

REPORT

To: POLICY & RESOURCES (FINANCE) SUB-COMMITTEE		Subject: REVENUE MONITORING REPORT TO 31 MARCH 2005 (Provisional Outturn) COUNCIL SUMMARY
From: DIRECTOR OF FINANCE		
Date: 11 May 2005	Ref: AC/JV/PH	

1. **Introduction**

1.1 This report updates the Committee on the provisional out-turn position on both the General Fund Account and the Housing Revenue Account for the financial year 2004/2005. The report consolidates the budget monitoring position of each Department, compares projected out-turn expenditure with budget and, provides explanations of significant variations where applicable.

2. **General Fund Summary**

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

	Annual Budget £000	Projected Outturn £000	Variance £000
<u>Expenditure</u>			
Net Departmental Expenditure	543,278	540,454	2,824
<u>Income</u>			
Aggregate External Finance	432,433	432,271	(162)
Local Tax Collection	104,056	104,140	84
Use of Balances	6,789	6,789	-
Projected variance : surplus (deficit) at 31 March 2005	Nil	2,746	2,746

2.2 The projected surplus of £2.746m represents a favourable movement of £1.313m from the position stated in my previous report. The principle movements since my last report have occurred as a result of:-

- a) Further savings on the management of the Council's long-term debt portfolio during 2004/2005 of £0.725m.
- b) Increased dividend income from Public Private Partnerships of £0.237m.
- c) Income generation within Planning & Environment of £0.226m.
- d) Identification of further efficiencies within Housing and property to reduce overspend by £0.115m.

- 2.3 In summary, the overall surplus projection of £2.746m is due to a combination of pro-active long-term debt management and departmental efficiencies, which are detailed below:
- 2.4 As previously reported, the Council was able to defer the impact of much of the associated costs of the capital investment from the implementation of the Prudential Code until the forthcoming 2005/06 financial year. This resulted in debt management savings of £0.950m. In addition, further external interest savings were achieved towards the close of the 2004/2005 financial year that has ultimately resulted in further savings of £0.725m. The Council will of course continue to act upon further debt management opportunities as they arise.
- 2.5 The budget pressures within the Housing & Property Department continue at a much-reduced level of £0.086m – a decrease of £0.115m from the previous report. This is predominantly the result of the generation of external rental income and planned slippage in Supporting People initiatives to address the reduction in grant income being received by the Council.
- 2.6 The Planning & Environment Department is projecting a year-end under-spend of £0.226m that has arisen from the upturn in planning and other associated external fee income. Areas of under-spend within the Winter Maintenance Programme (£0.600m) and Roads Maintenance Programme (£0.100m) have been carried forward to 2005/2006 in line with the Council's approved Winter and Roads Maintenance Contingency Strategy.
- 2.7 Within the other departments, the trend in the previous month continues, with increasing operational efficiencies and improved income generation. This is particularly prevalent within the Departments of Administration and Finance, where underspends of £0.194m and £0.281m are respectively reported.
- 2.8 Within my previous report I indicated that the indicative financial statements emanating from the Public Private Partnerships suggested that the improved performance would ultimately be converted into increased dividend income. I can now confirm that the anticipated income to the Council has improved by 0.237m to be some £0.337m above the budgetary provision.
- 2.9 Additional costs in support of the Education 2010 project have been absorbed within the Education Department's budget, which has returned a small under-spend of £0.084m.
- 2.10 The Council has recently been notified by the Scottish Executive of the re-determinations of government grant support for the 2004/2005 year. Along with a total funding increase of £10.232m, to support the implementation of areas such as Better Neighbourhood Services Fund, Anti-Social Behaviour and Residential Allowances, there is a small residual reduction of £0.162m from that previously anticipated.
- 2.11 An analysis of the General Fund Services performance against budget is shown at Appendix 1. Detailed reports on each service department's financial position have been presented to the appropriate Council committee for consideration. The major variations can be summarised as follows:

