

REPORT

<p>To : POLICY and RESOURCES (FINANCE) SUB COMMITTEE</p>	<p>SUBJECT: 2001/2002 BUDGET MONITORING REPORT</p>
<p>From : DIRECTOR OF FINANCE</p>	<p>PERIOD 01/04/01 - 20/07/01</p> <p>FINANCE DEPARTMENT</p>
<p>Date : 8 August 2001 Ref. : GC</p>	

1. Introduction

This report compares actual expenditure and income against estimates for the year to date. The report also presents a projected out-turn for the department and provides explanations of the more significant variances.

2. Summary of Budget Variances

Net expenditure for the period shows an underspend of £140,202 or 4.01% of the budget. The projected out-turn however, indicates an underspend of £181,500 or 1.11% at the year end.

The table below provides an objective analysis of the variances to date and the projected outturn across the divisions that are included in the Finance Department.

Division of Service Analysis	Budget to date (£)	Actual to date (£)	Variance to date (£)	Projected Out-turn Variance (£)
Accounting Services	647,187	619,566	27,621 Underspend	44,500 Underspend
Revenue Services	764,794	799,187	-34,393 Overspend	15,000 Underspend
Information Technology	1,647,340	1,544,853	102,487 Underspend	55,000 Underspend
Cost of Collection of Local Taxes	440,500	396,013	44,487 Underspend	67,000 Underspend
Total	3,499,821	3,359,619	140,202 Underspend	181,500 Underspend

3. Explanation of Out-turn Variances by Division :

£

3.1 Accounting Services

a) Employee Costs

44,500 Underspend

Savings as a result of vacancies within the Division based on the first quarter, together with associated savings on National Insurance contributions and Superannuation costs. The filling of these vacancies have been delayed until the Department confirms it's workplans in relation to IIP (Investors In People), Chartermark etc.

3.2 Revenue Services

a) Employee Costs

55,500 Overspend

This anticipated overspend relates to various factors with expenditure incurred on overtime and the recruitment of temporary staff. This is in response to the initial input requirements of the new financial system and staff cover for the Vanguard Process Engineering Project. It should be noted however, that an element of the work undertaken by Revenue's staff includes the payroll service to Morrisons (PPP) for which a management fee is received. (Note 3.2 e refers).

3. <u>Explanation of Out-turn Variances by Division :</u>	£	
3.2 <u>Revenue Services</u>		
b) <u>Supplies and Services</u> This relates to expenditure on computer hardware, software and annual printer maintenance contracts.	7,000	Overspend
c) <u>Administration Costs</u> This is mainly attributable to the introduction of an alternative payment method (debit/credit card) which will improve the Council's cashflow, reducing the cash held in offices, whilst increasing convenience to the customer with reduced queues at the cash offices.	22,000	Overspend
d) <u>Payment to Other Bodies</u> This projection is based on 2000/01 outturn information, together with the impact of a change in a major contractor with effect from September, 2001. This is net of £10,000 estimated costs for the Vanguard Process Engineering Project consultancy fees within the Payroll Section.	32,000	Underspend
e) <u>Income</u> This is mainly attributable to the Management Fee due from Morrisons for work undertaken by Payroll and Treasury Services in respect of employees transferred under PPP.	65,000	Over-recovery
3.3 <u>Information Technology</u>		
a) <u>Employee Costs</u> Projected savings are a result of ongoing difficulties in the recruitment of IT specialist staff. This is partly offset by increased expenditure on overtime costs.	25,000	Underspend
b) <u>Supplies & Services</u> The equipment failure and repair activities are currently running below expected levels.	30,000	Underspend
3.4 <u>Cost of Collection of Local Taxes</u>		
a) <u>Employee Costs</u> An underspend as a result of vacancies and savings in National Insurance and other employee related costs.	22,000	Underspend
b) <u>Supplies and Services</u> This is due to the implementation of the amended Water Relief Scheme, introduced by the Scottish Executive (£15,000) for which grant income will be claimed (£40,000) note 3.4e refers. This also relates to IT equipment, previously provided by the Council's I.T. Division.	25000	Overspend
c) <u>Transport and Plant</u> This projection is based on the 2000/01 outturn taking into account that the Council has ceased to pay for excess travel and the above vacancy levels.	10,000	Underspend
d) <u>Payments to Other Bodies</u> This projection is based on 2000/01 outturn, together with the impact of a change in a major contractor with effect from September, 2001.	20,000	Underspend
e) <u>Income</u> This relates to Grant Income due from the Scottish Executive as a result of costs incurred to implement the amendments to the Water Relief Scheme.	40,000	Over-recovery

5. **Summary**

The favourable projection is the result of a number of under and overspends within the Department at the year end. Savings as a result of employee costs, the provision of payroll and treasury services to Morrisons (PPP) and the new printing contractual arrangements with Laso, now replacing Xerox Business Systems. These savings are slightly offset by the introduction of an alternative payment method in the Cost of Collection of Local Taxes, which will improve the Council's cashflow.

