

NORTH LANARKSHIRE COUNCIL

REPORT

To: CORPORATE SERVICES COMMITTEE	Subject BUDGET MONITORING REPORT PERIOD 01/04/2007 – 20/07/2007 PERIOD 3 CORPORATE SERVICES
From: EXECUTIVE DIRECTOR OF CORPORATE SERVICES	
Date: 21 August 2007	

1. INTRODUCTION

This report compares actual expenditure and income against estimates both for the year to date and the projected outturn. Explanations are provided for the more significant variances.

2. BACKGROUND

Previous reports to Policy and Resources Committee identified that implementing job evaluation would cost approximately £13.4 million by 2007/2008. The Council previously agreed a funding framework amounting to £9.4 million to assist Services in part-funding the early years' job evaluation costs, and this is reflected within the 2007/2008 budget. However, all costs over and above this funding framework are required to be met by Services through reviews of their service priorities. For Corporate Services the impact of job evaluation for 2007/2008 is estimated to be absorbed within the Service's current overall budget, with measures to align costs with current budget provision being progressed. Committee will be provided with regular updates on this issue.

3. SUMMARY OF BUDGET VARIANCES

- 3.1 Net expenditure for Period 3 shows an overspend of £33,786 or 0.6% of the budget, while the projected outturn reports a potential overspend of £107,500 at the year end. This projected overspend is primarily a result of overspends within the Property Services Division as a result over-budget property costs. These include increased rental payments and general increases in excess of budget in energy costs.
- 3.2 The table overleaf provides an analysis of the provisional outturn variances, in terms of the 5 Divisions within Corporate Services.

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CORPORATE SERVICES	Budget to date (£)	Actual to date (£)	Variance to date (£)	Projected Outturn Variance (£)
Central Services	846,792	832,914	13,878	11,500 Underspend
Legal Services	526,948	523,765	3,183	5,000 Underspend
Human Resources	330,830	326,792	4,038	0 On budget
Property Services	1,248,390	1,338,508	(90,118)	(179,000) Overspend
Design Services	2,906,739	2,871,506	35,233	55,000 Underspend
Total	5,859,699	5,893,485	(33,786)	(107,500) Overspend

3.2 All divisions are reviewing their projected positions and actively seeking ways to further the underspends and minimise any overspends. The projected outturn variances will continue to be monitored and reported accordingly.

4. Explanation of Major Variances across all Divisions

4.1 Central Services - £11,500 Underspend

4.1.1 An underspend of £11,500 is anticipated and is mainly as a result of vacancies that exist at present within Administration (£20,000). Some other minor variances exist across administration costs such as printing and stationary which are offset by a small income under-recovery against same, these are not significant at this time but will be continued to be monitored as the year progresses.

4.2 Legal Services - £5,000 Underspend

4.2.1 This small projected favourable variance is result of a series of small anticipated underspends and income over-recoveries. The main contributing factors, at this early stage in the financial year, being savings arising from vacancies in Legal Support services (£10,000) and income recovery within Licensing (£18,000).

4.2.2 There are a couple of areas of potential overspend in transport (£11,000) and administration costs (£13,000) due to the volume of MOT tests and the costs involved in maintaining the District Courts Administration System.. As indicated above, however, the current level of underspend in employee costs and income recovery should more be able to more than offset this.

4.3 Human Resources - On budget

4.3.1 A break-even position is expected at the year end.

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4.3.2 At this time administration costs and payments to other bodies are expected to be overspent by £25,000 and £5,000 respectively by the year end. Both these areas are purely demand led and as a result difficult to accurately set a budget for each year. The year end position is achieved through the over-recovery of income, primarily through recharging the addition costs mentioned above onto the appropriate service.

4.4 Property Services – £179,000 Overspend

4.4.1 The projected year end variance reported at this stage is an overspend of £179,000. There are a number of variances contributing to this projection.

4.4.2 Property costs are anticipated to be overspent by some £329,000 across both the Commercial Property portfolio and the Office Accommodation division. The main factors in such a large projected overspend are in unbudgeted rental payments of £217k for industrial and office space and more general cost pressures in energy, maintenance and security costs.

