

To: POLICY & RESOURCES (FINANCE) SUB-COMMITTEE		Subject: REVENUE MONITORING REPORT TO 12 NOVEMBER 2004 (PERIOD 8)  COUNCIL SUMMARY
From: DIRECTOR OF FINANCE		
Date: 9 December 2004	Ref: AC/JV/PH	

1. **Introduction**

- 1.1 This report updates the Committee on the financial performance of both the General Fund Account and the Housing Revenue Account for the period to 12 November 2004. The report brings together the respective departmental budget projections and provides an overview of both current and emerging financial matters.
- 1.2 The report compares projected out-turn expenditure with budget and provides explanations of significant variances where appropriate.
- 1.3 In previous reports, I advised of the ongoing issue in respect of the Supporting People Grant and the continued correspondence with both the Scottish Executive and the Department of Work and Pensions to redress a shortfall of some £0.900m. Following a meeting with the Scottish Executive on the 6<sup>th</sup> October 2004 additional information has been requested by The Minister. Feedback is still awaited from The Minister as to whether the shortfall will be made good by The Executive. No provision has yet been made within departmental budgets to meet the cost of this shortfall.

2. **General Fund Summary**

- 2.1 The projected position within the General Fund is summarised as follows:

	Annual Budget £000	Projected Outturn £000	Variance £000
<u>Expenditure</u>			
Net Departmental Expenditure	538,207	538,279	(72)
<u>Income</u>			
Aggregate External Finance	428,480	428,480	-
Local Tax Collection	104,056	104,056	-
Use of Balances	5,671	5,671	-
Projected variance : surplus (deficit) at 31 March 2005	Nil	(72)	(72)

- 2.2 The projected overspend of £0.072m represents a further reduction in deficit of £0.054m from the position reported last month. The principal factor which have resulted in this reduced deficit is as follows:-
- Favourable movement in relation to a re-assessment of the probable costs and income associated with Benefits within Housing and Property.
- 2.3 In summary, the overall deficit projection of £0.072m is attributed to increased costs within the Housing & Property Department offset to a certain extent by projected under-spends in other departments.
- 2.4 The budget pressures within the Housing & Property Department continues at a slightly reduced level of £0.307m. Previous reports have made reference to increased property costs within non-operational properties (overspend £0.164m), and the additional uptake of property to address administrative needs (overspend £0.189m). The Department is continuing to seek solutions to recover the position.
- 2.5 Within the other departments, the trends of the previous months continue. Positive variations against budget are reported in Community Services, Finance and Administration. The department of the Chief Executive is, however, forecasting a small overspend of £0.032m as a result of the downward trend in income from corporate publications and the cost associated with previous early retirements.
- 2.6 In support of The Education 2010 project, it is anticipated that there will be additional project preparation costs brought about by the delay in reaching project agreement. Every action will be taken to minimise the additional costs and if at all possible to absorb them within the Education budget. To date, the Education Department has identified an under-spend of £0.159m, which will assist on funding these costs. An update will be provided in subsequent reporting cycles
- 2.7 An analysis of the General Fund Services performance against budget is shown at Appendix 1. Detailed reports on each service department's final position have been presented to the appropriate Council committee for consideration. The major variations can be summarised as follows.

#### 2.7.1 Departmental Expenditure

		<b>£m</b>
Housing & Prop (non HRA)	Increased property costs	Projected deficit (0.307)
Administration	Staff turnover savings and additional income	Projected surplus 0.205
Finance	Savings in staff turnover and printing costs	Projected surplus 0.124
Chief Exec's	Downward trend in income/pension costs	Projected deficit (0.032)
Comm Serv	Minor variations across various budget lines	Projected surplus 0.011
Reduction in loan charge support for urban and loan debt		Projected deficit (0.073)
<b>TOTAL</b>		<b>Projected deficit (0.072)</b>

