

**FINANCIAL MONITORING – REVENUE BUDGET**  
**(Report by the Head of Financial Services)**

**1. 2004/05 Budget Forecast – Latest position**

- 1.1 The table below compares the forecast reported to Cabinet in February (based on the end of December) with the latest position.

	February Report	Latest Position
	£000	£000
<b>Original Budget</b>	<b>16,828</b>	<b>16,828</b>
2003/04 spending brought forward	960	960
MTP Variations	-425	-425
Base Budget Reductions	-557	-557
Investment Interest	-340	-590
Unused Pathfinder House revenue contingency		-250
Recharges to Capital		-200
Other Variations	-219	-62
<b>Forecast Outturn (before carry forward)</b>	<b>16,685</b>	<b>15,828</b>
Less items to be carried forward to 2004/05		-300
		<b>15,528</b>

- 1.2 The main changes are due to the revised timing of capital schemes (which results in larger capital reserves being available for investment), estimation of the amount of the revenue Pathfinder House contingency that will not now be required, higher recharges to capital of staff time and clarification of the revenue items that need to be carried forward to 2005/06.
- 1.3 These result in a forecast reduction in net spending of around £1m. A fuller report on the outturn variations will be presented to the Cabinet Meeting on the 1 September following the closure of the accounts.

**2. 2005/06 Budget**

- 2.1 Currently forecast variations in income and expenditure in 2005/06 are shown in the table below:

	Income	Expenditure	Recharge to capital	Net Expenditure
	£000	£000	£000	£000
<b>Original Budget</b>	-37,654	55,681	-654	<b>17,373</b>
Unspent budget brought forward from 2004/05		300		<b>300</b>
	-37,654	55,981	-654	<b>17,673</b>
Less reimbursed expenditure	23,321	-23,321		<b>0</b>
	<b>-14,333</b>	<b>32,660</b>	<b>-654</b>	<b>17,673</b>
<b>Variations</b>				
Pay award 2005 – 3.2% was approved, budget provision was 2.5%		+120		
Additional Investment Interest - due to revised timing of capital scheme	-400			
Land Charges income – reduced number of searches	+100			
Total variations	<b>-300</b>	<b>+120</b>		<b>-180</b>
	<b>-2.1%</b>	<b>+0.4%</b>		
<b>Forecast net spending</b>				<b>17,493</b>

2.2 The net impact, ignoring items brought forward from 2004/05, is an underspending of £0.2m.

### 3. RECOMMENDATION

3.1 It is recommended that the Cabinet note the likely spending variations.

#### ACCESS TO INFORMATION ACT 1985

##### Source Documents:

1. Cabinet and Council Reports
2. Budgetary control files.

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