



Basingstoke
and Deane

Statement of Accounts for the year ended 31 March 2025



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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 2024/25. 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 £1.27M being reported for the year.

During 2024/25, the borough element of council tax increased by £5.00 to £141.42 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 rental income of around £19.6M during 2024/25. 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.

During the year, the council acquired the freehold interest in the land at Manydown North. Subsequently the land was sold to Manydown Garden Communities (MGC) LLP, a joint venture between the council and Hampshire County Council, to allow the development of the site for housing.

Previously it was considered that the council's share of MGC's net assets were immaterial to the council's accounts. However, due to the land sale to MGC LLP in 2024/25 the value of the council's share of net assets is now considered material. Therefore, it has been determined that producing group accounts for 2024/25 would provide additional assistance to the user of these accounts in understanding the relationship of the council with MGC LLP, and the Council has prepared group accounts for the first time.

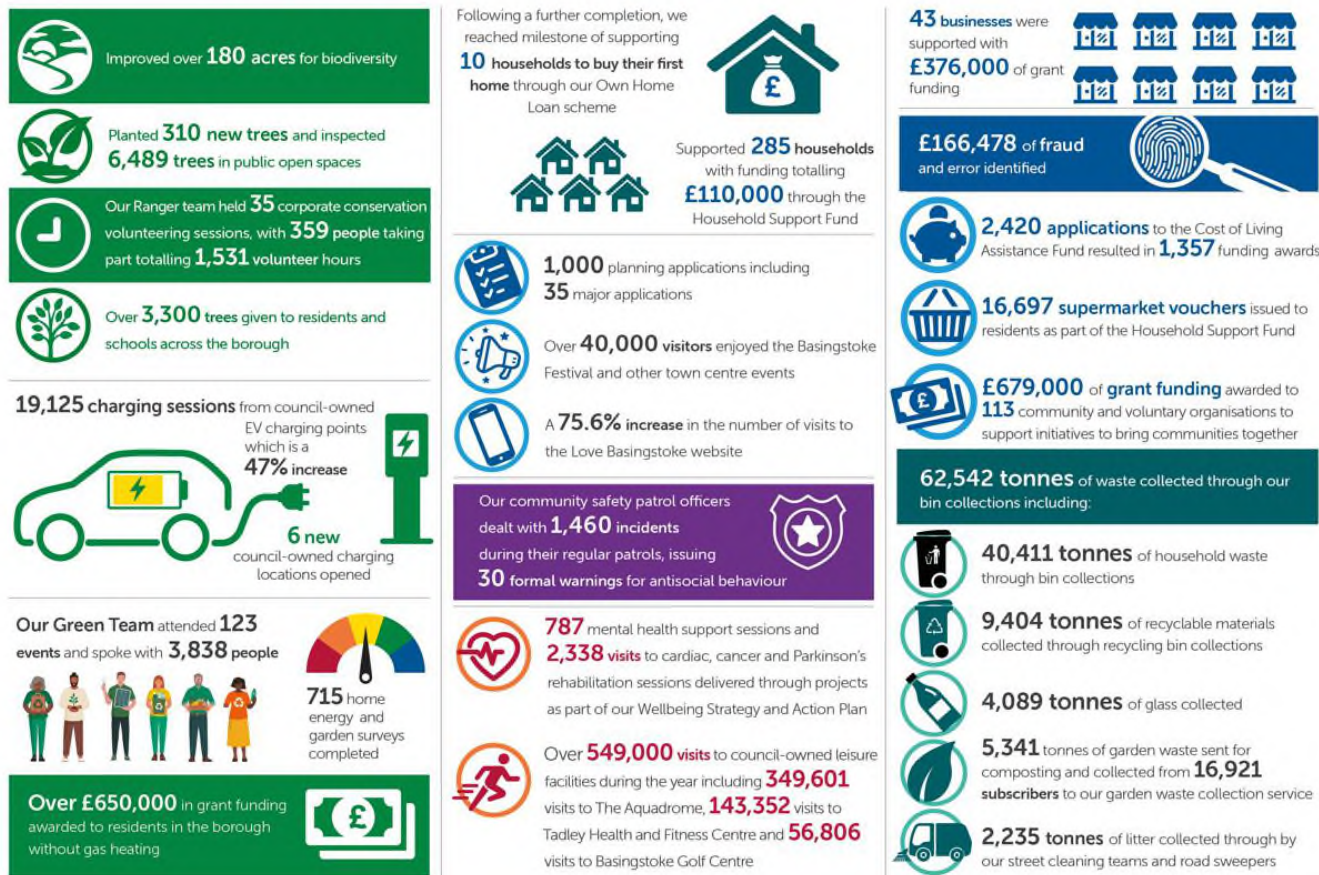
Following the publication of the devolution white paper in December 2024, in January 2025 Hampshire County Council, along with the three unitary authorities in the county, applied to join the Government's Devolution Priority Programme, which alongside the devolution of powers to a combined authority,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

On Wednesday 5 February 2025, the Deputy Prime Minister Angela Rayner announced that the Hampshire and the Solent bid has been accepted onto the Government's Devolution Priority Programme (DPP) as a fast-track to delivering devolution for the area. It was also announced that all 21 two tier authorities across England – where there are county and district authorities – will be invited to submit proposals for new unitary councils. An outline plan was submitted in March and a full proposal was submitted on 26 September 2025. A decision on any reorganisation is not expected until spring 2026.

If this progresses, reorganisation would result in district councils, including this council, and the county council, being replaced by a number of unitary authorities. It is expected that a new unitary authority would be in place by April 2028.

While the exact structure that results from any reorganisation is not known, the white paper indicated that for most areas the size of any unitary authority is expected to cover a population of around 500,000. The Council is aware of the risks and opportunities for the council and the people of Basingstoke and Deane around Local Government Reorganisation and continues to work to deliver high quality services for residents now, and into the future.

Basingstoke and Deane Borough Council achievements 2024/25



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 by 2030. 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 adopted its Climate Change and Air Quality Strategy in March 2021. This 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.

Additional staff resource has been recruited to support its implementation, alongside the establishment of a climate change fund to deliver associated actions. This 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 reduce their carbon footprints. This includes promoting council initiatives around recycling and sustainable transport while achieving benefits including helping people and companies to save money and support nature recovery. In 2024/25, the team's advisors undertook 715 surveys in people's homes and gardens to help them save energy and nurture native wildlife. They also attended 67 events in the borough, including an 'eco home' event in Festival Place.

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.

Every household in the borough was offered a free energy-saving home visit in 2024/25, paid for from a successful bid for around

£100,000 from the Government's Local Energy Advice Demonstrator programme complemented with council funding. These were delivered either by the Green Team or an external contractor. 521 were taken up in 2024/25.

Decarbonising vehicles used for council services – the roll out of hydrogenated vegetable oil, with up to 98% lower emissions than diesel according to government conversion factors, has continued. With operational vehicles including mowers having already swapped to this biofuel in prior years, from April 2024 the kerbside waste and recycling collection vehicles have also been running on this low-carbon alternative to diesel. Across all vehicles, this fuel has saved an estimated 1,455 tonnes of carbon compared to using conventional diesel. In addition, more electric vehicles have also been added to the council's fleet.

Rolling out electric vehicle chargers – the on-going roll-out of electric vehicle charging points on council-owned land, including car parks, has continued, building on past measures including creating Hampshire's first publicly owned charging hub at Feathers Yard in Basingstoke. Work is also under way with Hampshire County Council, as the highway authority, to deliver on-street vehicle chargers that would support residents without access to a private driveway.

Improving buildings' energy efficiencies – continuing to reduce emissions from heating and powering buildings, including working with Serco to put solar panels on Tadley Leisure Centre in spring 2025 and progressing a longer term project to install solar panels on council-owned community centres.

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. To support effective messaging, research was commissioned to explore residents' barriers and beliefs around making climate-positive changes. The findings have been used

to further shape the council's climate change communications, including its toolkits for residents, groups and businesses and its Sustainable Basingstoke initiative that specifically aims to engage with communities.

Work is currently under way to review and refresh the current Climate Change and Air Quality Strategy to build on what has been achieved so far. This comes as the council nears its target to be carbon neutral by December 2025. The aim is to adopt an updated strategy in autumn/winter 2025.

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.

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 December 2024, using the revenue outturn data for 2023/24.

International Financial Reporting Standard (IFRS) 16 for Lease Accounting has been applied from 1 April 2024 (the 2024/25 financial year). This standard replaces International Accounting Statement (IAS)

17 and removes the operating classification for leases, eliminating the ability for organisations to keep operating leases off balance sheet, by reporting them as a note to the accounts. With the new standard all leases will be considered finance leases unless they meet the specific exception criteria. This standard has now been fully implemented with additional disclosures included within the notes to the accounts. The impact of the new standard on the Council is minimal with one new asset being identified as a Right of Use asset at the year.

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 85.

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/Basingstoke-and-Deane-key-facts>

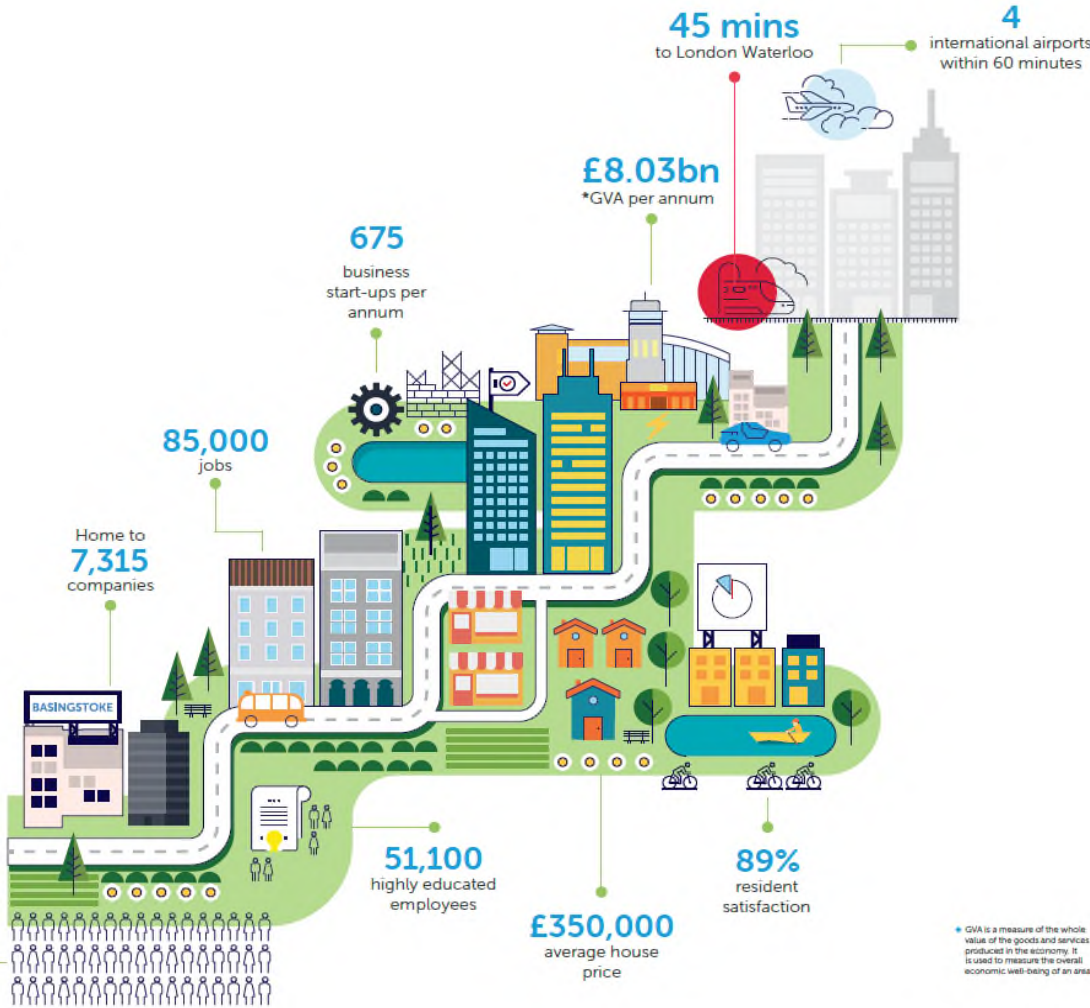
Basingstoke and Deane Borough Council is responsible for most of the day-to-day services and activities that residents come into contact with. This includes household waste and recycling, street cleaning, local planning and development control, administering council tax and housing benefits, enabling social housing and generally 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%
of population
under 20 years old

14%
year-on-year GVA growth

Population
185,713

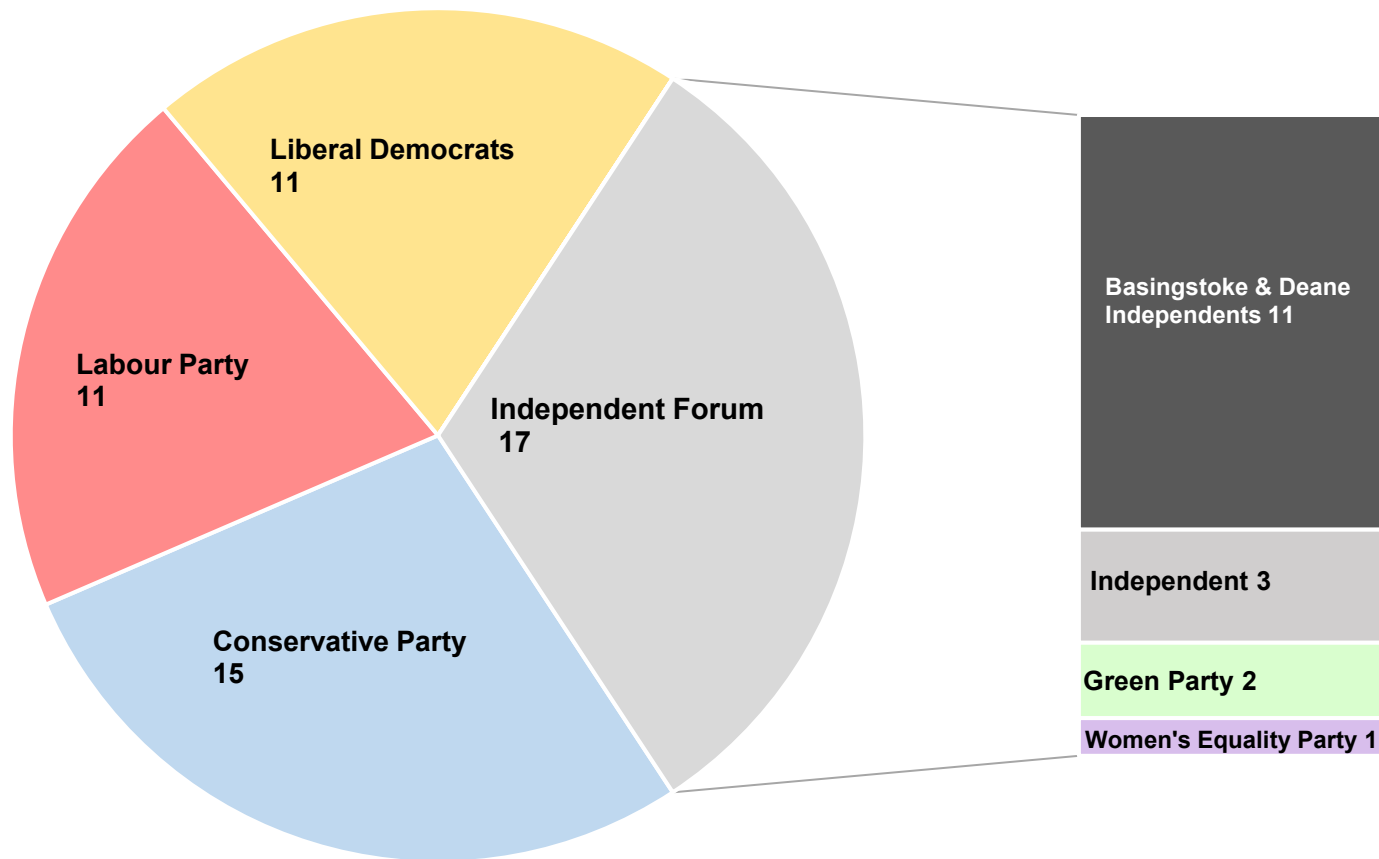


* GVA is a measure of the whole value of the goods and services produced in the economy. It is used to measure the overall economic well-being of an area.