### 3. Scottish Executive Funded Initiatives

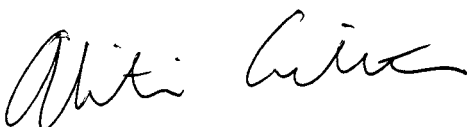
- 3.1 Outwith mainstream departmental budgets which are funded by the mechanism of the Revenue Support Grant, several initiatives are given specific resources from the Scottish Executive. These include the Social Inclusion Partnerships, the Better Neighbourhood Services Fund, the Changing Children's Service Fund, the Anti-Social Behaviour Initiatives and the Community Budgeting Pilot Project. Last month I highlighted projects totalling £14.259m had been approved from a total combined budget of £14.647m. Project commitments now total £13.886m leaving a balance of £0.760m to be considered at the next round of management board meetings scheduled for the coming weeks. This commitment represents a reduction of £0.372m from my previous report and relates largely to staff recruitment issues within the Community Wardens element of the Anti-Social Behaviour Initiative. Permission will be sought from The Scottish Executive to carry forward any underspend to the following year.
- 3.2 The Council has recently received its first instalment of £0.604m under the new Scottish Executive Public Sector Energy Efficiency Initiative. The total offer of pump-priming grant to the Council amounts to £0.930m with the balance of £0.326m becoming available upon successful utilisation of the current resources. This is on the basis that the Council achieves a 50% level of spend by 31 March 2005. A working group, chaired by the Head of Property Services, has been empowered to identify suitable energy efficiency schemes that can be drawn-down from this fund. In my previous report, I highlighted the fact that submissions were awaited from the Group to access the fund. To date the position remains unaltered as we approach the deadline of the 31<sup>st</sup> March 2005.
- 3.3 My comments and positional statement on the Strategic Waste Fund and "Working for Families Fund" remain unchanged.

### 4. Housing Revenue Account

- 4.1 It is anticipated that there will be a minor under-spend in the Housing Revenue Account of £0.019m at the end of the financial year. Inevitably small variations are projected across several budget areas to reflect the changing requirements and adjustments to the service going forward through the financial year.

### 5. Recommendation

- 5.1 The Committee is asked to note the contents of the report and in particular the ongoing position with regard to the shortfall in Supporting People Grant and the projected deficit of £0.072m in the General Fund Account. Every effort requires to be made to address this position and bring overall expenditure back in line with budget.



