

# Agenda Item 8.

<b>TITLE</b>	<b>Revenue Monitoring 2016/17 – Outturn</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 25 May 2017
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director of Corporate Services
<b>LEAD MEMBER</b>	To be confirmed

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Effective management of the Council's finances to ensure Value for Money for Council tax payers, tenants and schools.

## **RECOMMENDATION**

The Executive is asked to:

- 1) note the outturn position of the revenue budget and the level of balances in respect of the General Fund, Housing Revenue Account, Schools Block and the Authority's investment portfolio;
- 2) agree the General Fund carry forward requests of £878k as set out in Appendix B to the report.

## **SUMMARY OF REPORT**

To consider the Revenue Monitoring, General fund, Housing Revenue Account, Schools Block and Treasury Management Reports. The Executive agreed to consider Revenue Monitoring Reports on a quarterly basis.

The General fund is reporting a net underspend of £55k, Housing Revenue Account a net in-year surplus of £141k against planned spend of £800k and Schools Block a net in-year deficit of £822k.

## Background

### General Fund

The table below shows the expected forecast outturn for 2016/17 by Service. An explanation of the major budget variances are shown in Appendix A.

Service	End of Year Position	
	Current Approved Budget	Net over / (under) spend
	£,000	£,000
Chief Executive	5,011	203
Children's Services	33,474	386
Environment	40,974	(290)
Finance & Resources	11,189	(1,283)
Health & Wellbeing	45,100	929
<b>Net Expenditure Total</b>	<b>135,748</b>	<b>(55)</b>

The end of year position represents a General Fund net underspend of £55k, a net favourable movement of £145k (after including the approval of £722k Supplementary Estimate at January Executive) agreed from the last position reported to Executive January 2017.

Material movements from the position reported to the January 2017 Executive include:

Chief Executive service net adverse movement of £243k from January is due to Council wide procurement savings now being reflected in the services rather than against the Council wide procurement target within Chief Executive service.

Children's Services movement of £0 from January included a reduction in home to school transport pressures (£37k) offset by an additional residential placement £37k.

Environmental Services net favourable movement of £210k from January is due to income from Car Parks (£110k), Permits (£90k) and Application Fees (£41k) higher than expected offset partly by additional pressures in consultancy costs and staffing £31k.

Finance & Resources – net favourable movement of £166k from January is due to reduction in debt charges and additional interest on balances offset partly by additional staffing costs and reduction in local land charges income.

Health & Wellbeing – net favourable movement of £12k from January is due to

increased pressures in Adult Social Care costs £415k and Homelessness £8k offset by Housing Benefit overpayment recovery and additional rental income (£226k), Staffing vacancies and efficiencies (£195k) and Optalis Contract Costs (£14k).

General Fund balances as at 31 March 2017 are reported to be £10.035m before requested carry forwards of £878k. Members are asked to approve the carry forwards in Appendix B. Reported General Fund balance following approval would be a net £9.157m.

The Statement of General Fund balance is shown in Appendix C.

## Other Funds

The Housing Revenue Account reports a net in-year surplus of £141k. This reflects a favourable movement of £103k from the favourable position reported to Executive January 2017 of £38k. Movement is due to favourable variances in relation to rent collection; staffing & IT savings offset partly by additional reactive maintenance and void costs. The Housing Revenue Account (HRA) balance as at the 31st March 2017 is £5.156m. Shown in Appendix D.

The Schools Block reports a net in-year deficit of £822k. This is an adverse movement of £536k from the position reported to Executive January 2017 of £286k. Movement is due to a favourable variance on high needs allocations due to a special school converting to an academy during the year. This was offset by an adverse variance on fees for pupils at independent special schools and funding for pupil growth. The Dedicated Schools Grant (DSG) reserve balance as at 31st March 2017 is £1.355m. Shown in Appendix E.

The authority's investment portfolio shows current investments of £51.25m being invested by the Council. Shown in Appendix F.

## Analysis of Issues

Effective monitoring of budgets is an essential element of providing cost effective services and enables any corrective action to be undertaken, if required. Many of the budgets are activity driven and can be volatile in nature.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost / (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	General Fund £136m	Yes	Revenue
Next Financial Year (Year 2)	To be determined	Yes	Revenue
Following Financial	To be determined	Yes	Revenue

Year (Year 3)			
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<b>Other financial information relevant to the Recommendation/Decision</b>
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The Council will continue to review cost reduction measures to contain expenditure with the overall budget.
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<b>Cross-Council Implications</b>
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None
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<b>List of Background Papers</b>
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None
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