

**REVIEW OF INTERNAL AUDIT DEPARTMENT: PARTNERSHIP
AGREEMENT**

1. SUMMARY

A Partnership Arrangement is now in place with the firm KPMG.

The Partnership Arrangement is for a 3 year period and a preliminary plan prepared by KPMG is attached, showing initial measures now underway.

An introduction and a presentation will be made to the committee by representatives of KPMG on the day of the committee meeting.

2. RECOMMENDATION

The committee continue to receive regular reports from KPMG on progress being made with improving the delivery of the Internal Audit service.

Stewart McGregor
Director of Finance
7 February 2002

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kpmg

Argyll and Bute Council

Internal audit partnering
Planning document
Draft - 7 February 2002

KPMG

This report contains 3 pages

jgm/sgc/790

Contents

1	Introduction	1
1.1	Overview	1
1.2	Work programme	1

1 Introduction

1.1 Overview

1.1.1 This documents sets out a broad plan of action for KPMG partnering with Argyll and Bute internal audit. The focus of this document is mainly over the first 6 months of the partnership relationship where processes and detailed work plans will be established.

1.1.2 The document sets out the key work streams in this period, the significant tasks for each of these and a target time frame for completion.

1.2 Work programme

1.2.1 *Partnership establishment*

Task / milestone	Time frame	Owner
Initial meeting. IA and A&B background	Completed	KPMG / A&B
Meet head of IA and team	February	KPMG / A&B
Agree on-going arrangements for professional support	February	KPMG / A&B

1.2.2 *Assess IA resource requirements*

Task / milestone	Time frame	Owner
Short term - Consider immediate requirements to complete current years plan	February **	KPMG / A&B
Medium / long term - Consider on-going resource requirements (see strategic /annual plan)	March**	KPMG / A&B

** - KPMG was asked by the director of finance to consider options for internal audit's immediate resource needs. KPMG recommend that the Council use agency staff to complete the current years internal audit plan. Once the resource requirements are known from the risk assessment exercise and annual plan then longer term staffing measures be implemented.

1.2.3 *Addressing external audit recommendations on internal audit*

Task / milestone	Time frame	Owner
Draft responses for external audit IA VFM report	February	KPMG / A&B
Prepare action plan for addressing non-compliance issues	February	KPMG / A&B
Implement, monitor and report on progress against action plan	February - Ongoing	KPMG / A&B

1.2.4 *Compliance with code*

Task / milestone	Time frame	Owner
Document key requirements from code of IA practice	February	KPMG
Document current compliance / practices for each standard	February	A&B
Draft action plan for addressing issues where non-compliance	February	KPMG / A&B
Implement, monitor and report on progress against action plan	February - Ongoing	KPMG / A&B

1.2.5 *Training needs assessment*

Task / milestone	Time frame	Owner
Draft schedule for possible training needs and staff to undertake training	February	KPMG
Circulate / discuss schedule with staff. IA staff to complete schedule	February / March	KPMG/A&B
Prepare training based on needs assessment	March - Ongoing	KPMG
Deliver training in accordance with needs assessment	To be agreed	KPMG / A&B

1.2.6 *Risk assessment and IA strategic plan*

Task / milestone	Time frame	Owner
Prepare draft risk process / methodology document	February	KPMG
Initial analysis of A&B budget for materiality (key financial systems)	February	KPMG
Initial analysis of A&B operational / VFM / Best Value review areas	February	KPMG
Interviews with key management (directors). Understand key business issues / risks (initial ranking of inherent risk and control effectiveness)	February	KPMG
Consolidated findings / rankings into auditable groupings	February	KPMG / A&B
Prepare strategic and 2002-23 annual plan – allocate days to reviews	February	KPMG / A&B
Consider IA resources levels for meeting IA plan	March	KPMG / A&B

REVENUE BUDGET MONITORING 2001/2002

1. SUMMARY

The attached reports show the amount of detailed information produced and circulated to Directors and Spokespersons, as at 30 November 2001. A report is also attached covering the total Council position, as submitted to the Strategic Policy Committee meeting on 31 January 2002. This information is provided to members of the Audit Committee to demonstrate information utilized to achieve control of the revenue budget.

As a separate, but related matter, a copy of the report submitted to the Strategic Policy Committee on 10 January 2002 concerning the Education Department's financial position is also attached.

The Head of Accounting, Bruce West, will make a presentation to the Audit Committee on these reports, outlining any further work and improvements to the monitoring exercise.

2. RECOMMENDATIONS

The committee note the revenue budget monitoring process in place, together with the special reports on the Education Department's financial position and continue to receive reports from the Head of Accounting on the effectiveness of the process.

Stewart McGregor
Director of Finance
7 February 2002

reports/78marchauditcommrevbudmonitoring

REVENUE BUDGET MONITORING – 30 NOVEMBER 2001

1 SUMMARY

- 1.1 This report gives details of the budget monitoring exercise for the period ended 30 November 2001. A small surplus of 0.5% of projected expenditure is forecast. This provides negligible flexibility against any future expenditure pressures.

2 RECOMMENDATIONS

- 2.1 Note the budget monitoring report.
- 2.2 The Director of Housing and Social Work recommends that £44,000 from a windfall insurance receipt is vired from the Housing Revenue Account to the Housing and Social Work account.
- 2.3 To note that the Director of Transportation and Property Service will achieve the balance of £31,000, being his share of the £500,000 savings, through staff salaries created by vacant posts.
- 2.4 The Director of Corporate and Legal Services and the Director of Development and Environment Services take action to bring outturn expenditure in line with budget.

3 DETAIL

- 3.1 The budget monitoring exercise for the period to 30 November 2001 has been finalised. The attached table summarises the overall financial position.
- 3.2 The table below reconciles the movement in budgeted net expenditure from the sum reported as at 31 October 2001

	£
Budget monitoring report – net expenditure 31 October	147,060,000
Add Supplementary Estimate for Care Home Fees	175,045
Add Supplementary Estimate for Refund Registration Fees	48,048
Other Changes	<u>(4,000)</u>
Budget monitoring report – net expenditure 30 November	<u>147,279,093</u>

- 3.3 The approved annual budget now reflects the ongoing Special Island Needs Allowance project commitments, the savings proposal for Education and Transport and Property Services approved at Strategic Policy Committee on 16 August 2001, the £500,000 supplementary savings package additional ring fenced funding announced following setting of the budget and various supplementary estimates approved.

3.4 The approved annual budget surplus for the year can be analysed as follows

	£
Initial approved working balance	2,000
Supplementary savings	500,000
Repayment proposals by Education in 2001/2002	393,000
Repayment proposals by Transport and Property in 2001/02	344,000
Funding allocated from Housing Benefit Subsidy received in relation to previous years	<u>106,000</u>
	1,345,000
Less	
Ongoing SINA projects	468,000
Supplementary estimate – Foot and Mouth	129,000
Supplementary estimate – Supporting People	28,000
Supplementary estimate – Residential Waiting List	106,000
Adjustment	<u>2,000</u>
Budget Surplus	<u>612,000</u>

3.5 The net projected outturn position is a surplus for the year of £791,000. This is an increase of £179,000 from approved annual budget of £612,000.

3.6 The increase in surplus from approved annual budget can be summarised as follows:

	£
Further savings in loans charges projected	100,000
Balance of housing benefit subsidy received in relation to previous years	123,000
Corporate & Legal Services loss of prepurchase Property Fees	(29,000)
Development & Environment Services	(14,000)
Projected outturn variance	<u>180,000</u>

The Director of Corporate and Legal Services and the Director of Development and Environment Services require to take action to bring outturn expenditure in line with budget.

3.7 The projected outturn surplus of £791,000 provides negligible flexibility against any future expenditure pressures. It represents 0.5% of budgeted net expenditure. It should also be borne in mind this surplus is dependent upon achievement of Education and Transport and Property repayment proposals and other department additional savings. Although accepted these savings are not guaranteed.

3.8 The Director of Housing and Social Work proposes to achieve part of his share of the £500,000 supplementary savings by virement of £44,000 of a windfall

receipt of insurance monies from the Housing Revenue Account.

- 3.9 The Director of Transportation and Property Service will achieve the balance of £31,000, being his share of the £500,000 savings, through staff salaries created by vacant posts.
- 3.10 The annual projected surplus for the year is £791,000. If the projected over expenditure referred to in paragraph 3.6 is eliminated this would add £43,000 to the projected surplus for the year resulting in a surplus of £834,000
- 3.11 The above information relates only to the projected surplus for 2001/2002. Members will recall that the General Fund balance per the Council's Accounts stands at £85,000. This sum can be added to the above to obtain the projected General Fund balance at 31 March 2002. This amounts to £876,000 if based on 30 November budget monitoring exercise.
- 3.12 Members will also recall that the repayment proposals agreed in respect of Education and Transport and Property Services extended beyond 2001/2002. In future years repayments of £850,000 have been agreed for these departments. Realisation of these savings cannot be confirmed until later financial years.
- 3.13 Of the projected outturn variance on central support services £80,000 represents the approved virement from savings in loan charges to fund the Internal Audit Partnership as approved by Council on 9 August 2001.
- 3.14 Schedules of variance explanations have been prepared by each Director and circulated to relevant spokespersons and shadow spokespersons. These schedules contain details of variances on all cost centres where the variance on either income or expenditure exceeds £25,000.
- 3.15 The Director of Education has prepared a variance explanation report at "activity" rather than cost centre level. This is a less detailed analysis. There are 28 variances greater than £25,000 identified out of a total of 64 activities. At this point in time it is not possible for Finance to confirm in detail the variance explanation or the projected outturn prepared in respect of Education. KPMG were engaged to undertake a review of Education financial monitoring. The outcome of this was reported to the Strategic Policy Committee on the 20 December 2001. Arising from this an action plan has been prepared to address the issues raised by KPMG. A monitoring group has been set up to review the action plan.
- 3.16 The external auditors have recommended members monitor departments progress in achieving agreed savings proposals. In order to meet this recommendation directors are reporting to the Strategic Policy Committee of 20 December 2001 progress in achieving savings agreed as part of 2001/2002 budget setting process, as part of the £500,000 savings to fund SINA commitments and the Education and Transport and Property repayment proposals. Copies of these reports follow this item on the agenda.

Bruce West
Head of Accounting
18 January 2002

Period: November_01-02

	YEAR TO DATE POSITION			PROJECTED FINAL OUTTURN						
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Annual Budget £000s	Projected Variance £000s	Proj Var %	Previous Outturn £000s	Variance From Prev £000s
Education	41,145	40,825	(320)	-1%	62,052	62,052	0	0%	62,052	0
Housing & Social Work	13,942	14,447	505	3%	25,197	25,197	0	0%	24,974	(223)
Transport & Property Services	12,902	13,075	173	1%	19,744	19,744	0	0%	19,739	(5)
Development & Environment Services	11,491	11,124	(367)	-3%	20,028	20,014	(14)	-7%	20,033	5
Central Support Services	5,400	5,467	68	1%	327	218	(109)	-50%	327	0
Central Services To the Public	1,081	1,263	183	14%	2,553	2,552	0	0%	2,552	(1)
Corporate & Democratic Core	904	856	(48)	-6%	2,582	2,582	0	0%	2,582	0
Joint Boards	7,945	7,929	(16)	0%	11,755	11,755	0	0%	11,755	0
Statutory Housing Revenue Account	(6,367)	(6,522)	(155)	2%	0	0	0	-219%	0	0
Capital Financing Adjustment	(13,733)	(13,733)	0	0%	2,556	2,736	180	0%	2,556	0
Surplus Properties	138	265	127	48%	429	429	0	0%	429	0
Balance of Housing Benefit/ Subsidy Received re: previous years	0	0	0	0%	(123)	0	(123)	0%	(123)	0
Total Net Expenditure	74,848	74,996	150	1	147,100	147,279	179	0	146,876	(224)
Aggregate External Finance	(64,953)	(56,772)	(1,779)	3%	(113,468)	(113,468)	0	0%	(113,244)	224
Contribution from DLO/DSO	(2,926)	(3,170)	(245)	8%	(34,168)	(34,168)	0	0%	(34,168)	0
Local Tax Requirement	0	0	0	n/m	(255)	(255)	0	0%	(255)	0
Additional Local Tax Income	(67,919)	(59,942)	(2,024)	0	(147,891)	(147,891)	0	0	(147,887)	224
Transfer from HRA Reserve										
TOTAL FUNDING										
DEFICIT/(SURPLUS) FOR PERIOD	16,929	15,054	-1,874	1	-3,791	-612	179	0	-791	0
	Projected Variance = Approved Budget - Projected Outturn									

Objective Summary - Transportation and Property Services

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN				Previous Outturn £000s	Variance From Prev £000s
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Annual Budget £000s	Projected Variance £000s	Proj Var %		
Service Strategy & Regulation										
Roads	753	913	160	17%	151	151	0	0%	151	0
Design Services	7,941	8,195	254	3%	14,416	14,416	0	0%	14,416	0
Lighting	142	67	(75)	-113%	229	229	0	0%	229	0
Traffic management & Road Safety	364	480	115	24%	951	951	0	0%	951	0
Parking	439	367	(71)	-19%	745	745	0	0%	745	0
Piers, harbours & Airfields	(197)	(104)	94	-91%	(89)	(89)	0	0%	(89)	0
Ferries	(311)	(41)	270	-667%	275	275	0	0%	275	0
Concessionary Fares	372	312	(60)	-19%	625	625	0	0%	625	0
Public Transport	545	561	16	3%	883	883	0	0%	883	0
Coastal Protection	1,407	1,383	(24)	-2%	1,799	1,799	0	0%	1,799	0
Property & Related Services	61	153	92	60%	258	258	0	0%	258	0
Contract Services	1,242	607	(635)	-105%	0	0	0	-16%	0	0
Trunk Road Services	168	265	97	37%	0	0	0	325%	0	0
Unspent SINA Monies	(24)	(82)	(59)	71%	0	0	0	n/m	0	0
Additional Savings	0	0	0	0%	103	103	0	0%	103	0
Repayment Proposals	0	0	0	0%	(58)	(58)	0	0%	(58)	0
Repayment Proposals	0	0	0	0%	(544)	(544)	0	0%	(544)	0
Total Property & Transportation Services	12,902	13,075	173	1%	19,744	19,744	0	0%	19,744	0

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn

Subjective Summary - TPS



Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN				Previous Outturn From Prev £000s	Variance £000s
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	pp Annuia Budget £000s	Projected Variance £000s	Proj Var %		
Employees	5,108	5,236	128	2%	8,433	8,433	0	0%	8,433	0
Premises	568	625	57	9%	1,082	1,082	0	0%	1,082	0
Supplies and Services	688	674	(14)	(2)%	1,323	1,323	0	0%	1,323	0
Transport	577	433	(144)	(33)%	727	727	0	0%	727	0
Third Party	8,509	9,026	518	6%	14,108	14,108	0	0%	14,108	0
Capital Financing	4,406	4,406	(1)	0%	6,609	6,609	0	0%	6,609	0
Income	(6,953)	(7,324)	(370)	5%	(12,228)	(12,228)	0	0%	(12,228)	0
Support Services	0	0	0	n/m	189	189	0	0%	189	0
Unspent SINA Monies	0	0	0	n/m	103	103	0	0%	103	0
Additional Savings	0	0	0	n/m	(58)	(58)	0	0%	(58)	0
Repayment Proposals	0	0	0	n/m	(544)	(544)	0	0%	(544)	0
TOTAL	12,902	13,075	173	1%	19,744	19,744	0	0%	19,744	0

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn

**ARGYLL AND BUTE COUNCIL
TRANSPORT AND PROPERTY
SERVICES**

**REVENUE BUDGET MONITORING – PROJECTED OUTTURN VARIANCES -
NOVEMBER 2001**

1 INTRODUCTION

- 1.1 This report details the projected outturn variances identified during the revenue budget monitoring exercise for November 2001.
- 1.2 In addition to projected outturn variances the report identifies savings proposed to overcome variances in forecast outturn. Section 2 identifies the projected outturn variances and section 3 identifies the savings proposed. Both of variances and savings proposals are reflected on the general ledger and forecast reports. Section 5 identifies the further proposals, where necessary, to contain projected outturn variances within approved budget.