Political structure

During 2024/25, there were 42 town and parish councils, and there were 54 elected members of the Council, representing 18 wards. Following the elections on 2 May 2024, 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 three 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.
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 2024/25 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 2025 the council employed 600 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 2024/25 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 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 2024/25 position is below:

Number of Measures	Exceeded	Target Met/On Track	Behind Schedule/ Not met	Not met by a significant margin	Data not available
70	29	24	11	4	2

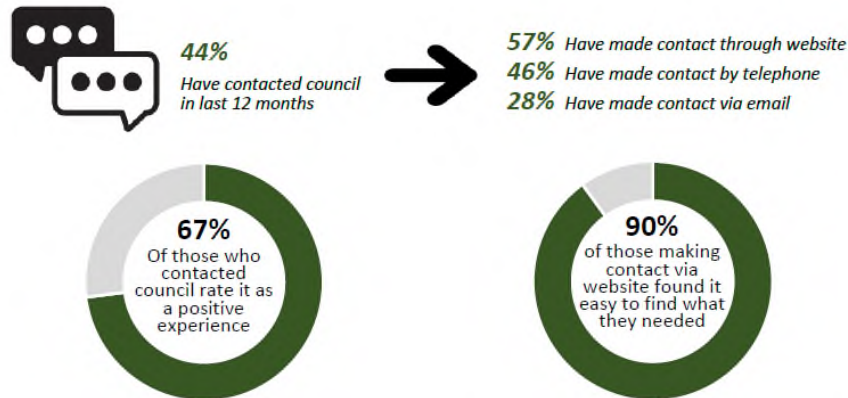


Residents Survey 2024

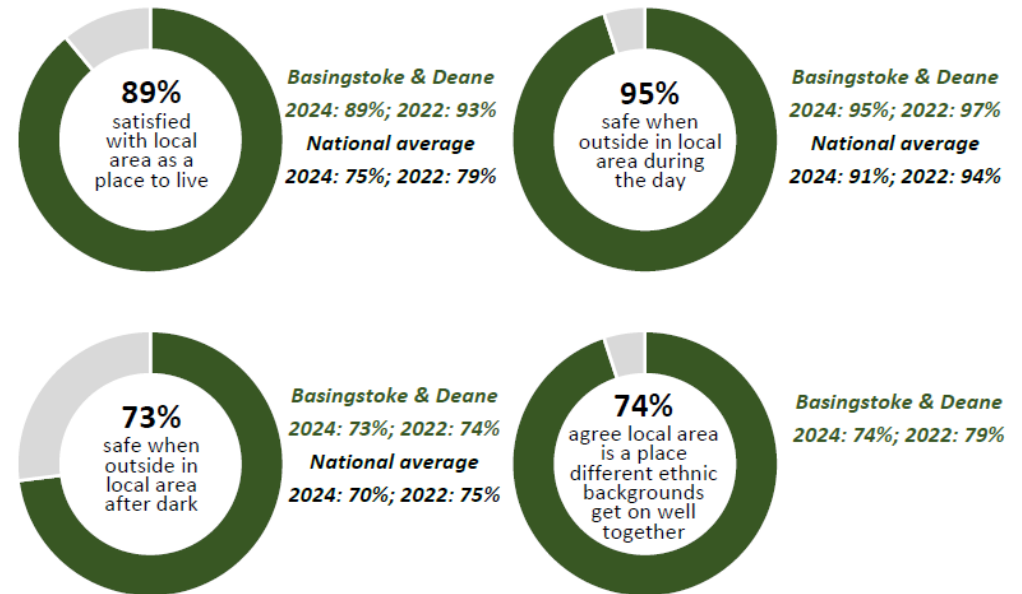
As part of the council’s engagement with the community, specialist independent researchers are regularly commissioned to carry out a residents’ survey to understand views on quality of life factors and service satisfaction.

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.

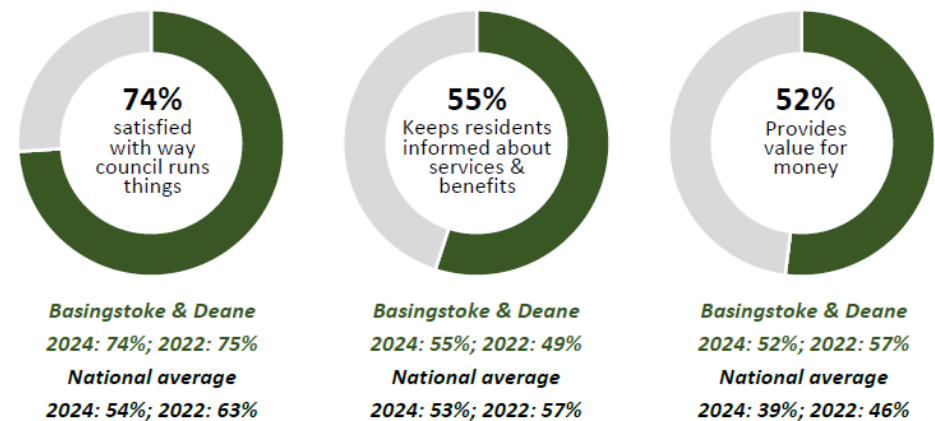
The results show that residents are positive about contact with the Council and living in Basingstoke and Deane.

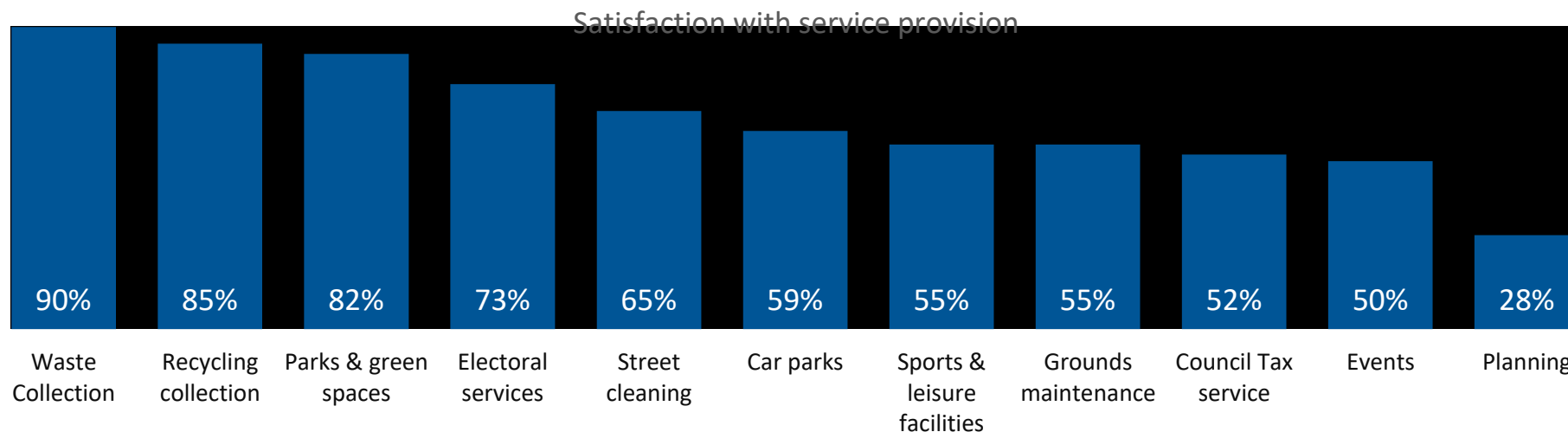


LOCAL AREA PERCEPTIONS



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.

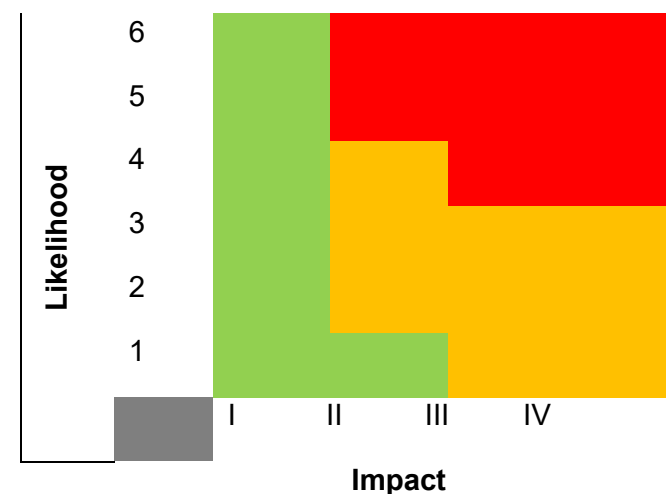
This information was considered as part of budget setting for 2025/26 and future years.

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 – 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, Projects and Relationships - 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.	High	Significant	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	Possible	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	Significant	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 2025/26 and for the next four years. The latest strategy was approved in February 2025 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 2025/26 and for the four-year MTFS which includes a review of the adequacy of reserves. The council has usable reserves of £100.4M as at 31 March 2025. The financial position for the council for 2025/26 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.

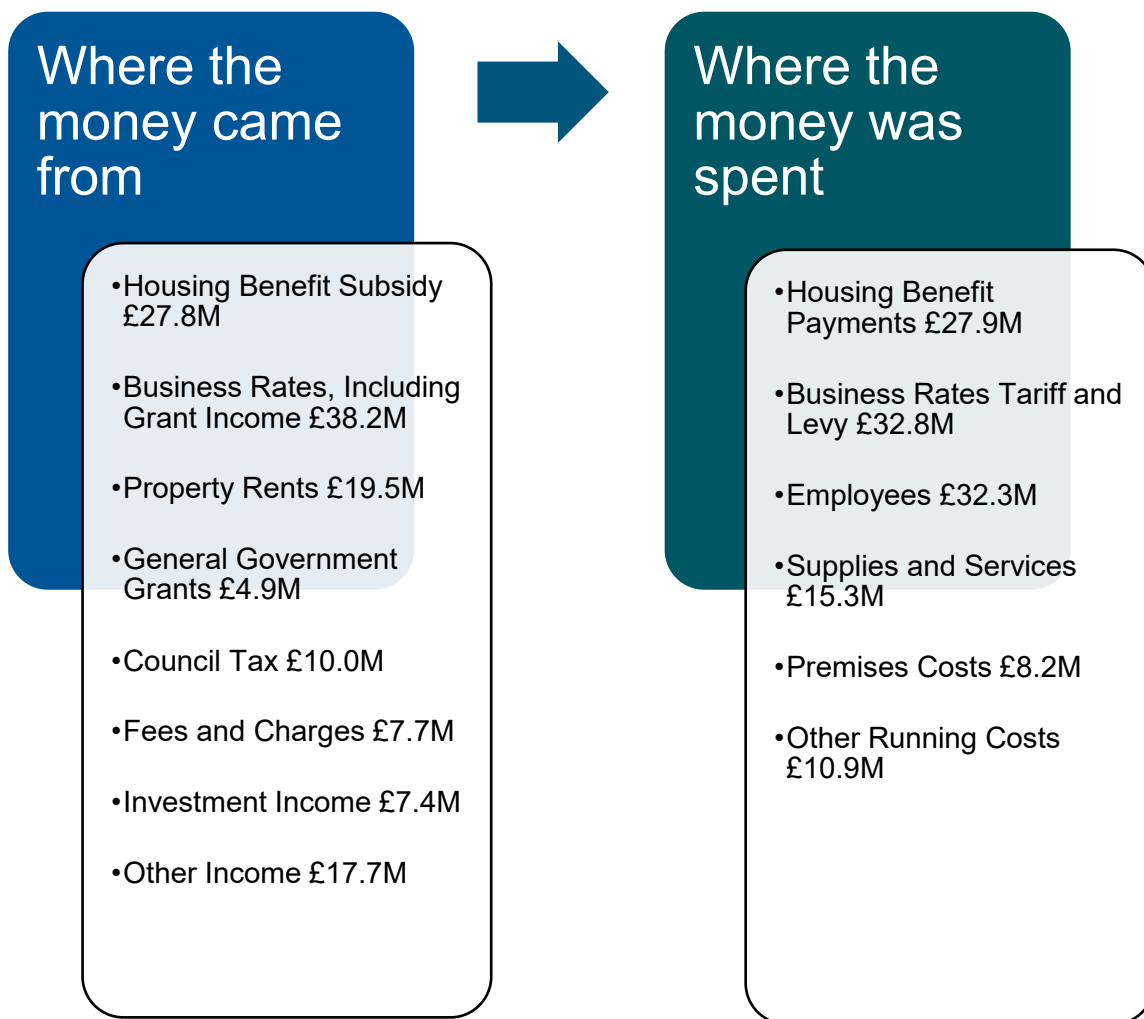
The budget for 2025/26 was set by Council on 27 February 2025. The council incurs both revenue and capital expenditure. The revenue account (known as the General Fund) bears the net cost of providing day-to-day services. The capital account shows the net cost of transactions made to buy or sell land, property or other assets, build new property, make improvements and provide grants or loans to other bodies to undertake this type of activity.

Revenue Budget Outturn 2024/25

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 £1.27M. This surplus has been transferred to reserves to for future use, £0.80M to the Budget Carry Forward Reserve and £0.47M to the MTFs Risk Reserve.

	Original Budget 2024/25 £M	Budget Movements 2024/25 £M	Latest Approved Budget 2024/25 £M	Total Actual Outturn 2024/25 £M	Outturn Variation 2024/25 £M
Council Plan Priorities:					
A place where people can have pride in their communities and the borough	2.80	0.74	3.54	3.61	0.07
A borough where we protect, restore, reconnect and enhance our natural environment	5.77	0.25	6.02	5.48	(0.54)
A council that delivers high-quality services for our residents	(0.88)	0.28	(0.60)	(0.38)	0.22
Holding and Agency Accounts	0.02	(0.15)	(0.13)	(0.32)	(0.19)
Business Units	34.02	1.13	35.15	35.00	(0.15)
Pay Provisions	1.42	(1.34)	0.08	0.00	(0.08)
Net Cost of Council Plan Services	43.15	0.91	44.06	43.39	(0.67)
Corporate Income:					
Investment Property Accounts	(18.31)	0.24	(18.07)	(18.04)	0.03
Asset Disposal Costs	0.00	0.00	0.00	0.02	0.02
Interest and Investment Income	(7.10)	0.00	(7.10)	(7.40)	(0.30)
Council Tax Income	(9.92)	0.00	(9.92)	(10.00)	(0.08)
Retained Business Rates	(4.96)	0.00	(4.96)	(4.96)	0.00
Government Grants	(3.68)	(0.87)	(4.55)	(4.86)	(0.31)
Corporate Income	(43.97)	(0.63)	(44.60)	(45.24)	(0.64)
Approved Movement in Reserves	0.82	(0.28)	0.54	0.58	0.04
Net Expenditure (Surplus)/Deficit	0.00	0.00	0.00	(1.27)	(1.27)
Reconciliation of Budget to Actual:					
To Budget Carry Forward Reserve				0.80	0.80
To MTFs Risk Reserve				0.47	0.47
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 neutral impact for housing benefits and £5.4M 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 2024/25

The capital outturn position, as at 31st March 2025, was £27.36M which was £2.91M lower than the latest budget of £30.27M.

The capital outturn for 2024/25 reported £2.22M rephased spend relating to existing project to be incurred in future years and net scheme savings of £0.69M in 2024/25.

Capital expenditure during the year was financed from capital receipts (£21.25M), capital grants and contributions (£1.12M), direct revenue financing from the general fund (£3.55M) and internal borrowing of (£1.44M).

The council has a substantial capital programme of £98.93M for the next four years from 2025/26 to 2028/29 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 Plan Priority	Latest Budget 2024/25 £M	Outturn 2024/25 £M	Outturn Variance 2024/25 £M
A place where people can have pride in their communities and the borough	23.75	21.79	(1.96)
A borough where we protect, restore, reconnect and enhance our natural environment	1.08	0.88	(0.20)
A council that delivers high-quality services for our residents	5.44	4.69	(0.75)
Total Capital Programme	30.27	27.36	(2.91)

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 2024/25 (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

During 2024/25 the Council adopted IFRS16 Leases. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset, and future rents as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. This has resulted in transitional amendments to the face of Note 2 (Property, Plant and Equipment) and a new disclosure note. The new standard currently has an immaterial impact on the Statement of Accounts. There were no other new accounting standards adopted in the revised accounting code for 2024/25 that are relevant or have a significant impact on the council's accounts.