4.4.3 The large overspends have been partly offset by an expected over-recovery in income within the Commercial Property of £160,000. This is mainly a result of a general increase in activity across the commercial property sector and every effort will be made to maintain this over-recovery and increase as far as possible to help further offset the overspends identified above.

4.5 Design Services – £55,000 Underspend

4.5.1 The Design Services division is projecting expenditure to be £55,000 less than budget at the year end. The main reason for this is a number of vacancies that currently exist in both the Design Unit and Maintenance Unit.

4.5.2 It should be noted that the Central Repairs Account is currently projected to be on budget at the year end.

5. MANAGEMENT SUMMARY

5.1 At this early stage of the current financial year within Corporate Services there is one major area showing a large variance. This is within the Property Services Division and is a continuation of the position reported in 2006/07. The main reason being the need for additional office accommodation space, primarily in Fleming House. This is partly offset by an expected over-recovery of income from the divisions Commercial Property portfolio. The Service budget will continue to be pro-actively managed to ensure that any overspend positions will be minimised and that potential areas of underspend and income over-recovery are maximised to help address the current potential overspend position for the service.

6. CORPORATE CONSIDERATIONS

The Executive Director of Finance and Customer Services concurs with the financial information contained in this report and has been fully involved in its preparation.

7. RECOMMENDATION

It is recommended that the contents of this report be noted.


Executive Director of Corporate Services

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 20 July 2007

COMMITTEE: CORPORATE SERVICES

SERVICE: CORPORATE SERVICES (CONSOLIDATED)

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		% (6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCES (9)		% (10)
		£	£	£			£	£	£		
1.	EMPLOYEE COSTS	3,095,966	3,026,918	69,048	Underspend	2.2%	14,781,398	14,701,398	80,000	Underspend	0.5%
2.	PROPERTY COSTS	2,380,621	2,552,396	(171,775)	Overspend	-7.2%	17,069,504	17,398,504	(329,000)	Overspend	-1.9%
3.	SUPPLIES AND SERVICES	124,041	129,614	(5,573)	Overspend	-4.5%	519,967	532,467	(12,500)	Overspend	-2.4%
4.	TRANSPORT & PLANT	137,897	140,042	(2,145)	Overspend	-1.6%	782,519	786,019	(3,500)	Overspend	-0.4%
5.	ADMINISTRATION COSTS	277,154	315,092	(37,938)	Overspend	-13.7%	1,576,481	1,607,981	(31,500)	Overspend	-2.0%
6.	PAYMENTS TO OTHER BODIES	46,465	44,832	1,633	Underspend	3.5%	200,837	205,837	(5,000)	Overspend	-2.5%
7.	OTHER COSTS	327	40	287	Underspend	87.8%	11,411	11,411	-	-	-
8.	APPORTIONED EXPENSES	1,100,000	1,100,000	-	-	-	6,983,057	6,983,057	-	-	-
9.	CAPITAL FINANCING CHARGES	140,000	140,000	-	-	-	1,091,101	1,091,101	-	-	-
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	-
11.	TOTAL EXPENDITURE	7,302,471	7,448,934	(146,463)	Overspend	-2.0%	43,016,275	43,317,775	(301,500)	Overspend	-0.7%
12.	INCOME	1,442,772	1,555,449	112,677	Over-recovery	7.8%	10,092,369	9,898,369	194,000	Over-recovery	1.9%
13.	NET EXPENDITURE	5,859,699	5,893,485	(33,786)	Overspend	-0.6%	32,923,906	33,419,406	(107,500)	Overspend	-0.3%

