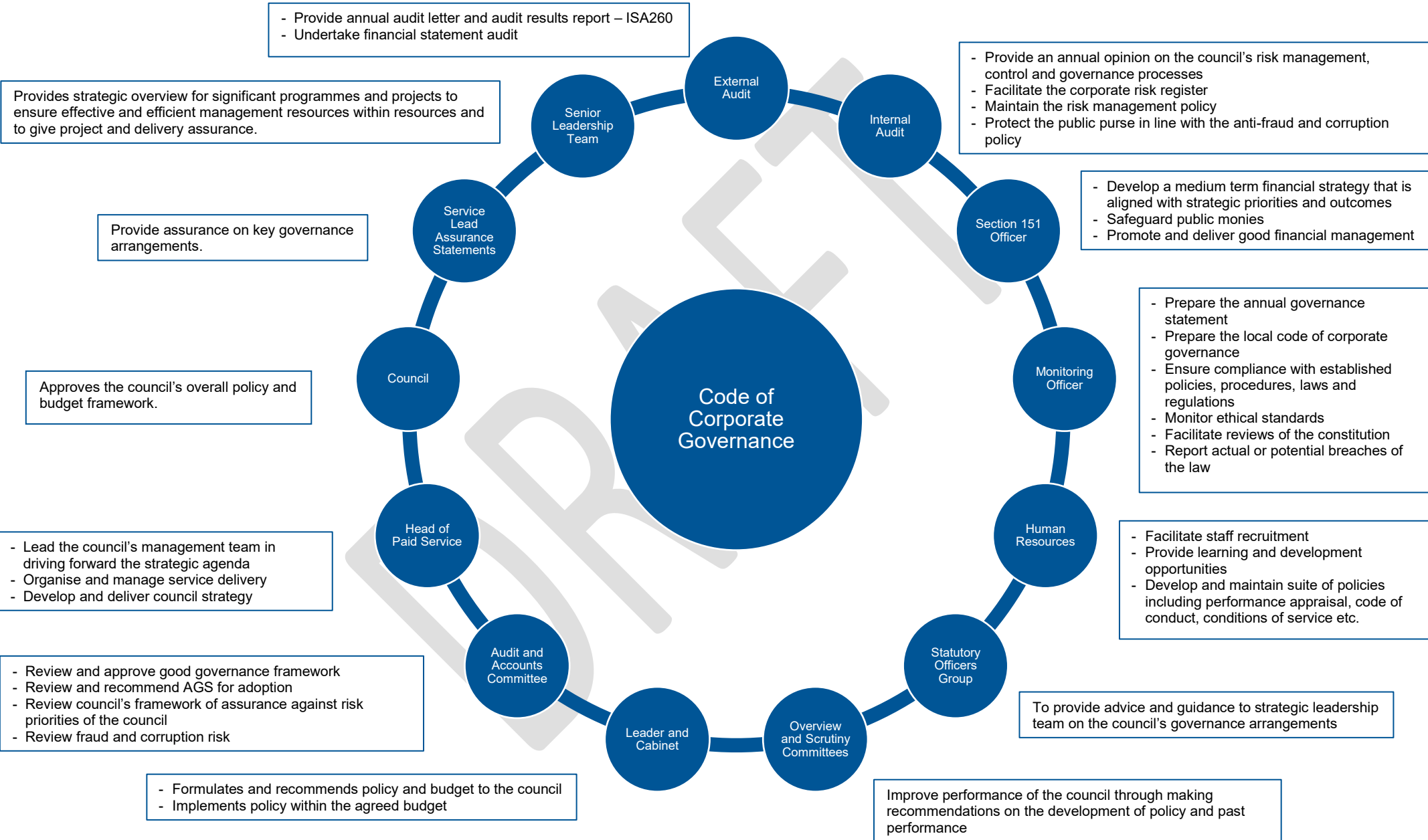
1. SCOPE OF RESPONSIBILITY

- (1) The council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- (2) In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.
- (3) The council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2016 – updated in 2025). A copy of the Code is on our website at: www.basingstoke.gov.uk or can be obtained from the Head of Law and Governance and Monitoring Officer, Basingstoke and Deane Borough Council, Civic Offices, London Road, Basingstoke RG21 4AH.
- (4) This statement explains how the council has complied with the code adopted for the 2025/26 financial year and also meets the requirements of the Accounts and Audit (England) Regulations 2015, regulation 6(1) which requires all relevant bodies to prepare an Annual Governance Statement.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- (1) The governance framework comprises the systems, processes, culture, and values by which the council is directed and controlled and its activities through which it accounts to, engages with and leads its communities. To demonstrate compliance with the principles of good governance, the council must ensure that it does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- (2) Good governance is crucial as it leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. Good governance enables the council to pursue its aims effectively whilst controlling and managing risk.
- (3) The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. All risk of failing to achieve policies, aims and objectives cannot be eliminated, and internal control only provides reasonable and not absolute assurance of effectiveness.
- (4) The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.
- (5) The governance framework has been in place at the council for the year ended 31 March 2026 and up to the date of approval of the statement of accounts.

GOVERNANCE ROLE AND RESPONSIBILITIES



3. THE GOVERNANCE FRAMEWORK

The fundamental function of good governance is to ensure that the council achieves its intended outcomes whilst acting in the public interest at all times. The following core, high level principles characterising good governance in the public sector are derived from the “Delivering Good Governance in Local Government: Framework” (CIPFA/SOLACE, 2016) as updated by the 2025 addendum.

(A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

The council’s constitution sets out how the council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by law, while others are a matter of choice for the council. The constitution is divided into 14 Articles which set out the basic rules governing the council’s business. The constitution is published on the council’s website at:

[Borough Council's Constitution \(basingstoke.gov.uk\)](https://www.basingstoke.gov.uk)

The constitution includes a Code of Conduct for Councillors which sets out the expected behaviour and standards to be adhered to. Officers are required to abide by a Staff Code of Conduct. The Protocol for Councillor and Officer Relations provides guidance on councillor- officer relations in order to promote good working relationships and to enhance mutual respect, whilst acknowledging the difference between the political leadership role of councillors and the professional role of the officers in the delivery of the policy framework agreed by councillors.

The Monitoring Officer has responsibility for ensuring compliance with established policies, procedures, laws and reporting actual or potential breaches of the law or maladministration, to Council and/or Cabinet.

The Council adopted the Local Government Association Model Code of Conduct for Councillors in 2022. During 2025/26, training sessions on the Code of Conduct have taken place for Borough Councillors. The Committee undertook a review of the Code of Conduct, the Arrangements for dealing with complaints against councillors and the Social Media Guidance for Councillors at its meeting in March 2026. It has recommended amendments to the documents for the Constitution Working Group to consider and recommend to Council.

The council has a ‘Whistleblowing Policy’ (Duty to Act) which allows employees to raise reasonably and honestly held concerns that they may have about serious matters that could put the council and/or the wider public at risk. This policy was updated and reviewed by Human Resources Committee in October 2024 and is on the council website. It is due for a further review in October 2026. Whistleblowing usually involves bringing forward concerns that it is in the public interest to investigate and resolve. Examples are crime, fraud, the giving or taking of bribes, financial malpractice or practices that might endanger individual or the environment.