2 PROJECTED OUTTURN VARIANCES

- 2.1 The undernoted table explains the variances in projected outturn reflected in the general ledger and financial reports for budget monitoring. Figures in brackets are adverse variances; those without are favourable.

Ledger code reference and description	Projected Outturn variance £	Projected Outturn variance %	Full year effect on next years budget £
Roads			
510.0000.5551. Private contractors – schedule of rates	200,000	19%	
Capitalisation of contractor costs			
Service Total	200,000		
Property Services			
580.1136.5802 All codes	(45,217)	92%	No budget
Removing Kilmory Design from TPS			

Service Total	(45,217)		
Departmental Total	154,783		

3 SAVINGS MEASURES INCLUDED IN PROJECTED OUTTURN

3.1 The undernoted table explains the reductions in projected outturn expenditure of saving measures already reflected in the general ledger and budget monitoring financial reports

Ledger code reference and description	Projected Saving £	Full year effect on next years budget £
Service Total		
Departmental Total		

4 CURRENT PROJECTED OUTTURN – NET POSITION

4.1 The net projected outturn variance reflected in the financial report is :

Department total for projected variances	2.1	£ 154,783
Department total for projected services/cost reduction	3.1	£
Budget monitoring projected outturn variance		<u>£ 154,783</u>

5 FURTHER SAVINGS MEASURES

5.1 The net projected outturn variances are noted in 4.1 above. The table below identifies the further measures proposed to achieve additional savings to contain forecast outturn within the approved budget

Ledger code reference and description	Forecast Saving £	Full year effect on next years budget £
Administration		
500.0000.5501. Staff travel	7,496	
Staff travel		
No service implication of savings proposed		
500.0000.5549 NDR		
Non Domestic Rates	4,074	
No service implication of savings proposed		
Service Total	11,570	
Lighting		
511.0000.5501 Staff travel	6,226	
Staff travel		
No service implication of savings proposed		
Service Total	6,226	
Parking		
530.0000.5484 NDR	13,204	
Non Domestic Rates		
Service Total	13,204	
Departmental Total	31,000	

5.2	The net projected outturn from paragraph 4.1. above	£	154,783
	The further savings measure identified above in 5.1.	£	31,000
			<hr/>
	Net forecast outturn variance of		£185,783
			<hr/>

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**ARGYLL AND BUTE COUNCIL
TRANSPORT AND PROPERTY
SERVICES**

**REVENUE BUDGET MONITORING –YEAR TO DATE VARIANCES
NOVEMBER 2001**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 2001.
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Income and expenditure are reported on separately. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx” in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above. Figures in brackets are adverse variances; those without are favourable.

Amount Of Variance £	% Of YTD Budget	
£		Service Title
		SERVICE STRATEGY & REGULATION
141,591	34%	500.0000.5549.
		Relates mainly to General Insurances - Budgetted Nov , Actual now thru in Dec(Variance Cleared)
		No forecast implications
58,707	100%	500.0000.5549 Inc
		SODD Income -Awaiting report on audit by Performance Audit Group as to wether any Income to be Re- imbursed.

		Variance will remain until Audit process finalised-No Forecast implications
110,293		Other YTD Variances
169,000	Nil	SSR TOTAL
ROADS		
(43,648)	-8%	510.0000.5501 Exp
		Relates to Payroll Costs phasing-DS to re-phase by 2 weeks wages I.e. £28k - £12k balance to be investigated
		No forecast implications
306,255	9%	510.0000.5551 Exp
		Relates to £130k of costs having been capitalised in October. A further £70k of costs have been authorised by members to be capitalised.-See Savings Report
		A forecast journal requires to be processed.-Neil Ross
(8,607)		Other YTD Variances
254,000		ROADS TOTAL
DESIGN SERVICES		
(61,275)	-295%	570.0000.5549 Exp
		Invoice to Mid Argyll Youth Project for £42k to be processed -DS to action-Balance relates to IT which has favourable elsewhere and to Car Leasing
		Car Leasing will correct by year-end,-No forecast implications
(54,112)	-100%	570.0000.**** Inc
		Relates to one month's income -Budget to be Re-Phased in Jan
		No implications for FORECAST
40,387	Nil	Other YTD Variances-See activity 5519 above
(75,000)	Nil	DESIGN TOTAL
LIGHTING		
92,366	40%	511.0000.5551 Exp
		Lighting Maintenance has been scheduled for winter month's, budget has been evenly spread
		DS to Re-Phase
		No implications for FORECAST

22,634		Other YTD Variances
115,000	Nil	LIGHTING TOTAL
Traffic Management		
(38,378)	-53%	520.0000.5551 Exp
		Relates mainly to DLO
		Virement of £20k from Roads to Traffic Mgt Re Salaries budget.-See Variance below
(32,622)		All Other Traffic Management Variances
(71,000)		Traffic Mgt Total
74,179	39%	530.0000.**** Inc
		On Street Parking. Income ahead of budget . Budget nevertheless been re-phased based on previous year's actuals
		No implications for FORECAST
19,821		Balance of Variances due mainly to Non-Domestic Rates
94,000	Nil	PARKING TOTAL
PIERS, HARBOURS AND AIRFIELDS		
319,332	53%	540.2364.5401 Inc 540.3110.5401 Inc 540.3210.5401 Inc
		Relates to Berthing dues recd from Calmac -£340,513-Variance of £180k fav Re these dues
		Re-phasing of dues required to be carried out-Neil Ross to action in Dec
(48,926)	-589%	540.****.5401 Exp
		540.****.5401 Exp -Relates mainly to Electricity-£14k adv -Sundries-£26k adv
(406)		All Other Pier, Harbour & Airfield Variances
270,000		PIERS, HARBOURS & AIRFIELDS TOTAL
FERRIES		

88,200	100%	551.0000.5471 Exp
		Activity _(Ferries General) Islay/Jura Ferry. Budget held centrally but expenditure charged to individual ferries. Variance relates mainly to Basic Salaries-£57,134 - Due to Salary costs going to Activity 5550
		Salaries require to be Re-Aligned-No impact on total year budget-Neil Ross to Re-Align IN Dec
(28,561)	-460%	551.2236.5550
		Mainly due to Salaries
(126,167)	100%	551.0000.5481 Exp
		Activity -(MV Eileen Dhiura)Islay/Jura Ferry. Budget held centrally but expenditure charged to individual ferries.Variance relates to £134K Adv Re R & M Ferry Vessels.
		Members have agreed to Capitalise R&M costs-value to be advised.
34,686	135%	551.0000.5550 Inc
		Phasing -Neil Ross to Re-Phase
		No Forecast implications
(28,158)		Other Variances-Relates to favourable Re Salaries above
(60,000)		FERRIES TOTAL
Concessionary Fares Service 552		
16,000	Nil	CONCESSIONARY FARES TOTAL
PUBLIC TRANSPORT		
(100,854)	5%	550.0000.5505
		Private Contractors
105,372	39%	550.0000.**** Inc
		Relates to Cash Recd for Rural Transport -£215k -will correct in Dec
(28,518)		Across various locations
(24,000)		
COASTAL PROTECTION		

		560.0000.5551 Exp
91,919	92%	Works yet to Start-DS to Re-Phase budget from Feb 2002 thru to Adjust 2002
		No Forecast implications
81		All Other Coastal Protection Variances
92,000		COASTAL PROTECTION TOTAL
CONTRACT SERVICES		
		Variances are spread thru numerous Locations/Activities
97,000		CONTRACT TOTAL
TRUNK ROAD SERVICES		
		573.0000.5024 Exp
(470,592)	100%	A83 Inverneill Bridge -No Budget -(All variances below have no Financial implications for the Council)
226,555	100%	A83 Artilligan -Prepayment Recd from Scottish Office
(16,660)		A82 -Balloch -Tyndrum-Prepayment recd as above
(12,513)	100%	A82 -Tarbet -Kennacraig
83,874	100%	A85 Perth -Oban -Prepayment Recd
52,385	100%	A828 Connel -Ballachuillish -
32,060	100%	A82 -Tyndrum Highland Boundary-Prepayment Recd
45,891		All Other Trunk Road Variances
(59,000)		TRUNK ROADS TOTAL
818,000		Department Total

Director Of Transport & Property

Objective Summary - Housing and Social Work

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN				Previous Outturn £000s	Variance From Prev £000s	
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Annual Budget £000s	Projected Variance £000s	Proj Var %			
Service Strategy & Regulation - Housing											
Statutory Housing Revenue	358	396	37	9%	0	0	0	0%	0	0	
Housing Benefits	(6,367)	(6,522)	(155)	2%	0	0	0	177%	0	0	
Travelling Persons Siles	414	422	8	-102%	1,183	1,183	0	0%	1,183	0	
Homeless Persons	28	13	(15)	-112%	41	41	0	0%	41	0	
Other Housing	85	47	(37)	-79%	70	70	0	0%	70	0	
	66	46	(19)	-42%	(173)	(173)	0	0%	(173)	0	
Service Strategy & Regulation - Social Work											
Children & Families	2,996	3,128	132	4%	348	348	0	0%	300	(48)	
Elderly People	2,081	2,147	66	3%	4,501	4,501	0	0%	4,501	0	
People With a Physical or Sensory Disability	4,733	4,829	96	2%	12,024	12,024	0	0%	11,848	(175)	
People with Learning Disabilities	290	273	(17)	-6%	628	628	0	0%	628	0	
People with Mental Health Needs	2,205	2,374	169	7%	5,409	5,409	0	0%	5,409	0	
Offender's Services	450	551	101	18%	886	886	0	0%	886	0	
Other Specific Social Work Services	38	8	(30)	-386%	24	24	0	0%	24	0	
Unspent SINA Monies	198	213	16	7%	327	327	0	0%	327	0	
Additional Savings	0	0	0	0%	2	2	0	0%	2	0	
Supplementary Estimate: Supporting People	0	0	0	0%	(102)	(102)	0	0%	(102)	0	
Total Housing & Social Work Services	7,575	7,925	350	4%	25,196	25,196	0	0%	24,972	(223)	
Statutory Housing Revenue	(6,367)	(6,522)	(155)	2%	0	0	0	0%	0	0	
Total Expenditure less Stat Housing Revenue	13,942	14,447	505	3%	25,196	25,196	0	0%	24,972	(223)	
					Projected Variance = Approved Budget - Projected Outturn						

ABC Housing and Social Work Subjective Analysis

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN					
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Annual Budget £000s	Projected Variance £000s	Proj Var %	Previous Outturn £000s	Variance From Prev £000s
Employees	9,424	9,257	(168)	-2%	15,216	15,012	(204)	-1%	14,980	(236)
Premises	526	675	148	22%	1,427	1,411	(16)	-1%	1,413	(14)
Supplies and Services	1,294	1,219	(75)	-6%	2,084	2,019	(65)	-3%	2,043	(41)
Transport	521	451	(70)	-15%	781	776	(5)	-1%	761	(20)
Third Party	14,573	14,759	187	1%	24,912	24,911	(1)	0%	24,909	(2)
Capital Financing	511	556	45	8%	868	868	0	0%	868	0
Income	(12,906)	(12,469)	437	-4%	(20,583)	(20,292)	291	-1%	(20,493)	90
Support Services	0	0	0	n/m	563	563	0	0%	563	0
Unspent SINA Monies	0	0	0	n/m	2	2	0	0%	2	0
Additional Savings	0	0	0	n/m	(102)	(102)	0	0%	(102)	0
Supplementary Estimate: Supporting People	0	0	0	n/m	28	28	0	0%	28	0
TOTAL	13,943	14,448	504	3%	25,196	25,196	0	0%	24,972	(223)

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn

**ARGYLL AND BUTE COUNCIL
HOUSING & SOCIAL WORK**

**REVENUE BUDGET MONITORING –YEAR TO DATE VARIANCES
NOVEMBER**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November.
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx” in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above. Figures in brackets are adverse variances; those without are favourable.