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 20 July 2007

COMMITTEE: CORPORATE SERVICES

SERVICE: CENTRAL SERVICES

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		% (6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCES (9)		% (10)
		£	£	£			£	£	£		
1.	EMPLOYEE COSTS	604,687	591,525	13,162	Underspend	2.2%	2,815,462	2,795,462	20,000	Underspend	0.7%
2.	PROPERTY COSTS	4,921	922	3,999	Underspend	81.3%	42,923	42,923	-	-	-
3.	SUPPLIES AND SERVICES	54,875	55,338	(463)	Overspend	-0.8%	230,938	230,938	-	-	-
4.	TRANSPORT & PLANT	15,433	13,353	2,080	Underspend	13.5%	133,072	133,072	-	-	-
5.	ADMINISTRATION COSTS	117,989	113,373	4,616	Underspend	3.9%	861,398	854,898	6,500	Underspend	0.8%
6.	PAYMENTS TO OTHER BODIES	20,015	18,936	1,079	Underspend	5.4%	98,410	98,410	-	-	-
7.	OTHER COSTS	-	-	-	-	-	10,000	10,000	-	-	0.0%
8.	APPORTIONED EXPENSES	185,000	185,000	-	-	-	1,380,559	1,380,559	-	-	-
9.	CAPITAL FINANCING CHARGES	-	-	-	-	-	76,399	76,399	-	-	-
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	-
11.	TOTAL EXPENDITURE	1,002,920	978,447	24,473	Underspend	2.4%	5,649,161	5,622,661	26,500	Underspend	0.5%
12.	INCOME	156,128	145,533	(10,595)	Under-Recovery	-6.8%	1,157,943	1,142,943	(15,000)	Under-Recovery	-1.3%
13.	NET EXPENDITURE	846,792	832,914	13,878	Underspend	1.6%	4,491,218	4,479,718	11,500	Underspend	0.3%

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 20 July 2007

COMMITTEE: CORPORATE SERVICES

SERVICE: DESIGN SERVICES

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		% (6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCES (9)		% (10)
		£	£	£			£	£	£		
1.	EMPLOYEE COSTS	1,112,002	1,082,251	29,751	Underspend	2.7%	5,623,840	5,568,840	55,000	Underspend	1.0%
2.	PROPERTY COSTS	1,229,354	1,227,407	1,947	Underspend	0.2%	7,558,338	7,558,338	-	-	-
3.	SUPPLIES AND SERVICES	20,964	22,229	(1,265)	Overspend	-6.0%	92,450	92,450	-	-	-
4.	TRANSPORT & PLANT	83,400	83,339	61	Underspend	0.1%	461,176	461,176	-	-	-
5.	ADMINISTRATION COSTS	48,272	44,564	3,708	Underspend	7.7%	132,172	132,172	-	-	-
6.	PAYMENTS TO OTHER BODIES	744	-	744	Underspend	100.0%	4,670	4,670	-	-	-
7.	OTHER COSTS	327	40	287	Underspend	87.8%	1,411	1,411	-	-	-
8.	APPORTIONED EXPENSES	400,000	400,000	-	-	-	1,632,913	1,632,913	-	-	-
9.	CAPITAL FINANCING CHARGES	15,000	15,000	-	-	-	90,175	90,175	-	-	-
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	-
11.	TOTAL EXPENDITURE	2,910,063	2,874,830	35,233	Underspend	1.2%	15,597,145	15,542,145	55,000	Underspend	0.4%
12.	INCOME	3,324	3,324	-	-	-	180,000	180,000	-	-	-
13.	NET EXPENDITURE	2,906,739	2,871,506	35,233	Underspend	1.2%	15,417,145	15,362,145	55,000	Underspend	0.4%

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 20 July 2007

COMMITTEE: CORPORATE SERVICES

SERVICE: HUMAN RESOURCES

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		% (6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCES (9)		% (10)
		£	£	£			£	£	£		
1.	EMPLOYEE COSTS	298,960	295,948	3,012	Underspend	1.0%	1,415,119	1,415,119	-	-	-
2.	PROPERTY COSTS	-	-	-	-	-	-	-	-	-	-
3.	SUPPLIES AND SERVICES	10,130	9,225	905	Underspend	8.9%	66,228	66,228	-	-	-
4.	TRANSPORT & PLANT	8,096	7,819	277	Underspend	3.4%	30,152	30,152	-	-	-
5.	ADMINISTRATION COSTS	36,979	62,550	(25,571)	Overspend	-69.2%	254,648	279,648	(25,000)	Overspend	-9.8%
6.	PAYMENTS TO OTHER BODIES	21,667	23,681	(2,014)	Overspend	-9.3%	80,005	85,005	(5,000)	Overspend	-6.2%
7.	OTHER COSTS	-	-	-	-	-	-	-	-	-	-
8.	APPORTIONED EXPENSES	-	-	-	-	-	395,608	395,608	-	-	-
9.	CAPITAL FINANCING CHARGES	-	-	-	-	-	13,867	13,867	-	-	-
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	-
11.	TOTAL EXPENDITURE	375,832	399,223	(23,391)	Overspend	-6.2%	2,255,627	2,285,627	(30,000)	Overspend	-1.3%
12.	INCOME	45,002	72,431	27,429	Over-recovery	61.0%	235,079	265,079	30,000	Over-recovery	12.8%
13.	NET EXPENDITURE	330,830	326,792	4,038	Underspend	1.2%	2,020,548	2,020,548	-	-	-