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 £531.4M consisting of:

- an investment property asset portfolio of £302.1M;
- cash and investment assets of £115.8M;
- other assets (mainly operational land and buildings) of £138.7M;
- a potential future asset of £0.5M in its employees’ pension fund;
- developers’ contributions and other capital grants and contributions of £9.0M that could potentially require repayment (if the terms of the contributions are not met) and
- other net liabilities of £16.7M.

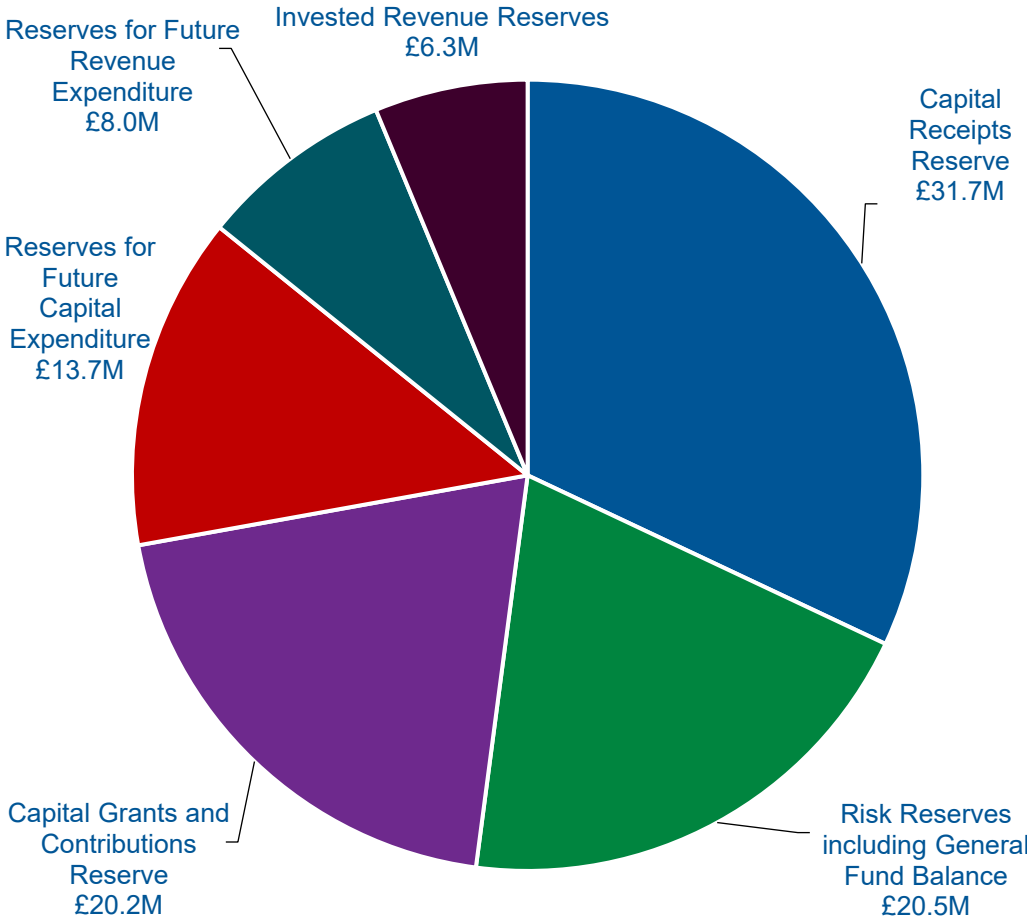
Reserves and Available Resources

The council’s Balance Sheet also shows usable reserves of £100.4M and usable developers’ contributions of £10.4M (shown as a long term liability). However, of this £110.8M of usable resource, £90.3M is available (based on current policies) to fund current and future spending plans and programmes.

The remaining £20.5M 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 £100.4M 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.

Usable Reserves as at 31st March 2025 - £100.4M



	Net Charge to General Fund 2023/24 £M	Net Charge to General Fund 2024/25 £M	Year on Year Variance £M
Net Cost of Service	45.8	40.2	(5.6)
Investment Property Net Income	(17.0)	(18.0)	(1.0)
Interest and Investment Income	(6.5)	(7.5)	(1.0)
Council Tax Income	(9.6)	(10.0)	(0.4)
Net Business Rate Income	(9.0)	(4.1)	4.9
General Government Grant Income	(4.0)	(4.9)	(0.9)
Other Corporate Items	1.0	(0.3)	(1.3)
General Fund Deficit/(Surplus) Transfer From/(To) Reserves	0.7	(4.6)	(5.3)
Business Rates Statutory Accounting Adjustment			
Business Rates Statutory Accounting Adjustment	(4.3)	1.3	5.6
Revenue Outturn Deficit/(Surplus) Transferred From/(To) Reserves	(1.4)	(2.7)	(1.3)
Pension prepayment	6.4	(3.2)	(9.6)
General Fund Deficit/(Surplus) Transfer From/(To) Reserves	0.7	(4.6)	(5.3)

Borrowing

The council had no external debt as at 31 March 2025 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 surplus of £8.6M on the provision of services for 2024/25 (£18.5M deficit in 2023/24).

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 2024/25 the £8.6M surplus on the provision of services shown in the Comprehensive Income and Expenditure Statement was adjusted by £4.3M of statutory adjustments to arrive at a movement from the General Fund Reserves of £4.6M (in 2023/24 the £18.5M deficit was adjusted by £17.8M to arrive at a movement from General Fund reserves of £0.7M).

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 2023/24 and 2024/25 which are set out below.

Comprehensive Income and Expenditure Statement Movements

The reported deficit on the provision of services has decreased by £27.1M from a £18.5M deficit in 2023/24 to a £8.6M surplus in 2024/25. The main reason for this is as follows:

Cost of Services	The presentation of the current year cost of services aligns with the priorities in the Council Plan 2023 to 2027. The cost of services has increased overall by £2.3M from £44.7M to £47.0M. This is predominantly driven by a £2.4M increase in employee costs. In addition, there was reduced housing benefit expenditure of £27.9M which was offset by reduced housing benefit subsidy income of £27.8M.
Net Gain or Loss on Investment Property	There is net movement on investment property valuations of £23.9M from a £7.1M loss to a £16.8M gain, this is mainly due to property revaluation changes due to market conditions, with a loss of £20.9M in 2023/24 compared to a gain of £5.0M in the current year.
Unrealised Gain or Loss on Pooled Investment Funds	The unrealised loss on the council's externally managed investments was £1.0M in 2024/25, compared to an unrealised gain of £2.4M in 2023/24. The unrealised loss has been affected this year largely by market expectations on interest rates and bond yields. Bond prices and yields have an inverse relationship so that when yields rise, prices fall and vice versa. Although these gains are recognised in the income and expenditure account there is a statutory requirement to reverse the impact until such time as the investments are realised by disinvesting. This statutory override is in place for instruments entered into before 31 March 2024, and is in place until 31 March 2029.
Interest and Investment Income	Due to the realised gain on investments of £2.3M in 2024/25, interest and investment income has increased by £2.6M, from £6.5M in 2023/24 to £9.1M in 2024/25.
Other Non-Ringfenced Government Grants	Increased grant income of £0.9M is mainly due to additional funding to support the introduction of food waste, funding for the delivery of a revised local plan and £0.5M of additional funding guarantee grant (details of the grants recognised can be seen in note 13 to the financial statements).

Balance Sheet Movements

Overall, the total net assets reported in the Balance Sheet have increased by £26.8M, with the total net assets £531.4M at as 31 March 2025. 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 2024/25. 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 £18.0M in the net book value of investment property this year, which reflects the significant disposal of the land at Manydown North to Manydown Garden Communities LLP in October 2024. There has been an increase of £10.9M 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 increased by £3.8M, mostly due to the performance of long term investment balances which have seen a reduction in value due to market conditions and the impact of interest rates on yields, which have impacted the value at 31 March 2024.

Decrease in Short Term Debtors

Debtors are shown net of allowances for doubtful debts. The council has an allowance for doubtful debts of £3.6M as at 31 March 2025 (£4.2M as at 31 March 2024) consisting mainly of an allowance for Housing Benefits overpayments of £1.0M (£1.4M as at 31 March 2024) and other allowances of £2.6M (£2.3M as at 31 March 2024). There is an overall increase in year-end debtors of £8.6M. Central Government debtors have reduced by £0.9M. This is mainly due to the previous year's figure including a provision for a 2023/24 waste grant that was not received as at 31st March 2024. This is partially offset by an increase in housing grant funding debtors. Local authority debtors have increased by £0.8M mainly due to an increase in the recharge of costs relating to Manydown and accrued interest on short term loans. The increase in debtors from other entities and individuals is primarily due to £4.6M from community infrastructure levy payers, a £1.4M Section 106 invoice recognised at the year end and the issue of a £1.8M loan relating to the Manydown Development.

Decrease in Short Term Creditors

Overall, there is a net increase in short-term creditors of £3.5M between the Balance Sheet dates of 31 March 2024 and 31 March 2025. Central Government creditors have increased in aggregate by £2.4M, mainly due to Business rates taxpayer receipts due to central government at the Balance Sheet dates increasing by £2.1M. Creditors relating to Other Entities and Individuals have increased by £1.5M. This is mainly due to a £0.8M deferred land payment relating to the Manydown development, a £2.2M increase in receipts in advance, mostly in relation to a lease surrender premium receipt. These elements have been offset, in part by a reduction in capital creditors of around £1.5M, most notably amounts due to a housing association as a contribution towards the purchase of properties under the Local Authority Housing Fund in 2023/24.

Reduction in Pension Scheme Liability

The estimated future potential liability for the council has reduced by £31.6M. This is due to a decrease of £28.3M in the future pension obligation as a result of the actuary's assumptions. This is in addition to an increase of £3.3M in the value of the council's share of the pension scheme assets, as a result of lower than expected returns over the previous accounting period.

This year the council has a net asset on its share of the pension scheme of £25.8M, however due to accounting requirements that require only the realisable element of a net asset position to be recognised. This has resulted in an adjustment of £25.3M to recognise the impact of the asset ceiling. The position shown on the balance sheet is a pension asset of £0.5M, net of the asset ceiling adjustment, this is explained further in the pension fund disclosures in Note 14.

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.

Strategic Asset Management Plan (SAMP)

The SAMP that spans 2022/23 to 2025/26 was approved by Council in February 2022 which introduced a new Property Investment Strategy and includes significant emphasis on improving management of the Council's significant property portfolio and sustainability. A revised plan is in development, to be approved by Council in February 2026.

Local Plan

The council's Local Plan was adopted in 2016. The council is currently preparing a new local plan to ensure it delivers national and local objectives, including the delivery of new homes. In December 2024, the Government set new Local Housing Need targets for local authorities to meet, this required the council to conduct a further call for sites process in early 2025. A new Local Development Scheme (timetable) was agreed by Cabinet in February 2025.

The council is intending to conduct a statutory Regulation 18 consultation in Autumn 2025, and a number of evidence base documents to support the Local Plan are currently underway. These cover a variety of issues from landscape impact to water quality.

Using the consultation responses and evolving evidence work, the council will draw up a further draft Local Plan in 2026. That version will be consulted on mid-2026, in line with a process set nationally before an examination by an independent planning inspector. The council is aiming to submit the Local Plan for examination by the end of 2026 in line with national legislation.

9. FURTHER INFORMATION

A simplified and summarised version of the main statements called the "Summary of Accounts" is available from the Head of Financial Services and Commercialisation at the Civic Offices, London Road, Basingstoke RG21 4AH, or by visiting the council's website www.basingstoke.gov.uk.

FOR THE YEAR ENDED 31 MARCH 2025						
2023/24 Expenditure £M	2023/24 Income £M	2023/24 NET £M		2024/25 Expenditure £M	2024/25 Income £M	2024/25 NET £M
			Council Plan Priority			
12.9	(2.9)	10.0	A council that delivers high-quality services for our residents	13.2	(3.1)	10.1
13.7	(3.4)	10.3	A borough where we protect, restore, reconnect and enhance our natural environment	14.5	(3.6)	10.9
62.6	(38.2)	24.4	A place where people can have pride in their communities and the borough	63.0	(37.0)	26.0
89.2	(44.5)	44.7	COST OF SERVICES	90.7	(43.7)	47.0
			Other Operating Income and Expenditure			
			1.8 Payment of Precepts (collected on behalf of Parish Councils)			1.9
			0.0 Other Operating Income and Expenditure			0.0
			Financing and Investment Income and Expenditure			
			7.1 Net (Gain)/Loss on Investment Property (Note 3)			(16.8)
			(6.5) Net Interest and Investment Income (Note 7)			(9.1)
			(2.4) Unrealised (Gain)/Loss on Pooled Investment Funds (Note 7)			1.0
			0.6 Net Interest on the Pension Liability (Note 14)			0.4
			Taxation and Non-Specific Grant Income and Expenditure			
			(11.3) Council Tax Income (including parish precepts)			(11.8)
			(4.7) Net Business Rates Income and Expenditure (Note 12)			(5.4)
			(4.0) Other Non-Ring-fenced Government Grants Income (Note 13)			(4.9)
			(6.8) Capital Grants and Contributions Income (Note 13)			(10.9)
			18.5 DEFICIT/(SURPLUS) ON PROVISION OF SERVICES			(8.6)
			Other Comprehensive Income and Expenditure			
			2.9 (Gain)/Loss on Revaluation of Non Current Assets (Note 2)			(8.1)
			(8.7) Re-measurement of Pension Liability (Note 14)			(10.0)
			12.7 TOTAL COMPREHENSIVE (INCOME) / EXPENDITURE			(26.7)

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).

AS AT 31 MARCH 2025

31 March 2024		31 March 2025	
£M		£M	Notes
91.5	Property, Plant and Equipment	102.4	2
320.1	Investment Property	302.1	3
63.6	Long-Term Investments	51.6	7
14.5	Other Long-Term Assets	36.3	4
0.0	Pension Scheme Asset	0.5	14
489.7	LONG-TERM ASSETS	492.9	
15.6	Short-Term Investments	42.3	7
10.0	Short-Term Debtors	18.6	8
32.8	Cash and Cash Equivalents	21.9	9
58.4	CURRENT ASSETS	82.8	
(20.5)	Short-Term Creditors	(24.0)	10
(2.1)	Provisions	(1.7)	11
(22.6)	CURRENT LIABILITIES	(25.7)	
(10.4)	Grants & Contributions Receipts In Advance	(10.4)	13
(5.8)	Pension Scheme Liability	0.0	14
(4.7)	Deferred Lease Income	(5.2)	
0.0	Long-Term Creditors	(3.0)	10
(20.9)	LONG-TERM LIABILITIES	(18.6)	
504.6	NET ASSETS	531.4	
(85.7)	Usable Reserves	(100.4)	15
(418.9)	Unusable Reserves	(431.0)	16
(504.6)	TOTAL RESERVES	(531.4)	

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 of unusable reserves is 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 Balance Sheet is showing a pension asset within long term assets with a comparator of zero in 2023/24. In 2023/24 the comparative figure is shown as a pension liability. These balance sheet items should therefore be compared with each other. Further details of this movement are included within note 14 to the accounts.

The unaudited accounts were issued on 30 June 2025 and audited accounts were authorised for issue on 11 February 2026.