Amount Of Variance £	% Of YTD Budget	
		HSW - Service Strategy & Regulation – Housing
30,997	11.5	300 1136 3551, HSW - Service Strategy & Regulation - Headquarters
		Explanation of what has caused year to date variance:- Spending over a wide range of account codes is behind the budgeted profiled spend, which was set at 1/12 per calendar month, while the actual spend is to be incurred in the final quarter of the financial year.
		Explanation of why the variance will be eliminated by year end:- The majority of spend will occur in the final quarter of the year.
6,126		Other Variances – 5 Cost Centres

37,123	9.4	Total - HSW - Service Strategy & Regulation – Housing
		HSW - Housing Benefits
63,497	9256.9	310 0000 3100, HSW - Housing Benefits, No Location, Investigation
		Explanation of what has caused year to date variance:- This is a carry forward of monies paid in advance to employ Fraud Officers within the internal Audit Section.
		Explanation of why the variance will be eliminated by year end:- The balance of monies held at year end will be carried forward to the following year.
(103,575)		310 0000 3101, HSW - Housing Benefits- Housing Benefit Council
		Explanation of what has caused year to date variance:- Benefits overpayments have increased above budget. This is currently being investigated by HSW and Finance.
		Explanation of why the variance will be eliminated by year end:- This is currently being investigated by HSW and Finance.
47,890		Other Variances – 10 Cost Centres
7,812		Total - HSW - Housing Benefits
		SHR - Statutory Housing Revenue
(140,361)	(1.6)	335 1136 3551, SHR - Statutory Housing Revenue, Lochgilphead, Kilmory Castle, Headquarters

		<p>Explanation of what has caused year to date variance:- £106k Voids have increased above budgeted figure. Budget provision for 2001/2 is £350,000. Incurred to end of November £369,787. Average rate per month = £48,000. Increasing since January 2001.</p> <p>The rate has stabilised since the summer although there are areas of no demand where significant capital funding would be necessary to enable the properties to be substantially improved and re-let. Without this funding the other options are demolition or disposal to public or private ownership.</p> <p>Main problem areas are : Spence Court, Dunoon Ballochgoy, Rothesay Dalintober, Campbeltown</p> <p>For the Dalintober area an agreement has been reached to appoint a caretaker to assist in making the area more appealing to waiting list applicants. A major re-development issue involving Communities Scotland is being taken forward for Ballochgoy.</p> <p>Projected outturn for voids £500,000 Actual cost for voids 2000 – 2001 £401,673 Allowance made for 2002 – 2003 £450,000</p> <p>The SPC has made site visits to the 2 most problematic areas, Dalintober and Ballochgoy, in the last 6 months and agreed action plans for both.</p> <p>£24k The annual property insurance premium has increased above the budget due to general inflationary pressures on insurance premiums</p>
		<p>Explanation of why the variance will be eliminated by year end:- A report is being progressed to the SPC on 31st January to request a draw on the HRA reserve.</p>
(15,134)		Other Variances – 33 Cost Centres
(155,495)	(2.4)	Total - SHR - Statutory Housing Revenue
		HSW - Service Strategy & Regulation – Social Work
85,425	7.5	301 0000 3551, HSW - Service Strategy & Regulation - Headquarters
		<p>Explanation of what has caused year to date variance:- £30,343 Staff Insurance premium recharged in December rather than November as profiled. £29,226 central repairs spend slower than original profile. £8,456 Property insurance premium recharged in December rather than November as profiled. £22,651 BT one bill costs have been coded to individual Social Work cost centres while the budget is held against one code. Corrections to be processed in January.</p>

		Explanation of why the variance will be eliminated by year end:- Insurance charged in December. BT one bill corrections to be progressed in January.
28,231	17.6	301 0000 3002, HSW - Service Strategy & Regulation – Customer Care Unit
		Explanation of what has caused year to date variance:- Registration fees billed for the year in November whereas the profile showed billing on a monthly basis. Profiling requires to be amended to reflect actual timing of charges.
		Explanation of why the variance will be eliminated by year end:- The annual charge is in line with the annual budget.
18,240		Other Variances – 12 Cost Centres
131,896	4.2	Total - HSW - Service Strategy & Regulation – Social Work
		HSW - Elderly
43,775	16.0	355 1105 3020, HSW - Elderly, Ardfenaig, Residential Homes For The Elderly
		Explanation of what has caused year to date variance:- £24,240 additional income received from the Estate of a former Client. Other additional income as a result of several new clients having financial ability to pay higher levels of contribution towards their care (which is means tested).
		Explanation of why the variance will be eliminated by year end:- This will be offset by additional payroll costs due to high sickness levels within Elderly units.
37,654	14.8	355 1304 3020, HSW - Elderly, Gotranvogie, Residential Homes For The Elderly
		Explanation of what has caused year to date variance:- £16,150 prior years income received from Client with complex financial affairs. Other additional income as a result of several new clients having financial ability to pay higher levels of contribution towards their care (which is means tested).
		Explanation of why the variance will be eliminated by year end:- This will be offset by additional payroll costs due to high sickness levels within Elderly units.
(26,006)	(17.7)	355 2366 3020, HSW - Elderly, Dunaros, Residential Homes For The Elderly

		Explanation of what has caused year to date variance:- £16,500 invoice to Health will be raised in January rather than November as profiled.
		Explanation of why the variance will be eliminated by year end:- Income will be received later than budgeted.
(28,379)	(10.5)	355 3132 3020, HSW - Elderly, Thomson Home, Residential Homes For The Elderly
		Explanation of what has caused year to date variance:- Additional payroll costs due to high sickness levels.
		Explanation of why the variance will be eliminated by year end:- Additional income received within Elderly units overall will offset additional payroll costs.
(66,384)	(1,228.0)	355 3100 3545, HSW - Elderly, Bute, B.I.D.S.
		Explanation of what has caused year to date variance:- There has been an increase in the number of Clients and hours of care required per Client for those with intensive Homecare needs.
		Explanation of why the variance will be eliminated by year end:- To be offset by additional Homecare GAE monies(see below) held within Homecare Headquarters and domestic Service. Ongoing review, with a waiting list introduced, to ensure overall expenditure is contained within HSW budgets. Currently identifying the full amount required.
32,500		355 0000 3547, HSW - Elderly, Homecare – Domestic Service
		Explanation of what has caused year to date variance:- New initiatives for Homecare have been delayed due to problems in attracting organisations to tender.
		Explanation of why the variance will be eliminated by year end:- Monies will be spent on additional homecare costs incurred across Argyll & Bute (see BIDS above) as a result of high dependency clients.
51,690	5.39	355 XXXX 3555, HSW - Elderly, All locations, CET Residential Placements

		<p>Explanation of what has caused year to date variance:- Please note this is a favourable variance, the total annual budget is £2,918,399. Expenditure on placements is currently below budgeted profile. Profiling was based on 1/12 of budget from May to Adjust. The majority of Establishments are billing 2 weeks in arrears and 2 weeks in advance, however, profiling is complicated with the pattern of new monies for additional placements and to fund rate increase.</p>
		<p>Explanation of why the variance will be eliminated by year end:- Annual expenditure being monitored on the level of commitment per client to ensure it will be contained within budget. Accruals will be made at year-end for Client costs outstanding.</p>
50,793		Other Variances – 45 cost Centres
95,643	2.0	Total - HSW - Elderly
		HSW - Learning Disability
(37,801)	(27.6)	360 1219 3600, HSW - Learning Disability, Campbeltown, Woodlands / Greenwood, Hostels - Learning Disability
		<p>Explanation of what has caused year to date variance:- Additional payroll costs incurred as a result of several Clients with intensive needs. Full year cost estimated at £48,000.</p>
		<p>Explanation of why the variance will be eliminated by year end:- Care plans for Clients being reviewed to investigate utilisation of Supporting People monies (long term option). Additional Learning Disability Review ring fenced monies to be utilised to contain within HSW Budget. Currently identifying the amount required. See below.</p>
39,745	75.7	360 0000 3660, HSW - Learning Disability, Learning Disability Review
		<p>Explanation of what has caused year to date variance:- Review monies to be spent on appointment of 4 Area Care Co-ordinators, delays in recruitment have resulted in an underspend .</p>
		<p>Explanation of why the variance will be eliminated by year end:- Monies ring fenced for Learning Disability so it is proposed to utilise underspend to meet additional costs incurred with Learning Disability Hostels.</p>
(27,542)	(17.8)	360 2138 3600, HSW - Learning Disability, Oban, Willowview, Hostels - Learning Disability
		<p>Explanation of what has caused year to date variance:- £9,958 due to additional catering costs. £10,851 income to be received from Health an invoice will be raised in January rather than November.</p>

		Explanation of why the variance will be eliminated by year end:- Additional catering costs to be offset from additional GAE monies for Learning Disability . Income to be invoiced.
69,532	26.3	360 3215 3620, HSW - Learning Disability, Dunoon, Cowal Resource Centre, Resource Centres
		Explanation of what has caused year to date variance:- Costs within this Unit have been transferred to "match fund" the ESF Project – Bullwood regeneration scheme, which has a negative variance of £32,560
		Explanation of why the variance will be eliminated by year end:- Cowal resource Centre will spend to budget and this will be reallocated to the ESF project.
(32,560)		360 3215 3630, HSW - Learning Disability, Dunoon, Cowal Resource Centre, European Social Fund
		Explanation of what has caused year to date variance:- Costs within this Unit have been transferred in to "match fund" the ESF Project – Bullwood regeneration scheme.
		Explanation of why the variance will be eliminated by year end:- Cowal resource Centre will spend to budget and this will be reallocated to the ESF project.
65,599	905.7	360 0000 3658, HSW - Learning Disability, No Location, Supporting People - Team
		Explanation of what has caused year to date variance:- Transitional Housing Benefit Income received on behalf of Clients, in advance of payments for services.
		Explanation of why the variance will be eliminated by year end:- Monies ring fenced for individual clients, unspent funds to be accrued to following year.
92,131		Other Variances – 31 Cost Centres
169,104	7.1	Total - HSW - Learning Disability
63,019		Other HSW Variances – 112 Cost Centres
349,102		Departmental Total

Director Of Housing & Social Work

**ARGYLL AND BUTE COUNCIL
HOUSING & SOCIAL WORK**

**REVENUE BUDGET MONITORING – PROJECTED OUTTURN VARIANCES -
NOVEMBER**

1 INTRODUCTION

- 1.1 This report details the projected outturn variances identified during the revenue budget monitoring exercise for November.
- 1.2 In addition to projected outturn variances the report identifies savings proposed to overcome variances in forecast outturn. Section 2 identifies the projected outturn variances and section 3 identifies the savings proposed. Both variances and savings proposals are reflected on the general ledger and forecast reports. Section 5 identifies the further proposals, where necessary, to contain projected outturn variances within approved budget.

2 PROJECTED OUTTURN VARIANCES

- 2.1 The undernoted table explains the variances in projected outturn reflected in the general ledger and financial reports for budget monitoring. Figures in brackets are adverse variances; those without are favourable.

Ledger code reference and description	Projected Outturn variance £	Projected Outturn variance %	Full year effect on next years budget £
SHR - Statutory Housing Revenue			
335 , SHR - Statutory Housing Revenue - Maintenance	173,918	1.2	100,000
Explanation of why the projected Outturn Variance is forecast :- Utilisation of HRA surpluses to offset the additional costs on Voids and Insurances.			
335 , SHR - Statutory Housing Revenue - Headquarters	(173,918)	(1.2)	(100,000)
Explanation of why the projected Outturn Variance is forecast :- £150k Voids have increased above budgeted figure. Problem areas are Campbeltown & Dunoon, the waiting list is being reviewed with the aim of reducing void properties. Ballochgoy is also an ongoing area			

of high voids. £24k The annual property insurance premium has increased above the budget due to general inflationary pressures on insurance premiums			
Service 335 Total	0	0	0
Elderly			
355, Elderly, Residential Homes	(65,000)		
Explanation of why the projected Outturn Variance is forecast :- Overspend forecast on catering and cleaning within Local Authority Units.			
355, Elderly, CET Placements	65,000		
Explanation of why the projected Outturn Variance is forecast :- Additional GAE to reflect additional costs of Scottish Executives initiatives to assist Elderly placement Clients who own their own homes. To date there have been few clients placed who are in this category thus there is an anticipated underspend.			
Service 355 Total	0	0	0
Departmental Total	0	0	0

3 SAVINGS MEASURES INCLUDED IN PROJECTED OUTTURN

- 3.1 The undernoted table explains the reductions in projected outturn expenditure of saving measures already reflected in the general ledger and budget monitoring financial reports

Ledger code reference and description	Projected Saving £	Full year effect on next years budget £
Service Title		
Ledger code SLA and description		
Description of savings proposed		
Service implication of savings proposed		
Ledger code SLA and description		

Description of savings proposed		
Service implication of savings proposed		
Service Total		
Departmental Total	Nil	Nil

4 CURRENT PROJECTED OUTTURN – NET POSITION

4.1 The net projected outturn variance reflected in the financial report is :

Department total for projected variances	2.1	£
Department total for projected services/cost reduction	3.1	£
Budget monitoring projected outturn variance		<u>£ Nil</u>

5 FURTHER SAVINGS MEASURES

5.1 The net projected outturn variances are noted in 4.1 above. The table below identifies the further measures proposed to achieve additional savings to contain forecast outturn within the approved budget

Ledger code reference and description	Forecast Saving £	Full year effect on next years budget £
Service Title		
Ledger code reference and description		
Description of savings proposed		
Service implication of savings proposed		
Ledger code reference and description		
Description of savings proposal		
Service implication of savings proposed		
Service Total		
Departmental Total	Nil	Nil

5.2 The net projected outturn from paragraph 4.1. above £
The further savings measure identified above in 5.1. £ _____
Net forecast outturn variance of £ Nil _____

Director of Housing & Social Work

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PROGRESS REPORT ON REVENUE BUDGET SAVINGS 2001/2002

1	SUMMARY
1.1	This report advises members on the progress in achieving the savings agreed as part of the 2001/2002 revenue budget. Additional savings agreed during 2001/2002 related to the overspend in 2000/2001 are also reported on.
2	RECOMMENDATIONS
2.1	Members note the progress with regard to the savings programme.
2.2	Members endorse the action taken in relation to achieving alternative savings.
2.3	The Director monitors carefully achievement of savings option and takes action to ensure overall savings are achieved in line with the requirement to contain expenditure within budget.
3	DETAIL
3.1	Appendix 1 details the various savings options agreed as part of the revenue budgets setting exercise for 2001/2002. It is indicated against each option whether sufficient progress to date has been made to secure the agreed saving for 2001/2002 financial year. Where there is insufficient progress and/or the savings will not be fully achieved then an explanation of this is given below. In addition details of alternative savings to make up the projected shortfall are reported on appendix 3.
3.2	Following the end of the financial year each department was requested to identify and action their share of a further total of £500,000 savings. The share for this department amounted to £102,000. It is envisaged that these savings will be achieved.