To ensure the safeguarding of public funds the council has a suite of documents including an Anti-Fraud and Corruption Strategy, an Anti- Fraud and Corruption Policy, a Fraud Response, a Sanctions Policy, an Anti-Money Laundering Policy, and an Anti-Bribery Policy. The council has a zero-tolerance policy to fraud and corruption and has a dedicated Counter Fraud team. Investigations are carried out by the fraud team within the Audit, Fraud and Insurance service and if allegations are made against a councillor, then the Monitoring Officer will be involved. The council has adopted the Fighting Fraud and Corruption Locally Strategy in its counter fraud approach.

Complaints are managed via a formal corporate complaints policy published on the council’s website providing a two-stage process with the Local Government Ombudsman providing an independent service to investigate complaints on behalf of complainants who are

not satisfied with the council's response. Complaints about councillors for breach of the Councillors' Code of Conduct are dealt with under the Arrangements for Dealing with Complaints against Councillors within the constitution. A revised version of the Arrangements was adopted by Council in July 2023 based on the Local Government Association guidance "Guidance on Member Model Code of Conduct Complaints Handling". It was reviewed by the Standards Committee at its meeting in March 2026 and recommended amendments to be considered by the Constitution Working Group.

(B) Ensuring openness and comprehensive stakeholder engagement

The council supports the principle that people should have the opportunity to voice their opinion on issues that affect them. A residents' survey was last undertaken in summer 2024 to obtain opinions on the quality of council services. The council encourages all local communities to get involved in shaping their local areas, supporting communities across the borough and villages to develop their own community led plans¹. There are a total of 20 designated neighbourhood plan areas across the borough, and 15 adopted neighbourhood plans in the borough: Ashford Hill with Headley, East Woodhay, Ecchinswell, Sydmonton and Bishops Green, Oakley and Deane, Overton, Bramley, Sherborne St John, Whitchurch, St Mary Bourne, Sherfield on Loddon, Old Basing and Lychpit, Kingsclere, Wootton St Lawrence, Burghclere and Cliddesden. A number of new plans are being developed, whilst others are in the process of being updated to ensure they remain up to date and relevant. Community Plans for East Woodhay, North Waltham, Oakley and Deane, and St Mary Bourne have also been developed and been adopted by local parish councils. Within Basingstoke town local communities have published the following plans: Buckskin Community Plan, Kempshott Community Plan, Marnel and Merton Community Plan, Popley East Community Plan, South Ham Community Plan, and Winklebury and Manydown Community Plan.

The council continues to provide financial support to the community and voluntary sector through a range of grant funding opportunities including the Strengthening Communities and Councillor Community grants schemes, and the Community Infrastructure Fund. In addition, the council also support key strategic partners with Strategic Partner Contribution funding, which is made available to a small number of organisations that deliver services in the borough that in direct support to delivering Council Plan priorities. The council also received another tranche of UK Shared Prosperity Fund and Rural England Prosperity Fund totalling £459,000 for the 2025/26 financial year which has been used to establish a range of grant schemes aimed at supporting businesses, including the Town and Village Centre Fund, the Business Investment Fund and the Basingstoke and Deane Rural Fund. The funds were also used to launch another round of the Employment Support Fund targeted at community organisations to support residents to access and retain employment and to set up a Pop Up Incubator to help entrepreneurs start and grow a business.

The council consulted on its approach to savings, income generation and spending for its four-year budget known as the Medium-Term Financial Strategy (2026/27 to 2029/30) and this consultation helped to shape the final budget report agreed at council on 26 February 2026. The information was made available in an easy-to-understand format and responses were reported to Cabinet on 10 February 2026 before they made their final recommendation to council on 26 February 2026.

The council rules of procedure allow public participation at council meetings except where personal or confidential matters are disclosed (exempt information).

The council's website has a "Your Right to Know" section where information relating to Freedom of Information, including a disclosure log giving the public access to information that the Borough has previously provided, and the council's publication scheme, containing information that the council publishes. Information

¹ <https://www.basingstoke.gov.uk/communityplans>

required to be published under the Local Government Transparency Code is also provided in this section.

The Customer Service Charter on the council website states the council service standards and provides links for the public to make a comment or compliment upon council services, as well as providing access to the Customer Complaint form.

(C) Defining outcomes in terms of sustainable economic, social and environmental benefits

Council plan and corporate priorities

The council has adopted a [Council Plan](#) 2023 to 2027 which was agreed at Council in February 2023, with an update agreed in October 2023. This sits alongside the Medium Term Financial Strategy (MTFS) and is monitored through a series of actions and with agreed target dates. Together the MTFS and Council Plan set out the basis for an efficient and effective council delivering on the council's key priorities. The council's priorities in the Council Plan are:

- A borough where we protect, restore, reconnect and enhance our natural environment
- A place where people can have pride in their communities and the borough
- A council that delivers high-quality services for our residents.

The current Council plan is entering the final year and normally this would mean starting the process of developing a new four-year plan to have a new Council Plan approved to replace the current one.

However, the government's timetable for local government reorganisation in Hampshire and the Isle of Wight will see a new unitary authority replacing Basingstoke and Deane Borough Council and Hampshire County Council to provide all services in the borough from April 2028.

The existing Council Plan priorities are still relevant to guide the work of the council. Therefore, an [update report](#) was produced in February 2026 to give an overview of progress towards achieving them and the next actions to build on what has been achieved so far.

Supporting strategies and plans

The council takes an evidence-based approach to developing policy and strategy informed by research, data, demand trends and performance monitoring. In addition to the Council Plan, there are a range of published strategies and policies that guide the council's work and can be viewed on the council website at <https://www.basingstoke.gov.uk/Councilplan>. and includes the Council Plan and Medium Term Financial Strategy, Climate Change and Air Quality Strategy, Housing and Homelessness Strategy, Anti-fraud and Corruption policy, Complaints policy, Corporate Equality, Diversity and Inclusion Plan, and the Policy and Procedure for the safeguarding of children and vulnerable adults.

The council has a role to play in enabling, or in some cases leading provision of facilities and/ or services. However, there are many things that other partners are better placed to deliver. The council strives to be clear on what the council needs to achieve, where the council's resources can best be placed and identify where there is mutual benefit and overlap in priorities with the council's partners.

The council declared a Climate Emergency in Autumn 2019 which included establishing targets to be net zero operationally by December 2025 and to work towards a net zero Borough. The council recently adopted an updated Climate Change and Air Quality Strategy in December 2025. This set out how the council was on track to meet the above target to make the council's operations carbon neutral by December 2025 and sets out a new route map for the borough to reach net zero carbon by 2045. This is an update from the original target date set out in the declaration and is based on technical assessment by climate experts the Carbon Trust, alongside extensive internal and external

engagement. The strategy also sets out the council's approach to achieve this, focussed around leading, enabling and inspiring, recognising the need to support residents and businesses and work in partnership with organisations across the borough to effect change. This is reported on annually with delivery supported through a £2.0M Climate Change Revenue Reserve which is being utilised to support moves to electrify our vehicles, improve our property portfolio, support the roll out of solar PV on our community centres and invest in staff resources, including the establishment of the Green Team to help residents to save energy, reduce their bills and live more sustainable lifestyles.

