

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE	Subject: REVENUE MONITORING REPORT FINANCE & CUSTOMER SERVICES 1 APRIL – 20 JULY 2012 (PERIOD 4)
From: HEAD OF FINANCIAL SERVICES	
Date: 7 August 2012	Ref: AC/PH/KH

### 1. Purpose of Report

1.1. This report advises the Sub-Committee of the Service's projected performance against the approved 2012-13 revenue budget for the period from 1st April to 20th July 2012. In line with existing Financial Regulations, details of projected outturn variations are explained.

### 2. Summary of Financial Position

2.1. As at period 4 ending 20th July 2012, the Service is projecting a year-end position of £760,013 (2.3%) underspend. The major factors contributing to this position are:

- One-off recovery of £556,956 from HMRC in respect of the finalisation of the proactive VAT work relating to the area of Sheriff Officer fees and recoveries along with minor reductions in members' transport and conferences expenditure;
- Projected net over-recovery of Housing & Council Tax Benefits overpayments of £132,886.
- Savings in employee costs, transport and other costs which offset cost pressures in other expenditure headings.

2.2. The year end projection has increased by £20,912 compared to Period 3. The movement is mainly due to an update on various minor underspends throughout the Service.

### 3. Major Variations from Budget

3.1. A summary of the major variances projected at year-end within each division is outlined within table 1 overleaf.

<b>Service Division</b>	<b>Outturn Position (£s)</b>	<b>Analysis</b>
Directorate	0	Breakeven position anticipated
Financial Services	£45,880 Under	Savings in staff turnover, supplies and services and admin costs are slightly offset by an income under-recovery.
Internal Audit	£2,062 Under	Savings in various expenditure headings partly offset by low level of budgeted turnover.
Revenue Services	£45,407 Under	Savings in staff turnover and other expenditure headings.
EGASD	0	Breakeven position anticipated
Cost of Local Tax Collection	£4,447 Under	Minor underspends in various expenditure headings.
Housing Benefits	£158,280 Under	Early forecast net surplus in recovery of Housing & Council Tax Benefits overpayments, against a total transfer payment budget of £139m.
Miscellaneous Services	£503,937 Under	Mainly relating to the one-off recovery of VAT (£556k) in respect of Sheriff Officer fees along with underspends in Members transport, training and conference fees (£28k) slightly offset by Group Life Assurance scheme costs (£80k).
<b>Totals</b>	<b>£760,013 Under</b>	

**Table 1**

3.2. The key points to note regarding the projected outturn position include:

- 3.2.1 The Service has a budgeted establishment of 482.8 FTE's for 2012-2013 and a staff turnover requirement of £358,419 (3%) which equates to around 16 FTE's. The new divisional structures, particularly within Revenues and EGASD, are still being finalised and projections on employee costs are subject to an ongoing monthly review.
- 3.2.2 The Sub-Committee may also wish to note that Payments to Other Bodies, (Divisional detail in Appendix 2) account for £2.377m of the annual budget, which is presently projected to outturn with a £11,069 (0.5%) underspend position for the current financial year.

#### **4. Management Actions**

- 4.1. At this point in the financial year the Service is projecting a year end net underspend of £760,013. This position will be kept under constant review, and where necessary, management action will be implemented to ensure actual expenditure is contained within the overall budget provision.

#### **5. Recommendations**

- 5.1. The Sub-Committee is asked to note the Service's projected performance against the approved 2012/13 revenue budget as at 20th July 2012.



