

To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE		Subject: 2004/05 BUDGET MONITORING REPORT  PERIOD 01/04/2004 – 04/02/2005 (PERIOD 11)  MISCELLANEOUS SERVICES
From: DIRECTOR OF FINANCE		
Date: 28 February, 2005	Ref: JV/PH/BB/1	

1. **Introduction**

1.1 This report compares actual expenditure and income on Miscellaneous Services against estimates for the year-to-date. The report also presents a projected outturn for the year and provides explanations of the most significant variances.

2. **Summary of Budget Variances**

2.1 The net expenditure at Period 11 shows an overspend of £17,449 of the budget to date while the projected outturn indicates an underspend of £935,000 of the annual estimate as a result of the savings made within the Council's loan debt budget.

2.2 In preparing the budget strategy for 2004/05, the Council made provision for the cost of additional borrowing to support the increase in the Capital programme through the flexibility within the Prudential Code for Capital Financing. A combination of factors has enabled savings to be made in the Council's interest costs which have resulted in an underspend against budget of £935,000. This has now been reflected within the Council's summary report, which provides an overview of the overall financial position in the General Services Account.

3. **Explanation of Major Outturn Variances**

£

3.1 **Employee Costs** 62,000 Overspend

The pension costs relating to both ex-DLO and ex-CDC employees have not reduced as quickly as originally anticipated. Additionally, National Insurance costs on the current level of members' allowances paid are in excess of the budget provision.

3.2 **Transport Costs** 12,000 Overspend

The nationally agreed mileage rates have increased more than originally anticipated in the budget.

3.3 **Administration Costs** 35,000 Overspend

This projected overspend is the result of the increase in Members' Basic Allowance which was notified in May 2004, well after the Budget setting exercise had been completed.

3.4 **Payments to Other Bodies** 18,000 Overspend

The main factor contributing to this overspend is the increase in uptake of Christmas payments to Pensioners.

3.5 Other Expenditure 95,000 Underspend

This underspend relates mainly to income recovered in respect of previously written-off aged debtors accounts.

3.6 Contingencies 17,000 Underspend

This projection arises from the Members' training programme, which is currently underspent, however there are ongoing proposals that may alter this forecast position.

3.7 Prudential Code 950,000 Underspend

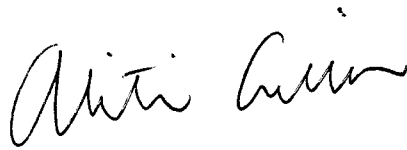
The Council incorporated the sum of £1.250m within its approved growth for 2004/2005 which enabled additional capital investment of £15m within the current financial year. Due to the diligent management of the Council's long-term borrowing and investment strategies, it has become apparent that this in combination with favourable interest on investment income, has negated much of the additional borrowing requirement.

4. **Summary**

4.1 The favourable year-end projected underspend has mainly resulted from the pro-active operational efficiencies within the management of the Council's investment and borrowing portfolios.

5. **Recommendation**

5.1 It is recommended that the Committee notes the contents of this report.



**Director of Finance**

**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 APRIL 2004 To 4 FEBRUARY 2005 (Period 11)**

**COMMITTEE : POLICY and RESOURCES (FINANCE) SUB**

**SERVICE : MISCELLANEOUS SERVICES**

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR-TO-DATE VARIANCES (5)	(6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUT-TURN VARIANCES (9)	(10)
		£	£	£		£	£	£	
1.	EMPLOYEE COSTS	570,610	600,128	(29,518)	Overspend	681,862	743,862	(62,000)	Overspend
2.	TRANSPORT & PLANT	82,740	100,420	(17,680)	Overspend	95,849	107,849	(12,000)	Overspend
3.	ADMINISTRATION COSTS	1,052,140	1,111,180	(59,040)	Overspend	1,223,754	1,258,754	(35,000)	Overspend
4.	GROUP LIFE ASSURANCE	169,080	169,080	0		202,900	202,900	0	
5.	PAYMENTS TO OTHER BODIES	750,786	768,110	(17,324)	Overspend	750,786	768,786	(18,000)	Overspend
6.	OTHER EXPENDITURE	(30,489)	(121,148)	90,659	Underspend	(35,849)	(130,849)	95,000	Underspend
7.	APPORTIONED EXPENSES	363,235	363,235	0		4,385,993	4,385,993	0	
8.	CONTINGENCIES	41,672	26,218	15,454	Underspend	50,000	33,000	17,000	Underspend
9.	EXTERNAL FUNDING PROVISION	202,467	202,467	0		663,000	663,000	0	
10.	EXTERNAL AUDIT FEE	178,800	178,800	0		373,000	373,000	0	
11.	BEST VALUE REPORTING	0	0	0		140,000	140,000	0	
12.	PRUDENTIAL CODE FUNDING	0	0	0		1,250,000	300,000	950,000	Underspend
13.	RISKS AND UNCERTIANTIES	0	0	0		1,000,000	1,000,000	0	
14.	TOTAL EXPENDITURE	3,381,041	3,398,490	(17,449)	Overspend	10,781,295	9,846,295	935,000	Underspend
15.	INCOME	0	0	0		0	0	0	
16.	NET EXPENDITURE	3,381,041	3,398,490	(17,449)	Overspend	10,781,295	9,846,295	935,000	Underspend