

To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE		Subject: 2004/05 BUDGET MONITORING REPORT  PERIOD 01/04/04 – 31/03/05 (PROVISIONAL OUTTURN)  MISCELLANEOUS SERVICES
From: DIRECTOR OF FINANCE		
Date: 06 May, 2005	Ref: PH/BB/4	

### 1. Introduction

1.1 This report compares Miscellaneous Services' provisional outturn expenditure and income for 2004/05 against the annual budget. The report also presents provisional budget variances and provides explanations of the most significant variances.

### 2. Summary of Budget Variances

2.1 The net expenditure for the year-end shows a provisional underspend of £811,693 or 8% of the annual budget, which has decreased compared to the previously reported projected underspend of £926,000 (9%).

2.2 The main reasons for this movement relate to the combination of a number of events that have been confirmed in recent weeks. These include the finalisation of the Christmas Gift expenditure which has seen an increase in take-up; the notification of additional external audit fees as a result of audit work undertaken on the Education 2010 development and ERDF grant claims; and a minor increase in expenditure associated with items of a corporate nature.

### 3. Explanation of Major Outturn Variances

3.1 The most significant variance is associated with the Council's provision to meet the initial impact of the increase in capital investment made available under the new Prudential Code for Capital arrangements. The Council incorporated the sum of £1.250m within its approved growth for 2004/05, which enabled additional capital investment of £15m in the current financial year.

Due to a review of the Council's long-term borrowing and investment strategies, combined with favourable investment rates, much of the additional borrowing requirement has been negated. The overall impact within the 2004/2005 financial year has been the delivery of debt management efficiencies of some £0.950m.

3.2 In addition there have been a number of expenditure pressures that have been reported throughout the year which have slightly reduced the full impact of these efficiencies. While not of significant magnitude in their own right there are a number of variances which have impacted within this area:

- The lower than anticipated drop-off on pension costs associated with both ex-DLO and ex-CDC pensions.
- The increased uptake in the Council's Christmas payments to pensioners.

- Additional external audit fees to reflect the work involved in verification of both the Education 2010 PPP scheme and European funding grant claims.
- Increases to nationally agreed rates for items such as mileage which are higher than originally anticipated.

4. **Recommendation**

4.1 It is recommended that the Sub-Committee notes the contents of this report.

A handwritten signature in black ink, appearing to read 'Alan Walker', written in a cursive style.

**Director of Finance**

For further information please contact Brian Boyle on tel ext. 2244

**NORTH LANARKSHIRE COUNCIL****FINANCIAL MONITORING REPORT**

2004/2005 Provisional Outturn -1 April 2004 to 31 March 2005

COMMITTEE: POLICY AND RESOURCES (FINANCE SUB COMM)

SERVICE: MISCELLANEOUS SERVICES

LINE No	DESCRIPTION	ANNUAL BUDGET	PROVISIONAL OUTTURN	PROVISIONAL VARIANCE	%
(1)	(2)	(3)	(4)	(5)	(6)
1.	EMPLOYEE COSTS	681,862	741,355	(59,493)	(9)
2.	PROPERTY COSTS	0	0	0	0
3.	SUPPLIES AND SERVICES	0	0	0	0
4.	TRANSPORT AND PLANT	95,849	120,421	(24,572)	(26)
5.	ADMINISTRATION COSTS	1,223,754	1,335,198	(111,444)	(9)
6.	GROUP LIFE ASSURANCE	202,900	202,900	0	0
7.	PAYMENTS TO OTHER BODIES	750,786	770,038	(19,252)	(3)
8.	OTHER COSTS	(35,849)	(130,826)	94,977	(265)
9.	APPORTIONED EXPENSES	4,385,993	4,385,993	0	0
10.	TRAINING CONTINGENCIES	50,000	36,323	13,677	27
11.	EXTERNAL FUNDING PROVISION	980,343	980,343	0	0
12.	CFCR	300,000	300,000	0	0
13.	EXTERNAL AUDIT FEES	513,000	545,200	(32,200)	(6)
14.	PRUDENTIAL CODE FUNDING	1,250,000	300,000	950,000	76
15.	RISKS AND UNCERTAINTIES	1,000,000	1,000,000	0	0
16.	TOTAL EXPENDITURE	11,398,638	10,586,945	811,693	7
17.	INCOME	0	0	0	0
18.	NET EXPENDITURE	11,398,638	10,586,945	811,693	7