2.11.1 Departmental Expenditure

		£m
Housing & Prop (non HRA)	Increased property costs and Supporting People	Projected deficit (0.086)
Education	Minor variations	Projected surplus 0.084
Administration	Staff turnover savings and additional income	Projected surplus 0.212
Finance	Savings in staff turnover and operational efficiencies	Projected surplus 0.281
Chief Exec's	Savings in staff turnover and operational efficiencies	Projected surplus 0.056
Miscellaneous Services	Re-assessment of loan charges	Projected surplus 0.812
Community Services incl. Trading Accounts	Minor variations across various budget lines and operational efficiencies	Projected surplus 0.214
PPP Contributions	Increased dividend declarations	Projected Surplus 0.337
Reduction in loan charge support for urban and loan debt		Projected deficit (0.073)
Efficient debt management arrangements		Projected Surplus 0.725
Other Minor variations		Projected Surplus 0.184
TOTAL		Projected surplus 2.746

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. It is anticipated that from the combined budget of £14.624m there will be a residual balance of £1.508m. Nearly all of this remaining balance can be carried forward into the 2005/2006 financial year.

3.2 The funding streams for the Better Neighbourhood Services Fund and Social Inclusion Partnerships come to a conclusion on 31st March 2005 and are replaced from 1st April 2005 by the Community Regeneration Fund. All resources have been fully utilised or, in some instances small balances have been carried forward following specific approval from the Scottish Executive.

3.3 Previous reports indicated that the Council had received it's initial funding of some £0.604m from the Scottish Executive Public Sector Energy Efficiency Initiative. Project submissions were to be co-ordinated through a working

group chaired by the Head of Property Services. It is now confirmed that there was no spend in the 2004/2005 financial year. This allocation will be transferred to 2005/2006.

3.3 In respect of the Strategic Waste Fund the Council has been able to utilise the full resources of £4.749m available from both capital and revenue sources.


3.4 Expenditure on the "Working for Families Fund" reached the level of £0.664m within the 2004/2005 year with an approved carry forward of unutilised resources of £0.836m being made into the 2005/2006 financial year.

4. Housing Revenue Account

4.1 It is anticipated that there will be a minor underspend in the Housing Revenue Account of £0.010m at the end of the financial year. This is a minor adverse movement from the previous report and the previous underlying projected expenditure and income patterns have been borne out.

5. Recommendation

5.1 The Committee is asked to note the contents of the report, and the subsequent projected surplus of £2.746m in the General Fund Account.



Director of Finance

NORTH LANARKSHIRE COUNCIL

SUMMARY OF FINANCIAL REPORT FOR PERIOD TO 31 March 2005 (Provisional Outturn)

