

To: CORPORATE SERVICES COMMITTEE		Subject: 2007/08 REVENUE BUDGET MONITORING REPORT PERIOD 01/04/07 to 09/11/07 (PERIOD 8) CORPORATE SERVICES
FROM: EXECUTIVE DIRECTOR OF CORPORATE SERVICES		
DATE: 3-Dec-07	Ref: PD/JMcE	

1. Purpose of Report

- 1.1. This report advises Committee on the overall financial position of Corporate Services for the period 1st April 2007 to 9th November 2007. Variances are reported for both year-to-date and projected outturn, with major outturn variances being highlighted and explained.

2. Executive Summary of Financial Position

- 2.1. The Service is currently projecting a year-end underspend of £157,000, a favourable movement of £74,500 from the underspend of £82,500 previously reported for period 7. This underspend is primarily attributable to vacancies across the Service, but particularly within Design Services being able to offset the cost pressures that do exist within Property Services property costs, with unbudgeted office suites at Fleming House being the largest factor. An analysis of variances at both divisional and subjective level are provided in Appendices 1 and 2 respectively.

3. Corporate Review of Expenditure

- 3.1. The Council review of "non-essential" expenditure remains an integral element of the Council's financial strategy. As a direct consequence of this request, Corporate Services continues to engage in a pro-active review of its immediate spending requirements.
- 3.2. Previous reports to 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 2007/2008 budget.
- 3.3. However, all costs over and above this funding framework are to be met by Services through reviews of their individual service priorities. For Corporate Services, the impact of job evaluation for 2007/08 is anticipated to be able to be absorbed within the services' current overall budget with measures to align costs with current budget provision being progressed. Updates regarding this particular issue, if required, will be provided throughout the financial year.

4. Explanation of Major Out-Turn Variances

- 4.1. Appendices 1 and 2 outline the Services' performance against budget; however a summary of the major variances within each division is outlined within the tables overleaf.

4.2. Service Overview

CORPORATE SERVICES	Budget to date (£)	Actual to date (£)	Variance to date (£)	Projected Outturn Variance (£)
Central Services	2,870,416	2,830,667	39,749	53,000 Underspend
Design Services	9,272,239	9,102,702	169,537	225,000 Underspend
Human Resources	964,017	951,021	12,966	11,000 Underspend
Legal Services	1,776,254	1,775,591	663	8,000 Underspend
Property Services	5,314,763	5,421,287	(106,524)	(140,000) Overspend
Total	20,197,689	20,081,267	116,422	157,000 Underspend

£

4.3 Central Services 53,000 Underspend

An underspend of £53,000 is anticipated and is mainly as a result of vacancies that exist at present within Central Services (£40,000). Some other minor variances exist across administration costs such as printing and stationery 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

4.4 Design Services 225,000 Underspend

The Design Services division is projecting expenditure to be £225,000 less than budget at the year end. This is a favourable movement from that previously reported of £25,000. The main reason for this is the continued number of vacant posts within both the Design and Maintenance Units. There is also an expected saving in Transport costs (£20,000), in line with expenditure patterns from previous years. It should be noted that the Central Repairs Account is currently projected to be on budget at the year end.

4.5 Human Resources 11,000 Underspend

There is a small projected underspend of £11,000 now expected within the Human Resources division. This movement from the break even position previously reported is a result of the current savings within Employee Costs. Administration costs and Payments to Other Bodies are expected to be overspent by £99,000 and £40,000 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.

4.6 Legal Services 8,000 Underspend

This projected favourable variance is result of a series of small anticipated underspends and income over-recoveries. The main contributing factors, at this stage in the financial year, being savings arising from vacancies in Legal Support services (£25,000) and income recovery within Licensing (£45,000)

There are a couple of areas of potential overspend in transport (£31,000) and administration costs (£65,000) 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 be able to more than offset this.

4.7 Property Services (140,000) Overspend

The projected year end variance reported at this stage is an overspend of £140,000. There are a number of variances contributing to this projection

Property costs are anticipated to be overspent by some £322,000 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

The large overspends have been partly offset by an expected over-recovery in income within the Commercial Property of £165,000. 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.

