

REPORT OF THE
Cabinet
 PART I

1. 2018/19 – END OF YEAR FINANCIAL REPORT

- 1.1. The Cabinet received a report of the Director of Corporate Resources on the end of year financial position for 2018/19 at its meeting on 17 June 2019.
- 1.2. Due to the early delivery of resources from proposals in advance of need, net service cash-limited expenditure was £27.1m lower than expected against an overall gross budget of circa £1.9bn, a variance in the region of 1.4%. This position reflects the County Council’s continuing successful financial strategy of early delivery, where it is safe and practical, which provides funding that can then be used to meet the costs of change, to cash flow the necessarily slower delivery of some savings or to offset other service pressures, for example within social care.
- 1.3. The position for each of the departments is summarised in the table below:

	Variance (Under) / Over Budget £'000
Adults’ Health and Care	(10.9)
Children's Services - Non Schools	0
Economy, Transport and Environment	(7.9)
Policy and Resources	(8.3)
Total Departmental Expenditure	(27.1)

- 1.4. Savings on non-cash limited budgets total just under £12.5m. This is mainly as a result of treasury management activity (including the achievement of a return of more than 4.9% from higher yielding investments), additional grant income and unused contingencies. Contingencies were in the main set aside in recognition of the increased risk in the budget due to ongoing pressures within social care and other demand led services; such as waste disposal.
- 1.5. The report considered by Cabinet is attached, in full, as Annex 1 to this Council report.
- 1.6. In addition to a recommendation to Council, set out below, Cabinet resolved to:
- i. Approve the outturn position set out in Section 3.

- ii. Approve the increase of service capital programme cash limits for 2019/20 to reflect the carry forward of capital programme schemes and shares of capital receipts, as set out in Appendix 3.
- iii. Note the urgent decision taken to stand up the site as required on the A31 to deal with traffic management issues predicted following the UK's exit from the European Union, which was previously anticipated in April, and that the approved funding of £968,000 to meet the potential costs if required will be met from contingencies in 2019/20.
- iv. Approve the transfer of £10m to the Invest to Save Reserve to fund the IT enabling investment that is anticipated, at this early planning stage, will be required to deliver the Transformation to 2021 (Tt2021) Programme which is currently being developed.
- v. Approve the transfer of £1.0m to the Organisational Change Reserve to fund the next phase of management development costs under the Workforce Development Strategy.
- vi. Approve the transfer of the balance of the net corporate savings of just under £1.5m to the Grant Equalisation Reserve (GER).

The full report to (Cabinet) can be found at the following link:

- [2018/19 - End of Year Financial Report](#)

RECOMMENDATION

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