

REPORT OF THE

CABINET

PART I

**1. END OF YEAR FINANCIAL REPORT 2023/24**

- 1.1. At its meeting on 8 July 2024, Cabinet considered a report providing a summary of the 2023/24 financial outturn for the County Council, capital expenditure and funding for 2023/24 and proposed revisions to the 2024/25 capital programme.
- 1.2. Further revenue pressures in Adults' and Children's Services in the latter part of the year have required a draw from the Budget Bridging Reserve (BBR) of £5.6m at year end. During the year a contribution had been made of £17.5m to this reserve and the overall net position was therefore still a net underspend of £11.9m for the year.
- 1.3. This change, together with the use of Directorate Cost of Change reserves has fed into an overall reduction in revenue reserves of £38.46m, which continues the expected downward trend highlighted in the Medium Term Financial Strategy.
- 1.4. Savings programmes remain on track and the report highlighted the closure of the Transformation to 2021 Programme with the exception of the savings associated with the Waste service which are linked in part to national changes in waste collection and disposal arrangements.
- 1.5. A total net pressure of £37.8m was reported against the school's budget, of which £41.4m relates to the High Needs Block with offsetting favourable variances in the Early Years, Schools and Central Services Blocks. This will be balanced by a charge to the Dedicated Schools Grant Reserve, as allowed by the Department for Education (DfE), bringing the cumulative deficit on the DSG reserve to over £123m.
- 1.6. The County Council incurred £195.8m of capital expenditure during 2023/24. This reflects expenditure on schemes within the 2023/24 capital programme as well as the ongoing delivery of schemes from previous years, as capital schemes can often span multiple years. Changes relating to the overall capital programme have been recommended to County Council for approval
- 1.7. The annual treasury management report was presented to Cabinet and sets out the performance of the treasury management function during 2023/24. It confirmed that all treasury management activity complied with the County Council's Treasury Management Strategy and all relevant statute, guidance and accounting standards.

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

- [\[Cabinet, 8 July 2024 - End of Year Financial Report 2023/24\]](#)

## RECOMMENDATIONS

That the County Council approves:

- a) The report on the County Council's treasury management activities and indicators set out in Appendix 2 and prudential indicators set out in Appendix 3 Annex 4.
- b) The updated Capital and Investment Strategy, including the updated MRP Statement, set out in Appendix 4.
- c) The updated capital programme presented in Table 4 of Appendix 3 including changes to the programme since February 2024.
- d) A reduction in the Fawley Waterside scheme value of £5.6m from £11.4m to £5.8m.
- e) That £7.5m is brought forward from 2025/26 to 2024/25 in the Universal Services capital programme to deliver earlier additional improvements to highways under the Stronger Roads Today campaign.
- f) An increase of £16.488m to the Botley Bypass scheme within the Universal Services capital programme funded from the capital payments reserve.
- g) A reduction of £25m to the Manydown scheme within the Hampshire 2050 capital programme, releasing this earmarked funding within the capital payments reserve.