

REPORT OF THE  
CABINET  
PART I

**1. 2021/22 – END OF YEAR FINANCIAL REPORT**

- 1.1. At its meeting of 19 July 2022, Cabinet considered a report providing a summary of the 2021/22 final accounts.
- 1.2. Savings on non-cash limited budgets total just over £13.8m. This largely results from an underspend on capital financing costs due to slippage in the capital programme and unused contingencies related to growth in waste volumes and inflationary allowances.
- 1.3. This report recommends that these corporate savings of £13.8m are earmarked for specific purposes set out in section G of the Cabinet report. These include management of ash tree dieback, new schools design and delivery and capital investment priorities which include feasibility studies, surveys and bid preparation to facilitate urgent capital works and develop schemes that could allow the Council to access external funding. It is proposed that the remaining underspend is allocated to the Budget Bridging Reserve to contribute to meeting the 2023/24 budget gap on an interim basis.
- 1.4. Net service cash-limited expenditure was £30.6m lower than originally planned against an overall gross budget of approaching £2.1bn; a variance of 1.5%. This position is after the allocation of Government and local funding to cover the cost of responding to the coronavirus pandemic during 2021/22 and therefore reflects the financial position of the 'usual' business of the County Council.
- 1.5. The position for each of the departments is summarised in the table below:

|  | <b>Variance<br/>(Under) /<br/>Over<br/>Budget</b> |
|--|---|
|  | £M  |
| Adults' Health and Care                    | (21.2)  |
| Children's Services - Non Schools          | (1.1)   |
| Corporate Services                         | (4.3)   |
| Culture, Communities and Business Services | (4.1)   |
| Economy, Transport and Environment         | -   |
| <b>Total Departmental Expenditure</b>      | <b>(30.6)</b>                                     |

- 1.6. The County Council's treasury management policy requires an annual report to the Cabinet on the exercise of the treasury management function, details of which are set out in Appendix 2 of the Cabinet report. The report is also scrutinised by the Audit Committee. This approach accords with the current Treasury Management Code of Practice.
- 1.7. The Prudential Code for Capital Finance in Local Authorities requires that the County Council reports its actual performance against the Prudential Indicators that were set in its Capital and Investment Strategy. Annex 4 of Appendix 3 of the Cabinet report summarises the relevant indicators for the 2021/22 outturn which are in accordance with the figures approved by the County Council. Additional detail where relevant is also included within the Treasury Management Outturn Report at Appendix 2 of the Cabinet report.
- 1.8. 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 use of £25.0m of contingencies as part of the Covid Financial Response package as previously agreed by County Council.
  - iii. Note the progress towards delivering the outstanding Tt2019 and Tt2021 savings and delivery of SP2023 savings set out in Section E.
  - iv. Note the outturn position set out in Section F.
  - v. Approve the allocation of unspent central budgets of £13.8m for the specific purposes set out in section G.
  - vi. Approve the increase of service capital programme cash limits for 2022/23 to reflect the carry forward of capital programme schemes totalling £116.638m and shares of capital receipts totalling £1.395m as set out in Appendix 3.
  - vii. Approve the addition to the CCBS capital programme of £1.4m to fund a scheme to create new meetings rooms within the EII Court complex to be funded from Covid recovery funding (paragraph 112).

- viii. Endorse the urgent officer decision made by the Director of Corporate Operations in line with the County Council's financial regulations to allocate an additional £1.485m of SCA funding to the Warblington School project within the CCBS capital programme giving an updated scheme value of £3.489m (paragraph 111).

The full report to Cabinet can be found at the following link and is appended to this Part I report:

- [Cabinet, 19th July, 2022](#)

### **RECOMMENDATION**

That the County Council:

- a. Approves the report on the County Council's treasury management activities and prudential indicators set out in Appendix 2 of the Cabinet report.