

Report to: **Cabinet**

Date: **19 October 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

1.1 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 reporting a projected net overspend, and all other departments are forecasting net underspends. Social Services are tasked with developing a clear action plan, and this is in hand.

2. Introduction

2.1 The financial information contained in this report is based around the budget and expenditure reports produced at the end of August 2004 (month 5 of the financial year). Comparisons from previous months relate to the report approved by Cabinet on 3 August, which was based on the May monitoring figures.

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 £1.2m, as explained in Appendix A, and this would result in a net forecast overspend for the whole Council. Following previous forecasts of overspends, corrective action by all departments and delays in spending have resulted in a reduction in the overspend forecast for the whole County Council, which has reduced from £1.5m to £0.5m.

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 August 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. Total reported gross variance at the end of August (excluding schools) is £6.37m.

3.5 As endorsed by members, a formal mid-year review of the capital programme will be presented to Cabinet in November, and this will provide a solid base for developing the 2005/06 capital programme.

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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