Director of Housing & Social Work

APPENDIX 1 – SAVINGS APPROVED DURING 2001/2002 BUDGET SETTING

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No – Explanation
301 0000 3002 Reduce provision for sessional staff within customer care unit.	13,000	Yes	
301 0000 3002 Additional Income for registration & inspection.	11,500	Yes	
301 0000 3551 25100 BT - One Bill.	10,000	Yes	
301 0000 3551 35100 Removal of pool car insurance provision.	877	Yes	
301 XXXX 3001 62780 Introduction of charge for professional time - £1,000 per Service Area.	4,000	No	Savings to be found within Area Budgets.
301 XXXX 3001 62780 Introduction of charge for use of buildings- £1,000 per Service Area.	4,000	No	Savings to be found within Area Budgets.
301 3110 3001 25010 Rothesay Area Team - reduce postages budget.	500	Yes	
310 0000 3102 65500 Housing Benefit additional income.	37,268	No	Under investigation
330 2000 0000 16010 Reduce homeless persons flats cleaning budget.	490	Yes	
330 3000 0000 16010 Reduce homeless persons flats cleaning budget.	980	Yes	
330 4000 0000 16010 Reduce homeless persons flats cleaning budget.	980	Yes	
350 0000 3550 44000 Reduction to residential schools placement budget.	50,000	Yes	Budget under severe pressure.
350 0000 3570 29550 Children's Intensive Support. Termination of existing arrangements in Oban and Dunoon with Quarriers and redeveloping service to provide sharper community focus.	39	Yes	
350 0000 3570 44000 Children's Intensive Support. Termination of existing arrangements in Oban and Dunoon with Quarriers and redeveloping service to provide sharper community focus.	19,961	Yes	
350 3222 3500 16040 Dunclutha - reduce other cleaning budget.	1,000	Yes	
355 0000 3563 44000 Reduction in costs of Community Alarm Service due to new provider.	7,000	Yes	
355 0000 3741 62927 Islands Joint OT Project - increased income.	2,500	Yes	Offset by reduction in Expenditure.
355 2141 3564 04300 Remove safety training budgets in Oban, Lorn & the Isles.	270	Yes	
355 2200 3553 04300 Remove safety training budgets in Oban, Lorn & the Isles.	3,570	Yes	
355 2354 3553 04300 Remove safety training budgets in Oban, Lorn & the Isles.	232	Yes	
355 2361 3553 04300 Remove safety training budgets in Oban, Lorn & the Isles.	1,052	Yes	
355 2366 3020 62927 Additional Health Board income - joint running costs for island elderly	7,800	Yes	

residential units.			
355 2381 3553 04300 Remove safety training budgets in Oban, Lorn & the Isles.	931	Yes	
355 2384 3020 62927 Additional Health Board income - joint running costs for island elderly residential units.	17,800	Yes	
355 2384 3020 62927 Increased income from Health Trust for Tigh a Rudha residential Home, Tiree.	25,000	Yes	
355 3132 3020 21125 Saving in Thomson Home catering costs.	2,000	Yes	
355 3233 3020 00100 Transfer of costs from residential/day care to home care.	50,000	Yes	
360 1219 3620 16040 Woodlands Resource Centre - reduce other cleaning budget.	1,000	Yes	
370 0000 3010 44000 Reduction to HQ mental health supplementation budget.	10,000	Yes	
375 0000 3750 20251 Criminal Justice - equipment, stationery etc.	2,000	Yes	
375 0000 3751 15010 Criminal Justice - equipment, stationery etc.	250	Yes	
375 0000 3751 23310 Criminal Justice - equipment, stationery etc.	750	Yes	
375 0000 3751 65000 Criminal Justice - Increased grant for diversion.	9,369	No	Grant position being investigated.
375 0000 3752 23310 Criminal Justice - equipment, stationery etc.	750	Yes	
375 0000 3752 44000 Criminal Justice - equipment, stationery etc.	2,000	Yes	
Total	297,868		

APPENDIX 3 – ALTERNATIVE SAVINGS PROPOSALS REQUIRED

Description Of Saving	Implications Of Saving	Amount £
301 XXXX 3001 –Area Teams Reduce expenditure over various account codes – Supplies & Services, Travel, Subsistence.	Area teams currently working under severe budgetary constraints. Reduction in service provision.	4,000
301 XXXX 3001 – Area Teams Reduce expenditure over various account codes – Supplies & Services, Travel, Subsistence.	Area teams currently working under severe budgetary constraints. Reduction in service provision.	4,000
375 0000 3751 - Criminal Justice- Reduce expenditure over various account codes – Supplies & Services, Travel, Subsistence.	Criminal Justice Team currently working under severe budgetary constraints. Reduction in service provision.	9,369
Total		17,369

Objective Summary - Education Department

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN				Previous Outturn £000s	Variance From Prev £000s
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Annual Budget £000s	Projected Variance £000s	Proj Var %		
Service Strategy & Regulation	590	436	(154)	-35%	381	381	0	0%	381	0
Pre-Primary Education	(393)	223	616	277%	787	787	0	0%	787	0
Primary Education	15,777	14,430	(1,348)	-9%	22,717	22,717	0	0%	22,717	0
Secondary Education	17,728	17,400	(328)	-2%	26,574	26,574	0	0%	26,574	0
Special Education	2,414	2,425	11	0%	3,815	3,815	0	0%	3,815	0
Education Other Than at School	21	63	42	67%	95	95	0	0%	95	0
Community Education	947	876	(70)	-8%	1,407	1,407	0	0%	1,407	0
Careers	33	38	5	14%	47	47	0	0%	47	0
Schools	(24)	1,613	1,637	102%	2,857	2,857	0	0%	2,857	0
Support Services	1,606	1,220	(386)	-32%	(24)	(24)	0	0%	(24)	0
Transport	2,447	2,103	(345)	-16%	3,579	3,579	0	0%	3,579	0
Unspent SINA Monies	0	0	0	0%	10	10	0	0%	10	0
Repayment of Overpend	0	0	0	0%	(193)	(193)	0	0%	(193)	0
Total Net Expenditure for Education	41,145	40,825	(320)	-1%	62,052	62,052	0	0%	62,052	0

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn

Subjective Summary - Education

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN				Previous Outturn £000s	Variance From Prev £000s
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Budget £000s	Projected Variance £000s	Proj Var %		
Employees	26,231	26,732	501	2%	41,277	41,277	0	0%	41,277	0
Premises	4,346	4,841	495	10%	6,720	6,720	0	0%	6,720	0
Supplies and Services	3,682	3,437	(246)	(7)%	5,145	5,145	0	0%	5,145	0
Transport	2,500	2,372	(128)	(5)%	4,014	4,014	0	0%	4,014	0
Third Party	1,215	1,545	331	21%	2,625	2,625	0	0%	2,625	0
Capital Financing	6,362	6,362	0	0%	9,543	9,543	0	0%	9,543	0
Income	(3,191)	(4,463)	(1,273)	29%	(8,611)	(8,611)	0	0%	(8,611)	0
Support Services	0	0	0	n/m	1,522	1,522	0	0%	1,522	0
Unspent SINA Monies	0	0	0	n/m	(193)	(193)	0	0%	(193)	0
Repayment of Overspend	0	0	0	n/m	10	10	0	0%	10	0
TOTAL	41,145	40,825	(320)	(1)%	62,052	62,052	0	0%	62,052	0

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn



Memo

Finance

TO: James McLellan
Chief Executive
Stewart McGregor
Director of Finance

FROM: Director of Education

Your Ref:

DATE: 10 January 2002

Our Ref: B01/SM

Revenue Budget Monitoring - November

I enclose financial objective and subjective reports and year to date variance explanations and a progress report on savings options agreed as part of budget for 2001/2002.

These papers will be considered at the departmental management team on Friday 11 January 2002.

DIRECTOR OF EDUCATION

PROGRESS REPORT ON REVENUE BUDGET SAVINGS 2001/2002

1	SUMMARY
1.1	This report advises members on the progress in achieving the savings agreed as part of the 2001/2002 revenue budget. Additional savings agreed during 2001/2002, related to the overspend in 2000/2001, are also reported on.
2	RECOMMENDATIONS
2.1	Members note the progress with regard to the savings programme.
2.2	The Director carefully monitors the achievement of the savings options and takes action to ensure overall savings are achieved in line with the requirement to contain expenditure within budget.
3	DETAIL
3.1	Appendix 1 details the various savings options agreed as part of the revenue budget setting exercise for 2001/2002. It is indicated against each option whether sufficient progress to date has been made to secure the agreed saving for 2001/2002 financial year. Where there is insufficient progress and/or the savings will not be fully achieved then an explanation of this is given below. In addition, details of alternative savings to make up the projected shortfall are reported at Appendix 3.
3.2	Following the end of the financial year each department was requested to identify and action their share of a further total of £500,000 savings. The share for this department amounted to £237,000. It is confirmed that action is being taken to achieve these savings.
3.3	The Strategic Policy Committee, on 16 August 2001, approved a package of measures for repayment of the overspend incurred in 2000/2001. Appendix 2 details these savings in respect of 2001/2002. Similar to Appendix 1 it is indicated against each option if sufficient progress is being made to secure the savings for 2001/2002.

Director of Education

APPENDIX 1 - SAVINGS APPROVED DURING 2001/2002 BUDGET SETTING

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Reduction in staffing budgets	197,000	Yes	
Reduction in bursaries	20,000	Yes	
Reduction in supplies	30,000	Yes	
Reduction in computer costs	47,000	Yes	
Reductions to property costs	134,000	Yes	
Reduction to child care budgets	27,000	Yes	
Reduction in Excellence Fund	45,000	Yes	
Capitalisation of salaries	5,000	Yes	
Total	505,000		

APPENDIX 2 - REPAYMENT PROPOSALS APPROVED 16 AUGUST

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Capitalisation	200,000	Yes	
Delay in appointing support staff and reduction in teaching workforce.	366,000	Yes	
Total	566,000		

**ARGYLL AND BUTE COUNCIL
DEPARTMENT OF EDUCATION**

**REVENUE BUDGET MONITORING -YEAR TO DATE VARIANCES AS AT
NOVEMBER 2001**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 2001.
- 1.2 The table in section 2.1 provides details of variances exceeding + or - £100,000, at subjective summary level, for the Department. These details correspond with the subjective summary report for the Department.
- 1.3 The table in section 2.2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budgets to date.
- 1.4 Variances are reported on for each activity, at net expenditure level, where the actual differs from budget by more than + or - £25,000.

2 YEAR TO DATE VARIANCES

- 2.1 The following table provides details of variances exceeding + or - £100,000, at subjective summary level, for the Department.

Amount Of Variance £000	YTD Variance %	Narrative
501	2.0	Employee Costs
		YTD savings are being achieved, mainly, due to the reduction in pupil numbers and corresponding reduction in staffing. However, it should be noted that savings, as detailed in Appendix 2 of the Progress Report on Savings, would require to be met from this.

495	10.0	Premises Costs
		YTD savings are being achieved, mainly, as a result of inaccurate budget profiling. It is anticipated that all budgets will be fully spent by the year-end.
(246)	(7)	Supplies and Services
		The YTD overspend is, mainly, as a result of inaccurate budget profiling and outstanding departmental recharges.
(128)	(5)	Transport
		The YTD overspend relates to increased contract costs and additional burdens. It is anticipated that the final outturn variance will be (£210,000). This has been included in the savings that the Department has been instructed to achieve in the current year.
331	21	Third Party
		The YTD savings are as a result of inaccurate budget profiles and it is anticipated that all budgets will be fully spent by the year-end.
(1,273)	(29)	Income
		The YTD shortfall is as a result of inaccurate budget profiles and budget errors.

2.2 The table below details the year to date variances, by activity, on the basis outlined above. Figures in brackets are adverse variances; those without are favourable.

Amount Of Variance £	% Of YTD Budget	Narrative
(1,177,767)	(7.3)	0000 - No Further Analysis
		Expenditure is being allocated to this activity, however, the corresponding budgets have been allocated to specific activities throughout the service, therefore, creating a mismatch.
		The variance will be offset against favourable variances elsewhere.

25,545	100.0	2010 - Pre-five Voucher Scheme
		Obsolete Activity - budget to be transferred into 2014 (Pre School Specific Grant S23)
(124,506)	(796.1)	2014 - Pre School Specific Grant S23
		Budgets currently held within activity 2010, as per noted above, require to be transferred. In addition, employees' salaries to be redistributed as budgets are not matching costs for employees.
		Amendments will be processed prior to the year-end in order to rectify this.
(25,870)	9.9	2015 - Pre School Specific Grant S25
		The YTD variance is as a result of inaccurate budget profiling and this will be amended in due course. It is anticipated that the annual approved budget will be fully spent by the year-end.
113,299	124.9	2019 - Child Care Strategy
		The YTD variance is as a result of the delayed implementation of the program. It is anticipated that the annual approved budget will be fully spent in accordance with the Child Care Plan.
79,427	68.6	2021 - Sure Start
		The YTD variance is as a result of inaccurate budget profiling and this will be amended in due course. It is anticipated that the annual approved budget will be fully spent by the year-end.
56,823	No budget	2022 - Pre-School Development fund
		This variance relates to income being allocated to the activity, however, the corresponding budget has been allocated elsewhere.
		The variance will be eliminated by the year-end as part of the departmental budget review.

(43,809)	100.0	2030 - In Service Training for Teachers
		Expenditure being allocated against other activities.
		The variance will be eliminated by the year-end as part of the departmental budget review.
(42,702)	(2,332.2)	2130 - DMR Support Unit
		The YTD variance is as a result of the budget for employee costs being allocated elsewhere.
		The variance will be eliminated by the year-end as part of the departmental budget review.
76,014	100.0	2131 -Flexibility
		Centrally held budget, which is utilised to provide additional monies to schools to cover extended absence, etc.
		Costs are allocated by journal at the year-end and it is anticipated that the annual approved budget will be required in full. The budget profiles need to be amended to reflect the end of year activity.
(163,196)	(100,738)	2132 - Instructors
		YTD variance is as a result of a mismatch between costs and budget.
		The budgets for these costs have been allocated to schools, therefore, an amendment will be processed prior to the year end.
(707,850)	100.0	2160 - Excellence Grant Funding
		This general Excellence Fund activity is now obsolete and, therefore, the budgets require to be reallocated across activities 2162 - 2176.

27,082	57.8	2172 - Excellence Fund - Support for Teachers
		The YTD variance is as a result of incorrect budgets, as noted at 2160 above, and inaccurate budget profiling.
		The variance will be eliminated by the year-end as part of the departmental budget review.
(58,301)	No budget	2177 - Excellence Fund - Modern Languages
		The YTD variance is as a result of the budget being allocated to incorrect codes.
		The variance will be eliminated by the year-end as part of the departmental budget review.
(39,661)	(55.3)	2181 - New Community Schools
		YTD variance is as a result of additional funding being miscoded within the ledger.
		The variance will be eliminated by the year-end as part of the departmental budget review.
(202,043)	No budget	2182 - New Opportunities Fund
		The YTD variance is as a result of the budget being allocated to incorrect codes.
		The variance will be eliminated by the year-end as part of the departmental budget review.
1,612,964	100.00	2183 - McCrone
		The YTD variance is as a result of McCrone budgets being allocated to this activity, however, the matching expenditure is being incurred within primary and secondary school activities. Therefore, a corresponding variance should occur within the primary and secondary services.

