

To: POLICY and RESOURCES (FINANCE) SUB COMMITTEE		Subject: 2000/2001 OUTTURN REPORT FINANCE DEPARTMENT FOR THE FINANCIAL YEAR 1 April 2000 to 31 March 2001
From: DIRECTOR OF FINANCE		
Date: 15 August, 2001	Ref: GLC	

1. **Introduction**

This report presents the Finance Department's final outturn position for the financial year 1 April 2000 to 31st March 2001. The report provides a comparison of actual expenditure and income against budget and provides explanations of the more significant variances.

The underspend excluding those items outwith the control of the Department such as the Apportioned Expenses and the Departmental Recharges, is £817,349 compared to the projected underspend of £794,805 previously reported to Committee.

The revised underspend is summarised by Division as follows:-

Division:	£	Variance:
Accounting Services	203,770	Underspend
Revenue Services	215,176	Underspend
Information Technology	137,292	Underspend
Collection of Local Taxes	261,111	Underspend
Total:	817,349	Underspend

2. **Explanations of Major Variances by Division:**

2.1 **Accounting Services:**

£

a) **Employee Costs**

149,045 Underspend

Savings are a result of staff turnover and associated payroll costs within the Division (£128,233) and overtime costs (£27,155). Two posts have been deleted from the budget for 2001/02 in respect of transfers to the PPP (Public Private Partnership). These savings are partly offset by slight overspends with regard to unfunded pensions and payments in lieu of notice.

b) **Transport and Plant**

(9,394) Overspend

This overspend is mainly due to the increased car leasing requirements and charges, partly offset by a reduction in employee excess travel costs.

2.1	<u>Accounting Services:</u>	£
c)	<u>Administration Costs</u>	7,102 Underspend
	This is mainly due to the Staff Life Assurance Scheme, as a result of a reduction in employee numbers in general and the transfer to PPP.	
d)	<u>Income</u>	61,920 Underspend
	A rise in the number of council houses sold has led to an increase in the level of home insurance commission received by the Council.	
2.2	<u>Revenue Services</u>	
a)	<u>Employee Costs</u>	145,483 Underspend
	This is due to staff turnover savings and associated payroll costs within the Division (£163,725). Most of these vacancies have now been filled. These savings are offset by overspends relating to overtime, training, payments in lieu and unfunded pension costs.	
b)	<u>Supplies and Services</u>	(25,969) Overspend
	This overspend is mainly due to the required upgrade of facilities and I.T. equipment to ensure compatibility with the new financial system.	
c)	<u>Payments to Other Bodies</u>	86,871 Underspend
	This underspend relates to the discount received from Xerox Business Systems contract as a result of lower usage.	
d)	<u>Income</u>	11,211 Over-recovered
	This is mainly attributable to income received from payslip advertising being above budgeted levels.	
2.3	<u>Information Technology</u>	
a)	<u>Employee Costs</u>	272,112 Underspend
	Vacancies, together with the associated payroll costs exceeded budget by £292,595. This saving is the result of ongoing difficulties in the recruitment of specialist I.T. staff and is partly offset by £22,826 overspend on overtime incurred to provide arrangements for the ongoing provision of I.T. services.	
b)	<u>Supplies and Services</u>	(68,123) Overspend
	The Council approved the leasing arrangement for the server box required to operate the new integrated financial system. There was no provision for this in the 2000/01 budget, but has been included in the 2001/02 budget.	
c)	<u>Administration Costs</u>	(65,949) Overspend
	Due to the difficulties in filling vacant posts (item 3.3 a. above refers) it was necessary to employ external consultants to assist in service delivery. This overspend was partially offset by savings on stationery costs.	

2.4	<u>Collection of Local Taxes</u>	£
a)	<u>Employee Costs</u>	(79,376) Overspend
	This overspend relates to the unfunded cost of the Debt Recovery Team. This is partly offset by vacancies within the Division and the underspend in legal expenses (note 3.4 d below refers)	
b)	<u>Supplies and Services</u>	(19,314) Overspend
	This overspend is due to the backdated charges for software licences (previously disputed) and the renewal of fixtures and fittings in the Council Tax offices.	
c)	<u>Transport and Plant</u>	13,205 Underspend
	This underspend is a result of close management control of travel incurred by staff and the level of vacancies outlined in note 3.4 a. above.	
d)	<u>Administration Costs</u>	133,092 Underspend
	This underspend is attributable to the legal expenses for Sheriff Officers and is a result of lower fees charged under the new contract, together with the efforts of the Cumbernauld Unit in reducing the level of cases submitted to the Sheriff Officers.	
e)	<u>Payments to Other Bodies</u>	195,894 Underspend
	Usage under the Xerox Business Systems contract below budgeted levels has resulted in this underspend.	
f)	<u>Income</u>	17,610 Over-recovery
	Income from statutory additions was slightly above budget.	