**Director of Finance**

## NORTH LANARKSHIRE COUNCIL

## SUMMARY OF FINANCIAL REPORT FOR PERIOD TO 12th November 2004

LINE NO.	DEPARTMENTAL ACCOUNT (1)	BUDGET TO - DATE	ACTUAL TO - DATE	VARIANCE TO - DATE	ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED VARIANCES
		(2)	(3)	(4)	(5)	(6)	(7)
		£	£	£	£	£	£
<b>1.</b>	<b>COMMUNITY SERVICES COMMITTEE</b>	<b>40,635,880</b>	<b>40,734,677</b>	<b>(98,797 )</b>	<b>79,218,948</b>	<b>79,208,473</b>	<b>10,475</b>
2.		1,546,687	1,534,573	12,114	-	-	-
3	Parks, Sport & Transport	13,044,362	13,212,251	(167,889 )	34,664,831	34,714,063	(49,232 )
4.	Community Resources	13,647,043	13,613,200	33,843	24,304,584	24,278,877	25,707
5.	Cleaning & Related Services	12,397,788	12,374,653	23,135	20,249,533	20,215,533	34,000
<b>6.</b>	<b>EDUCATION COMMITTEE</b>	<b>149,296,003</b>	<b>148,409,862</b>	<b>886,141</b>	<b>277,040,430</b>	<b>277,040,430</b>	<b>-</b>
7.	Education	149,296,003	148,409,862	886,141	277,040,430	277,040,430	-
<b>8.</b>	<b>POLICY &amp; RESOURCES (FINANCE)</b>	<b>10,223,832</b>	<b>9,888,625</b>	<b>335,207</b>	<b>26,445,237</b>	<b>26,320,458</b>	<b>124,779</b>
9.	Finance	8,507,293	8,173,098	334,195	15,663,942	15,546,163	117,779
10.	Miscellaneous Services	1,716,539	1,715,527	1,012	10,781,295	10,774,295	7,000
<b>11.</b>	<b>GENERAL PURPOSES COMMITTEE</b>	<b>3,412,319</b>	<b>3,242,858</b>	<b>169,461</b>	<b>6,809,927</b>	<b>6,604,577</b>	<b>205,350</b>
12.	Administration - Central Services	2,002,322	1,934,496	67,826	3,132,801	3,058,801	74,000
13.	Administration - Legal Support Services	1,136,403	1,112,910	23,493	2,023,140	1,989,140	34,000
14.	Administration - Legal Public Services	94,692	49,235	45,457	951,138	903,788	47,350
15.	Registrar Births , Deaths etc.	178,902	146,217	32,685	702,848	652,848	50,000
<b>16.</b>	<b>HOUSING &amp; PROPERTY COMMITTEE</b>	<b>16,573,688</b>	<b>16,675,692</b>	<b>(102,004 )</b>	<b>29,983,876</b>	<b>30,290,979</b>	<b>(307,103 )</b>
17.	Housing - Non HRA and Benefits	(318,400 )	(322,909 )	4,509	(151,511 )	(150,708 )	(803 )
18.	Property Unit	1,424,981	1,393,117	31,864	2,837,236	2,790,736	46,500
19.	Non-Operational Property Unit	2,026,891	2,088,531	(61,640 )	4,274,131	4,438,131	(164,000 )
20.	Office Accommodation	3,000,815	3,127,534	(126,719 )	4,818,921	5,007,721	(188,800 )
21.	Energy Advice Unit	137,909	140,243	(2,334 )	166,983	166,983	-
22.	Design Services	2,745,595	2,681,816	63,779	4,811,344	4,811,344	-
23.	Maintenance Unit	946,373	953,641	(7,268 )	1,679,075	1,679,075	-
24.	Central Repairs	6,609,524	6,613,719	(4,195 )	11,547,697	11,547,697	-
<b>25.</b>	<b>JOINT BOARDS</b>	<b>33,090,702</b>	<b>33,090,702</b>	<b>-</b>	<b>54,034,520</b>	<b>54,034,520</b>	<b>-</b>
26.	Lands Valuation	893,252	893,252	-	1,571,520	1,571,520	-
27.	Police Force	16,127,755	16,127,755	-	28,089,000	28,089,000	-
28.	Fire Brigade	7,686,000	7,686,000	-	13,178,000	13,178,000	-
29.	Concessionary Fares	4,737,195	4,737,195	-	6,333,000	6,333,000	-
30.	Passenger Transport Executive	3,646,500	3,646,500	-	4,863,000	4,863,000	-
<b>31.</b>	<b>POLICY &amp; RESOURCES(PERSONNEL)</b>	<b>909,860</b>	<b>902,799</b>	<b>7,061</b>	<b>2,027,666</b>	<b>2,027,666</b>	<b>-</b>
32.	Personnel Services	909,860	902,799	7,061	2,027,666	2,027,666	-
<b>33.</b>	<b>PLANNING &amp; ENVIRONMENT COMMITTEE</b>	<b>23,321,069</b>	<b>23,159,731</b>	<b>161,338</b>	<b>41,794,329</b>	<b>41,794,329</b>	<b>-</b>
34.	Building Control	109,469	(53,367 )	162,836	443,896	257,896	186,000
35.	Transportation	7,729,624	7,685,199	44,425	29,264,438	29,252,580	11,858
36.	Policy & Economic Development	1,612,457	1,591,725	20,732	2,699,729	2,686,129	13,600
37.	Planning	1,183,002	1,011,357	171,645	3,750,076	3,593,535	156,541
38.	Support Services	9,688,062	9,807,761	(119,699 )	-	271,999	(271,999 )
39.	Protective Services	2,998,455	3,117,056	(118,601 )	5,636,190	5,732,190	(96,000 )
<b>40.</b>	<b>POLICY &amp; RESOURCES COMMITTEE</b>	<b>1,554,153</b>	<b>1,537,593</b>	<b>16,560</b>	<b>1,141,378</b>	<b>1,173,590</b>	<b>(32,212 )</b>
41.	Chief Executives	1,554,153	1,537,593	16,560	1,141,378	1,173,590	(32,212 )
<b>42.</b>	<b>PPP/TRADING SURPLUSES</b>	<b>(1,335,428 )</b>	<b>(1,380,552 )</b>	<b>45,124</b>	<b>(2,340,819 )</b>	<b>(2,340,819 )</b>	<b>-</b>
43.	PPP Contributions *	(917,783 )	(917,783 )	-	(1,519,000 )	(1,519,000 )	-
44.	Trading Accounts	(417,645 )	(462,769 )	45,124	(821,819 )	(821,819 )	-
<b>45.</b>	<b>SOCIAL WORK COMMITTEE</b>	<b>63,249,806</b>	<b>63,179,290</b>	<b>70,516</b>	<b>105,210,474</b>	<b>105,210,474</b>	<b>-</b>
46.	Social Work	63,249,806	63,179,290	70,516	105,210,474	105,210,474	-
<b>47.</b>	<b>FINANCING COSTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34,387,325 )</b>	<b>(34,314,044 )</b>	<b>(73,281 )</b>
48.	Reversal of Capital Charge	-	-	-	(64,518,867 )	(64,518,867 )	-
49.	Grant Support for Urban Programme Loan Debt	-	-	-	(398,000 )	(324,719 )	(73,281 )
50.	Loan Charges	-	-	-	32,379,542	32,379,542	-
51.	Interest on Revenue Balances	-	-	-	(1,850,000 )	(1,850,000 )	-
52.	Removal of Gross Central Department Budgets (included above )	-	-	-	(48,771,210 )	(48,771,210 )	-
<b>53.</b>	<b>TOTAL EXPENDITURE</b>	<b>340,931,884</b>	<b>339,441,277</b>	<b>1,490,607</b>	<b>538,207,431</b>	<b>538,279,423</b>	<b>(71,992 )</b>