		The reallocation of budgets will be processed prior to the year-end, therefore, eliminating any variance.
74,587	67.2	2162 - Excellence Fund - Study Support
		The YTD variance is as a result of incorrect budgets, as noted at 2160 above, and inaccurate budget profiling.
		The variance will be eliminated by the year-end as part of the departmental budget review.
(33,666)	(27.0)	2163 - Excellence Fund Early Intervention
		The YTD variance is as a result of incorrect budgets, as noted at 2160 above, and inaccurate budget profiling.
		The variance will be eliminated by the year-end as part of the departmental budget review.
(38,026)	(45.1)	2165 - Excellence Fund - Classroom Assist.
		The YTD variance is as a result of incorrect budgets, as noted at 2160 above, and inaccurate budget profiling.
		The variance will be eliminated by the year-end as part of the departmental budget review.
185,483	47.4	2169 - Excellence Fund - National Grid for Learning
		The YTD variance is as a result of incorrect budgets, as noted at 2160 above, and inaccurate budget profiling.
		The variance will be eliminated by the year-end as part of the departmental budget review.

		The year-end variance will be eliminated by a corresponding variance within primary and secondary schools, which are, at present, within activity 0000 - no further analysis.
(75,309)	(43.0)	2202 - Development Services
		The YTD variance is as a result of outstanding internal recharges.
		The recharges will be processed prior to the year-end and, therefore, the variance will be eliminated.
(221,602)	(146.6)	2203 - ECSU/DMR Network
		The YTD variance is as a result of the mismatching of costs and budget profiles. In addition, recharges will be processed prior to the end of the year.
586,543	100.0	2206 - Net Team
		YTD variance is as a result of employee costs being allocated elsewhere.
		The variance will be eliminated by the year-end as part of the departmental budget review.
(64,395)	No budget	2207 - Capital Funding Project
		The YTD variance is as a result of costs being incurred, however, the corresponding grant income has not yet been received.
		The variance will be eliminated once grant monies are received.
(25,370)	No budget	2223 - Education Development Grant
		Expenditure requires to be reallocated, as this activity is now obsolete.
		The variance will be eliminated by the year-end as part of the departmental budget review.

35,208	No budget	2300 - Self Financing
		The YTD variance is as a result of grant monies being incorrectly allocated to this activity.
		The variance will be eliminated by the year-end as part of the departmental budget review.
(223,136)	(10.0)	2500 - 2502 - Transport
		It is anticipated that there will be an overspend on this activity at the year-end. However, it is not possible to indicate an accurate value at present. The YTD variance is the net effect of the possible overspends, inaccurate budget profiles and outstanding internal recharges.

Director Of Education

Objective Summary - Development and Environment Services

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN				Previous Outturn £000s	Variance From Prev £000s
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Budget £000s	Final Projected Variance £000s	Proj Var %		
Service Strategy, Regulation & Admin	393	402	9	2%	94	92	(2)	(3)%	94	0
Amenity Services	6,322	6,031	(291)	(5)%	10,876	10,941	65	1%	10,876	0
Public Protection	973	874	(100)	(11)%	1,860	1,772	(88)	-5%	1,860	0
Leisure Development	2,947	2,837	(110)	(4)%	4,445	4,384	(61)	-1%	4,445	0
Statutory Plans	209	270	60	22%	624	655	31	5%	624	0
Development Control & Building Control	270	329	59	18%	791	841	50	6%	791	0
Economic Development & Tourism	663	588	(75)	(13)%	1,231	1,223	(8)	(1)%	1,231	0
New Deal	30	0	(30)	n/m	0	0	0	n/m	0	0
Internal Transport Services	(317)	(208)	109	(52)%	(5)	(5)	0	0%	(5)	0
Unspent SINA Monies	0	0	0	0%	111	111	0		111	0
Total Development & Environment Services	11,491	11,124	(367)	(3)%	20,027	20,014	(13)	0%	20,027	0

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn

Subjective Summary - DES

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN				Previous Outturn £000s	Variance From Prev £000s
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected App Outturn £000s	Annual Budget £000s	Projected Variance £000s	Proj Var %		
Employees	4,476	4,719	243	5%	7,268	7,358	90	1%	7,268	0
Premises	941	933	(8)	(1)%	1,817	1,791	(26)	(1)%	1,817	0
Supplies and Services	950	778	(171)	(22)%	1,518	1,429	(89)	(6)%	1,518	0
Transport	2,725	2,681	(45)	(2)%	4,655	4,530	(124)	(3)%	4,655	0
Third Party	7,378	7,491	113	2%	12,479	12,329	(150)	(1)%	12,612	133
Capital Financing	1,536	1,536	0	0%	2,304	2,304	0	0%	2,304	0
Income	(6,515)	(7,014)	(499)	7%	(11,130)	(11,291)	(161)	1%	(11,263)	(133)
Support Services	0	0	0	n/m	1,324	1,324	0	0%	1,324	0
Unspent SINA Monies	0	0	0	0%	111	111	0	0%	111	0
Savings Approved SPC 29/11/01	0	0	0	0%	(317)	0	317	0%	(317)	0
Foot & Mouth	0	0	0	0%	0	129	129	100%	0	0
TOTAL	11,491	11,124	(367)	(3)%	20,028	20,014	(14)	0%	20,028	0

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn

**ARGYLL AND BUTE COUNCIL
DEVELOPMENT AND
ENVIRONMENT SERVICES**

**REVENUE BUDGET MONITORING –YEAR TO DATE VARIANCES
NOVEMBER 2001**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 2001.
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Income and expenditure are reported on separately. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx “ in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above. Figures in brackets are adverse variances; those without are favourable.

Amount Of Variance £	% Of YTD Budget	
		Amenity Services
(50,574)	10.5	450 Amenity Services
		The adverse variance is due to additional costs of knocking down the Hamilton Street Depot, the coding of property maintenance costs to a central code rather than to the SLAs where they were budgeted.

		The property maintenance budget will be repositioned to remove the variance.
(27,358)	2.7	451 Refuse Collection
		The adverse variance is due to the additional costs associated with weight restricted roads.
(227,276)	27.7	453 Waste Disposal
		Adverse variance due to non receipt of Strategic Waste Fund income budgeted for 4 months.
		The money has been claimed from the Executive.
(132,425)	13.2	455 Parks
		Adverse variance due to delays in recovering income for work done for other departments and expenditure running ahead of profile.
		Income will be recovered and expenditure contained within budget.
(27,750)	45.2	456.4203.4560 Crematorium
		Adverse variance due to overpayment of lease for equipment.
		Awaiting repayment of lease costs paid in error which have been reclaimed.
26,010	2.2	Other Year To Date Variances For This Service
(439,373)	7.5	Amenity Services Total
		Public Protection
19,908	9.4	462 Trading Standards
		Savings due to staff vacancies.
		Savings required to offset over expenditure in respect of Glasgow Scientific Services.
9,424	1.5	Other Year To Date Variances For This Service
29,332	3.3	Public Protection Total

		Leisure Development
(57,930)	9.8	471 Halls
		Adverse variance due to reduced levels of income and incorrect profiling of income.
		Income profile will be corrected to reflect higher income in winter months.
(37,357)	3.3	473 Pools
		Adverse variance due to reduced levels of income.
(14,223)	1.6	Other Year To Date Variances For This Service
(109,510)	3.9	Leisure Development Total
		Economic Development & Tourism
(75,088)	12.8	440 Economic Development
		Adverse variance in respect of demand lead grants payments.
		Correct the profile of expenditure.
(75,088)	12.8	Economic Development Total
		Statutory Plans
60,493	28.9	410 Statutory Plans
		Underspend is due to staff vacancies and expenditure running behind profile.
		The expenditure on production of the Structure Plan is expected to be incurred by the year end.
60,493	28.9	Statutory Plans Total
		Development & Building Control
27,706	9.7	420 Development Control
		Planning fee income is ahead of budget.
31,116	221.4	430 Building Control
		Building warrant income is ahead of budget.
58,822	17.9	Development & Building Control Total

109,000		Internal Transport
(30,000)		New Deal
		The costs of new deal projects not yet transferred to services.
		The costs of new deal projects to be transferred to services.
(9,533)		All other departmental variances
(386,791)	3.5	Departmental Total

Director Of Development and Environment Services

**ARGYLL AND BUTE COUNCIL
DEVELOPMENT AND
ENVIRONMENT SERVICES**

**REVENUE BUDGET MONITORING – PROJECTED OUTTURN VARIANCES -
NOVEMBER 2001**

1 INTRODUCTION

- 1.1 This report details the projected outturn variances identified during the revenue budget monitoring exercise for November 2001.
- 1.2 In addition to projected outturn variances the report identifies savings proposed to overcome variances in forecast outturn. Section 2 identifies the projected outturn variances and section 3 identifies the savings proposed. Both of variances and savings proposals are reflected on the general ledger and forecast reports. Section 5 identifies the further proposals, where necessary, to contain projected outturn variances within approved budget.

2 PROJECTED OUTTURN VARIANCES

- 2.1 The undernoted table explains the variances in projected outturn reflected in the general ledger and financial reports for budget monitoring. Figures in brackets are adverse variances; those without are favourable.

Ledger code reference and description	Projected Outturn variance £	Projected Outturn variance %	Full year effect on next years budget £
Amenity Services			
450.0000.0000 Amenity Services General	(41,000)	2.5	Nil
Additional cost of knocking down the Hamilton St Depot. Extra costs in . Extra transport costs. Increased expenditure offset by increased income from skips, interment fees etc.			
453 Waste Disposal	(132,000)	3.8	Nil
Relates to the Waste Management PPP.			
Amenity Services Total	(173,000)	1.6	Nil

Public Protection			
460 Environmental Health	(110,000)	15.0	Nil
There has also been an inability to achieve a reduction in the payment to Glasgow Scientific Services, one of the Departments strategic savings and a reduction in income from Departments for use of scientific services. There has also been a fall in the demand for Pest Control Services.			
Public Protection Total	(110,000)	6.67	Nil
Leisure Development			
472 Sport Centre and 473 Pools	(69,000)	3.9	Nil
Income at facilities lower than budgeted - Sports Centre, Riverside Pool offset by employee savings due to vacancies. Extra costs due to payment to KPMG Report on Leisure Facilities.			
Leisure Development Total	(69,000)	1.6	Nil
Economic Development & Tourism			
440 Economic Development	(8,000)	0.6	Nil
All Other EDT Variances.			
Economic Development Total	(8,000)	0.6	Nil
Service Strategy			
400.0000.0000 Service Strategy	(2,000)	1.8	Nil
Extra Single Status Costs.			
Service Strategy Total	(2,000)	1.8	Nil
Departmental Total	(362,000)	1.8	Nil

3 SAVINGS MEASURES INCLUDED IN PROJECTED OUTTURN

- 3.1 The undernoted table explains the reductions in projected outturn expenditure of saving measures already reflected in the general ledger and budget monitoring financial reports

Ledger code reference and description	Projected Saving £	Full year effect on next years budget £
Savings Package Approved at SPC 29 November 2001	348,000	Nil
Departmental Total	348,000	Nil

4 CURRENT PROJECTED OUTTURN – NET POSITION

4.1 The net projected outturn variance reflected in the financial report is :

Department total for projected variances	2.1	£362,000
Department total for projected services/cost reduction	3.1	£348,000
		<hr/>
Budget monitoring projected outturn variance		£ 14,000
		<hr/>

5 FURTHER SAVINGS MEASURES

5.1 The net projected outturn variances are noted in 4.1 above. The table below identifies the further measures proposed to achieve additional savings to contain forecast outturn within the approved budget

Ledger code reference and description	Forecast Saving £	Full year effect on next years budget £
Carrying out detailed review of all expenditure codes to contain overspend within budgeted resources.	14,000	Nil
Departmental Total	14,000	Nil

5.2	The net projected outturn from paragraph 4.1. above	£14,000
	The further savings measure identified above in 5.1.	£14,000
		<hr/>
	Net forecast outturn variance of	£0
		<hr/>

Director of Development and Environment Services

Objective Summary - Central Services to the Public

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN				Previous Outturn £000s	Variance From Prev £000s
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Annual Budget £000s	Projected Variance £000s	Proj Var %		
Local Tax Collection	546	646	101	16%	1,271	1,271	0	0%	1,271	0
Registration of Births, Marriages & Deaths	227	231	4	2%	362	362	0	0%	362	0
Legal Services - Public	(52)	63	116	183%	236	236	0	0%	236	0
Emergency Planning	45	40	(6)	-15%	66	66	0	0%	66	0
Childrens Panel Expenses	22	23	1	6%	39	39	0	0%	39	0
Corporate Strategy Initiatives	73	9	(64)	-685%	174	174	0	0%	174	0
Grants to Voluntary Bodies	17	22	5	23%	40	40	0	0%	40	0
Elections	6	9	3	32%	15	15	0	0%	15	0
Miscellaneous	196	219	23	10%	106	106	0	0%	106	0
Unspent SINA Monies	0	0	0	0%	242	242	0	0%	242	0
Total CSTP	1,081	1,263	183	14%	2,551	2,551	0	0%	2,551	0

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn

Subjective Summary - CSTP

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN				Previous Outturn £000s	Variance From Prev Outturn £000s
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Budget £000s	Projected Variance £000s	Proj Var %		
Employees	935	985	50	5%	1,583	1,583	0	0%	1,583	0
Premises	17	12	(5)	(42)%	119	119	0	0%	119	0
Supplies and Services	395	453	58	13%	1,207	1,207	0	0%	1,207	0
Transport	33	32	(1)	(3)%	53	53	0	0%	53	0
Third Party	205	183	(21)	(11)%	442	442	0	0%	442	0
Capital Financing	12	0	(12)	n/m	(696)	(696)	0	0%	(696)	0
Income	(516)	(401)	115	(29)%	(964)	(964)	0	0%	(964)	0
Support Services	0	0	0	n/m	566	566	0	0%	566	0
Unspent SINA Monies	0	0	0	n/m	242	242	0	0%	242	0
TOTAL	1,081	1,263	183	14%	2,552	2,552	0	0%	2,552	0

YTD Variance = Budget - Actual Projected Variance = Approved Budget - Projected Outturn

**ARGYLL AND BUTE COUNCIL
CSTP - REGISTRARS**

**REVENUE BUDGET MONITORING –YEAR TO DATE VARIANCES
NOVEMBER 01-02**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 01-02
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Income and expenditure are reported on separately. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx “ in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above.

Amount Of Variance £	% Of YTD Budget	
		CSTP - Registrars
30,942	(93.1)	130/0000/1100 – CSTP – Corporate & Legal Services – No Location – Registrars.
		Explanation Of What Has Caused Year To Date Variance - Islay Registration staff are shared with Housing but initially paid by CALS. The recharge is made at the end of the year and budget phasing will be amended accordingly.

