

The Highland Council

Resources Committee

18 February 2009

Agenda Item	
Report No	

**Finance Service Revenue Expenditure Monitoring Report
1 April 2008 to 31 December 2008**

Report by Depute Chief Executive & Director of Finance

Summary

This report provides members with information on the revenue monitoring statement for the Finance Service for the period 1 April 2008 to 31 December 2008.

1. Monitoring overview

1.1 A monitoring statement is attached as an Appendix. The statement shows that in the period to 31 December 2008 the service has incurred net expenditure of £5.283m against an annual budget of £6.819m.

2. Year end outturn variances

2.1 Higher than expected vacancy levels are expected to realise significant year end underspends for the service, comprising Procurement £86k, Business & Technical Support £36k, Accounting £44k, Corporate Finance £26k, Internal Audit and Risk Management £46k, Payroll, Pensions and Creditors £59k and Exchequer £175k.

2.2 Staff previously involved on the Payroll and Personnel Project are continuing on a reduced scale to maintain the system and assist with job evaluation. Additional staffing costs of £40k are anticipated and this will be funded from savings overall within the Service.

2.3 The Payroll, Pension and Creditors section is projecting a £40k overspend on costs relating to the new pensions hosted service which is currently being implemented.

2.4 Within Exchequer there have been additional processing costs of £60k, but these have been more than compensated for by savings in operational staff costs. The reduced staff costs are attributable to higher than anticipated staff turnover since April 2008, and every effort has been made to recruit and retrain for each vacant post. Additional computer costs have been incurred on a performance management system, necessary to achieve maximum processing efficiency.

Recommendation

Members are asked to consider and approve the Finance Service Revenue Monitoring Report for the period to 31 December 2008.

Signature:

Designation: Depute Chief Executive & Director of Finance

Date: 23 January 2009

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FINANCE SERVICES Revenue Expenditure Monitoring Report

1 April 2008 to 31 December 2008

Finance Services

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance	Notes
BY ACTIVITY					
Directorate	297	67	67	0	
Procurement	285	747	661	(86)	
Business & Technical Support	480	753	717	(36)	
Accounting	1,076	1,498	1,454	(44)	
Corporate Finance	390	458	437	(21)	
Internal Audit & Risk Management	328	374	323	(51)	
Payroll, Pensions & Creditors	1,034	595	576	(19)	
Payroll & Personnel Project	82	28	68	40	
Exchequer	1,311	2,299	2,245	(54)	
	5,283	6,819	6,548	(271)	1

BY SUBJECTIVE

Staff Costs	6,841	10,210	9,778	(432)
Other Costs	886	1,664	1,864	200
Gross Expenditure	7,727	11,874	11,642	(232)
Grants	(1,411)	(1,872)	(1,872)	0
Other Income	(1,033)	(3,183)	(3,222)	(39)
Total Income	(2,444)	(5,055)	(5,094)	(39)
	5,283	6,819	6,548	(271)

Notes

1. %age of Annual Expenditure	Dec-08	77%
	Dec-07	85%