

Cabinet Meeting: Monday, 30 June 2025

Question from: Councillor Issott

Question to: Councillor Dacre, Cabinet Member with responsibility for Resources

QUESTION

The Final Accounts for 2024/25 report a Treasury Management overspend of £666k. Please could the Cabinet further explain how this overspend occurred?

Response

The budget for Treasury Management activity is part of Corporate and Central costs and includes the cost of borrowing (interest and principal repayment provision) and income from the interest earned on investments. The budget is estimated based upon several variable factors, including interest rates and cash-flows. Treasury Management activity is prescribed through the Treasury Management Strategy approved annually by Council. A mid-year and annual Treasury Management report is reported to Audit Committee and Council.

Over the course of the year, the service budget overspends, leading to use of reserves and the increase spend on SEND provision, leading to a higher deficit balance of High Needs Dedicated Schools Grant (DSG) have reduced the cash available to the Council for short term investment. This has resulted in a reduced amount of interest being earned over the course of the year amounting to £1.73m compared to the budget of £2.12m. The reduced cash balances meant that we had less choice over the timing of the borrowing required for the capital programme, resulting in higher than budgeted interest costs of £5m compared to budget of £4.74m.