Policy briefing and consultations

The council operates a horizon scanning process, assessing for relevant Government, regional and county publications, consultations, legislation changes, select committee findings and other research. These are recorded and monitored centrally and circulated to the relevant officers, Head of Service and Directors to consider. This informs the council's evidence base supporting development of policies and impacts over time.

The council engages frequently and proactively with the Government in representing residents, businesses and stakeholders' needs through its consultation responses. This takes place on a wide range of themes, with the council taking opportunity to influence Government policy and local issues.

(D) Determining the interventions necessary to optimise the achievement of the intended outcomes

The council has in place a robust decision-making process with all cabinet reports being considered by the Senior Leadership Team to give a view on the strategic implications. Additionally, report authors should seek clearance from all corporate services, including legal and finance, for reports prior to publication. All reports follow a standard template which identifies the decision maker, the decision or action required, alternative options considered together with details of any consultation carried out. The template also includes separate

sections detailing any financial, legal, risk management, equalities, diversity and inclusion, property and regeneration, planning, climate change, ecological and biodiversity, consultation and communications and HR implications. These consider how proposals will be funded, the statutory power to undertake the recommendations with the relevant legislation being cited, information on the risks that are being accepted as part of the decision and confirmation that the report proposal(s) are in accordance with the council's approved Policy Framework.

The council's overview and scrutiny committees manage the council's overview and scrutiny process which includes scrutinising all the functions covered by cabinet, and those of portfolio holders including those of the Leader and Deputy Leader. There are now four overview and scrutiny committees, Resources, Resident Services, Environment and Infrastructure and a South Ham and Buckskin Regeneration Committee that was established in 2025/26. These committees support the work of the cabinet and the council as a whole.

Scrutiny meetings are usually held in public with an opportunity for the public to ask questions in accordance with the council's Public Participation in Meetings Scheme. Scrutiny task and finish inquiries can consider written evidence and members of the public, community groups or other key stakeholders, can bring evidence to the attention of the committee members.

During 2025/26 work programming sessions with the Chairs of the Overview and Scrutiny Committees, has continued in order to improve the process of planning the work programme of all the committees.

Performance monitoring is undertaken to understand if and how the priorities identified within the Council Plan are being achieved. This is undertaken through service and improvement planning and identification of key performance indicators to show how services help to achieve the priorities of the council. There are 70 corporate measures with 36 that report on a quarterly basis 30 annually and 4 biennially to the Senior Leadership Team, Cabinet Members, and

Resources Committee. Performance against the majority of the KPIs has met or exceeded targets, demonstrating the council's commitment to the delivery of high quality services and outcomes for residents.

Additionally, an update on all major projects is reported to the Senior Leadership Team on a quarterly basis to review project progress and identify any key issues and risks, with actions identified and monitored as relevant. This is then reported in summary to Cabinet Members and Resources Committee.

Budget pressures arising from services are identified through the annual review of the MTFs and by regular monitoring of budgets, projects and improvement plans with actions to address any significant in year budget variances agreed by Cabinet (and Council as relevant) as part of the quarterly monitoring report. Where savings or pressures are identified these are considered as part of the MTFs and budget process, to ensure budgets remain aligned to delivery.

(E) Developing the entity's capacity, including the capability of its leadership and the individuals within it

The council's high quality services are delivered through our staff and as such it is imperative that we demonstrate excellent leadership and recognise the value of our employees by enabling a high performing, happy, motivated and highly skilled workforce. As a result attracting, engaging, developing, and appropriately rewarding our staff remains a key focus for the organisation. The council has completed a two phase pay and benefits review which resulted in an entirely new salary structure and enhanced benefits package. In addition, a review of both staff and management/ leadership training and of our appraisal systems have been completed following engagement with senior leaders and staff. This has resulted in a new appraisal system being launched in April 2026 and an enhanced training offering being introduced, to ensure that staff have the knowledge and skills required to undertake their current roles as well as to prepare staff for navigating the changing landscape of local government.

The council has a set of organisational values which were co-designed with staff and are woven throughout the activities of the organisation and are expected to be demonstrated by staff on an ongoing basis. The council aims to position itself as an employer of choice so that it can attract and retain the best people to provide excellent, trusted, and user-friendly services to its customers and communities. As such the council has a continued focus on equality, diversity and inclusion which is a fundamental principle in how the council both delivers its services and supports its staff.

The council's equality, diversity and inclusion priorities are:

- Listen and learn from the communities that we serve.
- Deliver accessible and inclusive services, facilities and information that meet the diverse needs of our communities.
- Providing visible leadership, organisational commitment and collaborative partnerships to actively promote inclusion.
- Strengthen the diversity of our workforce and move to a culture that values difference, where all colleagues have a sense of belonging, opportunities to succeed and thrive.

The council has continued to support local forums on equality, diversity and inclusion initiatives and work with community groups to address hate crime in the borough. It has facilitated joint activities, projects, and campaigns to reach diverse groups and promote access to employment programmes. As an organisation the council has continued to work on achieving its actions on the Race at Work Charter action plan as part of its ongoing commitment to creating an inclusive working environment where all staff are supported to achieve their potential.

The wellbeing of our staff is of paramount importance and is supported through an ongoing programme of wellbeing activities and a range of support mechanisms for staff.

The council has a range of development opportunities available to staff throughout the organisation, from bespoke training developed in response to particular needs or events, to professional training,

apprenticeship opportunities (both for new and existing staff) and a broad E-learning programme which provides access to a wide range of learning for staff. Senior leaders work together on key organisational priorities through the Leadership Team, which also provides a forum for the development of these leaders in their leadership approach and wider organisational, local and national understanding.

The council's Staff Handbook contains all the council's staff policies including those on pay and rewards, recruitment, training and the management of performance including guidance on the appraisal process. Staff have access to all policies affecting their employment on the council's intranet site.

(F) Managing risk and performance through robust internal control and strong public financial management

The council has a Risk Management Policy that was reviewed in September 2025. The council recognises that risk management is an intrinsic part of corporate governance and seeks to ensure that every councillor and employee of the council has regard for the management of risk throughout the organisation, from planning and decision-making processes down to day-to-day work situations to ensure that the council's resources are not wasted as a result of uncontrolled risk. The council maintains a corporate risk register and service management teams are responsible for identifying and managing risks within their individual areas. An internal audit review of the risk management process was undertaken during 2025/26 that resulted in a full assurance opinion which was reported to the Audit and Accounts committee on 30 March 2026. Each of the risks within the corporate risk register were also subject to an internal audit review with the outcome of each being reported to the Audit and Accounts committee throughout the year.

The council's Audit and Accounts Committee has responsibility to provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment and the integrity of the financial reporting and annual

governance statement process. This committee receives periodic reports regarding risk management and approves the risk management policy. This committee undertakes the core functions of an audit committee and operates in accordance with CIPFA guidance. The committee membership in 2025/26 included an independent co-opted member, reappointed by Council in summer 2025, bringing additional local government financial expertise to the committee.

The Council Plan 2023-2027 is monitored by Resources Overview and Scrutiny Committee which reviews performance and financial monitoring information to support the delivery of the Council Plan and budget strategy. The Annual Statement of Accounts contains a review of key achievements and performance made against the local plan.

