

## MINUTE EXTRACT CABINET (18 JULY, 2016)

### 27 REVENUE MONITORING 2016/17 QUARTER 1 (TO JUNE 2016)



*Ensuring robust, transparent and effective management of our finances remains of the utmost importance. As national austerity policies continue, the responsibility falls on local government to ensure the services which residents rely on every day remain viable.*

*“Wirral Council once again has set a balanced and sustainable budget, and is committed to working hard throughout the year to ensure it is delivered. We are reporting a small variance and projected overspend this year – less than 0.5% of our revenue budget – and we remain confident we have the necessary plans and systems in place to quickly rectify this situation and once again deliver a balanced budget at the end of the financial year.*

*Councillor Phil Davies*

#### **Purpose:**

Councillor Phil Davies introduced a report of the Senior Manager (Finance), which set out the projected revenue position for 2016/17 as at the close of quarter 1 (30 June 2016).

The latest position forecasted an overspend of £1.1 million for 2016/17, which was less than 0.5% of the revised budget. Council had agreed a Revenue Budget Contingency of £12 million in anticipation of increasing pressures and the delayed delivery of previously agreed savings. The most challenging areas were in the adult social care and children and young people’s services.

Following a review of the financial position and having regard to the 2015/16 out-turn it was recommended that £11.1 million of the revenue budget contingency be allocated, £3.9m within Adult Social Services, £5m in Children’s Services, £0.5m for Transformation and Resources and £1.7m in respect of corporate budgets. After use to mitigate pressures and additional care fee costs, £0.9m of the revenue budget contingency would remain. The allocation of General Fund balances would increase the 2016/17 net cost of services budget by £1.6m.

#### **Reason for decision:**

The Council, having set a Budget at the start of the financial year, needs to ensure that the delivery of this Budget is achieved. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required which is enhanced with the regular reporting of the financial position.

**RESOLVED:**

**That:**

- (1) The £11.1 million distribution of the Revenue Budget Contingency be approved.**
- (2) The use of £1.6 million of General Fund balances be RECOMMENDED to Council for approval.**
- (3) The receipt of £0.17 million of New Homes Bonus Returned Funding Grant which would be added to General Fund balances be noted.**
- (4) The underspend of £1.3 million identified during the closure of the 2015/16 accounts being added to General Fund balances be noted.**
- (5) Officers identify actions and take measures to reduce the projected overspend of £1.1 million and replenish General Fund balances.**