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 20 July 2007

COMMITTEE: CORPORATE SERVICES

SERVICE: LEGAL SERVICES

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		% (6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCES (9)		% (10)
		£	£	£			£	£	£		
1.	EMPLOYEE COSTS	502,784	492,571	10,213	Underspend	2.0%	2,338,982	2,328,982	10,000	Underspend	0.4%
2.	PROPERTY COSTS	-	-	-	-	-	10,121	10,121	-	-	-
3.	SUPPLIES AND SERVICES	9,516	9,249	267	Underspend	2.8%	28,238	28,238	-	-	-
4.	TRANSPORT & PLANT	6,062	13,782	(7,720)	Overspend	-127.4%	37,671	48,671	(11,000)	Overspend	-29.2%
5.	ADMINISTRATION COSTS	33,472	43,412	(9,940)	Overspend	-29.7%	130,250	143,250	(13,000)	Overspend	-10.0%
6.	PAYMENTS TO OTHER BODIES	4,011	2,215	1,796	Underspend	44.8%	17,383	17,383	-	-	-
7.	OTHER COSTS	-	-	-	-	-	-	-	-	-	-
8.	APPORTIONED EXPENSES	160,000	160,000	-	-	-	1,070,003	1,070,003	-	-	-
9.	CAPITAL FINANCING CHARGES	-	-	-	-	-	35,732	35,732	-	-	-
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	-
11.	TOTAL EXPENDITURE	715,845	721,229	(5,384)	Overspend	-0.8%	3,668,380	3,682,380	(14,000)	Overspend	-0.4%
12.	INCOME	188,897	197,464	8,567	Over-recovery	4.5%	1,057,200	1,076,200	19,000	Over-recovery	1.8%
13.	NET EXPENDITURE	526,948	523,765	3,183	Underspend	0.6%	2,611,180	2,606,180	5,000	Underspend	0.2%

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 20 July 2007

COMMITTEE: CORPORATE SERVICES

SERVICE: PROPERTY SERVICES

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		% (6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCES (9)		% (10)
		£	£	£			£	£	£		
1.	EMPLOYEE COSTS	577,533	564,623	12,910	Underspend	2.2%	2,587,995	2,592,995	(5,000)	Overspend	-0.2%
2.	PROPERTY COSTS	1,146,346	1,324,067	(177,721)	Overspend	-15.5%	9,458,122	9,787,122	(329,000)	Overspend	-3.5%
3.	SUPPLIES AND SERVICES	28,556	33,573	(5,017)	Overspend	-17.6%	102,113	114,613	(12,500)	Overspend	-12.2%
4.	TRANSPORT & PLANT	24,906	21,749	3,157	Underspend	12.7%	120,448	112,948	7,500	Underspend	6.2%
5.	ADMINISTRATION COSTS	40,442	51,193	(10,751)	Overspend	-26.6%	198,013	198,013	-	-	-
6.	PAYMENTS TO OTHER BODIES	28	-	28	Underspend	100.0%	369	369	-	-	-
7.	OTHER COSTS	-	-	-	-	-	-	-	-	-	-
8.	APPORTIONED EXPENSES	355,000	355,000	-	-	-	2,503,974	2,503,974	-	-	-
9.	CAPITAL FINANCING CHARGES	125,000	125,000	-	-	-	874,928	874,928	-	-	-
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	-
11.	TOTAL EXPENDITURE	2,297,811	2,475,205	(177,394)	Overspend	-7.7%	15,845,962	16,184,962	(339,000)	Overspend	-2.1%
12.	INCOME	1,049,421	1,136,697	87,276	Over-recovery	8.3%	7,462,147	7,622,147	160,000	Over-recovery	2.1%
13.	NET EXPENDITURE	1,248,390	1,338,508	(90,118)	Overspend	-7.2%	8,383,815	8,562,815	(179,000)	Overspend	-2.1%