**Head of Financial Services**

**North Lanarkshire Council**  
**Financial Monitoring Report - Divisional Analysis**  
**1st April 2012 - 20th July 2012 (Period 4)**

Appendix 1

**FINANCE & CUSTOMER SERVICES COMMITTEE (including MISCELLANEOUS SERVICES)**

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	55,355	54,076	1,279 Underspend	280,978	280,978	0 On Target	0.0%	
2.	FINANCIAL SERVICES	766,463	716,038	50,425 Underspend	2,634,215	2,588,335	45,880 Underspend	1.7%	Savings in staff turnover, supplies & services and admin costs offset by income under-recoveries
3.	INTERNAL AUDIT	173,218	179,038	(5,820) Overspend	607,455	605,393	2,062 Underspend	0.3%	Savings in various expenditure headings are partly offset by low level of budget turnover.
4.	REVENUE SERVICES	1,113,948	1,051,318	62,630 Underspend	4,086,093	4,040,686	45,407 Underspend	1.1%	Savings in staff turnover, supplies & services and transport costs.
5.	E-GOVERNMENT & SERVICE DEVELOPMENT	3,106,609	3,209,659	(103,050) Overspend	11,070,945	11,070,945	0 On Target	0.0%	
6.	COST OF LOCAL TAX COLLECTION	680,265	772,316	(92,051) Overspend	1,586,398	1,581,951	4,447 Underspend	0.3%	Minor underspends in various expenditure headings.
7.	HOUSING BENEFITS	88,900	(267,257)	356,157 Underspend	291,142	132,862	158,280 Underspend	54.4%	The net underspend is a result of overpayments recovery income and savings in staff turnover partly offset by overspends in supplies & services and admin costs.
8.	MISCELLANEOUS SERVICES	974,050	474,433	499,617 Underspend	12,077,716	11,573,779	503,937 Underspend	4.2%	The majority of the underspend (£556k) relates to the finalisation of VAT work in respect of Sheriff Officer fees and recoveries along with underspends in members transport, training and conference expenditure which have been partly offset by Group Life Assurance payments under the transitional arrangements.
9.	NET EXPENDITURE	6,958,808	6,189,621	769,187 Underspend	32,634,942	31,874,929	760,013 Underspend	2.3%	

**North Lanarkshire Council**  
**Financial Monitoring Report - Payments To Other Bodies**  
**1st April 2012 - 20th July 2012 (Period 4)**

Appendix 2

**FINANCE & CUSTOMER SERVICES (including MISCELLANEOUS SERVICES)**

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	216	140	76 Underspend	700	700	0 On Target	0.0%	
2.	FINANCIAL SERVICES	1,416	535	881 Underspend	4,612	4,612	0 On Target	0.0%	
3.	INTERNAL AUDIT	0	0	0	0	0	0	0.0%	
4.	REVENUE SERVICES	59,048	46,971	12,077 Underspend	258,735	258,524	211 Underspend	0.1%	
5.	E-GOVERNMENT & SERVICE DEVELOPMENT	9,416	12,358	(2,942) Overspend	46,767	49,696	(2,929) Overspend	-6.3%	Minor overspend re Northgate - patch management work
6.	COST OF LOCAL TAX COLLECTION	25,391	24,949	442 Underspend	307,623	304,769	2,854 Underspend	0.9%	Slight reduction in Agency fees
7.	HOUSING BENEFITS	924	0	924 Underspend	3,000	2,000	1,000 Underspend	33.3%	Slight reduction in medical fees
8.	COSLA CONTRIBUTION	189,786	182,853	6,933 Underspend	189,786	182,853	6,933 Underspend	3.7%	Reduction in COSLA annual levy and QFS fee
9.	COMMUNITY COUNCILS GRANTS	8,748	7,497	1,251 Underspend	35,000	33,500	1,500 Underspend	4.3%	Minor reduction in uptake and grant applications
10.	CHRISTMAS GIFT SCHEME	0	0	0	905,000	905,000	0 On Target	0.0%	
11.	COMMUNITY COUNCILS AUDIT FEE	0	0	0	6,000	4,500	1,500 Underspend	25.0%	Reduction is consequence of item 9 above
12.	EXTERNAL AUDIT FEE	0	0	0	620,000	620,000	0 On Target	0.0%	
14.	NET EXPENDITURE	294,945	275,303	19,642 Underspend	2,377,223	2,366,154	11,069 Underspend	0.5%	