Adam Swain FCPFA
Chief Finance Officer
(Section 151 Officer)

11 February 2026

FOR THE YEAR ENDED 31 MARCH 2025

2023/24	Movements					Notes
	Balance as at 31/03/23 £M	Total Comprehensive Income and Expenditure Statement £M	Adjustment between accounting basis and funding basis under regulations £M	Total Movement in 2023/24 £M	Balance as at 31/03/24 £M	
Usable Reserves						
General Fund Balance (incl. earmarked reserves)	(44.6)	18.5	(17.8)	0.7	(43.9)	
Capital Receipts Reserve	(32.6)	0.0	4.2	4.2	(28.4)	
Capital Grants and Contributions	(10.6)	0.0	(2.8)	(2.8)	(13.4)	
Total Usable Reserves	(87.8)	18.5	(16.4)	2.1	(85.7)	15
Unusable Reserves						
Pension Scheme Reserve	19.8	(8.7)	(5.3)	(14.0)	5.8	
Asset Revaluation Reserve	(37.1)	2.9	1.1	4.0	(33.1)	
Capital Adjustment Account	(413.7)	0.0	17.7	17.7	(396.0)	
Other Statutory Adjustment Accounts	1.5	0.0	2.9	2.9	4.4	
Deferred Capital Receipts Reserve	0.0	0.0	0.0	0.0	0.0	
Total Unusable Reserves	(429.5)	(5.8)	16.4	10.6	(418.9)	16
Total Reserves	(517.3)	12.7	0.0	12.7	(504.6)	

2024/25	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
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)
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 Reserves	(504.6)	(1.2)	(505.8)	(26.7)	1.1	(25.6)	(531.4)

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 2025

2023/24 £M		2024/25 £M
	OPERATING ACTIVITIES	
18.5	(Surplus)/Deficit on the Provision of Services	(8.6)
	Adjustments for Non-Cash Movements:	
5.3	Pension Fund adjustments	(3.7)
(4.5)	Depreciation and amortisation of long-term assets	(4.2)
(0.1)	Revaluation of property, plant and equipment	(1.6)
(20.9)	Revaluation of investment property	5.0
(0.1)	Write out of long-term assets on disposal	(14.3)
2.4	Revaluation of Pooled Investment Funds	(1.0)
0.0	Deferred proceeds from disposal of long-term assets	22.7
0.5	Other Non-Cash Movements	(0.9)
	Adjustments for Items included in Investing Activities:	
0.3	Realised proceeds from disposal of long-term assets	12.8
	Adjustments for Items on an Accruals Basis:	
(2.1)	Increase/(decrease) in operating activity debtors	8.7
0.7	(Increase)/decrease in operating activity creditors	(3.2)
0.0	(Increase)/decrease in provisions	0.4
0.0	Net Cash Out Flow/(In Flow) from Operating Activities	12.1
	INVESTING ACTIVITIES	
5.1	Payments for additions and subsequent expenditure on long-term assets	21.8
307.6	Payments for purchase of investments	451.7
(0.3)	Proceeds from disposal of long-term assets	(35.5)
(322.7)	Proceeds from disposal of investments	(436.9)
(10.3)	Net Cash Out Flow/(In Flow) from Investing Activities	1.1
	FINANCING ACTIVITIES	
12.7	Net (inflow)/outflow for business rates payable to government and preceptors	(2.6)
1.7	Net (inflow)/outflow for council tax payable to preceptors	0.3
14.4	Net Cash (In Flow)/Out Flow from Financing Activities	(2.3)
4.1	NET DECREASE/(INCREASE) IN CASH AND CASH EQUIVALENTS	10.9

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 2024/25 is as follows:

	Adjustments between funding and accounting basis					Net charge to CIES 2024/25 £M
	Net charge to General Fund 2024/25 £M	Pension Adjustments 2024/25 £M	Capital Accounting 2024/25 £M	Support Service Recharges 2024/25 £M	Other Statutory Adjustments 2024/25 £M	
Service Costs by Council Plan Priority						
A council that delivers high-quality services for our residents	(0.4)	(0.4)	0.0	10.9	0.0	10.1
A borough where we protect, restore, reconnect and enhance our natural environment	5.5	0.0	(0.7)	6.1	0.0	10.9
A place where people can have pride in their communities and the borough	3.6	0.0	5.7	16.7	0.0	26.0
Council Plan Priority Total	8.7	(0.4)	5.0	33.7	0.0	47.0
Business Units	31.8	3.7	0.6	(36.1)	0.0	0.0
Agency and Holding Accounts	(0.3)	0.0	1.1	(0.8)	0.0	0.0
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		1.3				
Business Rates						
(Surplus)/Deficit on Provision of Services - Adjustment Employers		(3.2)				
Superannuation Prepayment 2024/25 (paid in 2023/24)						
(Surplus)/Deficit on Provision of Services - Approved Reserve		(2.7)				
Transfers						
Closing General Fund Balance (48.5)						

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.

1. EXPENDITURE AND FUNDING ANALYSIS (continued)

The comparable figures for 2023/24 were:

	Adjustments between funding and accounting basis					
	Net charge to General Fund 2023/24 £M	Pension Adjust- ments 2023/24 £M	Capital Accounting 2023/24 £M	Support Service Recharges 2023/24 £M	Other Statutory Adjustments 2023/24 £M	Net charge to CIES 2023/24 £M
Service Costs by Priority						
A council that delivers high-quality services for our residents	(0.3)	(0.3)	0.0	10.6	0.0	10.0
A borough where we protect, restore, reconnect and enhance our natural environment	5.1	0.0	(0.3)	5.5	0.0	10.3
A place where people can have pride in their communities and the borough	2.6	0.0	6.6	15.2	0.0	24.4
Council Plan Priority Total	7.4	(0.3)	6.3	31.3	0.0	44.7
Business Units	39.3	(5.6)	0.7	(34.4)	0.0	0.0
Agency and Holding Accounts	(0.9)	0.0	1.0	(0.1)	0.0	0.0
Cost of Services	45.8	(5.9)	8.0	(3.2)	0.0	44.7
Corporate Items						
Payments to Parishes	0.0	0.0	0.0	0.0	1.8	1.8
Investment Property	(17.0)	0.0	20.9	3.2	0.0	7.1
Interest and Investment Income	(6.5)	0.0	0.0	0.0	0.0	(6.5)
Pooled Investment Funds	0.0	0.0	(0.8)	0.0	(1.6)	(2.4)
Pension Interest Costs	0.0	0.6	0.0	0.0	0.0	0.6
Council Tax Income	(9.6)	0.0	0.0	0.0	(1.7)	(11.3)
Net Business Rates Income	(9.0)	0.0	0.0	0.0	4.3	(4.7)
Non-Specific Grants	(4.0)	0.0	0.0	0.0	0.0	(4.0)
Other Corporate Items	1.0	0.0	(7.8)	0.0	0.0	(6.8)
(Surplus)/Deficit on Provision of Services	0.7	(5.3)	20.3	0.0	2.8	18.5
Opening General Fund Balance		(44.6)				
(Surplus)/Deficit on Provision of Services - Statutory Adjustment		(4.3)				
Business Rates						
(Surplus)/Deficit on Provision of Services - Adjustment Employers		6.4				
Superannuation Prepayment 2024/25 and 2025/26						
(Surplus)/Deficit on Provision of Services - Approved Reserve		(1.4)				
Transfers						
Closing General Fund Balance		(43.9)				

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 council plan services using various recharge methods to identify the total cost of council plan services. As the CIES shows the total cost of services by council plan, 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 (council plan) 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 2023/24 £M	Statutory Adjustment 2023/24 £M	CIES 2023/24 £M	Expenditure	General Fund 2024/25 £M	Statutory Adjustment 2024/25 £M	CIES 2024/25 £M
28.8	0.0	28.8	Housing Benefit Payments	27.9	0.0	27.9
30.7	0.0	30.7	Business Rates Expenditure	32.8	0.0	32.8
38.9	(5.3)	33.6	Employees	32.3	3.7	36.0
5.8	0.0	5.8	Premises	8.2	0.0	8.2
0.0	21.0	21.0	Property Revaluation Losses	0.0	0.0	0.0
15.6	0.0	15.6	Supplies and Services	15.3	0.0	15.3
0.0	10.8	10.8	Capital Charges	0.0	9.7	9.7
0.0	0.0	0.0	Investment Revaluation Losses	0.0	1.0	1.0
11.6	0.0	11.6	Other Running Costs	10.9	1.4	12.3
131.4	26.5	157.9		127.4	15.8	143.2
Income						
(28.7)	0.0	(28.7)	Housing Benefit Subsidy	(27.8)	0.0	(27.8)
(39.7)	4.3	(35.4)	Income from Business Rates	(36.9)	(1.3)	(38.2)
(19.3)	0.0	(19.3)	Property Rents	(19.5)	0.0	(19.5)
0.0	0.0	0.0	Property Revaluation Gains	0.0	(3.0)	(3.0)
(4.0)	0.0	(4.0)	General Government Grants	(4.9)	0.0	(4.9)
(9.6)	(1.7)	(11.3)	Income from Council Tax	(10.0)	(1.8)	(11.8)
0.0	(2.4)	(2.4)	Investment Revaluation Gains	0.0	0.0	0.0
(6.5)	0.0	(6.5)	Interest Income	(7.4)	(1.7)	(9.1)
(7.8)	0.0	(7.8)	Fees and Charges	(7.7)	0.0	(7.7)
(15.1)	(8.9)	(24.0)	Other Income	(17.7)	(12.1)	(29.8)
(130.7)	(8.7)	(139.4)		(131.9)	(19.9)	(151.8)
0.7	17.8	18.5	(Surplus)/Deficit on Services	(4.5)	(4.1)	(8.6)

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 2023	79.1	0.0	0.0	0.0	4.9	9.5	93.5
Cost or Valuation							
As at 31 March 2023 Restated	79.5	0.0	0.0	0.0	9.9	9.5	98.9
Movements in 2023/24							
Additions	2.3	0.0	0.0	0.0	2.2	0.5	5.0
Disposals/Derecognitions	(0.1)	0.0	0.0	0.0	(0.7)	0.0	(0.8)
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revaluations (charged to services)	(0.1)	0.0	0.0	0.0	0.0	0.0	(0.1)
Revaluations (to Revaluation Reserve)	(5.6)	0.0	0.0	0.0	0.0	0.0	(5.6)
As at 31 March 2024 Restated	76.0	0.0	0.0	0.0	11.4	10.0	97.4
Accumulated Depreciation							
As at 31 March 2023 Restated	(0.4)	0.0	0.0	0.0	(5.0)	0.0	(5.4)
Movements in 2023/24							
Depreciation	(2.8)	0.0	0.0	0.0	(1.2)	0.0	(4.0)
Disposals/Derecognitions	0.0	0.0	0.0	0.0	0.7	0.0	0.7
Depreciation written out (to Revaluation Reserve)	2.8	0.0	0.0	0.0	0.0	0.0	2.8
As at 31 March 2024 Restated	(0.4)	0.0	0.0	0.0	(5.5)	0.0	(5.9)
Net Book Value at 31 March 2024	75.6	0.0	0.0	0.0	5.9	10.0	91.5
Cost or Valuation							
As 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

The land and buildings comparators, for 31st March 2023, have been restated to reflect a £1.0M adjustment between the current costs and the total accumulated depreciation for this asset class. This adjustment does not affect the net book value, which remains unchanged.

2. PROPERTY, PLANT AND EQUIPMENT (PPE) (continued)**Right of Use Assets**

In 2024/25, the council has changed its accounting policies to align with those in IFRS 16 Leases as adopted by the Code of Accounting Practice. In previous years, property, plant and equipment was only brought onto the Balance Sheet as an asset where the council secured substantially all the risks and rewards incidental to ownership of the leased item (finance leases). For all other leases (operating leases), no assets were recognised and rents were charged as expenses when they became payable.

From 1 April 2024, an asset representing the right to use the item over the lease term will be recognised for all leases (except for those that are for low value items or whose term is less than one year). Liabilities are also recognised in the Balance Sheet for the obligations that the council has to pay rents for the rights acquired, discounted to their present value.

The 1 April 2024 transitional requirements of the code have meant that Land at Tadley Pool has been recognised on the Balance Sheet within Property, Plant and Equipment. This item has been included as a Right of Use Asset with a total value of £1.2M. At the 31 March 2025 Balance Sheet date the Land was revalued to £1.2M.

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 2024	51.0	24.6	75.6
Cost or Valuation			
As at 31 March 2024	51.2	24.8	76.0
Movements in 2024/25			
Additions	0.7	0.8	1.5
Disposals/Derecognitions	0.0	0.0	0.0
Reclassifications	0.0	2.3	2.3
Revaluations (charged to services)	(0.6)	(1.0)	(1.6)
Revaluations (to Revaluation Reserve)	4.8	1.4	6.2
As at 31 March 2025	56.1	28.3	84.4
Accumulated Depreciation			
As at 31 March 2024	(0.2)	(0.2)	(0.4)
Movements in 2024/25			
Depreciation	(1.6)	(0.8)	(2.4)
Disposals/Derecognitions	0.0	0.0	0.0
Depreciation written out to Revaluation Reserve	1.7	0.5	2.2
As at 31 March 2025	(0.1)	(0.5)	(0.6)
Net Book Value at 31 March 2025	56.0	27.8	83.8

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 by Montagu Evans LLP during 2024/25.

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 following table shows, by category, the PPE assets that are carried at cost, those that are carried at depreciated cost and, for those assets that are revalued, the year in which the revaluations were completed.

As 2024/25 is the first year of the new IFRS16 lease accounting arrangements, reliable comparative figures for 2023/24 are not available. This table shows the change in the carrying amount of right-of-use assets held under leases by the Council:

Assets	Carried at Cost	Carried at Depreciated Cost	Revalued During 2022/23	Revalued During 2023/24	Revalued During 2024/25	Total PPE Assets
	£M	£M	£M	£M	£M	£M
Land and Buildings	0.0	0.0	0.6	12.3	70.9	83.8
Right of Use Assets - Land and Buildings	0.0	0.0	0.0	0.0	1.2	1.2
Assets Under Construction	0.3	0.0	0.0	0.0	0.0	0.3
Infrastructure Assets	0.0	0.1	0.0	0.0	0.0	0.1
Vehicles Plant and Equipment	0.0	6.8	0.0	0.0	0.0	6.8
Community Assets	10.2	0.0	0.0	0.0	0.0	10.2
Total Property, Plant and Equipment Assets	10.5	6.9	0.6	12.3	72.1	102.4

Revaluations of Significant Land and Buildings Assets

During 2024/25 there were revaluations on significant operational land and buildings as follows:

31/03/24 Carrying Value	Asset	2024/25 Additions/ Disposals/ Reclassifications	2024/25 Depreciation Adjustment	2024/25 Revaluation Change - Revaluation Reserve	2024/25 Revaluation Change - To Services	31/03/25 Carrying Value
£M		£M	£M	£M	£M	£M
15.5	The Anvil	0.1	0.0	0.4	0.0	16.0
21.0	The Aquadrome	0.1	0.0	0.7	0.0	21.8
3.4	Tadley Swimming Pool	0.5	0.0	0.6	0.0	4.5
3.2	Haymarket Theatre	0.0	0.0	0.6	0.0	3.8
2.5	Civic Offices	0.0	0.0	0.0	0.0	2.5
7.6	Public Car Parks	2.3	0.0	0.8	(1.0)	9.7
10.9	Sports Pavilions and Pitches	0.1	(0.1)	0.0	0.0	10.9
11.5	Other PPE Land and Buildings	0.7	(0.1)	3.1	(0.6)	14.6
75.6	Total Land and Buildings	3.8	(0.2)	6.2	(1.6)	83.8

The main reason for the increase in values for The Anvil, The Haymarket and the two swimming pools sites is a change in the valuers assumptions in respect of build costs and adopted areas which inform the valuations. The increase in Other PPE Land and Buildings is predominantly in respect of the land at Milestones Museum where the valuer has used a different estimate of the land value in the existing use valuation. There were no significant commitments for future expenditure at 31 March 2025.

3. INVESTMENT PROPERTY

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

2023/24	2024/25
£M	£M
340.3 Balance at the Start of the Year	320.1
Movements in Year	
0.0 Additions	14.0
0.7 Subsequent Expenditure	0.9
0.0 Disposals - Carrying Value Written Out	(35.6)
0.0 Reclassifications - (to)/from Property, Plant & Equipment	(2.3)
(20.9) Net Gain/(Loss) on Revaluations	5.0
320.1 Balance at the End of the Year	302.1

Investment Property Revaluations - Fair Value

All Investment Property valuations have been updated in 2024/25 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 2024/25 there were some significant revaluations on investment property as follows:

31/03/24		2024/25 Additions /	2024/25 Revaluation	31/03/25 Carrying
Carrying Value		Disposals /	Change	Value
£M	Asset	Reclassification	£M	£M
62.5	Daneshill Industrial Estate	0.1	4.0	66.6
47.2	Houndmills Industrial Estate	0.0	0.0	47.2
44.0	Viables	0.0	2.7	46.7
46.7	Basing View	(2.2)	(0.9)	43.6
3.6	Winchester Road	0.3	(0.4)	3.5
5.6	Lister Road	0.0	(0.5)	5.1
6.8	Property Investment Strategy Acquisitions	2.7	0.0	9.5
36.2	Land at Manydown*	(24.3)	0.4	12.3
11.0	The Malls	0.0	0.0	11.0
8.5	Festival Place	0.0	(0.4)	8.1
5.7	West Ham Leisure Park	0.0	0.2	5.9
4.2	St Andrews Medical Centre	0.0	0.0	4.2
38.1	Other Investment Property	0.4	(0.1)	38.4
320.1	Total Investment Property	(23.0)	5.0	302.1

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

Property values can change significantly over a relatively short period. The main cause of the overall revaluation increase relates to the sites at Daneshill and Viables which is due to the increase in demand for industrial space, particularly in logistics and e-commerce, compounded by a steady increase in rental yields across the sector. Furthermore the council acquired the long leasehold interest of a 25,000sq ft unit at the West Ham Leisure Park for £2.7M as part of the council's Property Investment Strategy. The council alongside Hampshire County Council purchased the freehold of the Manydown North development site on the 18th October, each council's 50% share being £17.75M. As part of the land transaction the council's holding in Manydown North was then sold to Manydown Garden Communities LLP (a joint venture between Basingstoke and Deane Borough Council and Hampshire County Council) for £35.5M.

