

REPORT

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE	Subject: REVENUE MONITORING REPORT COUNCIL SUMMARY
From: HEAD OF FINANCIAL SERVICES	01.04.07 – 01.02.08 (Period 11)
Date: 22 February 2008	Ref: AC/PH/KH

1. **Purpose of Report**

- 1.1 The purpose of this report is to advise committee of the overall financial position of the General Fund Account and the Housing Revenue Account for the period ending 1st February 2008. The report consolidates the budget monitoring position of all Services, compares projected out-turn expenditure with budget, and provides explanations of significant variations where applicable.

2. **Executive Summary of Financial Position**

- 2.1 The report is highlighting a projected surplus for the year of £3.216m, a favourable movement of £0.365 million from the £2.851m surplus previously reported for period 10. This movement primarily reflects a marginal reduction in the demand for secure accommodation placements within Housing & Social Work Services and a further increase in Housing Benefit subsidy within Finance & Customer Services. Additional information regarding each of these factors is provided within section 4.1 of this report.

- 2.2 The projected position within the General Fund is summarised in table 1 below:

	Annual Budget £000	Projected Outturn £000	Period 11 Variance £000s	Period 10 Variance £000s	Movement in Period 10 £000
<u>Expenditure</u>					
Net Service Expenditure	613,657	611,341	2,316	1,951	365
Financing costs	(271)	(771)	500	500	-
<u>Income</u>					
Aggregate External Finance	493,894	493,894	400	400	-
Local Tax Collection	117,140	117,540	-	-	-
Use of Balances	3,423	3,423	-	-	-
Restoration of Balances	(1,071)	(1,071)	-	-	-
Projected variance : surplus/(deficit) at 31 March 2008	Nil	3,216	3,216	2,851	365

Table 1

3 Corporate Review of Expenditure

- 3.1 The Revenue Budget for 2007/2008 has been constructed to fully restore the final £3 million contribution to the approved contingency level of £8 million which had temporarily been utilised as part-funding of the equal pay compensation payments made in 2005/2006.
- 3.2 The continuous review of all areas of “non-essential” expenditure remains an integral element of the Council’s financial strategy, and updates on the implications of this will be included in future reports.

4 Explanation of Major Out-turn Variances

- 4.1 Paragraph 2.1 illustrates that the projected year-end surplus has increased by £0.365m since the last period. This favourable movement is largely the result of the following factors:
 - 4.1.1 Finance & Customer Services projecting an increased surplus of £0.575m, a favourable movement of £0.157m, largely attributable to successful recovery of benefit overpayments, and continuing staff vacancies and turnover.
 - 4.1.2 Social Work Services is projecting an outturn surplus of £0.650m, a favourable movement of £0.260m from period 10. This is largely attributable to recent reductions in demand for placements for secure accommodation from the Justice system.
- 4.2 Other significant issues which contribute to the overall financial position of the Council are as follows:
 - 4.2.1 Continued recognition of anticipated savings of £0.500m in loan interest payments following the early redemption of market loans, previously reported in period 7.
 - 4.2.2 Continued recognition of the additional £0.400m council tax income outlined in previous monitoring reports, which results from growth in householder numbers continuing to outstrip the national forecasts applied to the budget.
 - 4.2.3 The Chief Executive’s office continues to project a year-end surplus of £0.200m, which is largely attributable to continuing staff vacancies and efficiency measures approved as part of the Service & People First change management programme.
 - 4.2.4 Learning & Leisure Services’ outturn position has increased marginally from £0.485m to £0.490m. This outturn position continues to reflect to savings on teachers’ salary costs, the release of resources within Early Years and staff turnover across the service.
- 4.3 An analysis of the General Fund Services’ performance against budget is shown in Appendix 1, but a summary of the major variances is outlined in table 2 below.

4.3.1 Service Expenditure

		£ million
Learning & Leisure Services	Teachers' salary savings and staff turnover	Projected surplus 0.490
Corporate Services	Variety of offsetting variances across Service	Projected surplus 0.346
Finance & Customer Services	Sustained staff turnover savings and increased housing benefit subsidy	Projected surplus 0.575
Housing & Social Work Services	Vacancies, reduced overtime and efficiency measures	Projected surplus 0.650
Chief Executives	Service & People First efficiency measures	Projected surplus 0.200
Environmental Services	Over-recovery of planning income	Projected surplus 0.040
Miscellaneous Services	Lower than anticipated pension costs offset by increased uptake of Christmas payments to senior citizens.	Projected surplus 0.015
Loan charges Savings		Projected surplus 0.500
EXPENDITURE SUB-TOTAL		Projected surplus 2.816
Increased Council Tax Income		Projected surplus 0.400
INCOME SUB-TOTAL		Projected surplus 0.400
TOTAL		Projected surplus 3.216

