

Report to: **Cabinet**

Date: **4 May 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 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 February 2004. They have been reviewed in the light of subsequent information, but the final outturn for 2003/04 will not be determined until the end of May.

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 February 2004.

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 2003/04. All departments are forecasting net underspends to be carried forward into 2004/05, and the net forecast underspend is now £5.8m. This includes the £2.1m corporate underspend that the County Council agreed to use to finance various 1-off projects in 2004/05. There are two reports on areas of risk: on the corporate provision for bad debts, and on 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 £8.4m of payments slipped from 2002/03 and new variations approved since April 2003 as shown in Appendix C.

3.4 The estimated year end variance at the end of February (excluding schools) is £11m, comprising £10.9m slippage and net underspend of £0.1m.

3.5 The main differences in gross slippage reported between this and the last cabinet report are :

- The Local e-Government Partnership scheme will partially slip by £186,000 into 2004/05.
- Works associated with the Local Transport Plan are progressing faster than anticipated, reducing slippage by £100k.

Detailed departmental commentaries can be found at Appendix A.

3.6 Net slippage excluding schools (net of any scheme specific resources) to the value of £6.1m 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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