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 £16.8M in 2024/25 (net loss of £7.1M in 2023/24) is shown in the Comprehensive Income and Expenditure Statement.

A breakdown of the expenditure and income is shown below:

2023/24 £M	2024/25 £M
20.9 Net (Gain)/Loss on Revaluation of Investment Property	(5.0)
0.0 Net (Gain)/Loss on Disposals of Investment Property	2.0
(21.0) Income from Investment Property (rents and service charges)	(22.8)
5.5 Maintenance and Running Costs of Investment Property	7.6
2.0 Costs Relating to Strategic Site Development	2.0
(0.3) Income from Strategic Site Development	(0.6)
7.1 Net (Gain)/Loss on Investment Property	(16.8)

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:

2023/24 £M	2024/25 £M
2.3 Loans to Housing Associations (part of Existing Satisfactory Purchases Scheme)	2.3
1.6 Loan to SERCO Ltd. (waste collection contract)	0.3
0.7 Loans to Manydown Garden Communities LLP	21.2
4.0 Loan to Manydown Development LLP	6.8
1.6 Intangible Assets	1.2
1.3 Heritage Assets	1.4
3.0 Other Long-Term Assets	3.1
14.5 Other Long-Term Assets	36.3

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 £0.9M, and the long term element of a (C and D) Loan of £20.3M received as part of the sale of Manydown North land to Manydown Garden Communities LLP. Of this loan amount £7.1M is non-interest bearing.

5. STATUTORY CAPITAL EXPENDITURE AND FINANCING

Total capital expenditure for 2024/25 amounted to £27.4M (£12.8M in 2023/24). Movements in the Capital Financing Requirement (the council's need to borrow to finance capital expenditure) are shown below:

2023/24 £M	2024/25 £M
0.0 Opening Capital Financing Requirement	0.0
Statutory Capital Expenditure	
5.0 Property Plant and Equipment Assets	4.3
0.7 Investment Property Assets	16.3
0.9 Other Long-Term Assets	2.9
6.2 Revenue Expenditure Funded from Capital Under Statute	3.9
12.8 Total Capital Expenditure	27.4
Source of Finance	
(5.0) Capital Receipts Reserve	(21.2)
(2.3) Capital Grants and Contributions	(1.1)
(5.5) Direct Revenue Financing from the General Fund	(3.6)
0.0 Internal Borrowing	(1.5)
0.0 Closing Capital Financing Requirement	0.0

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 (Restated) 2023/24 £M	Investment Property (Restated) 2023/24 £M		Property, Plant and Equipment 2024/25 £M	Investment Property 2024/25 £M
0.1	16.4	Due within one year	0.1	16.4
0.1	14.8	Due within two years	0.0	14.7
0.0	13.3	Due within three years	0.0	14.0
0.0	12.7	Due within four years	0.0	13.5
0.0	12.4	Due within five years	0.0	12.9
0.0	838.5	Due after five years	0.0	883.5
0.2	908.1	Total Future Minimum Lease Rentals Receivable	0.1	955.0

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 2024/25 the contingent rents receivable by the council for the year were £4.5M (£4.3M in 2023/24). All contingent rents are within the investment property category.

The 2023/24 comparative amounts have been restated due to the requirements of IFRS16 Leases which now requires minimum and contingent rents to be analysed between leases for investment property and property plant and equipment land and buildings. There is also the additional requirement to analyse the minimum rents for each of the first 5 years.

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 has two types of financial instrument namely 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 (£21.5M as at 31 March 2025)
- Cash Deposits (£30.0M as at 31 March 2025)
- Gilts and Treasury Bills (£18.9M as at 31 March 2025)
- 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 2024) 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 2025 the council had the following balances on investments:

Long Term 31-Mar-24 £M	Short Term 31-Mar-24 £M	Investment Total 31-Mar-24 £M		Long Term 31-Mar-25 £M	Short Term 31-Mar-25 £M	Investment Total 31-Mar-25 £M
0.0	14.8	14.8	Amortised Cost	29.0	41.5	70.5
63.6	0.0	63.6	Fair Value Through Profit and Loss	22.6	0.0	22.6
0.0	0.8	0.8	Accrued Interest	0.0	0.8	0.8
63.6	15.6	79.2	Total Carrying Value	51.6	42.3	93.9

Financial Instruments - Borrowing Balances

As at the 31 March 2025 the council had the following balances on borrowings:

Long Term 31-Mar-24 £M	Short Term 31-Mar-24 £M	Investment Total 31-Mar-24 £M		Long-Term 31-Mar-25 £M	Short-Term 31-Mar-25 £M	Investment Total 31-Mar-25 £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 2025 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 2023/24 £M	Fair Value Through Profit or Loss 2023/24 £M	Total Financial Instruments 2023/24 £M	Within Deficit/(Surplus) on Provision of Services	Amortised Cost 2024/25 £M	Fair Value Through Profit or Loss 2024/25 £M	Total Financial Instruments 2024/25 £M
(1.1)	(5.4)	(6.5)	Interest and Investment Income	(3.1)	(3.7)	(6.8)
0.0	0.0	0.0	Realised (Gain)/Loss on Disposal of Investments	0.0	(2.3)	(2.3)
0.0	(2.4)	(2.4)	Net (Gain)/Loss on Revaluation of Investments	0.0	1.0	1.0
(1.1)	(7.8)	(8.9)	Total Income, Expense, Gains and Losses	(3.1)	(5.0)	(8.1)

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 2024/25 the council received £4.8M and paid £0.0M (£5.7M received and £0.0M paid in 2023/24).

Interest and investment income figures include a £0.1M gain (£0.0M in 2023/24) to record the fair value adjustment to discount the D-Loan provided to the Manydown Garden Communities.

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, Cabinet 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 2025 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 31-Mar-24	% of Portfolio 31-Mar-24	Investment Instrument	Indicative Credit Rating 31-Mar-25	% of Portfolio 31-Mar-25	% point Change
AA-	4%	Government Bonds (Gilts/T Bills)	AA-	17%	13%
AAA	4%	Supranational Bonds	AAA	19%	15%
BBB	50%	Bond Funds	BBB+	12%	-38%
A	0%	Local Authority Deposits	A+	26%	26%
AA-	5%	Bank Deposits	A+	1%	-4%
AAAm	28%	Money Market Funds	AAAm	17%	-11%
N/A	9%	Property Funds	N/A	8%	-1%

The average credit rating for the investment portfolio as a whole as at 31 March 2025 is AA (A+ as at 31 March 2024), 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. Many 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 2025 the council had £47.5M of cash and investments that could be realised within a 3-month period (£98.6M as at 31 March 2024).

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 £1.6M as at 31 March 2025 (£1.6M as at 31 March 2024) 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 £1.0M of increased or decreased interest income in 2024/25 (£1.1M in 2023/24).

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 2025 the council had an unrealised net loss of £0.1M on its directly held bond investments (£0.0M on 31 March 2024). 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:

2023/24 £M	2024/25 £M
3.1 Central Government	2.2
0.7 Other Local Authorities	1.5
6.2 Other Entities and Individuals (includes Property Rents and Housing Benefits Overpayments)	14.9
10.0 Total Short-Term Debtors	18.6

Debtors are shown net of allowances for doubtful debts. The council has an allowance for doubtful debts of £3.6M as at 31 March 2025 (£4.2M as at 31 March 2024) consisting mainly of an allowance for Housing Benefits overpayments of £1.0M (£1.4M as at 31 March 2024) and other allowances of £2.6M (£2.3M as at 31 March 2024). There is an overall increase in year-end debtors of £8.6M. Central Government debtors have reduced by £0.9M. This is mainly due to the previous year's figure including a provision for a 2023/24 waste grant that was not received as at 31st March 2024. This is partially offset by an increase in housing grant funding debtors. Local authority debtors have increased by £0.8M mainly due to an increase in the recharge of costs relating to Manydown and accrued interest on short term loans. The increase in debtors from other entities and individuals is primarily due to £4.6M from community infrastructure levy payers, a £1.4M Section 106 invoice recognised at the year end and the issue of a £1.8M loan relating to the Manydown Development.

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:

31/03/24 £M	31/03/25 £M
0.0 Cash In Hand	0.0
1.3 Bank Current Account	2.4
31.5 Money Market Funds	19.5
32.8 Total Cash and Cash Equivalents	21.9

The movement in cash and cash equivalents during 2024/25 was a decrease of £10.9M (£4.1M decrease in 2023/24). 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:

31/03/24 £M	31/03/25 £M
(2.7) Central Government (includes net business rates)	(5.1)
(3.6) Other Local Authorities (includes council tax and business rates payable to precepting authorities)	(3.2)
(14.2) Other Entities and Individuals (includes contractors deposits, capital works and receipts in advance)	(15.7)
(20.5) Total Short-Term Creditors	(24.0)
0.0 Other Entities and Individuals	(3.0)
0.0 Total Long-Term Creditors	(3.0)

There is a net increase in short-term creditors of £3.5M between the Balance Sheet dates of 31 March 2024 and 31 March 2025. Central Government creditors have increased by £2.4M, mainly due to Business rates taxpayer receipts due to central government increasing by £2.1M.

Creditors relating to Other Entities and Individuals have increased by £1.5M. This is mainly due to a £0.8M deferred land payment relating to the Manydown development, a £2.2M increase in receipts in advance, mostly in relation to an investment property lease surrender premium receipt. These elements have been offset, in part by a reduction in capital creditors of around £1.5M, most notably amounts due to a housing association as a contribution towards the purchase of properties under the Local Authority Housing Fund in 2023/24.

11. PROVISIONS

Total provisions of £1.7M (£2.1M in 2023/24) consist of the council's share of the provision for appeals on business rates and estimated settlement costs for a number of legal claims.

The council's share of the provision for appeals on business rates is £1.4M (£1.6M in 2023/24). It includes the council's share of movements of £0.9M (£1.4M in 2023/24) of charges to the provision and a £0.8M increase in the provision (£0.9M increase in 2023/24).

There are a number of outstanding legal cases involving the council which are expected to result in a cost to the council, the provision for the estimated settlement of these claims is £0.3M (£0.5M in 2023/24). The provision relates to current claims against the council, where the actual settlement cost are not yet known, but are expected to be determined in the 2025/26 financial year.

12. NET BUSINESS RATES INCOME AND EXPENDITURE

The government funding arrangements allow the council to retain a proportion of the total £81.5M of business rates receivable income in 2024/25 (£69.9M in 2023/24).

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

2023/24 £M	2024/25 £M
Business Rates Income and Expenditure	
(30.6) Business Rate Income	(33.2)
(0.5) Net Change in Provision Made for Business Rates Appeals	(0.2)
0.3 Change in Allowances for Doubtful Debt	0.4
(30.8) Business Rates Income and Expenditure	(33.0)
Business Rates Grant Income and Expenditure	
(4.3) Business Rate Relief Grants from Government	(4.8)
30.4 Tariff Payment to Government	31.8
0.0 Levy to / (Safety net from) Government	0.6
26.1 Business Rates Grant Income and Expenditure	27.6
(4.7) Total Retained Business Rates	(5.4)

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

The council credited £40.8M in 2024/25 (£40.4M in 2023/24) 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.

2023/24	2024/25
£M	£M
£M Included in Cost of Services Specific Grants	
(31.5) Housing Benefit and Discretionary Housing Payments	(30.2)
(0.6) Other grants	(0.9)
(32.1) Total Included in Cost of Services	(31.1)
(4.3) Business Rates Grant Income	(4.8)
(included in Note 12)	
Included in Taxation and Non-Specific Grant Income	
(4.0) Other Non-Ringfenced Grants	(4.9)
(4.0) Total Included in Taxation and Non-Specific Grant Income	(4.9)
(40.4) Total Government Grants	(40.8)
2023/24 Other Non-Ringfenced Government Grants	2024/25
£M (included in Taxation and Non-Specific Grant Income)	£M
(2.0) Funding Guarantee Grant	(2.5)
(0.9) New Homes Bonus Grant	(0.9)
(0.3) Housing Benefit Administration Grant	(0.3)
0.0 Weekly Food Waste Collections	(0.3)
0.0 Local Plans Fund Grant	(0.2)
(0.2) Revenue Support Grant	(0.2)
0.0 Rough Sleeping Winter Pressures	(0.1)
(0.2) Local Council Tax Support Administration Grant	0.0
(0.1) Lower Tier Services Grant	0.0
(0.3) Other Non-Ringfenced Grants (including new burdens)	(0.4)
(4.0) Total Non-Ringfenced Government Grants	(4.9)

Additional grants of £0.4M (£1.2M in 2023/24) 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 £10.9M in 2024/25 (£6.8M in 2023/24) in capital grants and contributions to the Comprehensive Income and Expenditure Statement during the year. Details of these credits are shown below:

2023/24	2024/25
£M	£M
(1.6) Disabled Facilities Grant	(1.9)
(2.8) Community Infrastructure Levy	(7.0)
(1.4) DEFRA Food Waste Capital Grant	0.0
0.0 Donated Asset	(1.2)
(1.0) Other Contributions	(0.8)
(6.8) Total Capital Grants and Contributions	(10.9)

Of the £7.0M total community infrastructure levy income recognised during 2024/25 the amount received was £1.6M and the balance of £5.4M 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:

2023/24 £M	2024/25 £M
(10.3) Balance at the Start of the Year	(10.4)
Movements in Year	
(3.0) Amounts receivable (with conditions)	(2.4)
0.0 Amounts repaid to central government	0.4
2.9 Amounts recognised as income	2.0
(10.4) Balance at the End of the Year	(10.4)

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:

2023/24	2024/25
£M Included in Cost of Services	£M
4.5 Current Service Costs	4.6
0.1 Past Service Costs	0.0
Included in Financing and Investment Income and Expenditure	
0.6 Net Interest on Pension Liability	0.4
5.2 Sub Total Included in Provision of Services	5.0
Included in Re-measurement of the Pension Liability	
Actuarial losses/(gains)	
0.1 - due to change in financial assumptions	(33.9)
(4.2) - due to change in demographic assumptions	(0.4)
3.8 - due to liability experience	(2.4)
0.0 Effect of the asset ceiling adjustment	25.3
(8.4) Return on assets in excess of that recognised in net interest	1.4
(8.7) Sub Total Included in Re-measurement of Liability	(10.0)
(3.5) Total Included in Comprehensive Income and Expenditure Statement	(5.0)
2023/24 Movement in Reserves Statement	
£M (General Fund)	
(5.2) Reversal of charges made for retirement benefits	(5.0)
10.5 Inclusion of employer's contributions payable (see below)	1.3
5.3 Total Included in Movement in Reserves Statement	(3.7)

The analysis of actual employers contributions payable is as follows:

2023/24	2024/25
£M	£M
10.1 Normal Funded Contributions	0.9
0.4 Discretionary / Unfunded Added Years Contributions	0.4
10.5 Total Employer Contributions	1.3

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

2023/24 £M	2024/25 £M
(219.1) Present value of the pension obligation*	(190.8)
213.3 Fair value of pension fund assets	216.6
0.0 Effect of the asset ceiling adjustment	(25.3)
(5.8) Net (Liability)/Asset arising from Pension Obligation	0.5

*Includes a liability of £3.9M as at 31 March 2025 for discretionary and unfunded added years (£4.3M as at 31 March 2024).

