

REPORT OF THE  
**Cabinet**  
 PART I

**1. 2019/20 – End of Year Financial Report**

- 1.1. At its meeting of 14 July 2020 (following publication of this report), Cabinet will consider a report providing a summary of the 2019/20 final accounts.
- 1.2. Net service cash-limited expenditure was £7.2m lower than expected against an overall gross budget of approaching £2.0bn, a variance of less than 0.4%. This position, which is after substantial transformation costs have been met in year, reflects the County Council's continuing successful financial strategy and the application of strong financial management. This provides funding that can then be used to meet the future 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:

	<b>Variance (Under) / Over Budget £'000</b>
Adults' Health and Care	0
Children's Services - Non Schools	0
Economy, Transport and Environment Policy and Resources	(1.8) (5.4)
<b>Total Departmental Expenditure</b>	<b>(7.2)</b>

- 1.4. Savings on non-cash limited budgets total just over £11.9m and were achieved largely as a result of the ongoing trend of a very prudent approach to capital financing costs and the continuing use of 'internal borrowing' to fund capital expenditure rather than taking out long term loans at this point, 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 demand led services, such as waste disposal and to cover potential inflationary pressures.
- 1.5. The report recommends that these corporate savings are added to the Budget Bridging Reserve (BBR), in preparation for any future draw required beyond 2020 as set out in the Medium Term Financial Strategy (MTFS) which was approved by the County Council in November 2019.
- 1.6. In addition, in view of the impact of the Covid-19 crisis on the County Council's financial position it is even more important that we continue to make

contributions to reserves as in the short term, in the absence of any further commitments from the Government, the County Council will need to look towards existing reserves to meet the unfunded costs.

- 1.7. More information about the potential impact of the Covid-19 pandemic on the financial position of the County Council and the response that will be needed are set out in the MTFS Update report presented elsewhere on this Agenda.
- 1.8. The report to be considered by Cabinet is attached in full as an Annex to this Council report.
- 1.9. In addition to a proposed recommendation to Council, set out below, it is recommended that Cabinet:
  - Approves the outturn position set out in Section 3.
  - Approves the increase of service capital programme cash limits for 2020/21 to reflect the carry forward of capital programme schemes and shares of capital
  - Approves the transfer of the balance of the net corporate savings of just over £11.9m to the Budget Bridging Reserve (BBR).
- 1.10. When introducing this Part I report, the Leader will confirm to the County Council the resolutions made by Cabinet on 14 July.

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

- [Cabinet - 14 July 2020](#)

## **RECOMMENDATIONS**

With reference to the report annexed to this Council report, Council is recommended to approve:

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