The council has a number of key corporate projects, these are monitored by the Senior Leadership Team, who review Highlight Reports which update on the status of major projects. The process is managed by the Programme Management Office, which is a centre of excellence in respect of the support and expertise it delivers to projects and initiatives it is involved with. The Programme Management Office is the home for project/programme governance, control and standards assurance which in turn supports the realisation of benefits and minimises project/programme risk to the organisation.

The joint Manydown Programme has additional governance arrangements in place. The Manydown North project is set to deliver up to 3,520 new homes, businesses, shops and community facilities, two new primary schools, land for a secondary school and a countryside park, upon land owned by the Borough Council and the County Council.

The council's joint venture with Hampshire County Council in the Manydown Garden Community LLP operates joint governance of the Manydown North Project. The councils' appointed partner, Urban and Civic, now part of the Wellcome Trust Group, is its private sector development partner who joins the borough and the County

Council forming a limited liability partnership, the Manydown Development Vehicle LLP, to deliver the scheme. Outline Planning Permission was granted on 20 December 2020 and the councils successfully completed the acquisition and transfer of the freehold of the development site to MGC LLP on 18 October 2024 enabling works on site to now commence.

Manydown South has a joint (HCC and BDBC) strategic leadership group which provides oversight and direction on the promotion of Manydown South, wider Southern Manydown with adjacent landowner the Society of Merchant Venturers, options for Parcel 6a and the feasibility of a public transport, walking and cycling bridge connection between north and south Manydown.

Oversight of the Manydown programme is undertaken by the Environment and Infrastructure Overview and Scrutiny Committee.

The council is committed to effective, timely and compliant procurement and contract management to ensure the council achieves best value for its services and facilities. Regular review meetings are held with key suppliers in order to ensure that contracts remain fit for purpose. A fundamental review of the procurement process took place between 2020 and 2022 to ensure that the procurement and contract procedures remain effective and compliant. The recommendations for improvements were implemented including the approval of updated Contract Standing Orders in 2024 and in 2025 to reflect the legislative changes introduced by the Procurement Act 2023.

The council's Contract Standing Orders currently require the procurement service to sign-off contracts at £100k or above (including VAT). The thresholds were initially reviewed as part of the Procurement and Contract Review and new thresholds have been incorporated into the Contract Standing Orders, approved by council in February 2025. The contracts register is subject to a monthly review with proactive monitoring of contracts that are due to expire to allow timely re-procurement to ensure best value, and a contracts library and contracts register are available for all Council staff to view.

The council has a number of shared services with Hart District Council. A structure is in place to provide a strategic and operational lead in these arrangements: a Hart and Basingstoke and Deane Partnership Board which provides a strategic lead between both councils to shape the relationship and ensure strategic alignment of functions common to both authorities to maximise opportunities to work efficiently and effectively together. Governance arrangements were strengthened in a new Inter Authority Agreement between Hart District Council and Basingstoke and Deane Borough Council which was entered into in October 2025.

The Council Plan sets out the corporate priority aims and objectives. To help achieve these the council is involved in partnership working at various levels.

The General Data Protection Regulation (UK GDPR) introduced a requirement for accountability and governance in discharging the council's obligations as data controller. The council has established an Information Governance Steering Group. The role of this group is to oversee the effectiveness, compliance and governance of information practice across the council. The group is led by the Head of Law and Governance, as the senior responsible officer, with officers from service areas across the council. The group meets on a quarterly basis and reports twice a year to the council's Senior Leadership Team to monitor compliance. Reports on data breaches are also received by the Audits and Accounts committee as and when they arise. In 2025/26 there were no data breaches which required to be reported to the Information Commissioner's Office (ICO) and to the Audit and Accounts Committee.

Data protection training is mandatory for all employees of the council and temporary workers. GDPR and Data Protection Training also formed part of the Councillor Development Programme for 2025/26.

As a result of recommendations arising from an internal audit of information management procedures, work is ongoing to improve the council's information asset register and the retention and disposal of information.

The council frequently reviews all components of its cyber security arrangements including the technology used and monitoring of risks. It upgrades components of the IT Infrastructure on a revolving cycle to ensure it is using the most up to date components that it can, and it implements new systems to better manage the network and keeps corporate applications up to date in line with patches from its suppliers. The Digital Transformation project builds upon this work. Work has been undertaken to increase the awareness of staff and councillors on Cyber Security issues, with ownership by the Senior Leadership Team. The IT environment is checked for PSN and PCI DSS compliance and we test internally against the council's IT cyber and network security.

The council recognises that Cyber Security is a persistent and growing threat to the systems and data that the council holds and uses. It therefore recognised that reviews of Cyber Security and the associated awareness for staff and councillors is not a one-off exercise. The council will keep technology, threats and education under constant review to ensure it is meeting with its obligations for all systems regardless of setting.

The council's financial management arrangements conform to the governance requirement of the CIPFA 'statement on the Role of the Chief Financial Officer ("CFO") in Local Government (2019). The S151 Officer, as CFO, is professionally qualified and is a member of the council's Strategic Leadership Team reporting to the Chief Executive. The S151 Officer is actively involved in ensuring that strategic objectives are aligned to the longer-term finance strategy. The S151 Officer has input into all major decisions, advises the Executive on financial matters and is responsible for ensuring that budgets are agreed in advance, that the agreed budget is robust and that the finance function is fit for purpose. The S151 Officer is responsible for the review and consideration of the CIPFA Resilience Index in providing the S25 S151 Financial Robustness Statement in setting the annual budget.

The S151 Officer has reviewed the index findings which has not flagged any potential areas of significant financial risk. The S151

Officer has also reviewed the council's Financial Procedural rules and the Financial Regulations in setting the budget approved by Council in February 2026 and is completed annually with the last being approved by Council in February 2026. This set a balanced budget position for 2026/27, with the MTFS including a balanced position for 2027/28 and 2028/29.

The S151 Officer is also responsible for ensuring that the CIPFA Financial Management Code (FM Code) is appropriately implemented. The FM code provides guidance for good and sustainable financial management in local authorities to provide assurance that the council is managing resources effectively.

The council continues to monitor compliance with the code to ensure good financial management is maintained and evolves as the needs of the organisation change.

The council maintains an internal audit function which operates to the standards set out in the 'Global Internal Audit Standard. An assessment against the standard is carried out each year with the outcome being reported to the Audit and Accounts committee as part of the Head of Audit, Fraud and Insurance annual report. A chief internal auditor protocol, to ensure that arrangements operated by the council meet the requirements of the CIPFA Statement on the Role of the Head of Internal Audit in Public Sector Organisations, is included in the constitution.

(G) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

The council is committed to openness and transparency and publishing as much council data as it can in order to increase accountability. The council has established a webpage entitled "Your right to know" that enables the public to access a range of information that is published in accordance with the Local Government Transparency Code (2015). Guidance on how to reconcile the publication requirements of the Procurement Act 2023 with the Transparency Code was issued by the Government in February 2025 and further updated in August 2025.

The “Our Spending and accounts” and “council budgets and spending” webpages includes information on council spending and fees and charges, with a link to the council’s Medium Term Financial Strategy with details of the assumptions made and risks considered in setting the budget. This page also provides a link to the Statement of Accounts which shows how public money has been used. The ERP system also provides greater transparency to these transactions.