As at the last valuation date (31 March 2022), the split of the pension obligation by category of members was 29% active members, 52% pensioners and 19% 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:

2023/24 £M	2024/25 £M
(211.5) Opening pension obligation	(219.1)
(4.5) Current service cost	(4.6)
(0.1) Past service cost	0.0
(9.7) Interest on pension obligation	(10.4)
(1.7) Contributions by scheme participants	(1.8)
Actuarial gains/(losses):	
(0.1) - due to changes in financial assumptions	33.9
4.2 - due to changes in demographic assumptions	0.4
(3.8) - due to liability experience	2.3
8.1 Benefits paid	8.5
(219.1) Closing present value of pension obligation	(190.8)

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:

2023/24 £M	2024/25 £M
191.7 Opening fair value of assets	213.3
9.1 Interest Income on assets*	10.1
8.4 Re-measurement gains/(losses) on assets*	(1.4)
10.5 Contributions by the employer	1.3
1.7 Contributions by scheme participants	1.8
(8.1) Benefits paid	(8.5)
213.3 Closing fair value of assets	216.6

*Actual Return on Scheme Assets

The actual return on scheme assets in the year was a gain of £8.7M (gain of £17.5M in 2023/24).

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 2022 identified that as at 31 March 2022 the scheme was 107.1% funded, compared to 98.9% at 31 March 2019. The main factor which has improved the funding position is the investment returns achieved by the Fund above the discount rate adopted at the 2019 valuation. Average investment returns were 9.1% p.a. which compared to an average discount rate of 4.3% p.a. The scheme will be revalued in 2025 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 2025/26. The pre-payment is based on a discounted estimate of employer contributions due for the three year period, this is reflected in the employer contributions in 2024/25, and has increased the pension asset accordingly. 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 2022, which was undertaken by the previous actuaries Aon. Valuations for unfunded elements were assessed by the actuary at 31 March 2025.

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 2025. Under this strategy, the Council has an obligation to fund a deficit of £25.3M. 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 2024/25, 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 2025. 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:

31/03/24 Funded	31/03/24 Unfunded	General assumptions (per annum)	31/03/25 Funded	31/03/25 Unfunded
4.8%	4.8%	Rate for discounting scheme liabilities	5.8%	0.1
3.8%	n/a	Rate of Increase in Salaries	3.8%	n/a
2.8%	2.8%	Rate of Increase to pensions in payment	2.8%	0.0

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

31/03/24 Quoted	31/03/24 Unquoted	Assumed Split of Pension Fund Assets	31/03/25 Quoted	31/03/25 Unquoted
37.9%	7.9%	Equities	33.3%	8.9%
14.5%	0.0%	Government Bonds	14.6%	0.0%
0.0%	7.5%	Property	0.0%	9.2%
4.7%	5.1%	Corporate Bonds	4.5%	4.7%
0.8%	0.0%	Cash	1.9%	0.0%
5.4%	16.2%	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)

31/03/24	Future lifetime at 65 for current pensioners	31/03/25
22.1	Male	22.0
24.7	Female	24.7
Future lifetime at 65 for future pensioners (currently 45)		
22.6	Male	22.5
25.7	Female	25.6

The assumption for the take up of commutation (converting pension to a lump sum) is based on 70% of the permitted maximum for 2024/25 (70% in 2023/24).

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%	(£3.1M)	+2%
	-0.1%	£3.1M	-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%	£3.1M	-2%
	-0.1%	(£3.1M)	2%
Mortality Assumptions	-1 year	£7.6M	-4%
	+1 year	(£7.6M)	+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 2023/24 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 2023	(44.6)	(32.6)	(10.6)	(87.8)
(Surplus)/Deficit on provision of services	18.5	0.0	0.0	18.5
Total comprehensive income and expenditure	18.5	0.0	0.0	18.5

Adjustments between accounting basis and funding basis under regulations:

Depreciation and amortisation of long-term assets	(4.5)	0.0	0.0	(4.5)
Revaluation of property, plant and equipment	(0.1)	0.0	0.0	(0.1)
Revaluation of investment property	(20.9)	0.0	0.0	(20.9)
Investment property written out (disposals)	0.0	0.0	0.0	0.0
Property plant and equipment written out (disposals)	(0.1)	0.0	0.0	(0.1)
Capital pooled investment fund (disposal) written out	0.0	0.0	0.0	0.0
Proceeds from investment property disposals	0.1	(0.1)	0.0	0.0
Proceeds from property plant and equipment asset disposals	0.1	(0.1)	0.0	0.0
Proceeds from capital pooled investment fund disposal	0.0	0.0	0.0	0.0
Revaluation of financial instruments	0.8	0.0	0.0	0.8
Revaluation of pooled fund investments	1.7	0.0	0.0	1.7
Revenue expenditure funded from capital under statute	(6.2)	0.0	0.0	(6.2)
Pension costs adjustment	5.3	0.0	0.0	5.3
Capital expenditure charged to the general fund (financing)	5.5	0.0	0.0	5.5
Capital repayments (loans/grants)	0.0	(0.6)	0.0	(0.6)
Capital grants and contributions unapplied	5.1	0.0	(5.1)	0.0
Capital grants and contributions applied (financing)	0.0	0.0	2.3	2.3
Capital receipts applied (financing)	0.0	5.0	0.0	5.0
Other statutory adjustments	(4.6)	0.0	0.0	(4.6)
Total adjustments between accounting basis and funding basis under regulations	(17.8)	4.2	(2.8)	(16.4)
Net (increase)/decrease	0.7	4.2	(2.8)	2.1
Balance as at 31 March 2024	(43.9)	(28.4)	(13.4)	(85.7)

15. USABLE RESERVES (continued)

The balances and movements on usable reserves for 2024/25 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 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 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)

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 £79.9M as at 31 March 2025 (£65.8M as at 31 March 2024).

In addition to these available funds the council also has £10.4M as at 31 March 2025 (£10.4M as at 31 March 2024) of developers' contributions (shown as long-term liabilities) that are also available, resulting in £90.3M of resources that are available to fund current and future spending plans as at 31 March 2025 (£76.2M as at 31 March 2024).

The MTFS period 2025/26 to 2028/29 already includes a planned capital programme spend of £98.9M which will be largely funded from the council's usable reserves and forecast new capital receipts, grants and contributions.

15. USABLE RESERVES (continued)

Usable Reserves	Descriptions and Purpose
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: <ul style="list-style-type: none"> - 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 2023/24 £M	Balance 31/03/24 £M		From/(To) Reserves 2024/25 £M	Balance 31/03/25 £M
General Fund Reserves				
Reserves for Future Capital Expenditure				
(0.9)	(8.0)	Revenue Reserve for Capital Purposes (General)	(4.2)	(12.2)
0.1	0.0	Revenue Reserve for Capital Purposes (AMP Works)	0.0	0.0
0.0	0.0	Revenue Reserve for Capital Purposes (Green Investment)	0.0	0.0
0.1	(1.6)	Manydown Reserve (former Housing Reserve - Manydown)	0.1	(1.5)
0.3	(0.3)	Local Infrastructure Fund (LIF) Reserve	0.3	0.0
Risk Reserves				
(0.9)	(3.4)	Rent Risk Reserve	0.0	(3.4)
1.0	(1.6)	Interest Rate Risk Reserve	0.0	(1.6)
(4.2)	(4.4)	Business Rate Risk Reserve	0.9	(3.5)
6.0	(8.7)	MTFS Risk Reserve	(1.4)	(10.1)
0.1	(0.4)	Other Risk Reserves	0.0	(0.4)
Reserves for Future Revenue Expenditure				
0.3	0.0	Invest To Grow Reserve	0.0	0.0
0.7	(2.3)	Efficiency, Transformation and Digital Reserve	0.5	(1.8)
0.1	(0.3)	Government Grants Unapplied Reserve	(0.6)	(0.9)
0.1	0.0	Covid-19 Grants Carry Forward Reserve	0.0	0.0
(0.4)	(0.8)	Budget Carry Forward Reserve	(0.2)	(1.0)
(0.6)	(1.3)	Housing and Homelessness Reserve	(0.2)	(1.5)
0.1	(0.6)	Economic Recovery Fund Reserve	0.0	(0.6)
(0.7)	(2.4)	Climate Change Reserve	0.5	(1.9)
(0.3)	(0.3)	Property Sinking Fund Reserve	0.0	(0.3)
0.1	0.0	Other Earmarked Revenue Reserves	0.0	0.0
Reserves Invested to Earn Interest				
(0.3)	(6.0)	Commuted Sums Reserve	(0.3)	(6.3)
0.0	(1.5)	General Fund Balance (Unearmarked)	0.0	(1.5)
0.7	(43.9)	Total General Fund Reserves	(4.6)	(48.5)

15. USABLE RESERVES (continued)

The purpose of each of the earmarked reserves held at 31 March 2025 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.
Property Sinking Fund Reserve	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 2023/24 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 2023	19.8	(37.1)	(413.7)	1.5	0.0	(429.5)
Other comprehensive income and expenditure						
(Surplus)/Deficit on revaluation of non-current assets	0.0	2.9	0.0	0.0	0.0	2.9
Actuarial loss/(gain) on pension fund assets and liabilities	(8.7)	0.0	0.0	0.0	0.0	(8.7)
Total comprehensive income and expenditure	(8.7)	2.9	0.0	0.0	0.0	(5.8)
Adjustments between accounting basis and funding basis under regulations:						
Depreciation and amortisation of long-term assets	0.0	0.0	4.5	0.0	0.0	4.5
Revaluation of property, plant and equipment	0.0	0.0	0.1	0.0	0.0	0.1
Revaluation of investment property	0.0	0.0	20.9	0.0	0.0	20.9
Revaluation of pooled fund investments	0.0	0.0	(0.8)	(1.7)	0.0	(2.5)
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	0.0	0.0	0.0	0.0
Capital pooled investment fund written out (disposal)	0.0	0.0	0.0	0.0	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	6.2	0.0	0.0	6.2
Pension costs adjustment	(5.3)	0.0	0.0	0.0	0.0	(5.3)
Capital expenditure charged to the General Fund (financing)	0.0	0.0	(5.5)	0.0	0.0	(5.5)
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	(2.3)	0.0	0.0	(2.3)
Capital receipts applied (financing)	0.0	0.0	(5.0)	0.0	0.0	(5.0)
Other statutory adjustments	0.0	1.1	(1.1)	4.6	0.0	4.6
Transfer of deferred sale proceeds (Manydown)	0.0	0.0	0.0	0.0	0.0	0.0
Total adjustments between accounting basis and funding basis under regulations	(5.3)	1.1	17.7	2.9	0.0	16.4
Net decrease/(increase) in 2023/24	(14.0)	4.0	17.7	2.9	0.0	10.6
Balance as at 31 March 2024	5.8	(33.1)	(396.0)	4.4	0.0	(418.9)

16. UNUSABLE RESERVES (continued)

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 1st 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 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 (disposals)	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)

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 £22.7M as at 31 March 2025 (£0.7M at 31 March 2024) and a loan receivable from MDV LLP of £6.8M (including accrued interest) as at 31 March 2025 (£4.0M as at 31 March 2024).

17. RELATED PARTY TRANSACTIONS (continued)

Members of the council have direct control over the council's financial and operating policies.

During 2024/25 and 2023/24, other than the Council Members' Allowances shown in Note 20, there were no related party transactions between the council and Council Members.

Any declarations of interest are recorded in the Register of Members' Interests, which is open to public inspection.

Chief Officers have the ability to influence the council. During 2024/25 and 2023/24, other than the Senior Employees' Remuneration shown in Note 23, there were no related party transactions between the council and Chief Officers.

The council holds funds on behalf of parish councils in the form of temporary loans, but does not have a controlling influence over them.

18. AGENCY SERVICES

The council undertakes work on an agency basis for Hampshire County Council, the work includes grass cutting on highways. The total reimbursable expenditure for 2024/25 was £0.3M (£0.3M in 2023/24).

The council also undertakes work on an agency basis for Hart District Council. The work includes legal services, customer services, grounds maintenance, waste collection, street cleansing and licensing.

The total reimbursable expenditure for 2024/25 was £4.4M (£4.6M in 2023/24).

19. EXTERNAL AUDIT COSTS

The council incurred the following fees relating to the appointed external auditors:

2023/24 £'000	2024/25 £'000
Ernst & Young LLP (EY)	
154.4	171.6
External Audit Services (scale fee)*	
KPMG	
20.6	23.4
Certification of Grant Claims and Returns	
Cabinet Office	
0.0	2.7
National Fraud Initiative (biennial)	
175.0	197.7
Total External Audit Costs (Net)	

* This represents the scale fee set by Public Sector Audit Appointments Limited (PSAA).

20. COUNCIL MEMBERS' ALLOWANCES

The total sum paid directly to Council Members for allowances and travelling in 2024/25 was £686,050 (£667,219 in 2023/24). A detailed breakdown of allowances paid to individual Councillors can be found on the council's website on this link:

[Council budgets and spending \(basingstoke.gov.uk\)](https://www.basingstoke.gov.uk/council-budgets-and-spending)

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 2023/24	Remuneration Band	Total Employees 2024/25
34	£50,000 - £54,999	41
20	£55,000 - £59,999	19
16	£60,000 - £64,999	13
3	£65,000 - £69,999	13
3	£70,000 - £74,999	4
10	£75,000 - £79,999	7
1	£80,000 - £84,999	12
4	£85,000 - £89,999	2
2	£90,000 - £94,999	2
0	£95,000 - £99,999	0
2	£100,000 - £104,999	0
0	£105,000 - £109,999	0
1	£110,000 - £114,999	4
96		117

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 6 employees in 2024/25 incurring liabilities of £103,247.22 (3 being in the £0-£20,000 cost band and 3 being in the £20,001-£40,000 cost band). Of the 6 terminations, none were compulsory. In 2023/24, the comparable figures were 3 employees incurring liabilities of £156,485 (3 being in the £0 to £100,000 cost band). Of the 3 terminations in 2023/24, none were compulsory.

There were £0 of additional pension costs in 2024/25 payable to the pension fund for early retirements as a result of redundancy (£0 in 2023/24).

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 2024/25 (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 2023/24 £*	Pension Payments 2023/24 £	Total 2023/24 £	Senior Employee Position	Salary, Allowances & Benefits in Kind 2024/25 £*	Pension Payments 2024/25 £	Total 2024/25 £
155,047	26,194	181,241	Chief Executive - Russell O'Keefe	157,581.0	27,431	185,012
124,572	20,273	144,845	Deputy Chief Executive	127,836.0	21,450	149,286
220,011	21,936	241,947	Executive Director of Corporate Services and Assets (Section 151 Officer) (note 1)	0.0	0	0
118,310	20,288	138,598	Director of Regeneration (note 2)	116,974.0	20,160	137,134
60,857	10,595	71,452	Director of Residents Services (note 3)	127,312.0	22,164	149,476
75,830	13,194	89,024	Director of Customer Services Improvement and Performance (note 4)	92,418.0	16,238	108,656
85,768	14,510	100,278	Chief Finance Officer (Section 151 Officer) (note 5)	103,011.0	17,689	120,700
107,330	18,471	125,801	Head of Law and Governance and Monitoring Officer	110,728.0	19,278	130,006
81,294	13,963	95,257	Head of Human Resources and Organisational Development	83,932.4	14,671	98,603

Notes:

1 Due to a senior management restructure this post was removed and the postholder left on 31/03/2024, this amount includes accrued exit payments.

2 This was a new post for 2023/24, the postholder started on 03/04/2023

3 This was a new post for 2023/24, the postholder started on 02/10/2023

4 This individual was Head of Customer Services Improvement and Performance to 5 May 2024, and was appointed to the new post of Director of Customers, Digital and Improvement from 6 May 2024.

5 This individual was Head of Financial Services and Commercialisation (Deputy S151 Officer) to 31 March 2024, and was appointed to the new post of Chief Finance Officer from 1 April 2024.

* 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 will be prepared from 2024/25 onwards.

25. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies were reviewed by the Chief Finance Officer (Section 151 Officer) in March 2025.

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 2024/25, these proper accounting practices principally comprise:

- (i) The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (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 2025 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 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 consist of 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

From 1 April 2024, the Council has applied IFRS 16 Leases as adopted by the Code of Practice on Local Authority Accounting. The new accounting standard requires that the 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. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

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.