3. **Summary**

The out-turn position is the result of a series of under and overspends within the Department at the year end. Pressures in some areas of the service such as the requirement to upgrade I.T. facilities and equipment to ensure compatibility with the new integrated financial system and the use of external consultants in the I.T. Division to assist in service delivery. These were offset by savings due to vacancies, the over-recovery of home insurance commission, the discount received from Xerox Business Systems and a reduction in Sheriff Officers fees.

4. **Recommendation**

It is recommended that the Committee note the contents of this report.



Director of Finance

NORTH LANARKSHIRE COUNCIL

Revenue Expenditure for the Financial Year 1 April 2000 to 31 March 2001

FINANCE DEPARTMENT

TOTAL

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	ACTUAL EXPENDITURE (4)	TOTAL VARIANCE (5)	OUTWITH DEPARTMENTS CONTROL (6)	DEPARTMENT VARIANCE (7)	VARIANCE (8)	% (9)
		£	£	£	£	£		
1.	EMPLOYEE COSTS	8,281,833	7,794,569	487,264		487,264	Underspend	6%
2.	PROPERTY COSTS							
3.	SUPPLIES AND SERVICES	1,255,114	1,370,666	(115,552)		(115,552)	Overspend	-9%
4.	TRANSPORT & PLANT	212,060	211,758	302		302	Underspend	0%
5.	ADMINISTRATION COSTS	2,117,764	2,046,015	71,749		71,749	Underspend	3%
6.	APPORTIONED EXPENSES	3,008,646	3,977,205	(968,559)	(968,559)			
7.	PAYMENTS TO OTHER BODIES	1,444,818	1,164,536	280,282		280,282	Underspend	19%
8.	CAPITAL FINANCING CHARGES	790,886	790,886					
9.	INTEREST ON REVENUE BALANCES							
10.	BAD DEBT PROVISION							
11.	TOTAL EXPENDITURE	17,111,121	17,355,635	(244,514)	(968,559)	724,045	Underspend	4%
12.	OTHER GRANTS							
13.	FEES AND CHARGES	2,597,260	2,690,564	93,304		93,304	Over-recovery	4%
14.	CHARGES TO CAPITAL							
15.	DEPARTMENTAL RECHARGE	12,952,352	13,726,147	773,795	773,795			
16.	OTHER INCOME	4,500	4,500					
17.	TOTAL INCOME	15,554,112	16,421,211	867,099	773,795	93,304	Over-recovery	1%
18.	NET EXPENDITURE	1,557,009	934,424	622,585	(194,764)	817,349	Underspend	

NORTH LANARKSHIRE COUNCIL

Revenue Expenditure for the Financial Year 1 April 2000 to 31 March 2001

ACCOUNTING SERVICES

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	ACTUAL EXPENDITURE (4)	TOTAL VARIANCE (5)	OUTWITH DEPARTMENTS CONTROL (6)	DEPARTMENT VARIANCE (7)	VARIANCE (8)	% (9)
		£	£	£	£	£		
1.	EMPLOYEE COSTS	2,186,850	2,037,805	149,045		149,045	Underspend	7%
2.	PROPERTY COSTS							
3.	SUPPLIES AND SERVICES	52,510	54,656	(2,146)		(2,146)	Overspend	-4%
4.	TRANSPORT & PLANT	59,480	68,874	(9,394)		(9,394)	Overspend	-16%
5.	ADMINISTRATION COSTS	711,604	704,502	7,102		7,102	Underspend	1%
6.	APPORTIONED EXPENSES	701,646	1,112,832	(411,186)	(411,186)			
7.	PAYMENTS TO OTHER BODIES	7,750	10,507	(2,757)		(2,757)	Overspend	-36%
8.	CAPITAL FINANCING CHARGES							
9.	INTEREST ON REVENUE BALANCES							
10.	BAD DEBT PROVISION							
11.	TOTAL EXPENDITURE	3,719,840	3,989,176	(269,336)	(411,186)	141,850	Underspend	4%
12.	OTHER GRANTS							
13.	FEES AND CHARGES	276,470	338,390	61,920		61,920	Over-recovery	22%
14.	CHARGES TO CAPITAL							
15.	DEPARTMENTAL RECHARGE	3,438,870	3,646,286	207,416	207,416			
16.	OTHER	4,500	4,500					
17.	TOTAL INCOME	3,719,840	3,989,176	269,336	207,416	61,920	Over-recovery	2%
18.	NET EXPENDITURE	-	-		(203,770)	203,770	Underspend	

