

Agenda Item 7.

TITLE	Revenue Monitoring 2015/16 – Outturn
FOR CONSIDERATION BY	The Executive on 26 May 2016
WARD	None specific
DIRECTOR	Graham Ebers, Director Finance and Resources
LEAD MEMBER	Tbc

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) agree the General Fund carry forward requests of £545,500 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 forecasting a net overspend of £454,000, Housing Revenue Account a net in-year surplus of £501,000 and Schools Block a net in-year surplus of £1,370,000.

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	Net over/(under) spend
	£,000	£,000
Chief Executive	5,934	(139)
Children's Services	33,098	702
Health & Wellbeing	43,661	441
Environment	35,193	(225)
Finance & Resources	10,472	(326)
Net Expenditure	128,358	454

The forecast represents a General Fund net overspend of £454,000 a net adverse movement of £77,000 from the last position reported to Executive January 2016.

Material movements include:

Chief Executive net favourable movement of £185,000 including achievement of procurement saving £100,000, employee efficiencies £45,000 and Shared Legal Services additional income £30,000.

Children's Services net adverse increase of £106,000 largely due additional statutory high cost care packages including very high emotional health/ mental health needs placements. Placements were necessary following significant escalation of the needs of highly complex young persons. This included children at risk of Child Sexual Exploitation.

Health & Wellbeing net adverse increase of £278,000 due to continued increase in Homelessness £40,000 and £220,000 non-payment from a third party in Administration.

Environmental Services net favourable movement of £82,000 mainly due to Highways & Transport reduced winter maintenance costs following mild winter.

Finance & Resources net favourable movement of £39,000 mainly due to increased underspend within Property Maintenance.

General Fund balances as at 31 March 2016 are projected to be £10.584m before requested carry forwards of £545,500. Members are asked to approve the carry forwards in Appendix B. Projected General Fund balance following approval would be a net £10.038m.

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

Other Funds

The Housing Revenue Account forecast is a net in-year surplus of £501,000. This reflects a favourable movement from the position reported to Executive January 2016 of £64,000.

Movement is mainly due to reduced Sheltered Accommodation maintenance costs following mild winter.

The indicative Housing Revenue Account (HRA) balance as at the 31st March 2016 is £3,693,000. Shown in Appendix D.

The Schools Block forecast is a net in-year surplus of £1,370,000. This is a movement from the position reported to Executive January 2016 of £1,370,000.

Movement is due to anticipated placements of Out of Borough pupils in the spring term now likely to occur in the summer term and an increase of funding received mid-year – after budgets had been set.

The indicative Dedicated Schools Grant (DSG) reserve balance as at 31st March 2016 is £2,177,000. Shown in Appendix E.

The authority's investment portfolio shows current investments of £55.5m 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 £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 14 May 2016	Version No. v6