The Council has applied the transitional provisions in the code. The transitional provisions of the Code are for the following amounts to be brought onto the Balance Sheet by adjusting the opening balances at 1 April 2024.

The adjustments to opening balances were as follows:

	Property , Plant and Equipment £M	Unusable Reserves £M
Balance at 31 March 2024	91.5	0.0
Right of use asset recognised on transition	1.2	(1.2)
Opening Balance as at 1st April 2024	92.7	(1.2)

In making the transitional adjustments, hindsight has been applied in determining the lease term where the lease contains options to extend or terminate. Leases due to expire before 1 April 2025 have been treated as short-term leases, irrespective of their overall term. A single discount rate has also been used to determine the value of any lease liability. All low value leases (below £10,000) have been excluded.

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 services 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 (Fit for the Future Council Plan Priority)
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. Assets included in the Balance Sheet at current value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. 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 2025/26 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 2025 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</p> <p>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 £0.8M 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.</p> <p>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</p> <p>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 recognized 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 £3.1M. 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</p> <p>As at 31/03/25, the Council had an outstanding balance of short-term debtors totalling £17.4M net of £0.9M of prepayments (£10.0M net of £1.0M as at 31/3/24). Against this debtors' balance, there is an impairment allowance of £3.6M (£4.2M as at 31/03/24). 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</p> <p>The council has made provision for its share of appeals on business rates of £1.2M (£1.6M in 2023/24) 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 rates of 2.5% would require an estimated adjustment to the financial statements of £0.5M of which the council's share is £0.2M.</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 2025/26 and the medium-term financial strategy to 2028/29 were agreed by Council in February 2025. A balanced budget and forecast was set for 2025/26, 2026/27 and 2027/28. 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 2025 the council had £21.9M cash and cash equivalents and approximately £14M 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 £15.4M as at 31 March 2025 (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 £15.4M as at 31 March 2025 decreasing to £13.6M 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 30 June 2025. 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 2025, 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 2024. 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 2025 management accounts has discerned that there have been no material transactions occurring between 1st January 2025 and 31st March 2025 that would require Manydown Garden Community LLP to produce a set of accounts as at the 31st March 2025, this will be reviewed annually. Furthermore, an assessment of the materiality of Manydown Garden Community LLP's audited accounts as at 31st December 2023 has identified no requirement to restate 2023/24 figures in respect of the group relationship.

SUMMARY OF JOINT VENTURE'S FINANCIAL STATEMENTS

As at 31 December 2024, Manydown Garden Communities LLP reported net assets of £45.2M and a loss of £1.2M for the year. The net assets comprise land inventory of £71.0M, cash and cash equivalents of £0.1M, and a loan liability of £25.9M due to the development partner, Urban & Civic. The reported loss includes £0.4M of accrued interest on loans and £0.8M of expenditure incurred from the members of the LLP. The councils' share of the net assets is £22.6M, and their share of the loss for the year is £0.6M.

LOANS

The council had a loan receivable balance from MGC LLP of £22.5M as at MGC LLP's reporting date of 31 December 2024 with the comparator of £0.7M as at 31 December 2023, the agreed terms of these loans stipulate the following;

C-Loan Notes: £13.0M as at 31 December 2024 (£0.0M as at 31 December 2023) 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: £10.0M adjusted to a Fair Value of £8.6M as at 31 December 2024 (£0.0M as at 31 December 2023) 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 £1.0 million in capital receipts and the issuance of £1.0 million in C-Loan Notes.

Operational Loan Facility: £0.9M as at 31 December 2024 (£0.7M as at 31 December 2023) 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 carried down £1.2M loss as at 31st December 2024.
2. This adjustment removes the councils loan investments within MGC LLP and any accrued interest on these loans.
3. This adjustments recognises BDBC's 50% share of MGC LLP's Members' interest of £45.2M, less the above mentioned £1.4M downward adjustment in the fair value of the D Loan, in the Investments in Joint

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025						
2023/24 Expenditure £M	2023/24 Income £M	2023/24 NET £M		2024/25 Expenditure £M	2024/25 Income £M	2024/25 NET £M
			Council Plan Priority			
12.9	(2.9)	10.0	A council that delivers high-quality services for our residents	13.2	(3.1)	10.1
13.7	(3.4)	10.3	A borough where we protect, restore, reconnect and enhance our natural environment	14.5	(3.6)	10.9
62.6	(38.2)	24.4	A place where people can have pride in their communities and the borough	63.0	(37.0)	26.0
89.2	(44.5)	44.7	COST OF SERVICES	90.7	(43.7)	47.0
			Other Operating Income and Expenditure			
			1.8 Payment of Precepts (collected on behalf of Parish Councils)			1.9
			0.0 Other Operating Income and Expenditure			0.0
			Financing and Investment Income and Expenditure			
			7.1 Net (Gain)/Loss on Investment Property			(16.8)
			(6.5) Interest and Investment Income			(9.1)
			(2.4) Unrealised (Gain)/Loss on Pooled Investment Funds			1.0
			0.6 Net Interest on the Pension Liability			0.4
			Taxation and Non-Specific Grant Income and Expenditure			
			(11.3) Council Tax Income (including parish precepts)			(11.8)
			(4.7) Net Business Rates Income and Expenditure			(5.4)
			(4.0) Other Non-Ring-fenced Government Grants Income			(4.9)
			(6.8) Capital Grants and Contributions Income			(10.9)
			18.5 DEFICIT/(SURPLUS) ON PROVISION OF SERVICES			(8.6)
			Other Comprehensive Income and Expenditure			
			2.9 (Gain)/Loss on Revaluation of Non Current Assets			(8.1)
			(8.7) Re-measurement of Pension Liability			(10.0)
			0.0 (Surplus)/ Deficit on Associates and Joint Ventures (Note 1)			0.6
			12.7 TOTAL GROUP COMPREHENSIVE (INCOME) / EXPENDITURE			(26.1)

AS AT 31 MARCH 2025

31 March 2024 BDBC £M	31 March 2025 BDBC £M	31 March 2025 GROUP ADJUSTMENTS £M	31 March 2025 GROUP £M
91.5	102.4	0.0	102.4
320.1	302.1	0.0	302.1
63.6	51.6	0.0	51.6
14.5	36.3	(20.7)	15.6
0.0	0.5	0.0	0.5
0.0	0.0	21.2	21.2
489.7	492.9	0.5	493.4
15.6	42.3	0.0	42.3
10.0	18.6	(1.8)	16.8
32.8	21.9	0.0	21.9
58.4	82.8	(1.8)	81.0
(20.5)	(24.0)	0.0	(24.0)
(2.1)	(1.7)	0.0	(1.7)
(22.6)	(25.7)	0.0	(25.7)
(10.4)	(10.4)	0.0	(10.4)
(5.8)	0.0	0.0	0.0
(4.7)	(5.2)	0.0	(5.2)
0.0	(3.0)	0.0	(3.0)
(20.9)	(18.6)	0.0	(18.6)
504.6	531.4	(1.3)	530.1
(85.7)	(100.4)	0.0	(100.4)
(418.9)	(431.0)	0.0	(431.0)
0.0	0.0	1.3	1.3
(504.6)	(531.4)	1.3	(530.1)

The unaudited accounts were issued on 30 June 2025 and audited accounts were authorised for issue on 11 February 2026.

Adam Swain FCPFA
Chief Finance Officer
(Section 151 Officer) 11 February 2026

FOR THE YEAR ENDED 31 MARCH 2025

2024/25	Movements							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	Total Comprehensive Income and Expenditure Statement £M	Adjustment between accounting basis and funding basis under regulations £M				
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)		
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 (Note 1)	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)		

*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).

FOR THE YEAR ENDED 31 MARCH 2025

2023/24 BDBC £M	OPERATING ACTIVITIES	2024/25 BDBC £M	2024/25 GROUP ADJUSTMENTS £M	2024/25 GROUP £M
18.5	(Surplus)/Deficit on the Provision of Services (Note 1)	(8.6)	1.3	(7.3)
	Adjustments for Non-Cash Movements:			
5.3	Pension Fund adjustments	(3.7)	0.0	(3.7)
(4.5)	Depreciation and amortisation of long-term assets	(4.2)	0.0	(4.2)
(0.1)	Revaluation of property, plant and equipment	(1.6)	0.0	(1.6)
(20.9)	Revaluation of investment property	5.0	0.0	5.0
(0.1)	Write out of long-term assets on disposal	(14.3)	0.0	(14.3)
2.4	Revaluation of Pooled Investment Funds	(1.0)	0.0	(1.0)
0.0	Deferred proceeds from disposal of long-term assets	22.7	0.0	22.7
0.5	Other Non-Cash Movements (Note 1)	(0.9)	(1.3)	(2.2)
	Adjustments for Items included in Investing Activities:			
0.3	Realised proceeds from disposal of long-term assets	12.8	0.0	12.8
	Adjustments for Items on an Accruals Basis:			
(2.1)	Increase/(decrease) in operating activity debtors	8.7	0.0	8.7
0.7	(Increase)/decrease in operating activity creditors	(3.2)	0.0	(3.2)
0.0	(Increase)/decrease in provisions	0.4	0.0	0.4
0.0	Net Cash Out Flow/(In Flow) from Operating Activities	12.1	0.0	12.1
	INVESTING ACTIVITIES			
5.1	Payments for additions and subsequent expenditure on long-term assets	21.8	0.0	21.8
307.6	Payments for purchase of investments	451.7	0.0	451.7
(0.3)	Proceeds from disposal of long-term assets	(35.5)	0.0	(35.5)
(322.7)	Proceeds from disposal of investments	(436.9)	0.0	(436.9)
(10.3)	Net Cash Out Flow/(In Flow) from Investing Activities	1.1	0.0	1.1
	FINANCING ACTIVITIES			
12.7	Net (inflow)/outflow for business rates payable to government and preceptors	(2.6)	0.0	(2.6)
1.7	Net (inflow)/outflow for council tax payable to preceptors	0.3	0.0	0.3
14.4	Net Cash (In Flow)/Out Flow from Financing Activities	(2.3)	0.0	(2.3)
4.1	NET DECREASE/(INCREASE) IN GROUP CASH AND CASH EQUIVALENTS	10.9	0.0	10.9

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.

2023/24 Council Tax £M	2023/24 Business Rates £M	2023/24 Total £M		2024/25 Council Tax £M	2024/25 Business Rates £M	2024/25 Total £M
(136.8)	(69.9)	(206.7)	AMOUNTS RECEIVABLE	(144.5)	(82.7)	(227.2)
Contributions towards Previous Years' Estimated Deficits						
0.0	0.0	0.0	Central Government	0.0	(1.2)	(1.2)
0.0	0.0	0.0	Hampshire County Council	0.0	(0.3)	(0.3)
0.0	0.0	0.0	General Fund (BDBC)	0.0	(1.5)	(1.5)
0.0	0.0	0.0	Fire and Rescue Authority	0.0	(0.0)	(0.0)
0.0	0.0	0.0	Police Authority	0.0	0.0	0.0
(136.8)	(69.9)	(206.7)	TOTAL INCOME	(144.5)	(85.8)	(230.3)
Precepts, Demands and Shares						
0.0	39.0	39.0	Central Government	0.0	40.0	40.0
100.8	7.0	107.8	Hampshire County Council	107.0	7.2	114.2
11.2	31.2	42.4	General Fund (BDBC)	11.8	32.0	43.8
5.6	0.8	6.4	Fire and Rescue Authority	5.8	0.8	6.6
17.4	0.0	17.4	Police Authority	18.2	0.0	18.2
Distribution of Previous Years' Estimated Surpluses						
0.0	4.2	4.2	Central Government	0.0	0.0	0.0
2.2	0.8	3.0	Hampshire County Council	1.1	0.0	1.1
0.2	3.3	3.5	General Fund (BDBC)	0.1	0.0	0.1
0.1	0.1	0.2	Fire and Rescue Authority	0.1	0.0	0.1
0.4	0.0	0.4	Police Authority	0.2	0.0	0.2
Charges to Collection Fund						
0.0	(6.4)	(6.4)	Transitional Protection Payments	0.0	(1.3)	(1.3)
0.9	1.0	1.9	Other	1.1	2.5	3.6
138.8	81.0	219.8	TOTAL EXPENDITURE	145.4	81.2	226.6
2.0	11.1	13.1	MOVEMENT IN FUND BALANCE	0.9	(4.6)	(3.7)
(3.5)	(6.2)	(9.7)	OPENING FUND BALANCE	(1.5)	4.9	3.4
(1.5)	4.9	3.4	CLOSING FUND BALANCE	(0.6)	0.3	(0.3)

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	
		2023/24	2023/24	2023/24	2023/24	2024/25	2024/25	2024/25	2024/25
*A	5/9	6.0	3.3			6.0	3.3		
A	6/9	2,031.6	1,354.4			2,083.3	1,388.9		
B	7/9	10,911.8	8,486.9			11,253.8	8,752.9		
C	8/9	24,766.3	22,014.4			25,237.8	22,433.6		
D	1	14,009.5	14,009.5			14,141.7	14,141.8		
E	11/9	10,475.0	12,802.8			10,567.2	12,915.5		
F	13/9	6,287.5	9,081.9			6,343.5	9,162.8		
G	15/9	3,304.3	5,507.1			3,334.0	5,556.7		
H	18/9	425.0	850.0			434.8	869.5		
		72,216.86	74,110.3			73,402.10	75,225.0		
		Growth in tax base	1,065.6	Growth in tax base			759.9		
		Allowance for council tax support	(4,729.7)	Allowance for council tax support			(4,760.1)		
		Allowance for doubtful debts	(1,408.9)	Allowance for doubtful debts			(1,424.5)		
		Council Tax Base (Band D equivalent properties)	69,037.3	Council Tax Base (Band D equivalent properties)			69,800.3		

*A - Entitled to disabled relief reduction

2. NON-DOMESTIC RATEABLE VALUE

For 2024/25 the Uniform Business Rate was split between a small and standard multiplier which were previously aggregated.

In 2024/25 the small business rate multiplier was frozen at 41.9p with the standard rate multiplier being updated from September 2024 from 51.2p to 54.6p (51.2p in 2023/24).

The total non-domestic rateable value at 31 March 2025 was £197.6M (£197.5M as at 31 March 2024).

The total potential gross business rates collectable in 2024/25 were £105.7M (£95.7M in 2023/24) but this was reduced to £81.7M in 2024/25 (£69.9M in 2023/24) 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:

2023/24	2023/24	2023/24		2024/25	2024/25	2024/25
Council Tax	Business Rates	Total		Council Tax	Business Rates	Total
£M	£M	£M		£M	£M	£M
(0.1)	2.0	1.9	Borough Share (included within the Collection Fund Adjustment Account)	0.0	0.1	0.1
(1.4)	2.9	1.5	Government & Preceptors' Share (included in Debtors and Creditors)	(0.6)	0.2	(0.4)
(1.5)	4.9	3.4		(0.6)	0.3	(0.3)

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 2024/25.

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 Statement of Accounts present a true and fair view of the financial position of the council at 31 March 2025 and its income and expenditure for the year then ended.

Signed:

Date: 11 February 2026

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

Signed:

Date: 11 February 2026

Cllr Paul Basham – Chair of Audit and Accounts Committee, on behalf of the committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BASINGSTOKE & DEANE BOROUGH COUNCIL

Qualified Opinion

We have audited the financial statements of Basingstoke and Deane Borough Council ('the Council') and its subsidiaries (the 'Group') for the year ended 31 March 2025. The financial statements comprise the:

- Council and Group Movement in Reserves Statement,
- Council and Group Comprehensive Income and Expenditure Statement,
- Council and Group Balance Sheet,
- Council and Group Cash Flow Statement
- the related notes 1 to 30 including material accounting policy information
- Collection Fund and the related notes 1 to 3

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section, the financial statements:

- give a true and fair view of the financial position of Basingstoke and Deane Borough Council and the Group as at 31 March 2025 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended).

Basis for qualified opinion

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) ("the Regulations") which came into force on 30 September 2024 required the accountability statements for the year ended 31 March 2025 to be approved not later than 27 February 2026 ('the backstop date').

