

REPORT OF THE
Cabinet
PART 1

225. 2015/16 – END OF YEAR FINANCIAL REPORT

1. The Cabinet received a report from the Director of Corporate Resources on the end of year position for 2015/16 on 20 June 2016.

2. Net service cash-limited expenditure was £21.6m lower than budgeted against an overall gross budget of £1.9bn (1.1%). This position reflects the continuing financial strategy of achieving savings early, which can then be used to meet the cost of change and provide for invest to save or transformational projects in future years.

3. The position for each of the services is summarised in the table below:

	(Under) / Over Spend £'000
<u>Departmental Expenditure</u>	
Adults' Services	0
Children's Services - Non Schools	0
Economy, Transport and Environment	(9,500)
Policy and Resources	(12,096)
TOTAL	<u>(21,596)</u>

4. The outturn for other items contained within in the budget is shown in the following table:

	(Under) / Over Spend £m
Capital Financing / Interest on Balances	(6.8)
Waste Management	(1.4)
Contingencies	(14.7)
Increase in Doubtful Debt Provision	1.4
Other Net Variations	0.4
TOTAL	<u>(21.1)</u>

5. The net under spend totals £21.1m and it is recommended that £1m of this under spend is set aside to fund the next phase of management development costs

under the Workforce Development Strategy with the balance transferred to the Grant Equalisation Reserve be utilised to provide additional funding to support the revenue budget in future years as set out in the Medium Term Financial Strategy to 2020.

6. Both the Treasury Management and Prudential Codes of Practice require reports to be submitted to the County Council at the year end, and the County Council are recommended to approve the annual report on the exercise of the treasury management function and the prudential indicators relating to 2015/16 outturn, which are set out in the appendix to the report.

7. The overall report is attached as Annex 1 to this report and is submitted to the County Council for approval. In addition, the Council's prudential indicators also require the approval of the County Council and these are set out in the report. None of the prudential indicators were breached during the year.

The full Cabinet report can be found at www.hants.gov.uk/councilmeetings.htm by typing in the relevant reference number:

2015-16 – End of Year Financial Report (search item reference 7478)

RECOMMENDATIONS:

That the County Council approve:

- a) The report on the County Council's treasury management activities and prudential indicators set out in the attached report (Appendix 2).
- b) The changes to the 2016/17 Treasury Management Strategy to increase the limit of principal sums invested for periods longer than 364 days to £350m for 2016/17, and £300m for 2017/18 and 2018/19, as detailed in the attached report (Annex 1 - Section 9 of Appendix 2).