Table 2

5 Scottish Executive Funded Initiatives

5.1 Outwith mainstream Service budgets, which are funded by the mechanism of the Revenue Support Grant, several initiatives are given specific resources from the Scottish Government. These initiatives are generally outcome driven with a highly localised focus and include such areas as the Community Regeneration Fund, the Changing Children's Services Fund, Gateway Protection Programme, the Anti-Social Behaviour Initiatives and the Financial Inclusion Fund. It is still anticipated that total project commitments of £23.523m will be fulfilled by the year-end.

6 Housing Revenue Account

6.1 It is anticipated that expenditure in the Housing Revenue Account will be £0.352m less than budget at the financial year-end. This equates to 0.35% of the annual budget and is an adverse movement of £0.011m from the £0.363m previously reported at period 10, which is mainly due to additional expenditure within legal fees.

7 Recommendation

7.1 Committee is asked to note the contents of the report



Head of Financial Services

For further information please contact Paul Hughes, Head of Financial Services on tel ext. 2275.

**NORTH LANARKSHIRE COUNCIL
SUMMARY OF FINANCIAL REPORT FOR PERIOD TO 1st FEBRUARY 2008**

LINE NO.	SERVICE ACCOUNT (1)	BUDGET TO - DATE (2)	ACTUAL TO - DATE (3)	VARIANCE TO - DATE (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED VARIANCES (7)
		£	£	£	£	£	£
1.	ENVIRONMENTAL SERVICES	68,477,570	68,124,113	353,457	85,028,245	84,988,245	40,000
2.	Environmental Services	68,477,570	68,124,113	353,457	85,028,245	84,988,245	40,000
3.	LEARNING AND LEISURE	260,712,065	259,422,430	1,289,635	329,179,365	328,689,365	490,000
4.	Learning and Leisure	260,712,065	259,422,430	1,289,635	329,179,365	328,689,365	490,000
5.	POLICY & RESOURCES (FINANCE)	15,638,574	14,975,429	663,145	32,203,557	31,614,111	589,446
6.	Finance (including Hsg and Council tax benefits)	11,974,091	11,318,858	655,233	16,799,180	16,224,503	574,677
7.	Miscellaneous Services	3,664,483	3,656,571	7,912	15,404,377	15,389,608	14,769
8.	CORPORATE SERVICES	25,832,510	25,385,987	446,523	33,021,650	32,675,150	346,500
9.	Administration - Central Services	3,346,342	3,187,125	159,217	4,017,390	3,847,390	170,000
10.	Administration - Legal Support Services	1,786,863	1,780,587	6,276	2,151,360	2,140,360	11,000
11.	Administration - District Court and Licensing	426,993	434,563	(7,570)	459,820	468,820	(9,000)
12.	Registrar Births , Deaths etc.	451,597	461,320	(9,723)	498,258	510,758	(12,500)
13.	Human Resources	1,330,083	1,290,710	39,373	2,070,548	2,035,048	35,500
14.	Property Unit	2,572,204	2,563,092	9,112	3,154,704	3,144,204	10,500
15.	Non-Operational Property Unit	(1,328,895)	(1,378,914)	50,019	(1,602,836)	(1,663,836)	61,000
16.	Office Accommodation	4,921,809	5,001,390	(79,581)	6,598,310	6,688,310	(90,000)
17.	Energy Advice Unit	262,545	258,718	3,827	245,000	245,000	-
18.	Design Services	4,683,107	4,559,748	123,359	5,748,934	5,748,934	-
19.	Maintenance Unit	1,017,586	872,919	144,667	1,251,969	1,081,969	170,000
20.	Central Repairs	6,362,276	6,354,729	7,547	8,428,193	8,428,193	-
21.	HOUSING & SOCIAL WORK SERVICES	93,102,604	92,835,471	267,133	126,720,884	126,070,723	650,161
22.	Housing - Non HRA	1,935,266	1,926,085	9,181	1,706,658	1,706,658	-
23.	Social Work	91,167,338	90,909,386	257,952	125,014,226	124,364,065	650,161
24.	JOINT BOARDS	45,474,970	45,504,741	(29,771)	53,571,815	53,571,815	-
25.	Lands Valuation	1,355,317	1,391,222	(35,905)	1,751,630	1,751,630	-
26.	Police Force	25,841,871	25,835,834	6,037	31,010,000	31,010,000	-
27.	Fire Brigade	12,662,598	12,662,500	98	15,195,000	15,195,000	-
28.	Concessionary Fares	411,280	411,280	-	411,280	411,280	-
29.	Passenger Transport Executive	5,203,904	5,203,905	(1)	5,203,905	5,203,905	-
30.	POLICY & RESOURCES	6,091,154	5,911,543	179,611	4,756,817	4,556,817	200,000
31.	PPP/TRADING SURPLUSES	(3,726,388)	(4,465,348)	738,960	(2,486,623)	(2,486,623)	-
32.	PPP Contributions *	(933,472)	(933,472)	-	(1,519,000)	(1,519,000)	-
33.	Trading Accounts	(2,792,916)	(3,531,876)	738,960	(967,623)	(967,623)	-
34.	FINANCING COSTS	-	-	-	(271,322)	(771,322)	500,000
35.	Reversal of Capital Charge	-	-	-	(30,023,005)	(30,023,005)	-
36.	Grant Support for Urban Programme Loan Debt	-	-	-	(324,719)	(324,719)	-
37.	Loan Charges	-	-	-	33,659,402	33,159,402	500,000
38.	Transfer from Pensions Reserve (FRS17)	-	-	-	(1,583,000)	(1,583,000)	-
39.	Interest on Revenue Balances	-	-	-	(2,000,000)	(2,000,000)	-
40.	OTHER BUDGETARY ISSUES	-	-	-	3,000,000	3,000,000	-
41.	Equal Pay Issues	-	-	-	3,000,000	3,000,000	-
42.	Savings on Insurance Procurement	-	-	-	-	-	-
43.	Removal of Gross Central Department Budgets (included above)	-	-	-	(51,338,854)	(51,338,854)	-
44.	TOTAL EXPENDITURE	511,603,059	507,694,366	3,908,693	613,385,534	610,569,427	2,816,107
45.	SOURCES OF FUNDING	258,795	258,795	-	613,385,534	613,785,534	(400,000)
46.	Revenue Support Grant	-	-	-	375,837,000	375,837,000	-
47.	Non - Domestic Rates	-	-	-	118,056,000	118,056,000	-
48.	Council Tax	-	-	-	116,140,534	116,540,534	(400,000)
49.	PPP Grant Support	-	-	-	-	-	-
50.	Restoration of Balances	-	-	-	(1,071,000)	(1,071,000)	-
51.	Use of Balances	-	-	-	3,423,000	3,423,000	-
52.	Collection of Local Tax Arrears	258,795	258,795	-	1,000,000	1,000,000	-
53.	TOTAL SURPLUS (DEFICIT)	511,344,264	507,435,571	3,908,693	-	(3,216,107)	3,216,107