As a result of the disclaimers of opinion on the financial statements for the years ended 31 March 2023 and 31 March 2024, we do not have sufficient appropriate audit evidence over:

- the valuation of additions of property, plant and equipment during 2022/23, amounting to £5 million and the consequential impact of these on the Comprehensive Income and Expenditure Statement.
- the classification of reserves between useable and unusable including:

- General Fund Reserves
- Earmarked Reserves
- Capital Receipts Reserve
- Capital Grants and Contributions
- Asset Revaluation Reserve
- Capital Adjustment Account
- Other Statutory Adjustment Account
- Deferred Capital Receipts Reserve

Our inability to audit the classification is a consequence of the disclaimer of opinion on the reserve balances as at 31 March 2023. We have obtained assurance over the in year movements in reserves for the year ended 31 March 2025 and the comparative year.

Our opinion on the current period's financial statements is also modified because of the possible effect of the disclaimers of opinion on the financial statements for the years ended 31 March 2023 and 31 March 2024 on the comparability of the current period's figures and the corresponding figures contained within the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, and Cash Flow Statement.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Code of Audit Practice 2024, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

The audits of the financial statements for the years ended 31 March 2023 and 31 March 2024 for Basingstoke and Deane Borough Council were not completed for the reasons set out in our disclaimers of opinion on those financial statements dated 28 November 2024 and 21 February 2025.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Council's ability to continue as a going concern for a period to 31 March 2027.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Council's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statement of Accounts 2024/25, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the Statement of Accounts 2024/25.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

As described in the Basis for qualified opinion section of our report, our audit opinion is qualified due to lack of assurance over Property, Plant and Equipment valuations and additions not subsequently revalued after the 2022/23 financial year and classification of reserves.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Group and the Council
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)

- we are not satisfied that the Group and the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer

As explained more fully in the Statement of Responsibilities set out on page 77, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the Group financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Group and the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Group and the Council either intends to cease operations, or has no realistic alternative but to do so.

The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Council and determined that the most significant are:

- Local Government Act 1972,
- Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992),
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018, 2020, and 2022,
- Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (SI 2010/948)
- Business Rate Supplements Act 2009
- The Local Government Finance Act 2012
- The Local Audit and Accountability Act 2014 (as amended), and
- The Accounts and Audit Regulations 2015.

In addition, the Council has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.

We understood how Basingstoke and Deane Borough Council is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of Management, the Head of Internal Audit and Those Charged with Governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Council's committee minutes, through enquiry of employees to confirm Council policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Council's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified inappropriate capitalisation of revenue expenditure, inappropriate recognition of rental income and management override of controls to be our fraud risks.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested a sample of Property, Plant and Equipment and Investment Property additions to ensure that the capitalisation criteria were properly met, and the expenditure was genuine.

To address our fraud risk of inappropriate recognition of rental income, we tested a sample of rental income items to confirm the item was appropriate to recognise in that period by agreeing the revenue through agreement to third party evidence including contracts.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. We also reviewed the Councils accounting estimates for evidence of management bias, and considered whether there were any significant or unusual transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in November 2024, as to whether Basingstoke and Deane Borough Council had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Basingstoke and Deane Borough Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether Basingstoke and Deane Borough Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Basingstoke and Deane Borough Council.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of Basingstoke and Deane Borough Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Brittain (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Reading
12 February 2026

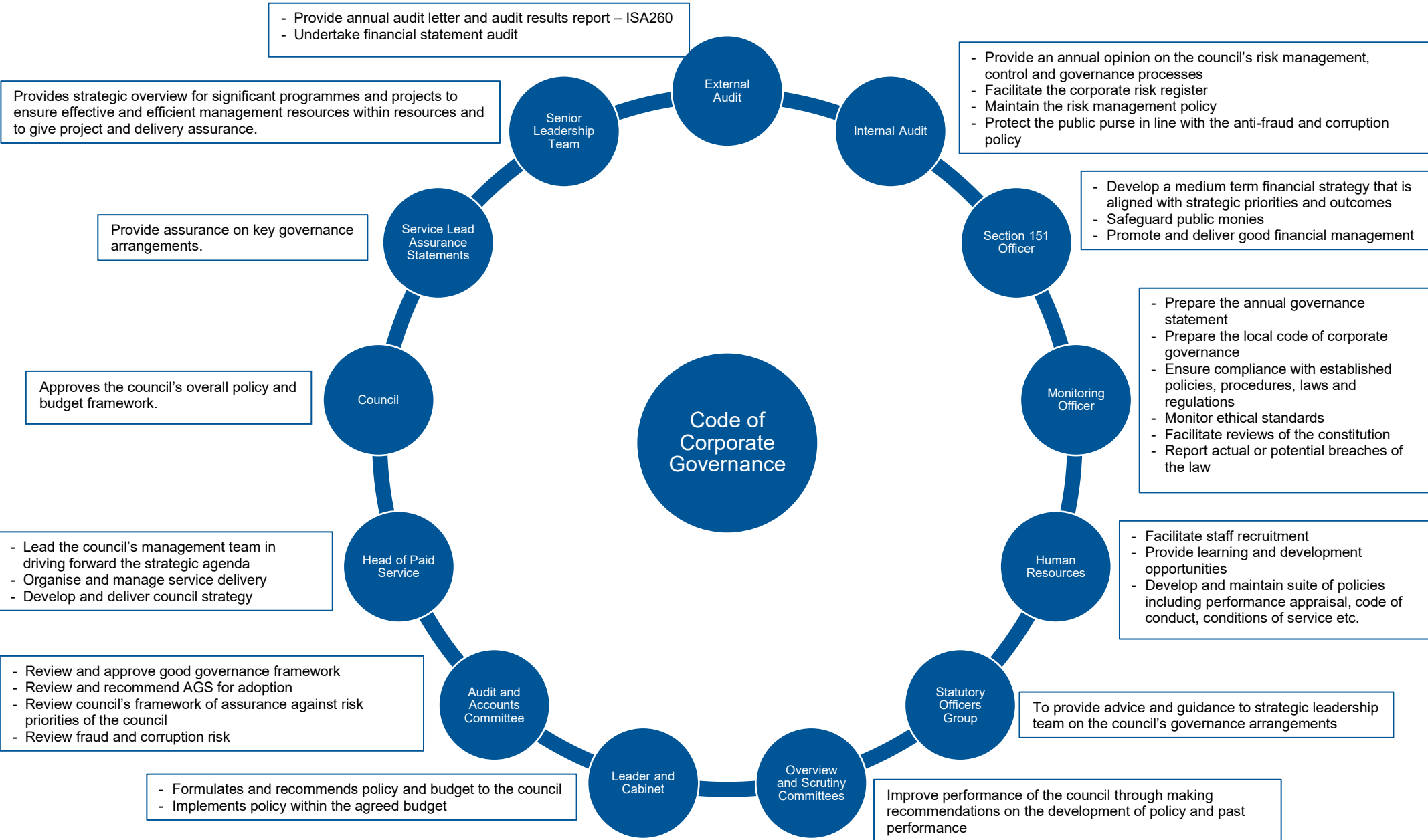
1. SCOPE OF RESPONSIBILITY

- (1) Basingstoke and Deane Borough Council (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 Code of Corporate Governance, which is consistent with the principles of the Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2016). 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 2024/25 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 2025 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).

(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 2024/25, training sessions on the Code of Conduct have taken place for Borough

Councillors, Parish Councillors and Parish Clerks. The Standards Committee has oversight of the development programme and has considered reports on the subject in July and November 2024.

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. 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”.

(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 £1.4m of government funding through the UK Shared Prosperity Fund and the Rural England Prosperity Fund for the period 2022/23 to 2024/25 which was used to establish a range of

grant schemes aimed at supporting not-for-profit organisations and businesses. These included the Pride in Place Fund, the Town and Village Centre Fund, the Employment Support Fund and the Workforce Development Fund. Confirmation has been received that the UK Shared Prosperity Fund and Rural England Prosperity Fund will be extended by a further year into 2025/26, and the council will be developing new grant schemes targeted at businesses as well as to support people into employment.

The council consulted on its approach to savings, income generation and spending for its four-year budget known as the Medium-Term Financial Strategy (2025/26 to 2028/29) and this consultation helped to shape the final budget report agreed at council on 27 February 2025. The information was made available in an easy-to-understand format and responses were reported to Cabinet on 11 February 2025 before they made their final recommendation to council on 27 February 2025.

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 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.

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

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

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 being a net zero Borough by 2030. A Climate Change and Air Quality Strategy was adopted in March 2021 which sets out the actions required 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. The Climate Change and Air Quality Strategy is being reviewed and updated during 2025 to reflect progress to date and how best to continue to tackle the climate emergency.

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. In 2024 the council responded to consultations covering a wide range of issues from local partners and central government including

Hampshire County Council's consultation on the future services, the NHS's consultation on a new hospital for Hampshire and the law commission's consultation on business tenancies.

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, why the report is recommended, alternative options considered together with details of consultation carried out section. 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 three overview and scrutiny committees, Resources, Resident Services and Environment and Infrastructure, that 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 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 2024/25 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. Scrutiny training was also arranged and provided by an external provider.

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 74 corporate measures with 38 that report on a quarterly basis and 36 annually to the Senior Leadership Team, Cabinet Members, and Resources Committee. The resident survey results were reported as 6 measures in quarter three. The way in which key performance indicators are presented has changed with reporting now available on the council's website.

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 Medium-Term Financial Strategy and by regular monitoring of budgets, projects and service 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.

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

The current council’s People Strategy aims to have “the right people, in the right job, with the right skills, at the right time”. The key priorities within the strategy are focused around attracting, engaging, developing, and appropriately rewarding our staff. It sets out the principles under which the council will act as an employer and what is expected of staff in return. The underpinning principle of the Strategy is that because our services are delivered through our people, 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. The council completed the first phase of its pay and benefits review in 2023/2024 designed to ensure that the council has a sustainable and attractive pay and benefits offer both as part of attraction and retention. This has resulted in the implementation of an entirely new salary structure and updated benefits package.

In addition to the People Strategy the council has a set of organisational values which have recently been updated following a programme of engagement 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 very best people to provide excellent, trusted, and user-friendly services to its customers and communities. As such the strategy 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 People Strategy will be updated during 2025/26 to ensure that it continues to facilitate the achievement of the overall Council Plan.

The council reviewed and updated its corporate equality, diversity and inclusion priorities during 2023/24. These 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. In addition, it has provided an employment related area at a recent Ukraine information event, bringing partners in to support Ukrainian guests to find work and training. 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 supported through an ongoing programme of wellbeing activity 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, with a new platform launched in October 2024 providing access to a wider 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.

(E) 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 2024. 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. Risk management training for the Wider Leadership Team was carried out during January 2023 and an internal audit review of the risk management process was undertaken during 2024/25 that resulted in a full assurance opinion which was reported to the Audit and Accounts committee on 25 November 2025. 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 2024/25 included an independent co-opted member, bringing additional local government financial expertise to the committee. The committee

undertook an effectiveness review in 2023, results of the survey were considered by the committee on 27 November 2023, with actions identified to enhance the effectiveness of the committee.

The Council Plan 2023-2027 was monitored by the then council's Scrutiny Committee which reviewed performance and financial monitoring information to support the delivery of the Council Plan and budget strategy. Under the new committee structure this will be undertaken by the Resources Overview and Scrutiny Committee. 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 are being 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 £75k or above. 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.

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 (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 six monthly 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 2024/25 there was one data breach reported to the Information Commissioner's Office (ICO) and to the Audit and Accounts Committee. The ICO decided no further action was required.

Data protection training is mandatory for all employees of the council and temporary workers and an online training module is available for elected council members. GDPR and Data Protection Training also formed part of the Councillor Development Programme for 2024/25.

As a result of recommendations arising from an internal audit of information management procedures, work is ongoing on improving 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 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 2025 and is completed annually with the last being approved by Council in February 2025.

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 'Public Sector Internal Audit Standards'. 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.

(F) 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.

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) 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 29 July 2024, 30 September 2024, 25 November 2024 and 31 March 2025. 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.
- (b) 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. It should be noted that following consultation in response to issues with local government audits, legislation laid before parliament in September 2024 introduced a statutory backstop for the completion of all audits up to and including 2022/23, meaning all audits had to be completed by 13 December 2024. Despite publication of the 2022/23 accounts in June 2023, the council, along with many other local authorities, did not receive a full audit of the 2022/23 financial statements. The focus of EY's work was on their required Value for Money Conclusion procedures and limited procedures on the financial statements. As a result, the council accounts received a disclaimed opinion for the 2022/23 financial year, meaning that EY did not express an opinion on those accounts. This was a result of resourcing decisions by EY rather than reflecting concerns with the financial position of the council. To manage the continued recovery of local audit in England statutory backstop dates for the completion of audit were introduced, for 2023/24 this was 28 February 2025. For the 2023/24 financial year the external auditors concluded their audit on 21 February 2025, ahead of the required backstop date. The 2023/24 financial year was the first where EY has begun work to rebuild assurance following the disclaimed audit in 2022/23, however they were not able to obtain sufficient evidence to have reasonable assurance over closing balances. This is because EY did not have assurance over the brought forward balances from 2022/23 (the opening balances), which means they do not have assurance over the in-year movements or over the comparative prior year movements. As a result, EY could not conclude that the accounts are free from

Opinion of the Head of Audit, fraud and Insurance – 2024/25

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.

material and pervasive misstatement of the financial statements and issued a disclaimed audit opinion for 2023/24. EY started their audit of the 2024/25 financial statements in February 2025, and it is expected to be completed before the statutory backstop of 27 February 2026. However, it is expected that the audit opinion will be disclaimed again due to continued impact on the brought forward balances for 2023/24, which means that EY do not have assurance over all in-year movements and over the comparative prior year movements.

- (c) 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) 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 2023/2024 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 are under review, we are also working with Socitm (Society For Innovation Technology and Modernisation) whose subject matter experts will review and provide best practice commentary and recommendations for three of the policies, which we can incorporate into others. 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	The business case and procurement of financial planning and analysis software is progressing, with the intention to implement the software in the first half of 2025/26. Work is underway with HR to refresh finance training for all staff, both refresher training and as part of new starter inductions, with training to starting in late autumn 2025.

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	The drafting of new Part 3 of the Constitution has continued over the year and is nearing conclusion. Once the drafting has been completed this will result in consultation with the Leadership Team and the Constitution Working Group before being agreed by the Leader/ Cabinet (for executive functions) and Council (for all non-executive functions). During 2024 to 2025 amendments to the Public Participation Rules in relation to Tree Preservation Orders were approved by Council in October 2024 and revised Contract Standing Orders to reflect the implementation of the Procurement Act 2023 were approved by Council in February 2025.
4	Business continuity	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.	Director of Customers, Digital and Improvement	Significant steps for some years have been made in further developing the Council's business continuity governance arrangements. These steps include the appointment of an interim Business Continuity Officer, Establishment of the Business Continuity Steering Group (BCSG), updating of required policies and the Council's SharePoint page, improving the business continuity network across the Council & identifying core IT resources to ensure Services business continuity arrangements can be supported sufficiently. A business continuity refresh timeline has been established by the BCSG to monitor progress of the work that is being undertaken between January & July 2025. Progress to date has started moving the Council towards it being compliant with the requirements of the ISO 22301:2019.

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 Improvement Plan and attainment of this will be monitored on a quarterly basis. Work towards electronic storage improvements is a workstream within the Digital Workspace project and is progressing well, with the initial cleansing of the documents stored on historic drives on track to be completed by June 2025. Gap analysis on the council's maturity in the use of M365 tools has been completed and once the report is finalised this will inform the next phase of works to optimise the location and structure of file storage across MS Teams and/or SharePoint.</p> <p>A policy and procedure on Data Protection Impact Assessments has been prepared and is going through the approval process prior to raising awareness across the Council.</p>
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SIGNIFICANT GOVERNANCE ISSUES TO BE ADDRESSED IN 2025/26:

Governance Issue	Planned Action	Responsible Officer
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
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
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
Business continuity	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.	Director of Customers, Digital and Improvement
Information management	To continue the work to improve the Council's information management processes and procedures, which includes completion of the work on retention of information, physical and electronic, completion of the work to update the information pages on the intranet, to finalise the policy and procedure on Data Protection Impact Assessments and to introduce an annual audit of all information asset owners to ensure compliance with UK GDPR.	Head of Law and Governance & Monitoring Officer/ Director of Customers, Digital and Improvement
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

CONCLUSION

We propose over the coming year to take steps to address the above 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: 24 June 2025**

Cllr Paul Harvey
Leader of the Council

Signed: _____ **Date: 24 June 2025**

Russell O’Keefe
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.
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.
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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