
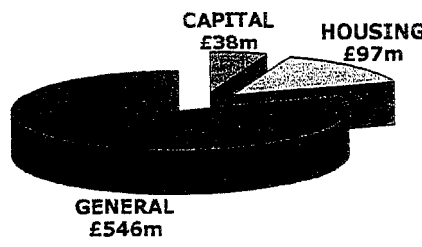


North Lanarkshire Council


Council Spending Overview



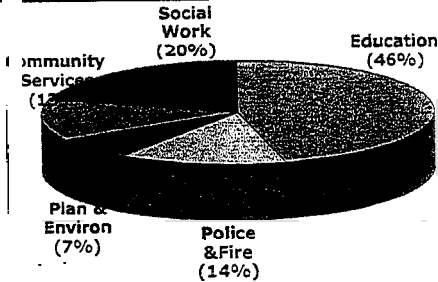
**The Council's Spending
Gross Budget 2003/04**




Category	Amount
GENERAL	£546m
CAPITAL	£38m
HOUSING	£97m



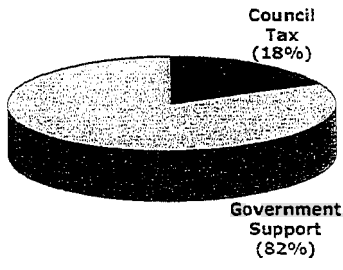
Where the Money is Spent




Category	Percentage
Education	46%
Police & Fire	14%
Social Work	20%
Community Services	12%
Plan & Environ	7%



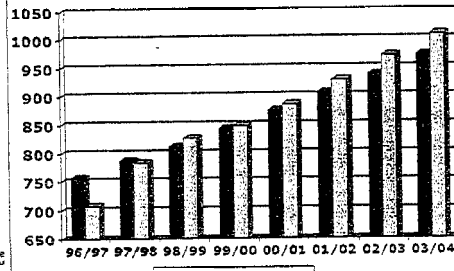
Where the Money Comes From




Category	Percentage
Government Support	82%
Council Tax	18%



Council Tax Band D Levels




Year	NLC	Scotland
96/97	750	700
97/98	780	750
98/99	810	800
99/00	840	850
00/01	870	900
01/02	900	950
02/03	930	1000
03/04	972	1009



**Council Tax 2003/04
Band D**

- North Lanarkshire Council £972
- Scotland - Average £1009



Budget Strategy 2003/04 to 2005/06

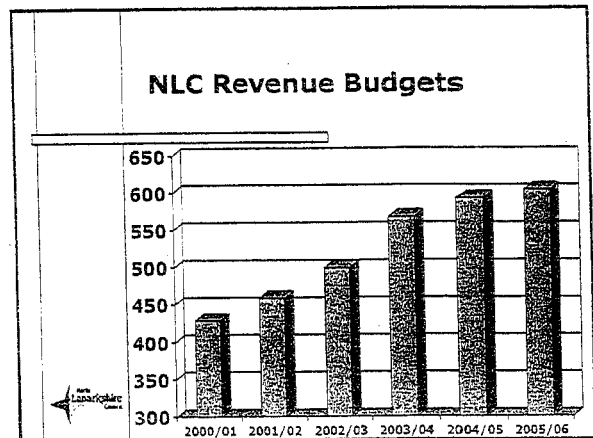
- Limit Council Tax increases to 3.5% over period
- Maintain contingency reserve of £8m
- Utilisation of £2m of contingency balance between 2004/05 and 2005/06 to equalise Council Tax levels
- 1% Efficiency Savings
- Savings to be reinvested in Council Services
- Uplift fees and charges by inflation

Capital Expenditure - 2004/05

- 3 Year Plan for Investment
- Prudential Code
- Capital Investment £53.2m

Capital Expenditure - By Corporate Theme

	£m
• Improvement to Council Facilities	26.2
• Housing & the Environment	5.5
• Community Safety & Development	10.5
• Business & the Economy	7.9
• Developing the Organisation	3.1
Total	53.2



