

Report to: **Cabinet**

Date: **15 December 2004**

By: **Deputy Chief Executive and Director of Corporate Resources**

Title of Report: **Budget Monitoring 2004/05**

Purpose of Report: **To provide an update on the 2004/05 budget monitoring position**

RECOMMENDATION

To note the report

1. Financial Appraisal

The report outlines the actions being taken to keep revenue and capital spending within the resources available and to identify and manage risks. The Social Services Department is continuing to report a projected net revenue overspend, and all other departments are forecasting net underspends. Social Services are tasked with and are reporting on the development and implementation of a clear action plan.

1.1

2. Introduction

2.1 The financial information contained in this report is based around the budget and expenditure reports produced at the end of September 2004 (month 6 of the financial year).

3. Supporting Information

REVENUE

3.1 Appendix A provides detailed commentaries on the position for individual departments, and Appendix B shows the forecast outturn figures compared to budgets and approved variations.

3.2 The budget figures in Appendix B reflect additions to the 2004/05 budgets for all departments to allow for underspends brought forward from 2003/04. In the absence of corrective action, the Social Services Department is currently forecasting an overspend of £2.5m, as explained in Appendix A, and, if not resolved, this would result in a net forecast overspend for the whole Council. Appendix A sets out the actions being taken by Social Services to ensure that the department comes in on budget.

CAPITAL

3.3 The original capital programme approved for 2004/05 provided for gross payments of £54.7m. Added to this figure is a further £4.9m of payments slipped from 2003/04 and £6.7m of new variations approved since April as shown in Appendix C.

3.4 At the end of October the only significant variations identified relate to Education schemes, with some smaller variations relating to Corporate Resources, Social Services and Transport and Environment schemes, as detailed in Appendix A. The total reported gross

variance at the end of October (excluding schools) is £9.455m. This is in line with the results of the mid-term review of the Capital Programme reported to Cabinet on 19 November.

3.5 Current indications are that capital spend will be at a higher level than in previous years, which is to be expected given the scale of the 2004-05 programme, and the outturn forecasts do look likely to be met.

3.6 Resources are being received in line with expectations.

4. Conclusion and Reason for Recommendation

4.1 To note the report, and the actions currently planned to balance the budget.

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