The council’s constitution sets out how decisions are made and specific reference to decision making by Council, by the Executive (Cabinet), committees and subcommittees established by the Council and scrutinised by the Overview and Scrutiny Committees. The constitution includes the officer Scheme of Delegation which sets out the powers and functions that are delegated to named council officers. The compilation of a Register of Delegated powers is a statutory requirement and is maintained by the Head of Law and Governance.

The council produces a Forward Plan of all Key Decisions which are proposed to be taken within four months (updated monthly) 28 clear days prior to scheduled cabinet meetings on a rolling basis. All agendas and minutes of meetings in respect of Council Cabinet, Overview and Scrutiny, and non-executive committees are published on the council’s website.

4. REVIEW OF EFFECTIVENESS

- (1) The council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.
- (2) The review of effectiveness is informed by the work of the Statutory Officers Group comprising the Chief Executive, Chief Finance Officer (Section 151 Officer), the Head of Law and Governance, the Head of Audit, Fraud and Insurance, and the Head of HR and Organisational Development. In respect of maintaining and reviewing the effectiveness of the system of internal control, the team is informed by:

(a) **Internal Audit** - The views of internal audit are reported to the Audit and Accounts Committee throughout the year in the internal audit progress reports. This includes the level of assurance given, recommendations to improve the control environment, key findings for full and substantial opinion audits and the full audit report for reasonable and limited opinion audits. Progress made against recommendations is also reported to the Audit and Accounts committee and the committee can call any service manager to the committee to explain reasons for overdue recommendations. Internal Audit progress reports were presented to the Audit and Accounts Committee on 23 June 2025, 29 September 2025, 24 November 2025 and 30 March 2026. The Head of Audit, Fraud and Insurance annual report provides an opinion on the effectiveness of the council’s risk management, control and governance processes and is reported to the Audit and Accounts committee each year. This opinion is based on the work conducted by internal audit during the year.

Opinion of the Head of Audit, fraud and Insurance – 2025/26

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a reasonable conclusion as to the effectiveness of the council’s risk management, control and governance processes. I can give substantial assurance on the effectiveness of the council’s risk management, control and governance processes which enables the council to meet its aims and objectives.

(b) **External Audit** - The views of external auditors, Ernst & Young LLP (who may seek to place reliance on the work carried out by internal audit, where they consider it to be appropriate to do so for the purposes of their statutory audit), are regularly reported to Audit and Accounts Committee, including regular progress reports, the Annual Audit Letter and Audit Results Report – ISA260. To manage the continued recovery of local audit in England statutory backstop dates for the completion of audit were introduced, for 2024/25 this was 27 February 2026. For the 2024/25 financial year the external auditors concluded their audit on 12 February 2026, ahead of the required backstop date. The 2024/25 financial year was the second where EY has begun work to rebuild assurance following the disclaimed audit in 2022/23. EY were able to increase the amount of assurance they could obtain and issued a qualified opinion for 2024/25, an improvement on the disclaimed opinions for the preceding two years. The basis for the qualified opinion was due to not having sufficient audit evidence over the valuation of additions of property, plant and equipment during 2022/23 and due to the classification of reserves between useable and unusable. EY started their audit of the 2025/26 financial statements in February 2026, and it is expected to be completed before the statutory backstop of 31 January 2027. Work continues to build back assurance and it may be possible for EY to gain sufficient assurance which may allow for an unqualified opinion on the 2025/26 financial statements.

(c) **Assurance Statements** - The completion of ‘Service Lead Assurance Statements’ covers the key processes and systems that comprise the council’s governance arrangements and is intended to identify any areas where improvement or further development is required. All were completed appropriately.

- (d) **Review of Local Code of Corporate Governance** - The annual review of the council's Local Code of Corporate Governance which reflects the key components of the council's overall governance and internal control environment. This document, based on CIPFA/SOLACE guidance, records the key controls in place, and sources of assurance, and identifies any significant gaps or weaknesses in key controls.
- (e) The Risk Management Policy and Corporate Risk Register.
- (f) The work of the Audit and Accounts committee in relation to the discharge of its responsibility to lead on all aspects of corporate governance.
- (3) We have been advised on the implications of the result of the review of effectiveness of the governance framework by the Audit and Accounts Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new action planning are outlined below.

5. SIGNIFICANT GOVERNANCE ISSUES

Review of the significant governance issues identified in the Annual Governance Statement 2024/25 identified by the work of the Stewardship Team:

	Governance Issue	Planned Action	Responsible Officer	Progress
1	Review of internal policies	Review of existing council policies to ensure they are relevant and up to date, and that the ownership of the policies is understood.	Head of Human Resources and Organisational Development / Director of Customers, Digital and Improvement	IT & Digital policies have been reviewed and updated in year, with new policies around the use of AI adopted. The HR policies within the staff handbook are all in the process of being reviewed and updated including incorporating legislative changes. Some have been completed but due to the volume there is still further work to be undertaken. In addition, other teams are being contacted if they hold policies within the handbook which are out of date to request that these are also reviewed and updated as required.
2	Financial Management Code	Work is progressing to identify potential financial planning and analysis software to provide further enhancements to budget monitoring and forecasting. This, combined with further financial training, will assist in services owning their budgets and understanding their current financial position and inform decision making.	Chief Finance Officer	Financial Planning and Analysis software was procured in July 2025, implementation and testing of the software took place in the second half of the 2025/26 financial year, with a phased roll out to a small number of service areas. Full roll out is now planned to align with the 2026/27 financial year, alongside refreshed training materials to support the new software and improve financial capability across the organisation.
3	Constitution review	Continue the review of the constitution, giving due regard to best practice. Given the changes in the senior management structure amendments to Part 3 (Responsibility for Functions) will be the priority.	Head of Law and Governance & Monitoring Officer	Due to other priorities the drafting of new Part 3 of the Constitution is not yet completed. During 2025 to 2026 the constitution was amended to establish a new Overview and Scrutiny Committee. Work has also been undertaken to revise the Petition Scheme which will be presented to the Constitution Working Group in the new civic year, together with amendments to the Social Media Guidance for Councillors and the Arrangements for dealing with complaints against councillors.