6. **Recommendation**

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



Director of Finance

NORTH LANARKSHIRE COUNCIL
FINANCIAL MONITORING REPORT

1 April 2001 to 20 July 2001 (Period 4)

COMMITTEE : FINANCE

FINANCE DEPARTMENT SUMMARY

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCE (5)		(6)	ANNUAL BUDGET (7)	PROJECTED OUT-TURN (8)	PROJECTED OUT-TURN VARIANCE (9)		(10)
		£	£	£		%	£	£	£		%
1.	EMPLOYEE COSTS	2,386,548	2,253,186	133,362	Underspend	5.59	8,732,716	8,696,716	36,000	Underspend	0.41
2.	PROPERTY COSTS	0	0	0			0	0	0		
3.	SUPPLIES AND SERVICES	448,504	455,727	-7,223	Overspend	-1.61	1,420,714	1,422,714	-2,000	Overspend	-0.14
4.	TRANSPORT AND PLANT	65,896	52,724	13,172	Underspend	19.99	212,605	200,105	12,500	Underspend	5.88
5.	ADMINISTRATION COSTS	192,968	200,180	-7,212	Overspend	-3.74	1,272,734	1,294,734	-22,000	Overspend	-1.73
6.	PAYMENTS TO OTHER BODIES	424,784	420,394	4,390	Underspend	1.03	2,023,052	1,971,052	52,000	Underspend	2.57
7.	OTHER EXPENDITURE	255	325	-70	Overspend	-27.45	0	0	0		
8.	APPORTIONED EXPENSES	0	0	0			2,870,457	2,870,457	0		
9.	CAPITAL FINANCING COSTS	0	0	0			230,000	230,000	0		
10.	TOTAL EXPENDITURE	3,518,955	3,382,536	136,419	Underspend	3.88	16,762,278	16,685,778	76,500	Underspend	0.46
11.	INCOME	19,134	22,917	3,783	Over-recovery	19.77	2,706,760	2,811,760	105,000	Over-recovery	3.88
12.	NET EXPENDITURE	3,499,821	3,359,619	140,202	Underspend	4.01	14,055,518	13,874,018	181,500	Underspend	1.29

NORTH LANARKSHIRE COUNCIL
FINANCIAL MONITORING REPORT

1 April 2001 to 20 July 2001 (Period 4)

COMMITTEE : FINANCE

SERVICE : ACCOUNTING SERVICES

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCE (5)		(6)	ANNUAL BUDGET (7)	PROJECTED OUT-TURN (8)	PROJECTED OUT-TURN VARIANCE (9)		(10)
		£	£	£		%	£	£	£		%
1.	EMPLOYEE COSTS	607,208	580,434	26,774	Underspend	4.41	2,225,161	2,180,661	44,500	Underspend	2.00
2.	PROPERTY COSTS	0	0	0			0	0	0		
3.	SUPPLIES AND SERVICES	5,030	3,847	1,183	Underspend	23.52	138,810	138,810	0		
4.	TRANSPORT AND PLANT	21,750	18,355	3,395	Underspend	15.61	59,480	59,480	0		
5.	ADMINISTRATION COSTS	13,449	17,353	-3,904	Overspend	-29.03	682,114	682,114	0		
6.	PAYMENTS TO OTHER BODIES	0	0	0			8,450	8,450	0		
7.	OTHER EXPENDITURE	0	0	0			0	0	0		
8.	APPORTIONED EXPENSES	0	0	0			701,680	701,680	0		
9.	CAPITAL FINANCING COSTS	0	0	0			0	0	0		
10.	TOTAL EXPENDITURE	647,437	619,989	27,448	Underspend	4.24	3,815,695	3,771,195	44,500	Underspend	1.17
11.	INCOME	250	423	173	Over-recovery	69.20	280,970	280,970	0		
12.	NET EXPENDITURE	647,187	619,566	27,621	Underspend	4.27	3,534,725	3,490,225	44,500	Underspend	1.26

