

Report to: **Cabinet**
Date: **14 June 2005**
By: **Deputy Chief Executive and Director of Corporate Resources**
Title of Report: **Interim Outturn 2004/05**
Purpose of Report: **To provide an update on the likely 2004/05 outturn**

RECOMMENDATION

To note the report

1. Financial Appraisal

1.1 The report outlines the actions taken to keep revenue and capital spending within the resources available and to identify and manage risks.

1.2 Officers in all departments have been working to close the 2004/05 accounts, and the financial information in this report is on a "near actual" basis. However departments are still undertaking some final investigations before they can complete the closure and there will inevitably be some changes to the figures. We are closing the accounts in accordance with the legal timetable, and will take, as planned, the draft Statement of Accounts to Governance Committee on 15 July (in line with this year's statutory deadline of 31 July).

2. Supporting Information

REVENUE

2.1 The last report to Cabinet was on 15 March, and was based on monitoring reports produced at the end of January. This report therefore covers actual income and expenditure in February and March as well as the accounting entries made after 31 March as part of the process of "closing the accounts". Appendix B shows an increase in the projected underspend, from £4.0m to £5.4m, made up of variations in all departments. Overall the net underspend on departmental budgets is £2.2m (less than 0.5%), which is considerably closer to the budget than in the previous three years. This is a notable achievement, considering that the general ledger has migrated to SAP mid-year as part of the CBOSS project.

2.2 The most significant issue and only overspend remains that of Social Services, where the net overspend has fallen and is now expected to be £1.7m, against the forecast overspend of £2.0m. The background to this is set out in the departmental commentaries at Appendix A.

2.3 The action plans for both Adult Social Care and Children's Social Services will need to be monitored closely to ensure that 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.

CAPITAL

3.3 The revised 2004/05 capital programme provided for gross payments of £54.7m. Added to this figure is a further £1,973,000 of new variations approved since November as shown in Appendix C, giving a total programme of £56.6m. The near outturn is £57.1m, i.e. very close to the target. This is a good result and compares favourably with previous years, when slippage of around £10m has been reported at year end. This illustrates the benefit of the mid-term review and also the emphasis on improving project management which will continue in 2005/06, although continued improvements in this area are being pursued.

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

- an additional spend of some £1.4m 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 with a successful result.
- Net slippage within the Education Programme of £0.6m relating to several schemes as outlined in the departmental commentary.
- Slippage of £1m within the CRD department relating to the building maintenance programme and retentions on the CBOSS project.

Further minor slippage has been identified in relation to some Chief Executive schemes.

4. Conclusion and Reason for Recommendation

4.1 As predicted, the Council will underspend; the likely outturn is largely in line with the budget, and remedial action in relation to Social Services has already been agreed. The Cabinet is therefore recommended to note the report.

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