

REPORT OF THE
Cabinet
PART I

255. REVENUE BUDGET MONITORING 2016/17

1. The Cabinet received a report from the Director of Corporate Resources on 14 November 2016 with an update on the revenue budget monitoring position for 2016/17 at the end of Quarter 2 together with the first half year performance for Treasury Management. It also re-examined the impact of the latest revenue budget forecast on the position for 2017/18 and how this would be managed to ensure the County Council's financial position continues to have a firm foundation.

2. Taking into account the content of the report, Cabinet resolved to:

- Note the forecast financial position outlined in the report which shows exceptionally that possible deficit positions are predicted for some departments over the next two years.
- Note that further work will be completed as part of preparing the revised budget to consider any corporate funding that is available to both minimise the amount of cross departmental underwriting required and to provide some certainty to departments about the level of this commitment.
- Note that a further review of corporate reserves will also be undertaken to assess the level of corporate investment that may be available to support the delivery of the Tt2019 Programme.

3. With regards to Treasury Management, the Cabinet also resolved to:

- Recommend to County Council an increase to the allocation targeting higher yields to £200m (as set out in the mid-year review of Treasury Management activities in Appendix 1) to increase the overall rate of return and the income contributed to the revenue budget, based on the stability of the County Council's cash balances.
- Recommend the mid-year review of Treasury Management activities as set out in Appendix 1 to County Council for approval.

4. The Cabinet report, including the Treasury Management Monitoring Report 2016/17 (Appendix 1) is attached as Annex 1 to this report.

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

Revenue Budget Monitoring 2016/17 (search item reference 7904)

RECOMMENDATIONS:

That the County Council approve:

- a) an increase to the allocation targeting higher yields to £200m (as set out in the mid-year review of Treasury Management activities in Appendix 1 of the Cabinet report) to increase the overall rate of return and the income contributed to the revenue budget, based on the stability of the County Council's cash balances.
- b) the mid-year review of Treasury Management activities as set out in Appendix 1 of the Cabinet report.