5. Service Efficiency Measures

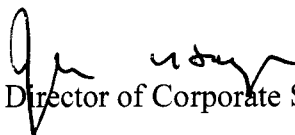
- 5.1 The projected year-end variance for Corporate Services as a whole is an underspend of £157,000, however there is one main area where current cost pressures are leading to an expected overspend. This is within the Property Services division, where an overspend of £140,000 is anticipated.
- 5.2 The major overspends within Property relate to on-going budget pressures in relation to the Office Accommodation strategy and also rental payable costs in the Commercial Sector. These can be offset to some extent by the over-recovery of income in the Commercial Property side and every effort will be made to maximise these income streams to help minimise the overall effect of the areas where budget shortfalls do exist.
- 5.3 Also, it should be possible to transfer some of the budgeted resources from Carron House once that property is fully vacated to Fleming House help address the pressures associated with that property.

6. Financial Concurrence

- 6.1. 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. Recommendations

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


Executive Director of Corporate Services

NORTH LANARKSHIRE COUNCIL**FINANCIAL MONITORING REPORT - Divisional Analysis****1 April 2007 to 9 November 2007****COMMITTEE: CORPORATE SERVICES****SERVICE: CORPORATE SERVICES DIVISIONAL SUMMARY**

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 VARIANCES (8)	% (9)	Analysis (10)
		£	£	£	£	£	£		
1.	CENTRAL SERVICES	2,870,416	2,830,667	39,749 Underspend	4,495,648	4,442,648	53,000 Underspend	1.2%	Vacancies & Travel costs
2.	DESIGN SERVICES	9,272,239	9,102,702	169,537 Underspend	15,429,096	15,204,096	225,000 Underspend	1.5%	Vacancy levels
3.	HUMAN RESOURCES	964,017	951,021	12,996 Underspend	2,020,548	2,009,548	11,000 Underspend	0.5%	Vacancy levels
4.	LEGAL SERVICES	1,776,254	1,775,591	663 Underspend	2,611,180	2,603,180	8,000 Underspend	0.3%	Licensing Income
5.	PROPERTY SERVICES	5,314,763	5,421,287	(106,524) Overspend	8,383,815	8,523,815	(140,000) Overspend	-1.7%	Property rents & Utility payments
6	NET EXPENDITURE	20,197,689	20,081,267	116,422 Underspend	32,940,287	32,783,287	157,000 Underspend	0.5%	

NORTH LANARKSHIRE COUNCILFINANCIAL MONITORING REPORT - Subjective Analysis1 April 2007 to 9 November 2007

OMMITTEE: CORPORATE SERVICES

SERVICE: CORPORATE SERVICES (CONSOLIDATED)