Budget Summary 2004/05

	£m
Base Budget 2003/04	567.3
Increases	
Cost Pressures	10.4
In-Built Service Enhancements	14.6
Total Projected Expenditure	592.3
Funded by	
Grants / Balances	488.7
Council Tax	103.6
	592.3

Departmental Estimates 2004/05

	Revenue Estimate 2003/04 £m	Revenue Estimate 2004/05 £m	% Increase
Community Services	75.8	78.2	3.2
Education	257.0	280.0	4.9
Joint Boards	77.6	81.2	4.6
Housing & Property	15.7	16.2	3.3
Planning & Environ	40.1	41.1	2.6
Social Work	116.0	120.3	3.7
Central Services	42.8	43.7	2.2

Additional Resources Confirmed (1)	
Community Services	£m
• Reducing Youth Crime	0.2
Education	
• Teachers' Superannuation Increase	5.6
• McCrone Additional Funding	0.3
• Gaelic Education	0.1
• Free School Meals	0.3
• Nutrition for Schools	1.7

Additional Resources Confirmed (2)	
Housing & Property	£m
• Supporting People	0.1
Planning & Environment	
• Enterprise Act 2002 : Stop Now Orders	0.1
Social Work	
• Supporting People	5.3
• Care Home Fees	0.1
Total	13.8

Departmental Estimates 2004/05 (incl Additional Resources Confirmed)			
	Revenue Estimate 2003/04	Revenue Estimate 2004/05	% Increase
	£m	£m	
Community Services	75.8	78.4	3.4
Education	267.0	288.0	7.9
Joint Boards	77.6	81.2	4.6
Housing & Property	15.7	16.3	3.8
Planning & Environ	40.1	41.2	2.7
Social Work	116.0	125.7	8.4
Central Services	42.8	43.7	2.2


Additional Resources Awaited (1)	
Education	£m
• Enterprising Pupils	0.7
• School Discipline	0.7
• Support Science	0.3
• Behavioural Co-ordination	TBC
• Active School Strategy	TBC
• Maintenance Allowance	TBC
Housing & Property	
• Funding for Homeless	0.7
• Anti Social Behaviour	1.1

Additional Resources Awaited (2)	
Planning & Environment	£m
• Anti Poverty Funding	1.5
• Safer Streets	0.5
• Safer Travel to School	0.1
Social Work	
• Choose Life : Suicide Prevention	0.1
• Funding for Social Work Training	0.7
• Mental Health Bill	0.1

Efficiency Savings 2004/05	
	£000
• Community Services	700
• Education	950
• Housing & Property	350
• Planning & Environment	400
• Social Work	800
• Administration	150
• Chief Executive's	50
• Finance	250
• Partnership Management	200
Total	3,850


Potential Growth 2004/05

• Efficiency Savings (Recurring)	£3.850m
• "One-Off" Growth from 2002/03 Audited Accounts	<u>£2.299m</u>
Total	<u>£6.149m</u>




Risks - Uncertainties Additional Costs

- Pay Awards
- Insurance Costs
- Community Charge Residue
- Council Tax - Single Person's Discount
- Nursery Nurses Pay Review
- Job Evaluation
- Strathclyde Passenger Transport
- Waste Strategy




Risks / Uncertainties Increased Available Resources

- Increased Council Tax Collection Rate
- Renegotiation of Loan Charges




Growth Considerations 2004/05

- Support through Prudential Code
- Education 2010 - Affordability Gap
- Continuation of 2003/04 Growth
- New Priorities




Next Steps

- Agree Efficiency Savings
- Determine Management of Risk Uncertainties
- Agree Growth Areas



Budget Timetable 2004/05

• Service Improvement Plan Base Review Budget Reports to Committees	January/ February
• Consultation and Briefings	Mid January
• Council Meeting to approve Budget	12 February



Key Features of the Financial Plan

The Financial Plan:

- is based on government grant figures with an annual increase in Council Tax of 3.5%.
- details revenue spending totals with the approved 3-year Revenue Expenditure Plan.
- details Capital Planning totals in line with the approved 3-year Capital Plan; £126.6m over the three years.
- has an ongoing commitment to improve efficiency, with efficiency savings targets for each department for the 3-years. Savings used to fund growth in the Council's key priority areas.
- recognises the need to continue to improve Council Tax collection.
- maintains the value in real terms of service charges set by the Council.
- acknowledges that there will always be some uncertainty thus a general fund balance of £8m contingency will be retained to ensure financial stability.
- recognises the need to work with our partners to develop financial planning to support joined up working and service provision.