NORTH LANARKSHIRE COUNCIL
FINANCIAL MONITORING REPORT

1 April 2001 to 20 July 2001 (Period 4)

COMMITTEE : FINANCE

SERVICE : REVENUE SERVICES

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCE (5)		(6)	ANNUAL BUDGET (7)	PROJECTED OUT-TURN (8)	PROJECTED OUT-TURN VARIANCE (9)		(10)
		£	£	£		%	£	£	£		%
1.	EMPLOYEE COSTS	694,361	716,511	-22,150	Overspend	-3.19	2,457,670	2,513,170	-55,500	Overspend	-2.26
2.	PROPERTY COSTS	0	0	0			0	0	0		
3.	SUPPLIES AND SERVICES	6,876	7,178	-302	Overspend	-4.39	61,390	68,390	-7,000	Overspend	-11.40
4.	TRANSPORT AND PLANT	5,377	2,230	3,147	Underspend	58.53	19,100	16,600	2,500	Underspend	13.09
5.	ADMINISTRATION COSTS	48,950	58,094	-9,144	Overspend	-18.68	200,564	222,564	-22,000	Overspend	-10.97
6.	PAYMENTS TO OTHER BODIES	25,619	35,103	-9,484	Overspend	-37.02	325,174	293,174	32,000	Underspend	9.84
7.	OTHER EXPENDITURE	255	325	-70	Overspend	-27.45	0	0	0		
8.	APPORTIONED EXPENSES	0	0	0			702,688	702,688	0		
9.	CAPITAL FINANCING COSTS	0	0	0			0	0	0		
10.	TOTAL EXPENDITURE	781,438	819,441	-38,003	Overspend	-4.86	3,766,586	3,816,586	-50,000		
11.	INCOME	16,644	20,254	3,610	Over-recovery	21.69	74,030	139,030	65,000	Over-recovery	87.80
12.	NET EXPENDITURE	764,794	799,187	-34,393	Overspend	-4.50	3,692,556	3,677,556	15,000	Underspend	0.41

NORTH LANARKSHIRE COUNCIL
FINANCIAL MONITORING REPORT

1 April 2001 to 20 July 2001 (Period 4)

COMMITTEE : FINANCE

SERVICE : INFORMATION TECHNOLOGY

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCE (5)		(6)	ANNUAL BUDGET (7)	PROJECTED OUT-TURN (8)	PROJECTED OUT-TURN VARIANCE (9)		(10)
		£	£	£		%	£	£	£		%
1.	EMPLOYEE COSTS	789,187	686,327	102,860	Underspend	13.03	3,008,378	2,983,378	25,000	Underspend	0.83
2.	PROPERTY COSTS	0	0	0			0	0	0		
3.	SUPPLIES AND SERVICES	428,363	429,090	-727	Overspend	-0.17	1,141,954	1,111,954	30,000	Underspend	2.63
4.	TRANSPORT AND PLANT	31,659	30,834	825	Underspend	2.61	110,025	110,025	0		
5.	ADMINISTRATION COSTS	97,746	97,689	57	Underspend	0.06	225,922	225,922	0		
6.	PAYMENTS TO OTHER BODIES	302,625	303,153	-528	Overspend	-0.17	600,500	600,500	0		
7.	OTHER EXPENDITURE	0	0	0			0	0	0		
8.	APPORTIONED EXPENSES	0	0	0			258,917	258,917	0		
9.	CAPITAL FINANCING COSTS	0	0	0			230,000	230,000	0		
10.	TOTAL EXPENDITURE	1,649,580	1,547,093	102,487	Underspend	6.21	5,575,696	5,520,696	55,000	Underspend	0.99
11.	INCOME	2,240	2,240	0			125,000	125,000	0		
12.	NET EXPENDITURE	1,647,340	1,544,853	102,487	Underspend	6.22	5,450,696	5,395,696	55,000	Underspend	1.01

NORTH LANARKSHIRE COUNCIL
FINANCIAL MONITORING REPORT

1 April 2001 to 20 July 2001 (Period 4)

COMMITTEE : FINANCE

SERVICE : COST OF COLLECTION OF LOCAL TAXES

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCE (5)		(6)	ANNUAL BUDGET (7)	PROJECTED OUT-TURN (8)	PROJECTED OUT-TURN VARIANCE (9)		(10)
		£	£	£		%	£	£	£		%
1.	EMPLOYEE COSTS	295,792	269,914	25,878	Underspend	8.75	1,041,507	1,019,507	22,000	Underspend	2.11
2.	PROPERTY COSTS	0	0	0			0	0	0		
3.	SUPPLIES AND SERVICES	8,235	15,612	-7,377	Overspend	-89.58	78,560	103,560	-25,000	Overspend	-31.82
4.	TRANSPORT AND PLANT	7,110	1,305	5,805	Underspend	81.65	24,000	14,000	10,000	Underspend	41.67
5.	ADMINISTRATION COSTS	32,823	27,044	5,779	Underspend	17.61	164,134	164,134	0		
6.	PAYMENTS TO OTHER BODIES	96,540	82,138	14,402	Underspend	14.92	1,088,928	1,068,928	20,000	Underspend	1.84
7.	OTHER EXPENDITURE	0	0	0			0	0	0		
8.	APPORTIONED EXPENSES	0	0	0			1,207,172	1,207,172	0		
9.	CAPITAL FINANCING COSTS	0	0	0			0	0	0		
10.	TOTAL EXPENDITURE	440,500	396,013	44,487	Underspend	10.10	3,604,301	3,577,301	27,000	Underspend	0.75
11.	INCOME	0	0	0			2,226,760	2,266,760	40,000	Over-recovery	
12.	NET EXPENDITURE	440,500	396,013	44,487	Underspend	10.10	1,377,541	1,310,541	67,000	Underspend	4.86