		Explanation Of Why The Variance Will Be Eliminated By Year End - Recharge will be made to Housing at the end of the year.
(27,064)		Other Year To Date Variances For This Service
3,878	1.7	Service Total
3,878	1.7	Departmental Total

Director Of Corporate & Legal Services

**ARGYLL AND BUTE COUNCIL
CSTP - LEGAL SERVICES -
PUBLIC**

**REVENUE BUDGET MONITORING –YEAR TO DATE VARIANCES
NOVEMBER 01-02**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 01-02
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Income and expenditure are reported on separately. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx “ in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above.

Amount Of Variance £	% Of YTD Budget	
		CSTP – Legal Services - Public
64,038	183.4	130/0000/1301 – CSTP – Corporate & Legal Services – No Location – District Courts
		Explanation Of What Has Caused Year To Date Variance. Expenditure – Employee expenses £12k and Supplies and Services £11k favourable. Income – Collected on behalf of Crown Agents £35k in holding account.

		<p>Explanation Of Why The Variance Will Be Eliminated By Year End.</p> <p>The current computerised filing system cannot be repaired - replacement on order approximate cost £20k.</p> <p>The income collected on behalf of Crown Agents is remitted on a quarterly basis and the next payment not until end of December.</p>
51,591	182.5	130/0000/1302 – CSTP – Corporate & Legal Services – No Location - Licensing
		<p>Explanation Of What Has Caused Year To Date Variance.</p> <p>Expenditure – A £9k credit balance in the Risk Management Initiative account being committed sum brought forward from previous year.</p> <p>Income – Civic Government 3 year renewal applications income was collected last year and £44k being 1/3rd of total received in first quarter posted in April this year. Budget profiling requires to be amended.</p>
		<p>Explanation Of Why The Variance Will Be Eliminated By Year End.</p> <p>Expenditure on Risk Management will take place later in year.</p> <p>Almost all income for year has been received but year to date budget is only 8/12ths of annual total.</p>
0		Other Year To Date Variances For This Service
115,629	183.0	Service Total
115,629	183.0	Departmental Total

Director Of Corporate & Legal Services

**ARGYLL AND BUTE COUNCIL
CSTP - CORPORATE STRATEGY
INITIATIVES**

**REVENUE BUDGET MONITORING –YEAR TO DATE VARIANCES
NOVEMBER 01-02**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 01-02
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Income and expenditure are reported on separately. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx “ in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above.

Amount Of Variance £	% Of YTD Budget	
		CSTP – Corporate Initiatives
(52,842)	N/M	140/0000/1401 – CSTP Corporate Initiatives – No Location – Corporate Initiatives

		<p>This budget is not profiled, since patterns of expenditure vary from year to year in an unpredictable way.</p> <p>£20,000 has been charged to this budget in relation to the initial grant for the establishment of the Argyll and Bute Citizens Advice Bureau – following the decision of the SPC on the funding of this initiative, that charge will be reallocated to the Rural Initiatives budget which will reduce the overall expenditure by the equivalent amount.</p>
		<p>The budget is managed on the basis of an annual cash fund, and expenditure commitments are constrained to match the funds available over the full twelve month period.</p>
(11,229)		Other Year To Date Variances For This Service
(64,071)	(685.4)	Service Total
(64,071)	(685.4)	Departmental Total

Chief Executive

**ARGYLL AND BUTE COUNCIL
CSTP – LOCAL TAX
COLLECTION**

**REVENUE BUDGET MONITORING – YEAR TO DATE VARIANCES
NOVEMBER 01-02**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 01-02
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Income and expenditure are reported on separately. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx “ in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above.

Amount Of Variance £	% Of YTD Budget	
		CSTP – Local Tax Collection
39,062	32.7	120/1201/1201 – CSTP- Local Tax Collection – Campbeltown – Local Tax Collection General.
		Explanation Of What Has Caused Year To Date Variance – Revenues Supervisor post not filled until October.
		Explanation Of Why The Variance Will Be Eliminated By Year End – Part will be used to fund expenditure on consultancy re. possibility of using Glasgow City Council’s systems. Overall favourable variance of c £20,000 anticipated at year end

57,349	17.2	120/1201/1202 – CSTP – Local Tax Collection-Campbeltown – Council Tax Masterfile.
		Explanation Of What Has Caused Year To Date Variance – Late billing of First software charges and postages
		Explanation Of Why Variance Will Be Eliminated By Year End – Expenditure will be incurred by year end
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why The Variance Will Be Eliminated By Year End
4,117		Other Year To Date Variances For This Service
100,528	15.6	Service Total
		Service Title
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why The Variance Will Be Eliminated By Year End
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why Variance Will Be Eliminated By Year End

		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why Variance Will Be Eliminated By Year End
		Other Year To Date Variances For This Service
		Service Total
100,528	15.6	Departmental Total

Director Of Finance

Objective summary - Central Support Services

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN				Previous Outturn £000s	Variance From Prev £000s
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Annual Budget £000s	Projected Variance £000s	Proj Var %		
Chief Executive - Personnel	544	548	5	1%	(4)	(4)	0	0%	(4)	0
Corporate & Legal Services	1,020	1,003	(16)	-2%	265	236	(29)	-12%	265	0
Financial Services	1,192	1,272	80	6%	72	(7)	(79)	1129%	73	1
Information Technology	1,529	1,544	14	1%	(7)	(7)	0	0%	(7)	0
Support Activities	1,115	1,100	(15)	-1%	0	0	0	-124%	0	0
Total Support Services	5,400	5,467	68	1%	326	218	(108)	-50%	327	1

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn

Subjective Summary - Central Support Services

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN					
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Budget £000s	Projected Variance £000s	Proj Var %	Previous Outturn £000s	Variance From Prev £000s
Employees	3,045	3,192	147	5%	5,049	5,049	0	0%	5,049	0
Premises	791	798	7	1%	1,572	1,572	0	0%	1,572	0
Supplies and Services	1,068	1,131	63	6%	1,557	1,557	0	0%	1,557	0
Transport	104	91	(13)	(14)%	148	148	0	0%	148	0
Third Party	98	5	(92)	(1840)%	333	253	(80)	-32%	333	0
Capital Financing	597	597	0	0%	895	895	0	0%	895	0
Income	(303)	(347)	(45)	13%	(2,313)	(2,343)	(30)	1%	(2,313)	0
Support Services	0	0	0	n/m	(6,914)	(6,914)	0	0%	(6,914)	0
TOTAL	5,400	5,467	68	1%	327	217	(110)	-51%	327	0

YTD Variance = Budget - Actual Projected Variance = Approved Budget - Projected Outturn

**ARGYLL AND BUTE COUNCIL
SS – FINANCIAL SERVICES**

**REVENUE BUDGET MONITORING –YEAR TO DATE VARIANCES
NOVEMBER 01-02**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 01-02
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Income and expenditure are reported on separately. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx “ in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above.

Amount Of Variance £	% Of YTD Budget	
		SS – Financial Services
52,562	31.8	830/1201/8303 – SS – Financial Services – Campbeltown – Salaries & Wages.
		Explanation Of What Has Caused Year To Date Variance - Vacancies not filled until October. Overtime budget not required to date Consultancy & remote support not yet taken up

		Explanation Of Why The Variance Will Be Eliminated By Year End - Expect favourable variance of c £40,000 at year end
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why Variance Will Be Eliminated By Year End
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why Variance Will Be Eliminated By Year End
27,256		Other Year To Date Variances For This Service
79,818	6.3	Service Total
		Service Title
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why The Variance Will Be Eliminated By Year End
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why Variance Will Be Eliminated By Year End

		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why Variance Will Be Eliminated By Year End
		Other Year To Date Variances For This Service
		Service Total
79,818	6.3	Departmental Total

Director Of Finance

**ARGYLL AND BUTE COUNCIL
SS - CORPORATE & LEGAL
SERVICES**

**REVENUE BUDGET MONITORING –YEAR TO DATE VARIANCES
NOVEMBER 01-02**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 01-02
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Income and expenditure are reported on separately. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx “ in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above.

Amount Of Variance £	% Of YTD Budget	
		SS – Corporate and Legal Services
38,572	35.0	820/0000/8203 – SS Corporate & Legal Services – No Location – Conveyancing/Property Services
		Explanation Of What Has Caused Year To Date Variance. Expenditure – Employees expenses £30k due to non filling of vacancies - to achieve Budget savings/difficulty in recruiting.

		Explanation Of Why The Variance Will Be Eliminated By Year End. Savings needed to off-set over expenditure in other Budget headings.
(44,093)	141.9	820/0000/8225 – SS – Corporate & Legal Services – No Location – Service Support Reprographic Services.
		Explanation Of What Has Caused Year To Date Variance. Recharges have been made but there is delay in the Department receiving income as invoices have to be agreed by the receiving Departments.
		Explanation Of Why Variance Will Be Eliminated By Year End. Resources have been made available to allow for monthly recharging of the Print Room costs which is now in place.
(10,863)		Other Year To Date Variances For This Service
(16,384)	(1.6)	Service Total
(16,384)	(1.6)	Departmental Total

Director Of Corporate & Legal Services

**ARGYLL AND BUTE COUNCIL
CORPORATE & LEGAL
SERVICES**

**REVENUE BUDGET MONITORING – PROJECTED OUTTURN VARIANCES -
NOVEMBER 01-02**

1 INTRODUCTION

- 1.1 This report details the projected outturn variances identified during the revenue budget monitoring exercise for November 01-02
- 1.2 In addition to projected outturn variances the report identifies savings proposed to overcome variances in forecast outturn. Section 2 identifies the projected outturn variances and section 3 identifies the savings proposed. Both of variances and savings proposals are reflected on the general ledger and forecast reports. Section 5 identifies the further proposals, where necessary, to contain projected outturn variances within approved budget.

2 PROJECTED OUTTURN VARIANCES

- 2.1 The undernoted table explains the variances in projected outturn reflected in the general ledger and financial reports for budget monitoring

Ledger code reference and description	Projected Outturn variance £	Projected Outturn variance %	Full year effect on next years budget £
SS – Corporate and Legal Services			
820/0000/8000/62500 – SS – Corporate & Legal Services - No Location – Directorate – Pre purchase enquiries.	(29,380)	1.6	
Explanation of why the projected outturn variance is forecast Private Sector competition in one part of the Council area has meant a substantial downturn in Certificates requested.			
Ledger Code SLA and Description			
Explanation of why the projected outturn variance is forecast			

Ledger Code SLA and Description			
Explanation of why the projected outturn variance is forecast			
Service Total			
Departmental Total			

3 SAVINGS MEASURES INCLUDED IN PROJECTED OUTTURN

3.1 The undernoted table explains the reductions in projected outturn expenditure of saving measures already reflected in the general ledger and budget monitoring financial reports

Ledger code reference and description	Projected Saving £	Full year effect on next years budget £
Service Title		
Ledger code SLA and description		
Description of savings proposed		
Service implication of savings proposed		
Ledger code SLA and description		
Description of savings proposed		
Service implication of savings proposed		
Service Total		
Departmental Total		

4 CURRENT PROJECTED OUTTURN – NET POSITION

4.1 The net projected outturn variance reflected in the financial report is :

Department total for projected variances	2.1	£(29,380)
Department total for projected services/cost reduction	3.1	£
Budget monitoring projected outturn variance		<u>£(29,380)</u>

5 FURTHER SAVINGS MEASURES

5.1 The net projected outturn variances are noted in 4.1 above. The table below identifies the further measures proposed to achieve additional savings to contain forecast outturn within the approved budget

Ledger code reference and description	Forecast Saving £	Full year effect on next years budget £
Service Title		
Ledger code reference and description		
Description of savings proposed		
Service implication of savings proposed		
Ledger code reference and description		
Description of savings proposal		
Service implication of savings proposed		
Service Total		
Departmental Total		

5.2 The net projected outturn from paragraph 4.1. above £
The further savings measure identified above in 5.1. £ _____
Net forecast outturn variance of £ _____

6 OTHER INFORMATION

6.1 Directors to input any other information they wish to add

Director of Corporate & Legal Services

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**ARGYLL AND BUTE COUNCIL
SS – INFORMATION
TECHNOLOGY**

**REVENUE BUDGET MONITORING –YEAR TO DATE VARIANCES
NOVEMBER 01-02**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 01-02
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Income and expenditure are reported on separately. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx “ in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above.

Amount Of Variance £	% Of YTD Budget	
		SS – Information Technology
25,928	28.9	840/0000/8403 – SS – Information Technology – No Location – IT Administration

		Explanation Of What Has Caused Year To Date Variance - Staff vacancies including £16k unfilled Secretary post account for the majority of the variance (offset by our use of temporary contractors). The balance is due to outstanding invoices of approx £5k from suppliers for Staff training and £4k from BT for insulation work for different projects and private circuit billing.
		Explanation Of Why The Variance Will Be Eliminated By Year End - Invoices will be paid upon receipt.
(11,687)		Other Year To Date Variances For This Service
14,241	0.9	Service Total
14,241	0.9	Departmental Total

Chief Executive

Objective Summary - Corporate Democratic Core

Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN					
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Annual Budget £000s	Projected Variance £000s	Proj Var %	Previous Outturn £000s	Variance From Prev £000s
Democratic Representation and Management	516	509	(7)	-1%	775	775	0	0%	775	0
Corporate Management	388	347	(41)	-12%	1,807	1,807	0	0%	1,807	0
Total Corporate Democratic Core	904	856	(48)	-6%	2,582	2,582	0	0%	2,582	0

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn

Subjective Summary - Corporate Democratic Core



Period: November_01-02

	YEAR TO DATE POSITION				PROJECTED FINAL OUTTURN					
	YTD Actual £000s	YTD Budget £000s	YTD Variance £000s	YTD Var %	Projected Outturn £000s	App Annual Budget £000s	Projected Variance £000s	Proj Var %	Previous Outturn £000s	Variance From Prev £000s
Employees	378	379	1	0%	586	586	0	0%	586	0
Premises	0	0	0	n/m	43	43	0	0%	43	0
Supplies and Services	372	342	(30)	-9%	551	551	0	0%	551	0
Transport	101	89	(12)	-14%	141	141	0	0%	141	0
Third Party	54	47	(7)	-15%	48	48	0	0%	48	0
Capital Financing	0	0	0	n/m	0	0	0	n/m	0	0
Income	(1)	0	1	n/m	0	0	0	n/m	0	0
Support Services	0	0	0	n/m	1,213	1,213	0	0%	1,213	0
TOTAL	904	856	(48)	-6%	2,582	2,582	0	0%	2,582	0

YTD Variance = Budget - Actual

Projected Variance = Approved Budget - Projected Outturn

**ARGYLL AND BUTE COUNCIL
CDC – CORPORATE
MANAGEMENT**

**REVENUE BUDGET MONITORING –YEAR TO DATE VARIANCES
NOVEMBER 01-02**

1 INTRODUCTION

- 1.1 This report details the year to date variances identified during the revenue budget monitoring exercise for November 01-02
- 1.2 The table in section 2 identifies each variance by reference to ledger code and gives an explanation of why the variance has arisen and if it will not result in a forecast outturn variance the action/events which will return the variance to nil by the financial year end. Also noted is the amount of the variance in monetary terms and as a percentage of budget to date.
- 1.3 Variances are reported on for each cost centre where the actual differs from budget by more than + or - £25,000. Income and expenditure are reported on separately. Where there is a consistent variance across a range of similar cost centres those may be summarised to a total. Areas where there has been a summarisation are identified by inclusion of “xxxx “ in the ledger code reference.

