

Report to: **Cabinet**

Date: **3 August 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. No action is needed at this stage, but both the Chief Executive's and Social Services departments are reporting on action being undertaken to contain the underspends currently being projected.

2. Introduction

2.1 The financial information contained in this report is based around the budget and expenditure reports produced at the end of May 2004 (month 2 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. The Chief Executive's and Social Services Departments are both currently forecasting an overspends, of £150,000 and of £1.6 m, as explained in Appendix A, and this would result in a net forecast overspend of £1.5m for the whole Council. Both departments are, however, developing plans to bring their outturn into balance.

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 £4.8m of payments slipped from 2003/04 and £5.0m of new variations approved since April as shown in Appendix C.

3.4 At the end of May the only significant variations identified relate to Corporate Resources and Education schemes, as detailed in Appendix A. Total reported gross slippage at the end of May is £2.0m.

3.5 Resources are being received in line with expectations.

3.6 As endorsed by Council in February, it is intended to undertake a mid term review of the capital programme (in terms of phasing etc) in October.

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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