

**NORTH LANARKSHIRE COUNCIL
COMMITTEE REPORT**

To: REGENERATION SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT 01.04.09 – 29.01.10 (PERIOD 11)
From: HEAD OF REGENERATION SERVICES		
Date: 17 February 2010	Ref: 1504	

1 Introduction

1.1 This report advises the Committee on the overall financial position of Regeneration Services for the period 1st April to 29th January 2010. This includes the Regeneration mainstream budget, Fairer Scotland Fund (FSF), North Lanarkshire's Working (Community Planning Partnership, CPP) and other Economic Regeneration Projects. Variances are reported for both year-to-date and projected outturn, with major outturn variances being highlighted and explained.

2 Regeneration Services Core Budget

2.1 The Regeneration Services mainstream budget is currently projected to underspend by £373,176 (5.59%) at the year end, a favourable movement of £73,176 from the position previously reported at period 10. This underspend is primarily due to employee vacancy savings (£180,000), coupled with the unallocated balance within the Community Safety Fund and payments to voluntary organisations budget (£143,176). An underspend of £50,000 is also anticipated within the Tourism and Events budgets, due to scheduled events (such as Retrofest) not taking place in 2009/2010.

2.2 Slippage has also been identified within the Service's Revenue Leverage and Project Support Funds totalling £255,000. As outlined in paragraph 3.3, this funding is required to support Phase 2 of the 2010-2011 CPP North Lanarkshire Working.

2.3 The Service has £43,000 or 2% of turnover savings built into its employee budgets, which equates to 1 FTE post, based on the Service's average salary. As at period 11, the Service had 6 FTE vacancies which, allowing for the part year effect of these and previously vacant posts, will result in turnover savings being exceeded by £180,000. One of these FTE is a frozen post as a consequence of a secondment. Appendix 1 of the report identifies the current position of each budget line.

3 North Lanarkshire's Working

3.1 North Lanarkshire's Working (CPP Employability Service) supports a number of projects promoting and delivering social inclusion and regeneration goals, all at a local level.

3.2 The total eligible project budget over the 2008/2009 and 2009/2010 financial years is £16,234,343, with funding matched by European Grant income totalling £6,926,614 and NLC and partner match totalling £9,307,730. The Programme eligible spend to date is £11,424,880, with the remaining £4,809,463 of budget committed to spend in the final quarter of the Programme.

3.3 The Programme also has an ineligible budget of £2,801,065, which is fully funded from NLC and partner resources. The Programme is currently projecting to spend £2,262,069 on ineligible costs, resulting in slippage of Council resources in the 2009/2010 financial year of £538,996. This slippage is primarily as a consequence of Regeneration Services maximising expenditure categorised as eligible and subsequently grant award. It is proposed to allocate this amount as match funding to contribute to the current shortfall in the ERDF/ESF funding award for phase 2 (2010/11) of North Lanarkshire Working – this is explained in a separate report to this committee.

- 3.4 The shortfall in the CPP Phase 2 funding of £804,493 in 2010/11 will be largely met from the projected slippage within core budgets of £255,000 (see paragraph 2.2) along with the carry forward from the CPP Phase 1 ineligible resources of £538,996 (see paragraph 3.3), in total £793,996.
- 3.5 Programme spend will continue to be monitored closely as the year progresses, with any updates reported to a future committee. The final outturn is subject to a number of variables.

4 Fairer Scotland Fund

- 4.1 North Lanarkshire has been allocated Fairer Scotland Funding of £14,339,000 in 2009/2010, to support initiatives aimed at tackling poverty and deprivation. The 2008/2009 FSF carry forward of £1,704,342, coupled with a contribution from the Council's mainstream budgets of £132,000 in respect of local development resources for the North area, increases the 2009/10 available funding to £16,175,342. The commitments for 2009/10 total £15,951,217, with £224,125 unallocated primarily due to budget underspends within Community Engagement and the Credit Union Support Fund. It is proposed that this unallocated balance be carried forward, in line with grant conditions, to offset commitments in 2010/11.
- 4.2 As a direct result of slippage in the CPP Phase 1 Programme expenditure, as discussed in paragraph 3.3 above, an additional £399,000 of FSF employability match funding (part funding the £538,996 CPP slippage) requires to be carried forward to the 2010/2011 financial year to fund the CPP Phase 2 Programme. This increases the total FSF carry forward to £623,125.