4	Business continuity	<p>Complete Business Impact Assessments with all services to identify priority activities. Then establish if there is sufficient business continuity capability within the organisation's infrastructure to meet the recovery requirements of operational priorities. The Business Continuity Steering Group will consider the outputs and once a level of capability is agreed service response plans and crisis management plans will be created. Alongside the later stages of this work communication strategies and an oversight, assurance and awareness programme will be established.</p>	<p>Director of Customers, Digital and Improvement</p>	<p>The council has a robust business continuity framework in place which aligns with ISO 22301. A full time BC & Resilience Manager has been appointed and there are established BC Coordinators across all the critical services. An internal audit carried out in February 2026 reported substantial assurance in the BC arrangements. Testing and exercising are routinely taking place including with our material third parties. The BC Manager reports monthly on status for the Business Continuity and Emergency Planning Steering Group. The focus for the year ahead is to continue to embed and test business continuity arrangements to ensure resilience is in place.</p>
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5	Information management	To continue improvement to the Council's information management processes and procedures, including completion of the work on retention of information, physical and electronic, completion of the work to update the information pages on the intranet and to develop and agree a policy and procedure on Data Protection Impact Assessments.	Head of Law and Governance & Monitoring Officer Director of Customers, Digital and Improvement	<p>The need to review and dispose of physical items stored in the basement is included in each service's Leading Council Improvement Plan and good progress has been made. The work is still ongoing in some areas due to the volume and complexity of cross team working which is required to undertake the review.</p> <p>The Information Governance pages on the intranet have all been updated and a policy and procedure on Data Protection Impact Assessments has been agreed and implemented.</p> <p>Work to modernise the council's electronic file storage has continued to progress as part of the Digital Workspace programme. Following the successful cleansing of historic network drives, all services are now being migrated to Microsoft Teams, where their file storage will be centrally accessed and managed. This transition is scheduled to complete by the end of April 2026.</p> <p>Building on this foundation, the next phase of work will focus on strengthening information governance and data security through the implementation of Microsoft Purview. From May 2026, enhanced capabilities will be introduced, including stronger document retention policies, improved information classification, data loss prevention measures, and the rollout of sensitivity labelling in Outlook.</p>
6	Local Government Transparency Code 2015	To review compliance with the Local Government Transparency Code 2015, including consideration of the new publication requirements of the Procurement Act 2023.	Head of Law and Governance & Monitoring Officer	Compliance with the Local Government Transparency Code 2015 has been reviewed and updated where required in all but one area, where further work is required to bring the information up to date. The publication requirements in the Procurement Act 2023 have been implemented.

SIGNIFICANT GOVERNANCE ISSUES TO BE ADDRESSED IN 2026/27:

	Governance Issue	Planned Action	Responsible Officer
1	Review of internal policies	Review of existing council policies to ensure they are relevant and up to date, and that the ownership of the policies is understood.	Head of Human Resources and Organisational Development
2	Financial Management Code	Work is progressing to procure and implement financial planning and analysis software to provide further enhancements to budget monitoring and forecasting. This, combined with further financial training, will assist in services owning their budgets and understanding their current financial position and inform decision making.	Chief Finance Officer
3	Constitution review	Continue the review and updating of the constitution, giving due regard to best practice and legislative changes.	Head of Law and Governance & Monitoring Officer
4	Local Government Reorganisation	The government confirmed their decision for the reorganisation of local government in Hampshire from 1 April 2028. Work is progressing on the detailed planning to support the transition to the new unitary authority, including establishing governance arrangements through joint committees ahead of the shadow authority elections in May 2027.	Chief Executive

ACCOUNTING PERIOD	The period of time covered by the Council's accounts, normally a period of 12 months commencing on 1 April. The period may also be referred to as the "financial year." The end of the accounting period (31 March) is the Balance Sheet date.
ACCOUNTING POLICIES	The specific principles, bases, conventions, rules and practices the Council applies in preparing and presenting the financial statements.
ACCRUAL	The concept that income and expenditure are recognised in the financial records as they are earned or incurred, not as cash is received or paid.
ACCUMULATED ABSENCES ADJUSTMENT ACCOUNT	This is the unusable reserve that absorbs the differences that would otherwise arise from accruing for the cost of holiday entitlements outstanding at the end of the year whereas statutory provisions permit them to be funded in the year the benefit is taken.
ACTUARIAL GAINS AND LOSSES (PENSIONS)	Changes in the Council's pensions liabilities calculated at the end of the previous year as a result of actual events being different from those predicted by the actuary or because the actuary has updated their assumptions.
ACTUARY	An actuary is an expert on pension scheme assets and liabilities. Every three years the Pension Scheme actuary assesses the adequacy of employer contributions made to the Pension Fund, and updates for predicted changes to the scheme deficit each year.
AGENCY SERVICES	Arrangements under which the Council provides goods or services to third parties on behalf of another organisation.
AMORTISATION	The spreading of the cost of an asset over a number of financial years to fairly represent the period over which the Council benefits from the asset.
AMORTISED COST	A way of measuring financial instruments that ignores changes in fair value but takes into account the spreading of transaction costs over the instrument term and the impact of any concessionary interest rates.
AMORTISED COST FINANCIAL ASSETS	Investments for which any gains and losses in fair value are not accounted for until the investment matures or is sold. Defined as financial assets whose objective is to hold investments in order to collect their contractual cash flows, and which have the form of a basic lending arrangement (i.e., contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding).
ASSET CEILING	The limit on the amount of any net pensions asset that will be recoverable in the form of reductions in future contributions to the pension fund.
ASSETS UNDER CONSTRUCTION	These are assets that are currently being developed and are not yet completed. They are shown in the accounts at costs incurred in that year.
BUDGET	The Council's plans for raising income and spending money on the provision of services.

BUSINESS RATES	Business rates (sometimes referred to as Non-Domestic Rates or NDR) are charged on most non-domestic premises, including commercial properties such as shops, offices, pubs, warehouses and factories. The council uses the rateable value provided by the Valuation Office Agency to calculate how much businesses should pay.
BUSINESS UNITS	The council's employee and employee-related expenditure is recorded and monitored in business unit accounts during the year and then recharged to services on an allocation basis that ensures a relevant level of cost is applied to each service.
CAPITAL ADJUSTMENT ACCOUNT	This is an unusable reserve used for accounting purposes specified by regulations. It absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets (largely depreciation) and for the financing of the acquisition, construction, or enhancement of those assets (financing being from revenue resources, capital grants and contributions and capital receipts).
CAPITAL CHARGES	Charges made to service revenue accounts for notional depreciation to reflect the cost of long-term assets used in the provision of services.
CAPITAL EXPENDITURE (STATUTORY)	This is expenditure on the acquisition of long-term assets which will be of long-term value to the Council (such as property, plant and equipment), or expenditure which adds to and not merely maintains the value of existing long-term assets. The statutory definition also includes revenue expenditure funded from capital under statute (REFCUS) and expenditure on the acquisition of some long-term investments (e.g., corporate bonds).
CAPITAL FINANCING	The Council's arrangements for meeting the cost of capital expenditure, covering capital grants and contributions, capital receipts and charges to revenue over the period that will benefit from the expenditure.
CAPITAL FINANCING REQUIREMENT (CFR)	The measure of the Council's capital expenditure that has yet to be financed, as defined in the CIPFA Prudential Code. It increases as capital expenditure is incurred and reduces when resources are set aside as capital finance.
CAPITAL RECEIPTS	The proceeds from the sale of (or reduction in our interest in) long-term assets such as property, plant and equipment, investment property and capital investments. Whilst rules set down by Government allow for capital receipts to be used to repay any outstanding debt on fixed assets or to finance new capital expenditure, they cannot be used to finance revenue expenditure.
CAPITAL RECEIPTS RESERVE	This is a usable reserve consisting of capital receipts that have not yet been used to finance capital investment.
CASH AND CASH EQUIVALENTS	Cash constitutes notes and coins held by the Council and money in bank accounts that can be withdrawn on demand. Cash equivalents are short-term highly liquid investments subject to an insignificant risk of changes in value and may be readily converted into cash.
CIPFA	The Chartered Institute of Public Finance and Accountancy (CIPFA) is the professional accountancy body covering public finance. It provides the secretariat for the CIPFA/ LASAAC Local Authority Code Board, which has formal responsibility for issuing financial reporting standards for local government accounting in the UK. These standards are reflected in The Accounting Code (see immediately below).

CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING (THE ACCOUNTING 'CODE')	The document that specifies the contents of the Council's statement of accounts, the accounting policies it must follow, the presentation of the financial statements and the notes to be provided.
COLLECTION FUND	The Collection Fund is a statutory fund set up under the provisions of the Local Government Finance Act 1988. It includes the transactions of the billing authority (i.e., this council) in relation to Business Rates and Council Tax, and accounts for the way in which the fund balance is distributed to the Government, to preceptor authorities and to this council.
COMMUNITY ASSETS	A category of long-term assets that the local authority intends to hold in perpetuity, which have no determinable useful life and that may have restrictions on their disposal. Examples include parks and cemeteries.
CONTINGENT LIABILITY	A possible obligation for the Council that arises as a result of something that has happened before the year-end, but whose existence will not be confirmed until an uncertain future event (not wholly within the Council's control) either takes place or does not.
CONTINGENT RENT	Rent payable under a lease that is not fixed but based on the future amount of a factor (such as a rent review based on an inflation index).
COUNCIL TAX	This is a charge paid to the Council by households to pay for local services. The proceeds are paid into the Council's Collection Fund. For the purpose of paying an appropriate level of Council Tax, residential properties are given bandings (from A to H) that determine the level of Council Tax due for each property. Band D is regarded as the mid-point, or average property valuation band.
COUNCIL TAX BASE	The number of Band D equivalent dwellings in a local authority area. The tax base is used to determine the level of council tax an authority charges each dwelling.
CREDITOR	This refers to amounts owed by the Council at the Balance Sheet date in respect of goods and services received before the end of the financial year. It may also refer to an individual or organisation to whom, at the Balance Sheet date, the council owes money.
CURRENT ASSET	An asset that the council expects to consume, realise or dispose of within less than one year.
CURRENT LIABILITY	A liability or obligation that is due to be settled within one year.
CURRENT SERVICE COST	The increase in pensions liabilities arising from employee service in the current year.
DEBTOR	This refers to amounts owed to the Council but unpaid at the Balance Sheet date (31 March each year). It may also refer to an individual or organisation that owes money to the council.
DEFINED BENEFIT SCHEME (PENSIONS)	A pension scheme where the future benefits receivable by pensioners are guaranteed and sufficient contributions must be paid into the fund to ensure that payments will be affordable.

DEPRECIATED REPLACEMENT COST (DRC)	A valuation method for items of property, plant and equipment based on the current cost of replacing an asset with a modern equivalent, less deductions for the physical deterioration of the asset.
DEPRECIATION	This is the measure of the wearing out, consumption, or other reduction in the useful economic life of a long-term asset, whether arising from use, passage of time, obsolescence or other changes.
DIRECT REVENUE FINANCING	The financing of capital expenditure from revenue rather than from capital resources.
DESKTOP VALUATION	An assessment of an asset's value conducted remotely using available data, without a physical inspection
DOUBTFUL DEBT	This is a debt that the council is unlikely to recover. An allowance is made in the accounts for doubtful debts each year based on how long debts have been outstanding.
EARMARKED REVENUE RESERVES	Usable reserves consisting of amounts set aside from revenue (General Fund) to fund specific future planned expenditure or held as a contingency to provide funds for unforeseen events.
EFFECTIVE INTEREST RATE	The implied rate of interest in a financial instrument, calculated by reference to the cash flows within the arrangement as opposed to quoted rates of interest.
EMPLOYEE BENEFITS	All the forms of remuneration given to the Council's officers in return for the services they render (including salaries, allowances, pensions benefits and awards on the termination of their employment).
EXISTING SATISFACTORY PURCHASES SCHEME	Loans to housing associations to partly-fund the purchase and conversion of existing properties for use as temporary accommodation.
EXISTING USE VALUE	A basis for valuing property, plant and equipment that estimates a sale price for an asset disregarding potential alternative uses and any other characteristics of the asset that would make its market value different from the expenditure needed to replace the remaining service potential at least cost.
EXPECTED CREDIT LOSSES (ECLs)	The weighted average of credit losses (i.e., bad debts) with the respective risks of a default occurring in line with those weights. ECL has superseded the term 'bad debt provision.'
FAIR VALUE (or ESTIMATED MARKET VALUE)	This is an accounting measurement of the amount for which an asset could be exchanged on the date of valuation between a willing buyer and a willing seller in an orderly market wherein the parties had each acted knowledgeably, prudently and without compulsion.
FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL INSTRUMENTS	A category of financial instrument under IFRS 9 of which the cash flows are not solely payments of principal and interest. These are valued at fair market value. Pooled investment funds are included in this category.
FINANCE LEASE	A lease whose terms transfers to the lessee substantially all the risks and rewards that an owner of property would have.
FINANCIAL INSTRUMENTS	A contract that gives one party a financial asset and the other party a financial liability (or an equity instrument), such as a loan, credit terms for the purchase of goods or services or a share in a company).

FINANCIAL INSTRUMENTS REVALUATION RESERVE	An unusable reserve that contains the gains made by the Council arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The Council might benefit in the future from the gains when the investments mature or are sold, or they might be lost in falls in value.
GENERAL FUND	The General Fund is the primary account through which the council's transactions pass relating to its cost of services. The balance at year-end is not earmarked for any specific purpose. It is maintained at a prudent level sufficient to absorb a reasonable level of unforeseen expenditure pressure or variation.
GILTS	These are financial instruments issued by the UK government in order to finance public expenditure.
GOING CONCERN	The assumption made when preparing the financial statements that the functions of the Council will continue in operational existence for the foreseeable future.
GOVERNMENT GRANTS	This is where government provides assistance to the council in the form of cash or transfers of assets. If the council needs to comply with certain conditions, these are referred to as ring-fenced grants.
GRANTS UNAPPLIED RESERVE	This is a usable reserve consisting of capital grants and contributions that have been received but have yet to be used or applied to finance capital expenditure.
GROUP ACCOUNTS	Financial statements that bring together the transactions and balances of a local authority and its subsidiaries, associates and joint ventures as if they were a single economic entity.
GRANTS AND CONTRIBUTIONS (RECEIPTS IN ADVANCE)	These are grants and contributions receivable that have conditions on their use that might require the council to return them to the contributor. Examples include time-limited developer contributions.
HERITAGE ASSETS	Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture (such as historic buildings, museum collections and public art).
IFRS	International Financial Reporting Standards (IFRS) are accounting standards issued by the International Accounting Standards Board. The council's accounts conform to IFRS's where they are applicable to local authorities.
IMPAIRMENT	This is a reduction in the value of a long-term asset below the carrying amount in the Balance Sheet. For example, a reduction in value of physical non-current assets may be the result of physical damage, dilapidation, or obsolescence; for a long-term debtor or investment, an impairment may reflect the risk of non-repayment.
INCREMENTAL BORROWING RATE	The rate of interest used to account for a lease where the implicit interest rate is not determinable, based on the rate that the Council would have had to incur to borrow to purchase the asset, over a similar term and with similar security.
INDEXATION	Adjusting the value of a fixed asset using an agreed inflation index so that its recorded amount reflects current price levels rather than historic cost.

