

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB - COMMITTEE	Subject: REVENUE MONITORING REPORT FINANCE & CUSTOMER SERVICES 01.04.07 – 01.02.08 (PERIOD 11)
From: HEAD OF FINANCIAL SERVICES	
Date: 21 FEBRUARY 2008	Ref: PH/SD/BB/1

1. Purpose of Report

1.1. This report advises Committee of the overall financial position of Finance & Customer Services for the period 1st April 2007 to 1st February 2008. Variances are reported for both year-to-date and projected outturn, with major outturn variances being highlighted and explained.

2. Executive Summary of Financial Position

2.1. The Service is currently projecting a year-end underspend of £574,677, which represents an increase from the underspend previously reported for period 10 of £157,190. This movement is primarily attributable to an increase in Housing Benefit subsidy resulting from the successful recovery of benefit overpayments. An analysis of variances at both divisional and subjective level are provided in Appendices 1 and 2 respectively.

3. Corporate Review of Expenditure

3.1. The Council review of "non-essential" expenditure remains an integral element of the Council's financial strategy. As a direct consequence of this request, Finance & Customer Services continues to engage in a pro-active review of its immediate spending requirements.

4. Explanation of Major Out-Turn Variances

4.1. Appendices 1 and 2 outline the Services' performance against budget; however a summary of the major variances within each division is outlined within table 1 below.

4.2. Service Overview

<i>Service Division</i>	<i>Outturn Position (£s)</i>	<i>Analysis</i>
Financial Services	87,490 Under	Continued Vacancies
Internal Audit	13,850 Under	Staff Turnover Savings
Revenue Services	21,534 Under	Staff Turnover Savings
EGASD	89,531 Under	Staff Turnover Savings
Cost of Local Tax Collection	5,272 Under	Income Generation
Housing Benefits	204,283 Under	Successful Overpayment Recoveries
	152,717 Under	Operational / Staff Savings
Totals	574,677 Under	

5. Service Efficiency Measures

- 5.1. Employee costs savings are anticipated due to the level of staff turnover and the associated time taken to successfully recruit new staff.
- 5.2. The projected net saving in Housing Benefits is primarily attributable to increased income in the form of benefit subsidy arising from the ongoing successful recovery of benefits overpayments. This saving, totalling £204,283, represents less than 1% of the projected total annual benefit payment of approximately £108 million. In addition, due to the temporary delay in filling employee posts within the recent Council Tax and Housing Benefits merger there have been net vacancy savings of £152,717.

6. Recommendations

- 6.1. It is recommended that the contents of this report be noted.



Head of Financial Services

North Lanarkshire Council
Financial Monitoring Report - Divisional Analysis
1st April 2007 - 1st February 2008 (Period 11)

Appendix 1

FINANCE & CUSTOMER SERVICES COMMITTEE

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)	ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCE (8)	% (9)	ANALYSIS (10)
		£	£	£	£	£	£		
1.	DIRECTORATE	410,263	427,908	(17,645) Overspend	471,218	471,218	0 On Target	0.0%	
2.	FINANCIAL SERVICES	1,703,785	1,572,980	130,805 Underspend	2,548,765	2,461,275	87,490 Underspend	3.4%	Staff turnover savings partly offset by office refurbishment costs and increased administration costs.
3.	INTERNAL AUDIT	545,164	527,551	17,613 Underspend	730,777	716,927	13,850 Underspend	1.9%	Staff turnover savings
4.	REVENUE SERVICES	2,860,750	2,703,644	157,106 Underspend	4,207,357	4,185,823	21,534 Underspend	0.5%	Savings in staff turnover and external payments efficiencies. These have been partly offset by increased software costs, annual licence fees and a reduction in Home Insurance commission as a result of downturn in demand.
5.	E-GOVERNMENT & SERVICE DEVELOPMENT	5,967,094	6,123,590	(156,496) Overspend	7,902,729	7,813,198	89,531 Underspend	1.1%	Staff turnover savings. Increased maintenance costs and payments to external agencies in respect of Citizens Account and National Entitlement Card projects are fully offset by Modernising Government Grant funding.
6.	COST OF LOCAL TAX COLLECTION	1,800,910	1,809,439	(8,529) Overspend	1,655,978	1,650,706	5,272 Underspend	0.3%	Savings in postages, external payments efficiencies and miscellaneous income generation have been partly offset by increased employee costs and annual renewal / maintenance
7.	HOUSING BENEFITS	(1,313,874)	(1,846,252)	532,378 Underspend	(717,644)	(1,074,644)	357,000 Underspend	-49.7%	Savings in staff turnover and the increased subsidy arising from the ongoing successful recovery of benefits overpayments.
8	NET EXPENDITURE	11,974,092	11,318,860	655,232 Underspend	16,799,180	16,224,503	574,677 Underspend	3.4%	

North Lanarkshire Council
Financial Monitoring Report - Subjective Analysis
1st April 2007 - 1st February 2008
(Period 11)

FINANCE & CUSTOMER SERVICES COMMITTEE

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCE (8)		% (9)	ANALYSIS (10)
		£	£	£		£	£	£			
1.	EMPLOYEE COSTS	11,246,652	10,850,992	395,660	Underspend	13,800,687	13,277,194	523,493	Underspend	3.8%	Level of staff turnover and associated time in recruiting new staff
2.	PROPERTY COSTS	32,416	74,736	(42,320)	Overspend	62,052	117,547	(55,495)	Overspend	-89.4%	Office refurbishment in respect of Service re-organisation and contract cleaning
3.	SUPPLIES AND SERVICES	1,150,377	1,163,334	(12,957)	Overspend	1,453,047	1,884,075	(431,028)	Overspend	-29.7%	Increased equipment maintenance and system costs across various service areas
4.	TRANSPORT & PLANT	218,455	152,237	66,218	Underspend	272,307	259,607	12,700	Underspend	4.7%	Lower travel costs across the Service
5.	ADMINISTRATION COSTS	706,028	670,047	35,981	Underspend	1,210,171	1,444,672	(234,501)	Overspend	-19.4%	Allowance for irrecoverable benefit overpayments and increased costs across the majority of the Service
6.	PAYMENTS TO OTHER BODIES	1,346,986	1,543,398	(196,412)	Overspend	1,696,587	1,970,101	(273,514)	Overspend	-16.1%	Increased usage / demand of external fees and agencies within E-Govt and Dev.
7.	OTHER COSTS	0	0	0		0	0	0		0.0%	
8.	APPORTIONED EXPENSES	783,242	783,242	0	On Target	4,049,939	4,049,939	0	On Target	0.0%	
9.	TRANSFER PAYMENT	91,477,211	90,712,785	764,426	Underspend	109,002,758	107,948,768	1,053,990	Underspend	1.0%	Decrease in transfer payments relating to benefit awards
10.	CAPITAL FINANCING CHARGES	592,336	592,336	0	On Target	908,845	908,845	0	On Target	0.0%	
11.	TOTAL EXPENDITURE	107,553,703	106,543,107	1,010,596	Underspend	132,456,393	131,860,748	595,645	Underspend	0.4%	
12.	INCOME	95,579,612	95,224,249	(355,363)	Under-recovery	115,657,213	115,636,245	(20,968)	Under-recovery	-0.0%	Partial reduction in Income recovered from DWP as a consequence of 9 above has been partially offset by Modernising Government Grant.
13.	NET EXPENDITURE	11,974,091	11,318,858	655,233	Underspend	16,799,180	16,224,503	574,677	Underspend	3.4%	