5 Other Economic Regeneration Projects

- 5.1 The Service has successfully secured additional funding of up to £3,194,000 to support the delivery of the Future Jobs Fund and the Flexible New Deal. Although dependent on numbers referred by Job Centre Plus, it is presently anticipated that these projects will be seen as attractive opportunities given the current economic climate, and that funding streams available to support them will fully spend. In addition to the above, there are several Business Services projects in operation with a total budget of £590,812. These projects are part European and Private Match Funded, and to date they are on target to fully spend. There are also a number of minor regeneration projects totaling £131,424, which are also expected to fully spend.

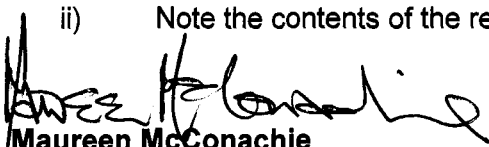
6 Financial Concurrence

- 6.1 The Head of Financial Services has confirmed that the financial information detailed within this report reflects the anticipated financial position of the Service.

7 Recommendation

- 7.1 It is recommended that the committee:-

- i) Approves the proposal to carry forward slippage totalling £793,996 as detailed in the report to support the match funding of the Council's proportion of the Phase 2 of the North Lanarkshire Working CPP.
- ii) Note the contents of the report.


Maureen McConachie
Head of Regeneration Services

POLICY & RESOURCES COMMITTEE

REGENERATION SERVICES

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCE (8)		% (9)	ANALYSIS (10)
		£	£	£		£	£	£			
1.	EMPLOYEE COSTS	2,657,958	2,470,033	187,925	Underspend	3,186,479	3,006,479	180,000	Underspend	5.65%	Staff Turnover Unallocated balance within the Community Safety Fund and Payments to Voluntary Organisations / Events Underspend
2.	PROPERTY COSTS	0	(0)	0	Underspend	0	0	0	On Target	0%	
3.	SUPPLIES AND SERVICES	6,350	4,895	1,455	Underspend	7,500	7,500	0	On Target	0.00%	
4.	TRANSPORT & PLANT	53,566	51,223	2,343	Underspend	58,696	58,696	0	On Target	0%	
5.	ADMINISTRATION COSTS	48,412	50,214	(1,802)	Overspend	104,460	104,460	0	On Target	0.00%	
6.	PAYMENTS TO OTHER BODIES	2,020,377	1,899,982	120,395	Underspend	3,056,324	2,863,148	193,176	Underspend	19.18%	
7.	OTHER COSTS	534,722	534,901	(179)	Overspend	1,015,245	1,015,245	0	On Target	0%	
8.	APPORTIONED EXPENSES	240,972	240,971	1	On Target	1,007,159	1,007,159	0	On Target	0%	
9.	CAPITAL FINANCING CHARGES	204,261	204,261	0	Underspend	309,681	309,681	0	On Target	0%	
10.	CFCR	130,345	130,345	0	On Target	0	0	0	On Target	0%	
11.	TOTAL EXPENDITURE	5,896,963	5,586,823	310,139	Underspend	8,745,544	8,372,368	373,176	Underspend	4.27%	
12.	INCOME	1,738,017	1,744,035	6,018	On Target	2,075,317	2,075,317	0	On Target	0.00%	
13.	NET EXPENDITURE	4,158,946	3,842,788	316,157	Underspend	6,670,227	6,297,051	373,176	Underspend	5.59%	