

REPORT OF THE
Cabinet
 PART I

1. 2020/21 – END OF YEAR FINANCIAL REPORT

- 1.1. At its meeting of 13 July 2021, Cabinet considered a report providing a summary of the 2020/21 final accounts.
- 1.2. Savings on non-cash limited budgets total just over £14.7m. This largely results from unused inflation and Adult social care contingencies partly offset by lower than planned interest on balances and the requirement for an increased contribution to the bad debt provision.
- 1.3. The report recommends that these corporate savings of £14.7m are earmarked for specific purposes set out in section F. This includes investment in highways maintenance, a contribution to the interest risk reserve in line with the approved investment strategy, new funds to support new ways of working and other recovery issues post pandemic and funding towards the County Council's celebrations for the Queen's Platinum Jubilee.
- 1.4. Net service cash-limited expenditure was £51.9m lower than originally planned against an overall gross budget of approaching £2.0bn; a variance of 2.9%. This position is after the allocation of Government funding to cover the cost of responding to the coronavirus pandemic during 2020/21 and therefore reflects the financial position of the 'usual' business of the County Council, albeit 2020/21 was unusual in many respects as a consequence of the pandemic.
- 1.5. The position for each of the departments is summarised in the table below:

	Variance (Under) / Over Budget
	£M
Adults' Health and Care	(30.6)
Children's Services - Non Schools	(10.0)
Corporate Services	(6.1)
Culture, Communities and Business Services	(4.5)
Economy, Transport and Environment	(0.7)
Total Departmental Expenditure	(51.9)

- 1.6. In addition to agreeing the recommendation to Council set out below, Cabinet resolved to:
- i. Note the year end position in respect of Covid-19 costs and losses as outlined in Section D.
 - ii. Note the outturn position set out in Section E.
 - iii. Note the use of £30m of contingencies as part of the Covid Financial Response package as previously agreed by County Council.
 - iv. Approve the allocation of unspent central budgets of £14.7m for the specific purposes set out in section F.
 - v. Approve one off funding of up to £64,000 from contingencies in the current year and recurring funding of £110,000 from 2022/23 onwards for additional senior capacity to support the health and safety and risk functions across the County Council. The outcome of a further review of health and safety roles will be built into the base budget as part of the budget setting process for next year.
 - vi. Approve the increase of service capital programme cash limits for 2021/22 to reflect the carry forward of capital programme schemes totalling £99.7m and shares of capital receipts totalling £0.113m as set out in Appendix 3.
 - vii. Approve the addition to the capital programme, as outlined in Section I, a scheme to reconfigure Rookwood office accommodation with an estimated cost of £430k to be funded from capital receipts and revenue contributions from the fund proposed in section F of this report.
 - viii. Approve the increase in the capital programme value for the A3090 Winchester Road/Halterworth Lane Junction, Romsey junction improvements scheme, from £0.574 million to £1.3 million with the increase to be funded from developer contributions as outlined in Section I.

The full report to Cabinet can be found at the following link and is attached as an Annex to this report:

[Cabinet 13th July, 2021](#)

RECOMMENDATION

- a. With reference to the report annexed to this Council report, Council is recommended to approve the report on the County Council's treasury management activities and prudential indicators set out in Appendix 2.