

Report to: **Cabinet**  
Date: **15 March 2005**  
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**

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## **RECOMMENDATION**

### **To note the report**

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#### **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.

1.2 The financial information contained in this report is based around the budget and expenditure reports produced at the end of January 2005 (month 10 of the financial year). The comparisons with the previous month are based on the November monitoring report that was approved by Cabinet on 1 February.

#### **2. Supporting Information**

### **REVENUE**

2.1 The most significant issue remains that of Social Services. As advised at the last Cabinet, the forecast overspend for the year is £2.0m. Some £1.4m is attributable to Adult Social Care (mainly the community care budget) and some £0.6m in the Children's Social Services area.

2.2 The background to this is set out in the departmental commentaries at Appendix A. In addition, Annex 1 to Appendix A sets out the proposed approach to handling the overspend pressures in 2005/06 in the Children's area. A similar report to the last Cabinet dealt with Adult Social Care pressures for 2005/06.

2.3 In both cases above, action plans will need to be monitored closely to ensure these growth pressures are restrained within the increased budget allocations now agreed for 2005/06, as well as repaying the overspends over the next two years.

2.4 In the short term, the likely overspend of £2.0m as at 31 March 2005 will be financed as set out in the last report to Cabinet.

## **CAPITAL**

3.3 The revised 2004/05 capital programme provided for gross payments of £54.7m. Added to this figure is a further £63,000 of new variations approved since November as shown in Appendix C.

3.4 At the end of January the only significant variations identified relate to:

- An additional spend of some £0.5m in Transport and Environment department. The revised capital programme included an assumed slippage of this amount in recognition of the risks associated with road schemes starting in the last quarter. Every effort has been made to spend in line with the original programme and this is now looking more likely.
- Net slippage within the Education Programme of £0.5m relating to several schemes as outlined in the departmental commentary and overspends of £285,000 which will be met from modernisation resources in future years.

Further minor slippage has been identified in relation to some Chief Executive and Corporate Resources schemes. The total reported gross variance at the end of January (excluding schools) has decreased since November and is now a £148,000 net.

3.5 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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