

Agenda Item 6.

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| TITLE | Revenue Monitoring 2014/15 – Outturn 2014-15 |
| FOR CONSIDERATION BY | The Executive on 26 May 2015 |
| WARD | None specific |
| DIRECTOR | Graham Ebers, Director Finance and Resources |
| LEAD MEMBER | Anthony Pollock, Executive Member for Economic Development and Finance |

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 forecast 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 £297,000, as set out in Appendix F 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 forecasting an underspend of £30,000. Housing Revenue Account is forecasting an underspend of £937,000. Schools Block is forecasting an overspend of £22,000.

Background

The table below shows the expected forecast outturn for 2014/15 by Service. An explanation of the major budget variances are shown in Appendix A.

| Service | End of Year Position | | |
|------------------------|----------------------------------|-----------------------------------|---|
| | Current Approved Budget £,000 | Current Forecast Outturn £,000 | Outturn Net over/(under) spend £,000 |
| Chief Executive | 4,547 | 4,547 | 0 |
| Children's Services | 33,841 | 34,157 | 316 |
| Health & Wellbeing | 43,818 | 43,815 | (4) |
| Environment | 34,592 | 34,456 | (137) |
| Finance & Resources | 12,818 | 12,611 | (207) |
| Net Expenditure | 129,617 | 129,587 | (30) |

The Outturn represents a General Fund net underspend of £30,000. The value of carry forward requests is £297k. Members are asked to approve the carry forwards in Appendix F.

General Fund balances as at 31 March 2015 are projected to be £10.468m. The Statement of General Fund balance is shown in Appendix B.

1. The Housing Revenue Account forecasts a net underspend of £937,000.

The indicative Housing Revenue Account (HRA) balance as at the 31st March 2015 is £2,760,000. Shown in Appendix C.

2. The Schools Block currently forecasts a net overspend of £22,000.

The indicative Dedicated Schools Grant (DSG) reserve balance as at 31st March 2015 is £982,000. Shown in Appendix D.

3. The authority's investment portfolio shows current investments of £71.4M being invested by the Council's External Fund Managers. Shown in Appendix E.

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) | (£30k) | Yes within overall budget. | 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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| Date 13 May 2015 | Version No. v4 |

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