

# Agenda Item 28.

<b>TITLE</b>	<b>Revenue Monitoring 2017/18 – Q1 June 2017</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 27 July 2017
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director Corporate Services
<b>LEAD MEMBER</b>	Oliver Whittle, Executive Member for Finance, 21st Century Council, Internal Services and Human Resources

## **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 forecast outturn position of the revenue budget and the level of forecast balances in respect of the General Fund, Housing Revenue Account, Schools Block and the Authority's investment portfolio.
- 2) note the 17/18 carry forward requests are £0.

## **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 forecasting a net variance of £0, Housing Revenue Account a net variance of £0 and Schools Block an adverse variance of £385k.

## Background

### General Fund

The table below shows the expected forecast outturn for 2017/18 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	3,828	0
Children's Services	33,187	0
Environment	37,383	0
Finance & Resources	10,339	0
Health & Wellbeing	45,612	0
<b>Net Expenditure Total</b>	<b>130,349</b>	<b>0</b>

The forecast represents a General Fund net variance of £0.

There are currently no material forecast variances.

General Fund balances as at 31 March 2018 are projected to be £9.16m. The Statement of General Fund balance is shown in Appendix C.

### Other Funds

#### **Housing Revenue Account forecast a net in-year variance of £0**

The indicative Housing Revenue Account (HRA) balance as at the 31st March 2018 is £4.05m. Shown in Appendix D.

#### **Schools Block forecast a net in-year variance of £385k**

The current forecast overspend of £385k has been reported to Schools Forum in July '17.

This is a result of new commitments from the high needs block for Oak and Northern house out of borough recoupment. Shown in Appendix E

#### **Investment Portfolio**

The authority's investment portfolio shows current investments of £63.5m being invested by the Council's External Fund Managers. 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 £130m	Yes	Revenue
Next Financial Year (Year 2)	To be determined	Yes	Revenue
Following Financial Year (Year 3)	To be determined	Yes	Revenue

### Other financial information relevant to the Recommendation/Decision

The Council will continue to review cost reduction measures to contain expenditure with the overall budget.

### Cross-Council Implications

None

### List of Background Papers

None

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