2 YEAR TO DATE VARIANCES

- 2.1 The table below details the year to date variances by cost centre on the basis outlined above.

Amount Of Variance £	% Of YTD Budget	
		CDC – Corporate Management
(39,025)	(32.3)	115/0000/1152 CDC Corporate Management – No Location – Corporate Policy

		<p>Predominantly, the variance to date relates to expenditure above profile on purchase of equipment. This is due to a planned replacement programme for IT equipment, office furniture etc and total expenditure will remain within the annual budget over the year as a whole.</p> <p>Approximately £15,000 of the variance relates to costs associated with the Islands Conference in Islay which took place at the end of March 2000: these costs will be recharged to the Corporate Strategy Initiatives budget.</p>
		Expenditure will continue to be constrained within the annual budget totals – the action required has already been taken. Equipment is replaced on a planned basis at the start of the year, rather than budgets being ‘spent up’ in an ad-hoc way at the end of the financial year.
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why Variance Will Be Eliminated By Year End
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why Variance Will Be Eliminated By Year End
(1,982)		Other Year To Date Variances For This Service
(41,007)	(11.8)	Service Total
		Service Title
		Ledger Code Reference – SLA & Description

		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why The Variance Will Be Eliminated By Year End
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why Variance Will Be Eliminated By Year End
		Ledger Code Reference – SLA & Description
		Explanation Of What Has Caused Year To Date Variance
		Explanation Of Why Variance Will Be Eliminated By Year End
		Other Year To Date Variances For This Service
		Service Total
(41,007)	(11.8)	Departmental Total

Chief Executive

PROGRESS REPORT ON REVENUE BUDGET SAVINGS 2001/2002

1	SUMMARY
1.1	This report advises members on the progress in achieving the savings agreed as part of the 2001/2002 revenue budget. Additional savings agreed during 2001/2002 related to the overspend in 2000/2001 are also reported on.
2	RECOMMENDATIONS
2.1	Members note the progress with regard to the savings programme.
2.2	Members endorse the action taken in relation to achieving alternative savings.
2.3	Directors monitor carefully achievement of savings option and take action to ensure overall savings are achieved in line with the requirement to contain expenditure within budget.
3	DETAIL
3.1	Appendix 1 details the various savings options agreed as part of the revenue budgets setting exercise for 2001/2002. It is indicated against each option whether sufficient progress to date has been made to secure the agreed saving for 2001/2002 financial year. Where there is insufficient progress and/or the savings will not be fully achieved then an explanation of this is given below. In addition details of alternative savings to make up the projected shortfall are reported on appendix 3.
3.1.1	Replace Manual payroll system
	The manual payroll system referred to was that for paying the Cleaning Catering and Janitorial wages and the saving was to be achieved by integrating with the Roads electronic payroll system. Uncertainty over the future of those staff within TPS led to the further integration being deferred.
3.2	Following the end of the financial year each department was requested to identify and action their share of a further total of £500,000 savings. The share for this department amounted to £ 52,000. It is envisaged that these savings will be achieved.
3.3	The Strategic Policy Committee on 16 August 2001 approved a package of measures for repayment of the overspend incurred in 2000/2001. Appendix 2 details these savings in respect of 2001/2002. Similar to appendix 1 it is indicated against each option if sufficient progress is being made to secure the savings for 2001/2002.

Director of Transportation & Property Services

APPENDIX 1 – SAVINGS APPROVED DURING 2001/2002 BUDGET SETTING

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Reduce Revenue funded staffing	113000	Yes	
Reduce staffing within Roads Services	117000	Yes	
Reduction in staff mileage	16000	Yes	
Replacement of 'Officebase' system	6000	Yes	
Reduction in winter maintenance costs	30000	Yes	
Reductions in surfacing programme	40000	Yes	
Reduction micro hardware maintenance	5000	Yes	
Replace manual payroll system	20000	No	
Reduction staff travelling costs	10000	Yes	
Totals	357000		

APPENDIX 2 – REPAYMENT PROPOSALS APPROVED 16 AUGUST

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Surplus to be generated in Internal Transport (transferred to DES Oct 2001)	154000	Yes (@ 30Sep	
Total	154000		

APPENDIX 3 – ALTERNATIVE SAVINGS PROPOSALS REQUIRED

Description Of Saving	Implications Of Saving	Amount £
Saving on administration costs within Contract Services by further automating payroll using existing system. Similar lines to those proposed by introducing electronic payroll	None	20,000
Total		20,000

ARGYLL AND BUTE COUNCIL
Information Technology Department

PROGRESS REPORT ON REVENUE BUDGET SAVINGS 2001/2002

1	SUMMARY
1.1	This report advises members on the progress in achieving the savings agreed as part of the 2001/2002 revenue budget. Additional savings agreed during 2001/2002 related to the overspend in 2000/2001 are also reported on.
2	RECOMMENDATIONS
2.1	Members note the progress with regard to the savings programme.
2.2	Members endorse the action taken in relation to achieving alternative savings.
2.3	The director monitors carefully achievement of savings option and takes action to ensure overall savings are achieved in line with the requirement to contain expenditure within budget.
3	DETAIL
3.1	Appendix 1 details the various savings options agreed as part of the revenue budgets setting exercise for 2001/2002. It is indicated against each option whether sufficient progress to date has been made to secure the agreed saving for 2001/2002 financial year. Where there is insufficient progress and/or the savings will not be fully achieved then an explanation of this is given below. In addition details of alternative savings to make up the projected shortfall are reported on appendix 3.
3.1.1	Unix / Computer Leasing
	An IBM Unix Lease ended and the subsequent saving generated but further Unix equipment has been leased this year. This has resulted in an overall increase in leasing costs of £4,110. A corresponding saving of £5,500 has been made under an alternative account code. (see below, appendix 3)
3.2	Following the end of the financial year each department was requested to identify and action their share of a further total of £500,000 savings. The share for this department amounted to £7,000. It is confirmed that action is being taken to achieve these savings.

Head of IT Infrastructure

APPENDIX 1 – SAVINGS APPROVED DURING 2001/2002 BUDGET SETTING

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Unix / Computer Leasing – Saving offered due to IBM Lease expiry	1,390	No	See 3.1.1.
Maintenance and Development of Software – Cancellation of Cobal plus general reduction in costs through renegotiating maintenance contracts	2,500	Yes	
Print Services – cancelling of maintenance of impact printers	900	Yes	
Total	4,790		

APPENDIX 3 – ALTERNATIVE SAVINGS PROPOSALS REQUIRED

Description Of Saving	Implications Of Saving (INCLUDE IMPACT ON SERVICE USERS, STAFF AND OTHER SERVICES)	Amount £
Internet Software Maintenance: Following delays in implementation of contract. This saving covers increase in Leasing costs Budget including the £1,390 originally identified in Appendix 1 above.	No direct impact in Staff or Service	5,500
Total		5,500

ARGYLL AND BUTE COUNCIL STRATEGIC POLICY COMMITTEE
Department of Development and Environment Services

PROGRESS REPORT ON REVENUE BUDGET SAVINGS 2001/2002

1	SUMMARY
1.1	This report advises members on the progress in achieving the savings agreed as part of the 2001/2002 revenue budget. Additional savings agreed during 2001/2002 related to the overspend in 2000/2001 are also reported on.
2	RECOMMENDATIONS
2.1	Members note the progress with regard to the savings programme.
2.2	Members endorse the action taken in relation to achieving alternative savings.
2.3	Directors monitor carefully achievement of savings option and take action to ensure overall savings are achieved in line with the requirement to contain expenditure within budget.
3	DETAIL
3.1	Appendix 1 details the various savings options agreed as part of the revenue budgets setting exercise for 2001/2002. It is indicated against each option whether sufficient progress to date has been made to secure the agreed saving for 2001/2002 financial year. Where there is insufficient progress and/or the savings will not be fully achieved then an explanation of this is given below. In addition details of alternative savings to make up the projected shortfall are reported on appendix 3.
3.1.1	Strategic Savings-Public Protection
	Laboratory analysis savings this year will be limited to £16,000. It is planned to meet the shortfall in saving by the capitalising of staff costs involved in developing the Contaminated Land Strategy for the Council.
3.1.2	Strategic Savings-Development Control
	This savings option was dependant on the removal of a statutory requirement to advertise some planning applications in the Edinburgh Gazette. This has not taken place, but projected income in Development Control is foreseen as achieving the shortfall.
3.2	Following the end of the Financial year each department was to identify and action their share of a total of £500,000 savings. The share for this department amounted to £69,000. Appendix 2 shows this savings. These savings will be achieved.

Director of Development and Environment Services

APPENDIX 1 – SAVINGS APPROVED DURING 2001/2002 BUDGET SETTING

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Deletion of Payments to Voluntary Organisations	1,072	Yes	
Deletion of Listed Buildings Grant	5,320	Yes	
Reduction in Payment to Private Contractors(Enforcement)	5,000	Yes	
Remove Business Start-Up Grants	36,482	Yes	
Capitalisation of Staff Costs in relation to re-development of Campbeltown Swimming Pool	30,000	Yes	
Capitalisation of Business Development Grants	20,000	Yes	
2% reduction-Supplies & Services across Dept	26,662	Yes	
1% reduction in Transport Costs across Dept	23,464	Yes	
Strategic Savings –Public Protection	50,000	No	3.1.1
Strategic Savings –Development Control	6,000	No	3.1.2
Total	204,000		

APPENDIX 2 – REPAYMENT PROPOSALS APPROVED 16 AUGUST

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Non –application of inflation in a large number of expenditure codes. This is what the Department is now working on during the current year and on which next year's budget has been based.	69,000		
Total	69,000		

APPENDIX 3 – ALTERNATIVE SAVINGS PROPOSALS REQUIRED

Description Of Saving	Implications Of Saving (INCLUDE IMPACT ON SERVICE USERS,STAFF AND OTHER SERVICES)	Amount £
Capitalisation of staff costs for contaminated land work	None	34,000
Increase Development Control Income	None	6,000
Total		40,000

ARGYLL AND BUTE COUNCIL
Chief Executives Department
Corporate Policy

PROGRESS REPORT ON REVENUE BUDGET SAVINGS 2001/2002

1	SUMMARY
1.1	This report advises members on the progress in achieving the savings agreed as part of the 2001/2002 revenue budget. Additional savings agreed during 2001/2002 related to the overspend in 2000/2001 are also reported on.
2	RECOMMENDATIONS
2.1	Members note the progress with regard to the savings programme.
2.2	Members endorse the action taken in relation to achieving alternative savings.
2.3	The director monitors carefully achievement of savings option and takes action to ensure overall savings are achieved in line with the requirement to contain expenditure within budget.
3	DETAIL
3.1	Appendix 1 details the various savings options agreed as part of the revenue budgets setting exercise for 2001/2002. It is indicated against each option whether sufficient progress to date has been made to secure the agreed saving for 2001/2002 financial year. Where there is insufficient progress and/or the savings will not be fully achieved then an explanation of this is given below. In addition details of alternative savings to make up the projected shortfall are reported on appendix 3.
3.2	Following the end of the financial year each department was requested to identify and action their share of a further total of £500,000 savings. The share for this department amounted to £4,000. It is confirmed that action is being taken to achieve these savings.

Head of Corporate Policy

APPENDIX 1 – SAVINGS APPROVED DURING 2001/2002 BUDGET SETTING

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Reduction in Corporate Strategy Initiatives Budget	6,000	Yes	
Total	6,000		

ARGYLL AND BUTE COUNCIL
Corporate & Legal Services
Department

PROGRESS REPORT ON REVENUE BUDGET SAVINGS 2001/2002

1	SUMMARY
1.1	This report advises members on the progress in achieving the savings agreed as part of the 2001/2002 revenue budget. Additional savings agreed during 2001/2002 related to the overspend in 2000/2001 are also reported on.
2	RECOMMENDATIONS
2.1	Members note the progress with regard to the savings programme.
2.2	Members endorse the action taken in relation to achieving alternative savings.
2.3	The director monitors carefully achievement of savings option and takes action to ensure overall savings are achieved in line with the requirement to contain expenditure within budget.
3	DETAIL
3.1	Appendix 1 details the various savings options agreed as part of the revenue budgets setting exercise for 2001/2002. It is indicated against each option whether sufficient progress to date has been made to secure the agreed saving for 2001/2002 financial year. Where there is insufficient progress and/or the savings will not be fully achieved then an explanation of this is given below. In addition details of alternative savings to make up the projected shortfall are reported on appendix 3.
3.1.1	Charges for Archive Service
	The proposed charges have not generated any income as users have reduced substantially and those still using it do so without utilising the Archivists time.
3.1.2	Naming Ceremonies Income
	The roll out of Naming Ceremonies had been delayed due to the delay in the consultation by general register office.
3.2	Following the end of the financial year each department was requested to identify and action their share of a further total of £500,000 savings. The share for this department amounted to £8,000. It is confirmed that action is being taken to achieve these savings.

