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| To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE | | Subject: 2004/2005 BUDGET MONITORING REPORT PERIOD: 01/04/04 – 17/09/04 (PERIOD 6) FINANCE DEPARTMENT |
| From: DIRECTOR OF FINANCE | | |
| Date: 4 October, 2004 | Ref: MC3 | |

1. **Introduction**

1.1 This report compares actual income and expenditure against estimates for the year to date and shows projected outturn variances. Explanations are provided for the major projected outturn variances.

2. **Summary of Budget Variances**

2.1 Net expenditure for the period shows an underspend of £236,394 or 3.8% of the budget to date whilst the projected outturn reports an underspend of £78,479 or 0.5% of the annual budget. This is an increase from the previously reported figure of £25,500 due to increased underspends in Employee costs from staff vacancies.

2.2 The table below provides an analysis of the variances to date and the projected outturn variances across the Divisions included within the Finance Department.

| | Budget To date | Actual To date | Variance To date | Projected Outturn Variance | |
|--------------------------------------|-------------------|-------------------|---------------------|-------------------------------|-------------------|
| Division of Service Analysis | (£) | (£) | (£) | (£) | |
| Accounting Services | 884,112 | 858,220 | 25,892 | 15,279 | Underspend |
| Internal Audit | 311,615 | 223,254 | 88,361 | 0 | Breakeven |
| Revenue Services | 1,410,854 | 1,336,776 | 74,078 | 65,000 | Underspend |
| Information Technology | 2,763,659 | 2,721,416 | 42,243 | 0 | Breakeven |
| Cost of Collection of Local Taxes | 819,792 | 813,972 | 5,820 | -1,800 | Overspend |
| Total | 6,190,032 | 5,953,638 | 236,394 | 78,479 | Underspend |

3. **Departmental Trend Throughout the Financial Year**

3.1 A net saving of £88,000 is projected in Employee Costs due to staff vacancies and secondments partly offset by the costs of external contractors. Savings of £15,000 are also anticipated relating to the printing contract and the recharges of Group 4 and debit/credit card expenditure to departments.

3.2 However, additional expenditure is projected in the following area: -

- Property Costs of £40,000 associated with the use of Cumbernauld First Stop Shop and Airdrie Office.

Details of these variances are included within the Divisional Analysis section of this report.

Divisional Analysis

4.1 Accounting Services - £15,279 Underspend

- 4.1.1 It is anticipated that income will be over-recovered by £15,000. This over-recovery relates to the recharge of work from treasurer duties for the Safety Camera Partnership.

4.2 Internal Audit – Breakeven

- 4.2.1 Employee costs are projected to be £100,000 less than budgeted and this reflects staff secondments. It is also projected that this underspend will be fully offset by the use of external professional staff to carry out Value for Money studies to meet the Section's operational commitments.

4.3 Revenue Services - £65,000 Underspend

- 4.3.1 An underspend of £41,000 is projected in Employee Costs arising from vacancies.
- 4.3.2 It is anticipated that an underspend of £15,000 will be achieved in Payments to Other bodies. This relates to savings in the printing contract and the recharges of Group 4 and debit/credit card expenditure to departments.

4.4 Information Technology - Breakeven

- 4.4.1 Employee Costs are projected to be £230,000 less than budgeted, although this is counter-balanced by additional expenditure of £230,00 in professional fees to meet operational requirements in the provision of the Information Technology service. This position is being closely monitored and will continue to be reported to Committee.

4.5 Cost of Local Tax Collection - £1,800 Overspend

- 4.5.1 Employee Costs are projected to be underspent by £35,000 due to staff vacancies. This is an increase of £15,000 on the previously reported figure and reflects an updated projection of the year end position.
- 4.5.2 An overspend of £40,000 is projected in Property Costs. This relates to expenditure incurred from the usage of the First Stop Shop in Cumbernauld and the Airdrie Collection Office.

5. SUMMARY

- 5.1 The year-end projection is a budget underspend of £78,479. The majority of this projected underspend relates to net savings of £88,000 in Employee Costs.
- 5.2 These savings are partly offset by property costs for Cumbernauld First Stop Shop and Airdrie Office.

6. **RECOMMENDATION**

6.1 It is recommended that the Sub-Committee notes the contents of this report.

A handwritten signature in black ink, appearing to read "Ante Allen", is written in a cursive style.

Director of Finance

For further information please contact Margaret Cook on tel. ext. 2867

NORTH LANARKSHIRE COUNCIL
FINANCIAL MONITORING REPORT

1 April 2004 to 17 September 2004 (Period 6)

COMMITTEE : POLICY & RESOURCES (FINANCE) SUB COMMITTEE

FINANCE DEPARTMENT SUMMARY

| LINE NO. (1) | DESCRIPTION (2) | BUDGET TO DATE (3) | ACTUAL TO DATE (4) | YEAR TO DATE VARIANCE (5) | | | ANNUAL BUDGET (7) | PROJECTED OUT-TURN (8) | PROJECTED OUT-TURN VARIANCE (9) | | |
|-----------------|--------------------------|-----------------------|-----------------------|------------------------------|---------------|--------|----------------------|---------------------------|------------------------------------|---------------|--------|
| | | £ | £ | £ | | % | £ | £ | £ | | % |
| 1. | EMPLOYEE COSTS | 4,503,286 | 4,153,625 | 349,661 | Underspend | 7.76 | 9,757,691 | 9,359,412 | 398,279 | Underspend | 4.08 |
| 2. | PROPERTY COSTS | 0 | 19,516 | -19,516 | Overspend | | 0 | 40,000 | -40,000 | Overspend | |
| 3. | SUPPLIES AND SERVICES | 461,152 | 486,634 | -25,482 | Overspend | -5.53 | 1,383,581 | 1,375,081 | 8,500 | Underspend | 0.61 |
| 4. | TRANSPORT AND PLANT | 107,694 | 95,852 | 11,842 | Underspend | 11.00 | 240,756 | 250,556 | -9,800 | Overspend | -4.07 |
| 5. | ADMINISTRATION COSTS | 325,853 | 444,620 | -118,767 | Overspend | -36.45 | 638,227 | 948,727 | -310,500 | Overspend | -48.65 |
| 6. | PAYMENTS TO OTHER BODIES | 1,024,582 | 1,003,394 | 21,188 | Underspend | 2.07 | 2,384,141 | 2,367,141 | 17,000 | Underspend | 0.71 |
| 7. | OTHER EXPENDITURE | 0 | 0 | 0 | | | 0 | 0 | 0 | | |
| 8. | APPORTIONED EXPENSES | 0 | 0 | 0 | | | 3,245,427 | 3,245,427 | 0 | | |
| 9. | CAPITAL FINANCING COSTS | 0 | 0 | 0 | | | 790,879 | 790,879 | 0 | | |
| 10. | TOTAL EXPENDITURE | 6,422,567 | 6,203,642 | 218,925 | Underspend | 3.41 | 18,440,702 | 18,377,223 | 63,479 | Underspend | 0.34 |
| 11. | INCOME | 232,535 | 250,003 | 17,468 | Over-recovery | 7.51 | 2,776,760 | 2,791,760 | 15,000 | Over-recovery | 0.54 |
| 12. | NET EXPENDITURE | 6,190,032 | 5,953,638 | 236,394 | Underspend | 3.82 | 15,663,942 | 15,585,463 | 78,479 | Underspend | 0.50 |