

AGENDA ITEM No. 5 (a)

NORTH LANARKSHIRE COUNCIL

REPORT

<p>To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE</p>	<p>Subject: 2004/2005 BUDGET MONITORING REPORT</p>
<p>From: DIRECTOR OF FINANCE</p>	<p>PERIOD: 01/04/04 – 12/11/04</p>
<p>Date: 1 December 2004</p>	<p>Ref: EMCA/3</p>
<p>FINANCE DEPARTMENT</p>	

1. Introduction

1.1 This report compares actual income and expenditure against estimates for the year to date. The report also presents a projected outturn for the department and provides explanations for the major projected outturn variances.

2. Summary of Budget Variances

2.1 Net expenditure for the period shows an underspend of £334,195 or 4% of the budget to date while the projected outturn reports an underspend of £117,779 or 1% of the annual budget. This is an increase of £9,500 from the previously reported figure of £108,279. This is a result of the re-assessment of income from the Strathclyde Safety Camera Partnership.

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	1,169,115	1,128,555	40,560	19,779	Underspend
Internal Audit	419,113	300,723	118,390	0	Breakeven
Revenue Services	1,899,366	1,804,167	95,199	61,000	Underspend
Information Technology	3,837,567	3,772,386	65,181	45,000	Underspend
Cost of Collection of Local Taxes	1,182,132	1,167,267	14,865	-8,000	Overspend
Total	8,507,293	8,173,098	334,195	117,779	Underspend

3. Departmental Trend Throughout the Financial Year

3.1 A net saving of £113,000 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 recharges of Group 4 and debit/credit card expenditure to departments. There is also over-recovery of income of £25,000 generated from the work done for the Safety Camera Partnership.

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.

4 **Divisional Analysis**

4.1 **Accounting Services - £19,779 Underspend**

4.1.1 The majority of this underspend relates to an anticipated over-recovery of income. This is due to the recharge of work relating to treasurer duties carried out by North Lanarkshire Council for the Safety Camera Partnership.

4.2 **Internal Audit – Breakeven**

4.2.1 Employee costs are projected to be £120,000 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 - £61,000 Underspend**

4.3.1 An underspend of £20,000 is projected in Employee Costs arising from vacancies within the division.

4.3.2 A projected underspend in Administration costs of £20,000 is anticipated. This underspend has arisen due to anticipated savings in telephone and microfilm expenditure.

4.3.3 It is anticipated that an underspend of £20,000 will be achieved in Payments to Other Bodies. This relates to the recharging of Group 4 and debit/credit card expenditure to departments.

4.4 **Information Technology - £45,000 Underspend**

4.4.1 A net underspend of £45,000 is anticipated in Employee Costs due to staff vacancies being partly offset by the use of external contractors 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 - £8,000 Overspend**

4.5.1 There is a net projected underspend in employee related costs of £22,000 due mainly to staff vacancies. There are a significant number of vacancies still unfilled and consequently, it is anticipated that there will be savings in this area.

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.

- 4.5.3 An underspend in Administration costs of £10,000 is anticipated reflecting savings in postage and telephone expenditure. This is due partly to postages being incorporated as part of the external printing contract.

5. **SUMMARY**

- 5.1 The year-end projection is a budget underspend of £117,779. The majority of this projected underspend relates to net savings of £113,000 in Employee Costs and Professional Fees within Administration Costs. There are also income over-recoveries from the re-charges for Group 4, Debit/Credit cards and the Safety Camera Partnership.
- 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.



Director of Finance

For further information please contact Elaine McAtamney on tel. ext. 2867

**NORTH LANARKSHIRE COUNCIL
FINANCIAL MONITORING REPORT**

1 April 2004 to 12 November 2004

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)		(6)	ANNUAL BUDGET (7)	PROJECTED OUT-TURN (8)	PROJECTED OUT-TURN VARIANCE (9)		(10)
		£	£	£		%	£	£	£		%
1.	EMPLOYEE COSTS	5,935,248	5,506,603	428,645	Underspend	7	9,757,691	9,370,912	386,779	Underspend	4
2.	PROPERTY COSTS	-	28,435	(28,435)	Overspend		-	40,000	(40,000)	Overspend	
3.	SUPPLIES AND SERVICES	831,005	810,931	20,074	Underspend	2	1,383,581	1,375,081	8,500	Underspend	1
4.	TRANSPORT AND PLANT	191,957	184,911	7,046	Underspend	4	240,756	251,756	(11,000)	Overspend	- 5
5.	ADMINISTRATION COSTS	638,092	758,544	(120,452)	Overspend	- 19	638,227	911,727	(273,500)	Overspend	- 43
6.	PAYMENTS TO OTHER BODIES	1,240,191	1,226,777	13,414	Underspend	1	2,384,141	2,362,141	22,000	Underspend	1
7.	OTHER EXPENDITURE	-	-	0			-	-	0		
8.	APPORTIONED EXPENSES	-	-	0			3,245,427	3,245,427	-		
9.	CAPITAL FINANCING COSTS	-	-	-			790,879	790,879	-		
10.	TOTAL EXPENDITURE	8,836,493	8,516,201	320,292	Underspend	4	18,440,702	18,347,923	92,779	Underspend	1
11.	INCOME	329,200	343,103	13,903	Over-recovery	4	2,776,760	2,801,760	25,000	Over-recovery	1
12.	NET EXPENDITURE	8,507,293	8,173,098	334,195	Underspend	4	15,663,942	15,546,163	117,779	Underspend	1