

Report to: **Cabinet**
Date: **27 January 2004**
By: **Deputy Chief Executive and Director of Corporate Resources**
Title of Report: **Budget Monitoring**
Purpose of Report: **To provide an update on the 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. No action is needed at this stage to keep overall revenue expenditure within the budget.

2. Introduction

2.1 The financial information contained in this report is based around the budget and expenditure reports produced at the end of October.

3. Supporting Information

REVENUE

3.1 Appendix A provides commentary on the main issues. Appendix B shows the forecast outturn figures, based on budget monitoring at the end of November 2003.

3.2 The budget figures in Appendix B reflect additions to the 2003/04 budgets for all departments to allow for underspends brought forward from 2002/03. In many cases these underspendings arose from delays in carrying out projects for purposes such as e-Government developments. The projections of outturn reflect departments' plans to complete these projects in the current financial year. With the exception of Social Services, departments are forecasting net underspends to be carried forward into 2004/05. Education and Libraries have reported on one area of risk, relating to forecast possible reductions in school balances (see Appendix A); other departments have no areas of risk to report.

CAPITAL

3.3 The original capital programme approved for 2003/04 provided for gross payments of £40.1m. Added to this figure is a further £8.3m of payments slipped from 2002/03 and any new variations approved since April as shown in Appendix C. The total reported forecast slippage is £9.8m (excluding schools), an increase of £1.7m, mainly in relation to Education.

- 3.4 The main differences in gross slippage reported between this and the last report are :
- Identified slippage of £200k on Integrated Transport schemes due to late commencement of schemes
 - £200k additional slippage has been identified by Social Services, £100k on the refurbishment scheme and £100k on outstanding payments.
 - A general allowance of £1.5m for slippage on a number of Education schemes.
 - £160k expenditure on Glyne Gap school has slipped to 2004/05. However this is offset by increased overspends in a number of projects, including Causeway School in Eastbourne (£82k), and the acceleration of the projects at Ticehurst Primary (£117k) and Hailsham Community College (£102k). Education and Libraries are seeking additional contributions from schools to fund the overspends.
 - £119k has been slipped to future years on the Ouse Estuary project for the provision of long term maintenance.
 - The County Hall rationalisation scheme is currently overspending by £150k due to the relocation of archive materials from Brooks Road. This will be funded by a CERA contribution from Chief Executive's department and the Education and Libraries department

3.5 Slippage excluding schools (net of any scheme specific resources) to the value of £4.7m has been identified in this report.

4. Conclusion and Reason for Recommendation

4.1 To note the report. No actions are currently required to balance the budget.

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