Director of Corporate and Legal Services

APPENDIX 1 – SAVINGS APPROVED DURING 2001/2002 BUDGET SETTING

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Charges for the use of the Archive Service	3,000	No	
Electronic Government	5,000	Yes	
Staff Savings –Dunoon Restructure	8,000	Yes	
Charges for Researching Queries Regarding Ownership Of Ground	2,000	Yes	
Charges for Providing Wayleaves To Utilities	1,000	Yes	
Charges For Carrying Out Legal Work In Connection With Section 75 Planning Agreements	3,000	Yes	
Unallocated Staff Savings	12,000	Yes	
Charges For Naming Services	2,000	No	
Charges For The Use Of The Marriage Room And For Saturday Marriages	1,500	Yes	
Unallocated Staff Savings - Registrars	6,000	Yes	
Total	43,500		

APPENDIX 3 – ALTERNATIVE SAVINGS PROPOSALS REQUIRED

Description Of Saving	Implications Of Saving	Amount £
Managing Vacancies		5,000
Reduction In Supplies And Services		5,000
Total		10,000

ARGYLL AND BUTE COUNCIL
Chief Executives Department
Personnel Services

PROGRESS REPORT ON REVENUE BUDGET SAVINGS 2001/2002

1	SUMMARY
1.1	This report advises members on the progress in achieving the savings agreed as part of the 2001/2002 revenue budget. Additional savings agreed during 2001/2002 related to the overspend in 2000/2001 are also reported on.
2	RECOMMENDATIONS
2.1	Members note the progress with regard to the savings programme.
2.2	The director monitors carefully achievement of savings option and takes action to ensure overall savings are achieved in line with the requirement to contain expenditure within budget.
3	DETAIL
3.1	Appendix 1 details the various savings options agreed as part of the revenue budgets setting exercise for 2001/2002. It is indicated against each option whether sufficient progress to date has been made to secure the agreed saving for 2001/2002 financial year. Where there is insufficient progress and/or the savings will not be fully achieved then an explanation of this is given below. In addition details of alternative savings to make up the projected shortfall are reported on appendix 3.
3.2	Following the end of the financial year each department was requested to identify and action their share of a further total of £500,000 savings. The share for this department amounted to £4,000. It is confirmed that action is being taken to achieve these savings.

Head of Personnel Services

APPENDIX 1 – SAVINGS APPROVED DURING 2001/2002 BUDGET SETTING

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Advertising	2,500	Yes	
Sight Tests	500	Yes	
Equipment	1,500	Yes	
Photocopying	1,500	Yes	
Computers	1,000	Yes	
Total	7,000		

ARGYLL AND BUTE COUNCIL
Finance Department

PROGRESS REPORT ON REVENUE BUDGET SAVINGS 2001/2002

1	SUMMARY
1.1	This report advises members on the progress in achieving the savings agreed as part of the 2001/2002 revenue budget. Additional savings agreed during 2001/2002 related to the overspend in 2000/2001 are also reported on.
2	RECOMMENDATIONS
2.1	Members note the progress with regard to the savings programme.
2.2	The director monitors carefully achievement of savings option and takes action to ensure overall savings are achieved in line with the requirement to contain expenditure within budget.
3	DETAIL
3.1	Appendix 1 details the various savings options agreed as part of the revenue budgets setting exercise for 2001/2002. It is indicated against each option whether sufficient progress to date has been made to secure the agreed saving for 2001/2002 financial year. Where there is insufficient progress and/or the savings will not be fully achieved then an explanation of this is given below. In addition details of alternative savings to make up the projected shortfall are reported on appendix 3.
3.2	Following the end of the financial year each department was requested to identify and action their share of a further total of £500,000 savings. The share for this department amounted to £11,000. It is confirmed that action is being taken to achieve these savings.

Director of Finance

APPENDIX 1 – SAVINGS APPROVED DURING 2001/2002 BUDGET SETTING

Description Of Saving	Amount £	Satisfactory Progress Yes/No	If No Then Para For Explanation
Savings in Bank charges	5,000	Yes	
Restructure management of income function on retirement of existing postholder	2,000	Yes	
Reduce Supplies & Services budget provision	5,000	Yes	
Adjustments to staffing – Financial Services	38,635	Yes	
Adjustment to staffing – Local Tax Collection	21,365	Yes	
Savings in Bank charges	5,000	Yes	
Other Savings	10,000	Yes	
Total	87,000		

FINANCE

EDUCATION DEPARTMENT'S FINANCIAL POSITION

1 SUMMARY

In October, the Controller of Audit for Scotland, issued a statutory report on the Scottish Borders Education Department overspend.

The external auditors to Scottish Borders Council were KPMG. The opportunity was taken to secure the services of KPMG to carry out an audit of our Education Department's financial position for the current financial year. They were asked to express a view on the reliability of the system for producing reliable information to support assertions regarding the likely adherence or otherwise by the Education Department to the revenue budget for the year ending 31 March 2002.

KPMG have completed their report and the following is a summary of their findings (see Appendix 1 for full details):-

- (i) It has not been possible to form a view, as requested, with the level and accuracy of information available
- (ii) Budgets are compiled using the corporate finance system Oracle and the Education Department's management system Devolved Management Resources (DMR). The budgets do not agree and there is no reconciliation
- (iii) Budget changes in DMR by virement during the year have not been replicated on Oracle
- (iv) Virement within DMR are not always input in a timely manner
- (v) The projected outturn for the year has been reported as being the same as budget despite planned savings
- (vi) The lack of an interface between the systems is the primary source of difficulties
- (vii) The oracle system must be the primary source of financial information

As a result of their findings, KPMG prepared a proposed Action Plan to address the issues. This is now tasked and timescaled (see Appendix 2). Most of the work will be progressed by the new Accounting Services Manager, Sharon MacDonald who took up her post in October of this year.

A group comprising Councillor Walsh, Councillor Freeman, J McLellan, A Morton, S McGregor, B West and S MacDonald met on 12 December to discuss the KPMG report. Full agreement was given to progress the implementation of the Action Plan and a further meeting has been arranged for 23rd January 2002.

Councillors G Freeman and D Walsh will provide updates to the SPC on the monitoring.

2. RECOMMENDATIONS

- 2.1 The committee note the completion of a report on the Education Department's financial position by KPMG and note principal findings.
- 2.2 The committee remit the monitoring of the implementation of the Action Plan to the group comprising Councillor D Walsh, Councillor G Freeman, S McGregor and A Morton, with reports to that group being provided by the Accounting Services Manager, Sharon MacDonald in association with the Head of Service, Joe McGeer.
- 2.3 Councillor D Walsh and Councillor G Freeman to report on progress of the Action Plan to the SPC.

Stewart McGregor
Director of Finance
19 December 2001

reports/januaryspceducationdeptfinancialposition

1.4 Principal findings

- 1.4.1 We have been asked to express a view on the reliability of the system for producing reliable information to support assertions regarding the likely adherence or otherwise by the education department to the revenue budget for the year ended 31 March 2002. It has not been possible, with the level and accuracy of information available, to form a view on this. An overview of the contributory factors to this assessment is given below.
- 1.4.2 The education department budget is compiled using both the DMR and ORACLE systems. The major element of the budget (employee costs) are calculated using information from school rolls at different dates. The resulting budgets are therefore not in agreement, and there is no reconciliation performed between the two systems.
- 1.4.3 Due to a lack of an interface for budget updates, any changes to the budgets made by virements in the DMR system throughout the year are not replicated in the ORACLE system. This results in further discrepancies between the two systems.
- 1.4.4 Furthermore, virements within DMR are not always being input in a timely manner. This results in budgets and spending patterns shown in DMR which do not reflect an up to date assessment of what the head teachers actually intend to spend their funds on.
- 1.4.5 Budget monitoring does not accurately reflect the projected outturn position. The projected outturn for the year to 31 March 2002 has consistently been reported as being the same as budget. This is despite the savings that have been planned.
- 1.4.6 As we see it the four main problems between the positions in the ORACLE and DMR systems are
- the budgets at the start of the year do not agree; the figure being monitored in the ORACLE system is not a true picture of the starting budget position;
 - as a result of virements that have been input to the DMR system but not to the ORACLE system, the ORACLE system again does not reflect the true budget position;
 - there are occasions when virements are not being input to DMR, yet the schools are following spending patterns that are therefore not reflected in either the DMR budget, or the budgets in ORACLE; and
 - the projected outturn position in ORACLE does not reflect known, or expected outturn variations.
- 1.4.7 The lack of an adequate interface between the two systems is the primary source of the difficulties arising. They cannot be jointly maintained throughout the year at a level such that relevant management information is obtained from both systems. The result is that neither system produces financial data that can be used to reliably monitor and control the education budget.
- 1.4.8 The ORACLE system is the corporate financial information system. It is to be used to compile the council budget, used for monitoring purposes, and used to compile the final accounts. In every department in the council, including education, ORACLE must be the primary source of financial information.

No	Recommendation	Management response	Person responsible	Action (date)	by
1.	<p>The employee budget within the corporate financial information system, ORACLE, should be constructed using projections based on the actual payments to be made to employees.</p>	<p>Further discussion required, firstly, within Finance to determine whether it will be possible to hold both average and actual budgets in Oracle and, secondly, with Education in order to reach agreement on this, quite contentious, issue. As budgets and budget movements will be fed from DMR to Oracle it will be average budgets only that are shown initially. However, pay templates will be completed, for the first time, for Education staff – manual, APT&C and Teachers – and this will aid any reconciliation.</p>	Sharon Macdonald	2001/02 March 2002	–
2.	<p>The budgets in ORACLE and DMR must be reconciled at the start of the financial year, with appropriate adjustments made to ensure that the systems are consistent. Monthly reconciliations between the two systems should be performed, with a final reconciliation being conducted at the year end.</p>	<p>The input of budgets to DMR and Oracle will not be separate tasks – the budgets from DMR will be uploaded into Oracle. Part of this process would, of course, involve checking to ensure that both systems matched. Monthly uploads will be performed during the course of the year and would, of course, be followed by a reconciliation.</p>	Sharon Macdonald	Initial upload January 2002	–
3.	<p>Any variances that impact on the projected outturn must be recorded in ORACLE. Changes to the projected outturn in ORACLE will be saved automatically by the system, and will be rolled forward to the next monitoring period.</p>	<p>It was explained to KPMG that a decision had been taken, by Finance, not to update the forecast budget, within Oracle, with any deviations from the annual approved budget. This will remain the position until there is some degree of certainty regarding the accuracy of projections. However, it should be noted that once a thorough review of budget monitoring procedures has been carried out Education would conform to the Council's procedures.</p>	Sharon Macdonald	February 2002	

No	Recommendation	Management response	Person responsible	Action (date)	by
4.	<p>The Council should consider amending the criteria by which a variance is included in the monitoring report to reduce the possibility of a relatively large number of smaller variances being omitted, resulting in ORACLE not representing the true financial position. A consistent policy for reporting budget variances should be applied throughout the Council.</p>	<p>The council is, at present, in the process of implementing revised procedures with regard to budget monitoring. Variances in excess of £25,000, at cost centre level, for gross expenditure and income are to be reported. However, it is recognised that in order to secure the required level of confidence in monitoring within Education, a more restrictive criterion will need to be adopted. This will be discussed and a decision reached prior to the monitoring exercise for December.</p>	<p>Bruce West – possible change to corporate procedures</p> <p>Sharon Macdonald – liaison with Finance re criterion for Education.</p>	<p>December 2001</p>	
5.	<p>A review of the monitoring procedures at school level should be performed to ensure that AFAs are supplied with sufficient information in order to perform meaningful reconciliations between the ORACLE and DMR statements for their schools. There should be a formal procedure for informing education HQ of variances which should then be investigated and actioned.</p>	<p>All financial procedures, within Education, will be subject to review by the out posted Finance team, on a priority basis. At present, the AFAs receive Oracle information that should be sufficient for them to identify any differences between the systems and, subsequently, request further information. However, it is recognised that there is, perhaps, a training requirement that needs to be addressed. The financial review will, ultimately, result in documented procedures being prepared for each activity.</p>	<p>Sharon Macdonald – review and establishment of procedures</p> <p>John Denny – Monthly monitoring of adherence to procedures</p>	<p>June 2002</p>	
6.	<p>All virements made in DMR throughout the year should be replicated in the ORACLE system. This will ensure that changes to the budgets and spending profiles are matched in both systems.</p>	<p>Once tested, the electronic mapping from DMR to Oracle will be performed on a monthly basis.</p>	<p>Sharon Macdonald</p>	<p>Testing January 2002</p> <p>Implementation – March 2002</p>	

No	Recommendation	Management response	Person responsible	Action (date)	by
7.	All virements must be input to DMR by the AFAs on a timely basis. This will ensure that head teachers have current information at their disposal, and that ultimately, the ORACLE information will be accurate for monitoring purposes.	Due to the imminent implementation of the interface a procedure will be developed to ensure that all virements are input on a timely basis. Adherence to the procedure will be closely monitored.	John Denny / Sandra McLindon	March 2002	
8.	The budget in ORACLE, based on the estimated September school roll, should be compared with the revised budget based on actual September school roll. This information will be available in DMR. This exercise should be conducted for non-staff costs also.	This exercise will be superseded by the interface between the two systems becoming operational in March 2002. The recommendation will be re-examined if the interface does not become operational at that date.	Sharon Macdonald	March 2002	
9.	A procedure should be put in place to ensure that the monitoring takes account of the likely spend of any unused cover costs within employee budgets. The projected outturn figures should reflect the fact that it is unlikely that savings will be made in these account headings.	The establishment of proper procedures and lines of communication between budget holders and Finance staff will ensure that budget projections represent the anticipated spend, as per the budget holders.	Sharon Macdonald	June 2002	

No	Recommendation	Management response	Person responsible	Action (date)	by
10.	In setting the budget, education should ensure that all 'intra-Council' budgets are agreed by both parties prior to the budget being approved.	This is part of the budget preparation procedures set by the Finance Department and, therefore, should be adhered to by all Departments. It is recognised that Education, as a client department, requires more detailed information from accumulating departments, both at budget preparation time and throughout the year.	Sharon Macdonald – identification of information requirements Bruce West – securement of co-operation from accumulating department	June 2002 June 2002	
11.	ORACLE should be updated to reflect the projected overspend in the transport account.	Refer to 3 above	Sharon Macdonald	February 2002	
12.	The budgets for central repairs, rates and janitorial services should be reviewed to ensure that they reflect the likely expenditure levels, and to highlight significant overspends if these budgets cannot be increased. This will enable the budget holder to take remedial action to contain any additional overspend.	All budgets will be reviewed in the next 2 months in order to improve the accuracy of projected outturns.	Sharon Macdonald	February 2002	
13.	The education department should review the adequacy and quality of the monitoring of their expenditure on non statutory catering throughout the year.	This will be part of an overall review of the budget monitoring function within the department	Sharon Macdonald	June 2002	

No	Recommendation	Management response	Person responsible	Action (date)	by
14.	The known overspend in janitorial services should be reflected in ORACLE and attempts should be made to contain the costs within budget.	Refer to 3 above	Sharon Macdonald	February 2002	
15.	Education should develop a more formal mechanism to record progress against the savings plan put in place.	The Council has implemented a procedure for this, which Education will comply with.	Sharon Macdonald	Currently being undertaken	
16.	ORACLE must be used as the primary source of financial information within the education department. DMR figures must be reconciled to ORACLE in order to monitor expenditure and income within schools and services.	Oracle will be used as the primary source of information, however, it is recognised that in order to implement this on a department wide basis will require time, training and commitment.	Sharon Macdonald	Non school – June 2002 School – March 2003	