INDICES	A set of numerical measures used to track changes in prices, costs, or values over time. In fixed asset valuation, indices provide the percentage change needed to update an asset's historic cost to a current, inflation-adjusted amount.
INFRASTRUCTURE ASSETS	Fixed assets that, by their nature, cannot be sold and therefore expenditure is only recoverable by continued use of that asset. Examples of infrastructure assets are highways and footpaths.
INTANGIBLE ASSETS	Assets that do not have physical substance, such as computer software, licences and websites supporting the Council's services.
INTEREST COST (PENSIONS)	For a defined benefit pension scheme, the expected accumulated increase in the present value of pension liabilities.
INVESTMENT PROPERTY	Properties held by the Council solely to earn rentals, or for capital appreciation, or for both.
JOINT VENTURE	A joint operation where those with joint control have rights to the net assets of the arrangements.
LEASE	An arrangement under which a lessor conveys the right to use an asset to a lessee in return for a payment or series of payments
LONG-TERM ASSETS	An asset that the Council does not expect to realise or consume in the provision of services within the next twelve months.
LONG-TERM BORROWING	This is a loan that is due for repayment in more than one year from the Balance Sheet date.
LONG-TERM DEBTOR	An individual or organisation that owes money to the council where the full balance is due for repayment in more than one year from the Balance Sheet date.
LONG-TERM INVESTMENTS	Financial instruments with maturity dates that are longer than 365 days at the time of making the investment.
MATERIALITY	A measure of the significance of information potentially to be included in the financial statements, whereby its omission, misstatement or obscuration could be expected to influence decisions that the primary users make on the basis of those financial statements. Materiality is important for influencing which figures should be included in the financial statements, how precise those figures need to be, and how much additional information needs to be provided about them.
MONEY MARKET FUNDS	This is an externally managed liquid investment in high-quality, short-term debt instruments, cash, and cash equivalents, and is designed to reduce uncertainty and control risk.
NET ASSETS	This is the amount by which assets in the Balance Sheet exceed liabilities
NET BOOK VALUE	The amount at which fixed assets are included in the Balance Sheet, equating to their historical cost or current value less accumulated depreciation.
NET PENSION ASSET	Amount by which pension assets exceed liabilities.

NON-DISTRIBUTED COSTS	These are overheads for which there are no direct service benefits, and which are therefore not apportioned to services (e.g., past service pension costs).
OPERATING LEASES	Similar to renting, this is a lease where the risks and rewards of ownership of the asset remain with the lessor (being the owner/ provider of the asset being leased).
OTHER LONG-TERM ASSETS	This is a grouping of long-term assets and includes Heritage Assets, Intangible Assets and Other Long-Term Debtors.
PAST SERVICE COST (PENSIONS)	The change in pensions liabilities relating to employee service in previous years as result of changes to the pension scheme or the ending of the Council's responsibility for employees transferred to another organisation.
PENSIONS RESERVE	An unusable reserve that absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. For instance, a debit balance on the Reserve shows that the Council has made commitments to fund pensions that the Government has permitted it to fund from contributions to be made in future years.
POOLED FUND INVESTMENTS	Collective investment schemes in which a number of investors pool their money, which is then invested in a portfolio of assets.
POST BALANCE SHEET EVENTS	These are events, both favourable and unfavourable, which occur between the Balance Sheet date and the date on which the responsible financial officer signs the Statement of Accounts.
PRECEPTS/ PRECEPTORS	Amounts levied on the council by other local authorities (preceptors) that the council is required to collect on their behalf as Council Tax distribute to those preceptors.
PRIOR PERIOD ADJUSTMENTS	The correction of an error or the effect of a change in accounting policies that involves amending the numbers in the financial statements for prior years as if the error had not been made or the policy had always applied.
PROPERTY, PLANT AND EQUIPMENT (PPE)	A class of assets with physical substance that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes (and expected to be used for more than one year).
PROVISIONS	Estimated amounts set aside to meet liabilities that are known to exist, but where there is uncertainty about when they will be settled and/ or how much the Council will have to pay. The estimated amount that will be required to settle these liabilities is charged as an expense when the Council recognises the obligation.
PRUDENTIAL CODE	The Code of Practice for capital financing issued by CIPFA. The Council is required by law to have regard to the Code when taking decisions about incurring capital expenditure and taking out borrowing.
RELATED PARTIES	This term applies to persons or entities with which the Council has a relationship, such as a company in which the Council has an interest or an organisation that is controlled by a member or chief officer.
RELATED PARTY TRANSACTION	A related party transaction is the transfer of assets or liabilities or the performance of services by, to, or for a related party irrespective of whether a charge is made.

REMUNERATION	Amounts paid to or receivable by an employee and amounts due by way of expenses allowances (as far as those amounts are chargeable to UK income tax) and the money value of any other benefits received other than in cash.
RETIREMENT BENEFITS	The benefits that employees earn during their period of employment, but which are not paid to them until after they retire (mainly pensions).
REVALUATION RESERVE	An unusable reserve that accumulates the gains made by the Council from increases in the value of its Property, Plant and Equipment assets. The Council might benefit from these gains in the future from the continued use of the assets or from their sale.
REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)	Expenditure that would normally be charged to revenue resources, but which Government regulations allows to be treated as capital expenditure (e.g., renovation grants) and funded from capital resources.
REVENUE EXPENDITURE/ INCOME	Costs and income relating to the day-to-day running of council services e.g., salaries and wages, supplies and services, transport and fees from service-related income.
RIGHT OF USE ASSETS	An asset representing the lessee's right to use the leased asset for the lease term.
SCHEME LIABILITIES (PENSIONS)	The liabilities of a defined benefits pension scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflects the benefits that the employer is committed to provide for service up to the valuation date.
SHORT-TERM BORROWING	This refers to loans repayable in less than one year from the Balance Sheet date.
SHORT-TERM CREDITOR	An individual or entity to which the council owes money that is due for payment within one year from the Balance Sheet date.
SHORT-TERM DEBTORS	An individual or entity that owes money to the council that is due for payment within one year from the Balance Sheet date.
SHORT-TERM INVESTMENTS	These are financial instruments with maturity dates not more than 365 days after the date of the initial investment.
STATUTORY ADJUSTMENT ACCOUNTS (RESERVES)	Unusable reserves relating to statutory adjustments made in the accounts (e.g., Accumulated Absences Adjustment Account, Collection Fund Adjustment Account and Financial Instruments Adjustment Account).
SUPRANATIONAL BONDS	These are similar in nature to gilts except that, rather than being issued by the UK Government, they are issued by supranational bodies supported by more than one national government such as the European Investment Bank, which is supported by all of the EU member states.
TERMINATION BENEFITS	Amounts paid to employees on termination of their contract with the council usually in the form of redundancy payments.

TRUE AND FAIR	The standard against which local authority accounts are prepared, requiring compliance with statutory requirements and the Accounting Code, the absence of material misstatements and bias in the presentation of information, and faithful representation of transactions and events.
UNUSABLE RESERVES	Amounts set aside that the council is not able to use to fund expenditure because they are unrealised or notional (i.e., they are not cash backed) and are held for accounting purposes prescribed by the Accounting Code of Practice, backed by regulations.
USABLE RESERVES	Amounts set aside that the council may use to fund expenditure.
USEFUL LIFE	This is the period over which the local authority will derive benefits from the use of a long-term asset.

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