## NORTH LANARKSHIRE COUNCIL

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		(2)	(3)	(4)	(5)	(6)	(7)
		£	£	£	£	£	£
54.	<b>SOURCES OF FUNDING</b>	<b>332,469</b>	<b>332,469</b>	-	<b>538,207,431</b>	<b>538,207,431</b>	-
55.	Revenue Support Grant	-	-	-	307,949,000	307,949,000	-
56.	Non - Domestic Rates	-	-	-	120,531,000	120,531,000	-
57.	Council Tax	-	-	-	103,556,025	103,556,025	-
58.	Use of Balances	-	-	-	5,671,406	5,671,406	-
59.	Collection of Local Tax Arrears	332,469	332,469	-	500,000	500,000	-
60.	<b>TOTAL SURPLUS (DEFICIT)</b>	<b>340,599,415</b>	<b>339,108,808</b>	<b>1,490,607</b>	-	<b>71,992</b>	<b>(71,992)</b>
61.	<b>SCOTTISH EXECUTIVE FUNDED INITIATIVES</b>	<b>7,123,414</b>	<b>5,972,384</b>	<b>1,151,030</b>	<b>14,646,812</b>	<b>13,886,447</b>	<b>760,365</b>
62.	Social Inclusion Partnerships	1,950,305	1,740,318	209,987	3,707,328	3,617,471	89,857
63.	Changing Childrens Services Fund	2,225,003	1,849,915	375,088	4,935,803	4,933,303	2,500
64.	Better Neighbourhood Services Fund	2,513,941	2,075,340	438,601	4,166,894	4,011,011	155,883
65.	Anti Social Behaviour	373,201	245,847	127,354	1,684,570	1,201,900	482,670
66.	Community Budgeting	60,964	60,964	-	152,217	122,762	29,455
67.	<b>HOUSING REVENUE ACCOUNT</b>	<b>(20,176,642)</b>	<b>(20,068,395)</b>	<b>(108,247)</b>	-	<b>(19,000)</b>	<b>19,000</b>

\* 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