

TITLE	Revenue Monitoring 2015/16 – December 2015
FOR CONSIDERATION BY	The Executive on 28 January 2016
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 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.

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 overspend of £377,000, Housing Revenue Account a net in-year surplus of £437,000 and Schools Block a breakeven position.

The current and previous forecast variances reported to Executive 29th October 2015 are shown below:

Reported Variance to Budget

	Current Reported Variance Deficit / (Surplus) £k	Previous Reported Variance Deficit / (Surplus) £k	Movement Deficit / (Surplus) £k
General Fund	377	644	(267)
Housing Revenue Account	(437)	(253)	(184)
Schools Block	0	(171)	171

Background

General Fund

The table below shows the expected forecast outturn for 2015/16 by Service. An explanation of the major budget variances are shown in Appendix A.

Service	End of Year Position	
	Current Approved Budget £,000	Net over/(under) spend £,000
Chief Executive	6,170	46
Children's Services	33,009	598
Health & Wellbeing	43,599	163
Environment	35,102	(143)
Finance & Resources	10,478	(287)
Net Expenditure	128,358	377

The forecast represents a General Fund net overspend of £377,000.

General Fund balances as at 31 March 2016 are projected to be £10.116m. The Statement of General Fund balance is shown in Appendix B.

Other Funds

The Housing Revenue Account forecast is a net in-year surplus of £437,000.

The indicative Housing Revenue Account (HRA) balance as at the 31st March 2016 is £3,630,000. Shown in Appendix C.

The Schools Block forecast is a net breakeven position.

The indicative Dedicated Schools Grant (DSG) reserve balance as at 31st March 2016 is £808,000. Shown in Appendix D.

The authority's investment portfolio shows current investments of £67.5m 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)	General Fund £128m	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

Contact James Norris	Service Finance & Resources
Telephone No 0782 44 06 992	Email james.norris@wokingham.gov.uk
Date 15 January 2016	Version No. v3

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