LINE NO.	DEPARTMENTAL ACCOUNT (1)	ANNUAL BUDGET	PROVISIONAL OUTTURN	PROJECTED VARIANCES
		(2)	(3)	(4)
		£	£	£
1.	COMMUNITY SERVICES COMMITTEE	78,600,305	78,486,845	113,460
2.	Directorate and Support	2,769,788	2,769,788	-
3.	Land Services	31,753,140	31,879,452	(126,312)
4.	Facility Support Services	1,855,268	1,770,642	84,626
5.	Cultural and Recreational Services	21,547,010	21,394,416	152,594
6.	Community Information and Learning	20,675,099	20,672,547	2,552
6.	EDUCATION COMMITTEE	278,187,681	278,103,681	84,000
7.	Education	278,187,681	278,103,681	84,000
8.	POLICY & RESOURCES (FINANCE)	27,062,578	25,969,525	1,093,053
9.	Finance	15,663,940	15,382,580	281,360
10.	Miscellaneous Services	11,398,638	10,586,945	811,693
11.	GENERAL PURPOSES COMMITTEE	6,810,991	6,617,137	193,854
12.	Administration - Central Services	3,133,865	3,037,017	96,848
13.	Administration - Legal Support Services	2,023,140	2,023,294	(154)
14.	Administration - Legal Public Services	951,138	904,341	46,797
15.	Registrar Births , Deaths etc.	702,848	652,485	50,363
16.	HOUSING & PROPERTY COMMITTEE	30,027,185	30,113,055	(85,870)
17.	Housing - Non HRA and Benefits	(151,511)	(153,069)	1,558
18.	Property Unit	2,837,236	2,756,786	80,450
19.	Non-Operational Property Unit	4,274,596	4,209,446	65,150
20.	Office Accommodation	4,818,921	5,022,349	(203,428)
21.	Energy Advice Unit	218,400	218,400	-
22.	Design Services	4,811,344	4,811,344	-
23.	Maintenance Unit	1,679,075	1,682,675	(3,600)
24.	Central Repairs	11,539,124	11,565,124	(26,000)
25.	JOINT BOARDS	54,221,100	54,191,254	29,846
26.	Lands Valuation	1,571,520	1,561,520	10,000
27.	Police Force	27,647,580	27,647,580	-
28.	Fire Brigade	13,806,000	13,803,894	2,106
29.	Concessionary Fares	6,333,000	6,316,260	16,740
30.	Passenger Transport Executive	4,863,000	4,862,000	1,000
31.	POLICY & RESOURCES(PERSONNEL)	2,027,666	2,014,306	13,360
32.	Personnel Services	2,027,666	2,014,306	13,360
33.	PLANNING & ENVIRONMENT COMMITTEE	41,769,115	41,543,582	225,533
34.	Building Control	443,896	70,672	373,224
35.	Transportation	29,240,783	28,997,250	243,533
36.	Policy & Economic Development	2,699,729	2,729,464	(29,735)
37.	Planning	3,750,076	3,535,414	214,662
38.	Support Services	-	303,597	(303,597)
39.	Protective Services	5,634,631	5,907,185	(272,554)
40.	POLICY & RESOURCES COMMITTEE	1,141,378	1,085,785	55,593
41.	Chief Executives	1,141,378	1,085,785	55,593
42.	PPP/TRADING SURPLUSES	(2,340,819)	(2,778,277)	437,458
43.	PPP Contributions *	(1,519,000)	(1,856,000)	337,000
44.	Trading Accounts	(821,819)	(922,277)	100,458

NORTH LANARKSHIRE COUNCIL

SUMMARY OF FINANCIAL REPORT FOR PERIOD TO 31 March 2005 (Provisional Outturn)

LINE NO.	DEPARTMENTAL ACCOUNT (1)	ANNUAL BUDGET (2)	PROVISIONAL OUTTURN (3)	PROJECTED VARIANCES (4)
		£	£	£
45.	SOCIAL WORK COMMITTEE	108,972,553	108,966,766	5,787
46.	Social Work	108,972,553	108,966,766	5,787
47.	FINANCING COSTS	(34,386,261)	(35,044,111)	657,850
48.	Reversal of Capital Charge	(64,510,867)	(64,510,867)	-
49.	Grant Support for Urban Programme Loan Debt	(398,000)	(324,719)	(73,281)
50.	Loan Charges	32,372,606	31,647,895	724,711
51.	Interest on Revenue Balances	(1,850,000)	(1,856,420)	6,420
52.	Removal of Gross Central Department Budgets (included above)	(48,815,118)	(48,815,118)	-
53.	TOTAL EXPENDITURE	543,278,354	540,454,430	2,823,924
54.	SOURCES OF FUNDING	543,278,354	543,199,981	(78,373)
55.	Revenue Support Grant	311,902,580	311,740,416	(162,164)
56.	Non - Domestic Rates	120,531,000	120,531,000	-
57.	Council Tax	103,556,025	103,633,355	77,330
58.	Use of Balances	6,788,749	6,788,749	-
59.	Collection of Local Tax Arrears	500,000	506,461	6,461
60.	TOTAL SURPLUS (DEFICIT)	-	(2,745,551)	2,745,551
61.	SCOTTISH EXECUTIVE FUNDED INITIATIVES	14,623,810	13,115,633	1,508,177
62.	Social Inclusion Partnerships	3,707,328	3,618,210	89,118
63.	Changing Childrens Services Fund	4,945,803	4,683,475	262,328
64.	Better Neighbourhood Services Fund	4,133,892	3,985,940	147,952
65.	Anti Social Behaviour	1,684,570	734,189	950,381
66.	Community Budgeting	152,217	93,819	58,398
67.	HOUSING REVENUE ACCOUNT	-	(9,546)	9,546

* Note : The PPP contribution shown excludes that element contained within individual departmental budgets as efficiency