Financial Plan 2003-04 to 2005-06

The full Financial Plan is available on the intranet and can be accessed at:

Finance Department/

Policy Documents/

North Lanarkshire Council Financial Plan

If you have any comments or queries on the financial planning process, the Financial Plan or this leaflet, please contact:

Director of Finance
Finance Department
PO Box 14
Civic Centre
Motherwell
ML1 1TW
Telephone (01698) 302222
Fax (01698) 264116
E-mail crichtona@northlan.gov.uk



Financial Planning

What is the Financial Plan

The Financial Plan sets out the resources available to the Council over the next 3-years and provides the foundation on which the Council can develop its spending plans and priorities.

Providing a realistic framework, it enables; the integration of service and financial planning, ensuring that plans for service growth are firmly rooted to the financial resources available.

The Financial Plan also facilitates a streamlined annual budget process.

Revenue Expenditure Projections

The budget required by the Council to provide services to the public consists of the base budget plus annual budget movements.

The annual movements include spending on new government initiatives (supporting people, free personal care, care home fees etc) and cost pressures (pay awards, inflation).

Funding of Revenue Expenditure

Total Revenue available to the Council comprises mainly government funding and Council Tax income. This is supplemented by other grant funding and use of surplus balances.

The table (right) summarises the Council's approved revenue expenditure for the next 3-years. It also indicates the resources available to fund this.

Funding of Revenue Expenditure

Departmental: Revenue Estimates	2003-2004	2004-2005	2005-2006
	£m		
Community Services	76,356	78,227	80,627
Education	267,291	280,002	289,132
Social Work	116,472	120,272	123,458
Planning and Environment	41,362	41,123	42,279
Joint Boards	77,642	81,289	85,660
Housing (Non-HRA) and Property	15,743	16,204	16,683
Other Services	7,614	7,939	8,229
Total Departmental Budgets	602,480	625,006	646,068
Less:			
Financing Costs	32,280	32,716	31,164
TOTAL GENERAL FUND EXPENDITURE	570,200	592,291	614,904
Aggregate External Finance	447,675	465,572	486,907
Other External Funding	21,153	21,153	21,153
Use of Balances	2,900	2,011	(2,011)
Income from Council Tax	98,472	103,555	108,855
TOTAL RESOURCES AVAILABLE	570,200	592,291	614,904

Council Growth

The Council has an **Efficiency Savings Strategy**; resulting in funding for service growth to meet local priorities (£4.5m in 2001-02 and £4m in 2002-03). Key areas include:

- Street Smart
- Social Inclusion/Disability
- Lifelong Learning
- Modernising Government
- Voluntary Sector
- Youth Strategy

Capital Spending

The Local Government in Scotland Act 2003 introduced a new Prudential system for Capital Finance.

A more flexible framework, it has enabled the Council to produce an enhanced Capital Programme for 2004/05 and 2005/06.

The table (below) summarises the Council's approved Capital expenditure for the next 3-years by Corporate Theme.

Capital Estimate : Corporate Theme	2003-2004	2004-2005	2005-2006
	£m		
Upgrading/Improvement to Council Facilities	15,581	23,801	23,819
Business & the Economy	3,505	7,100	6,090
Community Safety	4,566	9,500	9,500
Housing & Environment	3,749	5,860	6,080
Organisational/Service Development	1,450	3,259	2,906
TOTAL CAPITAL EXPENDITURE	28,851	49,320	48,395

Housing

The Council is required to keep a separate '**ring fenced**' account for income and expenditure associated with the Council's housing stock.

A 5-year plan is being developed. Housing Capital is also affected by the Prudential Code for Capital.