

To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE		Subject: 2005/2006 BUDGET MONITORING REPORT
From: DIRECTOR OF FINANCE		
Date: 16 Aug 2005	Ref: EMCA2	
		PERIOD: 01/04/05 – 22/07/05 (PERIOD 4) FINANCE DEPARTMENT

1. **Introduction**

1.1 This report compares actual income and expenditure against estimates for the year to date 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 £225,400 or 5% of the budget to date while the projected outturn reports an underspend of £110,500 or 1% of the annual budget.

2.2 This represents an increase of £61,000 from the previous report and is a result of increased savings anticipated within employee costs due to the level of departmental vacancies, coupled with additional savings from payments to external bodies within the Revenue Services Division.

2.3 The table below provides an analysis of the variances to date and the projected outturn variances across the Divisions included within the Finance Department. Section 3 of this report highlights these Divisional variances in detail.

	Budget To date	Actual To date	Variance To date	Projected Outturn Variance	
Division of Service Analysis	(£)	(£)	(£)	(£)	
Accounting Services	683,456	673,631	9,825	18,500	Underspend
Internal Audit	211,859	141,352	70,507	50,000	Underspend
Revenue Services	1,106,063	1,066,442	39,621	25,000	Underspend
Information Technology	1,684,376	1,586,500	97,876	0	Breakeven
Cost of Collection of Local Taxes	510,123	502,552	7,571	17,000	Underspend
<b>Total</b>	<b>4,195,877</b>	<b>3,970,477</b>	<b>225,400</b>	<b>110,500</b>	<b>Underspend</b>

3. **Explanations of Major Projected Out-turn Variances - Divisional Analysis**

3.1 **Accounting Services - £18,500 Underspend**

3.1.1 There are minor anticipated savings in administration costs, payments to other bodies and professional fees totalling £3,500. However, the majority of this underspend is a direct result of additional income of £15,000 which

will be generated by work relating to treasurer duties carried out by North Lanarkshire Council for the Safety Camera Partnership.

### 3.2 **Internal Audit – £50,000 Underspend**

3.2.1 Employee costs are projected to be £150,000 less than budgeted. This reflects staff secondments and greater than expected savings arising from vacancies/staff turnover. It is anticipated that this underspend will be partially offset by the use of external professional staff to carry out Value for Money studies and assist with other audit reviews to meet the Section's planned operational commitments. Expenditure in this area will exceed budget by £100,000.

### 3.3 **Revenue Services – £25,000 Underspend**

3.3.1 An underspend of £15,000 is projected in employee costs as a direct result of unfilled vacancies within the Income and Debt Recovery sections.

3.3.2 Lower than anticipated payments to Cendris for external printing (£5,000), coupled with reduced costs incurred for Debit/Credit Card transactions (£5,000) will result in savings within Payments to Other Bodies.

### 3.4 **Information Technology - Breakeven**

3.4.1 Employee Costs are projected to be £150,000 less than budgeted, although this is counterbalanced by additional expenditure of £150,000 in professional fees to meet operational requirements in the provision of the Information Technology service.

### 3.5 **Cost of Local Tax Collection – £17,000 Underspend**

3.5.1 Savings of £10,000 are anticipated in staff costs as a result of unfilled vacancies within collection offices.

3.5.2 There will be savings of £1,000 within Supplies and Services from lower than anticipated expenditure on office equipment.

3.5.3 Further additional income of £6,000 will be received from Scottish Water. This relates to the additional commission payment as a result of the significant collection rate improvements over recent years.

## 4. **SUMMARY**

4.1 The year-end projection is a budget underspend of £110,500. This is a direct result of net savings of £88,500 in employee costs from unfilled vacancies, particularly within Internal Audit. There are also minor savings of £1,000 within Supplies and Services in the Revenues Division.

4.2 The Council will receive additional commission income of £6,000 from Scottish Water during the year and will also generate additional income from the Safety Camera Partnership of £15,000.

5. **RECOMMENDATION**

5.1 It is recommended that the Committee notes the contents of this report.



**Director of Finance**

For further information please contact Elaine McAtamney on tel. ext. 2457

**NORTH LANARKSHIRE COUNCIL**  
**FINANCIAL MONITORING REPORT**

**1 April 2005 to 22 July 2005**

**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	3,104,897	2,888,492	216,405	Underspend	7	10,192,532	9,867,532	325,000	Underspend	-
2.	PROPERTY COSTS	-	-	-		-	-	-	-		-
3.	SUPPLIES AND SERVICES	299,049	293,315	5,734	Underspend	2	1,613,417	1,612,417	1,000	Underspend	0
4.	TRANSPORT AND PLANT	116,459	114,609	1,850	Underspend	2	240,756	240,756	-	Breakeven	-
5.	ADMINISTRATION COSTS	191,712	196,014	(4,302)	Overspend	(2)	1,328,950	1,426,950	(98,000)	Overspend	(7)
6.	PAYMENTS TO OTHER BODIES	547,641	543,620	4,021	Underspend	1	1,843,382	1,981,882	(138,500)	Overspend	-
7.	OTHER EXPENDITURE	-	-	-			-	-	-		
8.	CFCR	-	-	-			-	-	-		
9.	APPORTIONED EXPENSES	-	-	-			3,355,663	3,355,663	-	Breakeven	
10.	CAPITAL FINANCING COSTS	-	-	-			803,564	803,564	-	Breakeven	
11.	TOTAL EXPENDITURE	4,259,758	4,036,050	223,708	Underspend	5	19,378,264	19,288,764	89,500	Underspend	-
12.	INCOME	63,881	65,573	1,692	Over-recovery	3	2,859,760	2,880,760	21,000	Over-recovery	1
13.	NET EXPENDITURE	4,195,877	3,970,477	225,400	Underspend	5	16,518,504	16,408,004	110,500	Underspend	1