NORTH LANARKSHIRE COUNCIL

Revenue Expenditure for the Financial Year 1 April 2000 to 31 March 2001

REVENUE SERVICES

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	ACTUAL EXPENDITURE (4)	TOTAL VARIANCE (5)	OUTWITH DEPARTMENTS CONTROL (6)	DEPARTMENT VARIANCE (7)	VARIANCE (8)	% (9)
		£	£	£	£	£		
1.	EMPLOYEE COSTS	2,391,321	2,245,838	145,483		145,483	Underspend	6%
2.	PROPERTY COSTS							
3.	SUPPLIES AND SERVICES	61,090	87,059	(25,969)		(25,969)	Overspend	-43%
4.	TRANSPORT & PLANT	19,100	19,024	76		76	Underspend	0%
5.	ADMINISTRATION COSTS	200,315	202,811	(2,496)		(2,496)	Overspend	-1%
6.	APPORTIONED EXPENSES	683,775	1,642,140	(958,365)	(958,365)			
7.	PAYMENTS TO OTHER BODIES	336,568	249,697	86,871		86,871	Underspend	26%
8.	CAPITAL FINANCING CHARGES	9,919	9,919					
9.	INTEREST ON REVENUE BALANCES							
10.	OTHER COSTS							
11.	TOTAL EXPENDITURE	3,702,088	4,456,488	(754,400)	(958,365)	203,965	Underspend	6%
12.	OTHER GRANTS							
13.	FEES AND CHARGES	74,030	85,241	11,211		11,211	Over-recovery	15%
14.	CHARGES TO CAPITAL							
15.	DEPARTMENTAL RECHARGE	3,628,058	4,371,247	743,189	743,189			-
16.	OTHER							
17.	TOTAL INCOME	3,702,088	4,456,488	754,400	743,189	11,211	Over-recovery	0%
18.	NET EXPENDITURE	-	-		(215,176)	215,176	Underspend	

NORTH LANARKSHIRE COUNCIL

Revenue Expenditure for the Financial Year 1 April 2000 to 31 March 2001

INFORMATION TECHNOLOGY

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	ACTUAL EXPENDITURE (4)	TOTAL VARIANCE (5)	OUTWITH DEPARTMENTS CONTROL (6)	DEPARTMENT VARIANCE (7)	VARIANCE (8)	% (9)
		£	£	£	£	£		
1.	EMPLOYEE COSTS	2,817,824	2,545,712	272,112		272,112	Underspend	10%
2.	PROPERTY COSTS							
3.	SUPPLIES AND SERVICES	1,064,954	1,133,077	(68,123)		(68,123)	Overspend	-6%
4.	TRANSPORT & PLANT	109,480	113,065	(3,585)		(3,585)	Overspend	-3%
5.	ADMINISTRATION COSTS	405,314	471,263	(65,949)		(65,949)	Overspend	-16%
6.	APPORTIONED EXPENSES	317,347	277,829	39,518	39,518			
7.	PAYMENTS TO OTHER BODIES	520,500	520,226	274		274	Underspend	0%
8.	CAPITAL FINANCING CHARGES	670,005	670,005					
9.	INTEREST ON REVENUE BALANCES							
10.	OTHER COSTS							
11.	TOTAL EXPENDITURE	5,905,424	5,731,177	174,247	39,518	134,729	Underspend	2%
12.	OTHER GRANTS							
13.	FEES AND CHARGES	20,000	22,563	2,563		2,563	Over-recovery	13%
14.	CHARGES TO CAPITAL							
15.	DEPARTMENTAL RECHARGE	5,885,424	5,708,614	(176,810)	(176,810)			
16.	OTHER							
17.	TOTAL INCOME	5,905,424	5,731,177	(174,247)	(176,810)	2,563	Over-recovery	0%
18.	NET EXPENDITURE	-	-		(137,292)	137,292	Underspend	

NORTH LANARKSHIRE COUNCIL

Revenue Expenditure for the Financial Year 1 April 2000 to 31 March 2001

COLLECTION OF LOCAL TAXES

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	ACTUAL EXPENDITURE (4)	TOTAL VARIANCE (5)	OUTWITH DEPARTMENTS CONTROL (6)	DEPARTMENT VARIANCE (7)	VARIANCE (8)	% (9)
		£	£	£	£	£		
1.	EMPLOYEE COSTS	885,838	965,214	(79,376)		(79,376)	Overspend	-9%
2.	PROPERTY COSTS							
3.	SUPPLIES AND SERVICES	76,560	95,874	(19,314)		(19,314)	Overspend	-25%
4.	TRANSPORT & PLANT	24,000	10,795	13,205		13,205	Underspend	55%
5.	ADMINISTRATION COSTS	800,531	667,439	133,092		133,092	Underspend	17%
6.	APPORTIONED EXPENSES	1,305,878	944,404	361,474	361,474			
7.	PAYMENTS TO OTHER BODIES	580,000	384,106	195,894		195,894	Underspend	34%
8.	CAPITAL FINANCING CHARGES	110,962	110,962					
9.	INTEREST ON REVENUE BALANCES							
10.	OTHER COSTS							
11.	TOTAL EXPENDITURE	3,783,769	3,178,794	604,975	361,474	243,501	Underspend	6%
12.	OTHER GRANTS							
13.	FEES AND CHARGES	2,226,760	2,244,370	17,610		17,610	Over-recovery	1%
14.	CHARGES TO CAPITAL							
15.	DEPARTMENTAL RECHARGE							
16.	OTHER INCOME							
17.	TOTAL INCOME	2,226,760	2,244,370	17,610		17,610	Over-recovery	
18.	NET EXPENDITURE	1,557,009	934,424	622,585	361,474	261,111	Underspend	