NORTH LANARKSHIRE COUNCIL
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LINE NO.	SERVICE ACCOUNT (1)	BUDGET TO - DATE	ACTUAL TO - DATE	VARIANCE TO - DATE	ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED VARIANCES
		(2)	(3)	(4)	(5)	(6)	(7)
		£	£	£	£	£	£
54.	SCOTTISH GOVERNMENT FUNDED INITIATIVE	13,385,756	13,307,906	77,850	23,523,202	23,523,202	-
55.	Community Regeneration Fund Unit	6,863,587	6,842,987	20,600	12,446,445	12,446,445	-
56.	Local Action Fund	428,530	428,530	-	428,759	428,759	-
57.	Changing Children's Services Fund	2,768,624	2,764,871	3,753	4,533,000	4,533,000	-
58.	BSSAC	1,796,883	1,747,396	49,487	2,471,744	2,471,744	-
59.	Gateway Protection Programme	216,034	216,034	-	780,742	780,742	-
60.	New Futures Fund	152,956	152,956	-	277,000	277,000	-
61.	Workforce Plus	274,523	274,523	-	1,081,000	1,081,000	-
62.	NEET	40,250	40,250	-	130,000	130,000	-
63.	Community Voices Programme	39,976	39,976	-	260,000	260,000	-
64.	Community Safety Partnership	343,318	341,626	1,692	420,512	420,512	-
65.	Financial Inclusion Fund	461,075	458,757	2,318	694,000	694,000	-
66.	HOUSING REVENUE ACCOUNT	(18,549,527)	(18,870,337)	320,810	-	(352,000)	352,000

* Note : The PPP contribution shown excludes that element contained within individual departmental budgets as efficiency savings. The total anticipated income from the PPP's amount to £2.702m.