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 VARIANCES (8)	% (9)	Analysis (10)
		£	£	£	£	£	£		
1.	EMPLOYEE COSTS	8,685,946	8,472,960	212,986 Underspend	14,781,398	14,460,398	321,000 Underspend	2.2%	Vacancy levels
2.	PROPERTY COSTS	10,244,206	10,478,627	(234,421) Overspend	17,069,504	17,426,504	(357,000) Overspend	-2.1%	Property rents & Utility payments
3.	SUPPLIES AND SERVICES	285,567	291,158	(5,591) Overspend	519,967	545,967	(26,000) Overspend	-5.0%	IT Equipment purchases
4.	TRANSPORT & PLANT	423,197	401,758	21,439 Underspend	798,900	768,900	30,000 Underspend	3.8%	Lower travel costs across service
5.	ADMINISTRATION COSTS	917,024	1,064,757	(147,733) Overspend	1,576,481	1,754,481	(178,000) Overspend	-11.3%	Job Adverts / Professional Fees
6.	PAYMENTS TO OTHER BODIES	97,146	127,662	(30,516) Overspend	200,837	240,837	(40,000) Overspend	-19.9%	Medical Fees
7.	OTHER COSTS	4,263	1,703	2,560 Underspend	11,411	11,411			
8.	APPORTIONED EXPENSES	3,676,885	3,676,885		6,983,057	6,983,057			
9.	CAPITAL FINANCING CHARGES	745,645	745,645		1,091,101	1,091,101			
10.	C.F.C.R	-							
11.	TOTAL EXPENDITURE	25,079,879	25,261,155	(181,275) Overspend	43,032,656	43,282,656	(250,000) Overspend	-0.6%	
12.	INCOME	4,882,190	5,179,887	297,697 Over-recovery	10,092,369	10,499,369	407,000 Over-recovery	4.0%	Commercial Property / Human Res
13.	NET EXPENDITURE	20,197,689	20,081,267	116,422 Underspend	32,940,287	32,783,287	157,000 Underspend	0.5%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 9 November 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)	ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCES (8)	% (9)	Analysis (10)
		£	£	£	£	£	£		
1.	EMPLOYEE COSTS	1,677,462	1,657,217	20,245 Underspend	2,815,462	2,775,462	40,000 Underspend	1.4%	Vacancy levels
2.	PROPERTY COSTS	16,987	38,152	(21,165) Overspend	42,923	77,923	(35,000) Overspend	-81.5%	Storage Units Rental
3.	SUPPLIES AND SERVICES	116,637	112,785	3,852 Underspend	230,938	230,938	- -		
4.	TRANSPORT & PLANT	61,257	48,205	13,052 Underspend	137,502	117,502	20,000 Underspend	14.5%	Lower travel costs
5.	ADMINISTRATION COSTS	448,136	435,783	12,353 Underspend	861,398	843,398	18,000 Underspend	2.1%	Lower printing costs
6.	PAYMENTS TO OTHER BODIES	37,550	35,036	2,514 Underspend	98,410	98,410			
7.	OTHER COSTS	3,500	1,268	2,232 Underspend	10,000	10,000	- -		
8.	APPORTIONED EXPENSES	1,085,282	1,085,282		1,380,559	1,380,559	- -		
9.	CAPITAL FINANCING CHARGES	59,700	59,700		76,399	76,399	- -		
10.	C.F.C.R						- -		
11.	TOTAL EXPENDITURE	3,506,511	3,473,428	33,083 Underspend	5,653,591	5,610,591	43,000 Underspend	0.8%	
12.	INCOME	636,095	642,761	6,666 Over-recovery	1,157,943	1,167,943	10,000 Over-recovery	0.9%	Registration Fees
13.	NET EXPENDITURE	2,870,416	2,830,667	39,749 Underspend	4,495,648	4,442,648	53,000 Underspend	1.2%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 9 November 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)		ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCES (8)		% (9)	Analysis (10)
		£	£	£		£	£	£			
1.	EMPLOYEE COSTS	3,229,960	3,091,598	138,362	Underspend	5,623,840	5,423,840	200,000	Underspend	3.6%	Vacancy levels
2.	PROPERTY COSTS	4,680,837	4,674,006	6,831	Underspend	7,558,338	7,558,338			-	
3.	SUPPLIES AND SERVICES	63,388	61,484	1,904	Underspend	92,450	92,450			-	
4.	TRANSPORT & PLANT	250,809	235,507	15,302	Underspend	473,127	448,127	25,000	Underspend	5.3%	Lower travel costs
5.	ADMINISTRATION COSTS	84,202	79,128	5,074	Underspend	132,172	132,172			-	
6.	PAYMENTS TO OTHER BODIES	1,736		1,736	Underspend	4,670	4,670			-	
7.	OTHER COSTS	763	435	328	Underspend	1,411	1,411			-	
8.	APPORTIONED EXPENSES	925,456	925,456			1,632,913	1,632,913			-	
9.	CAPITAL FINANCING CHARGES	55,088	55,088			90,175	90,175			-	
10.	C.F.C.R									-	
11.	TOTAL EXPENDITURE	9,292,239	9,122,702	169,537	Underspend	15,609,096	15,384,096	225,000	Underspend	1.4%	
12.	INCOME	20,000	20,000	-	-	180,000	180,000	-	-	-	
13	NET EXPENDITURE	9,272,239	9,102,702	169,537	Underspend	15,429,096	15,204,096	225,000	Underspend	1.5%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 9 November 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)		ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCES (8)		% (9)	Analysis (10)
		£	£	£		£	£	£			
1.	EMPLOYEE COSTS	828,316	813,248	15,068	Underspend	1,415,119	1,399,119	16,000	Underspend	1.1%	Vacancy levels Job Advert costs Medical Fee costs
2.	PROPERTY COSTS							-	-		
3.	SUPPLIES AND SERVICES	15,324	12,827	2,497	Underspend	66,228	66,228	-	-		
4.	TRANSPORT & PLANT	16,325	13,629	2,696	Underspend	30,152	30,152	-	-		
5.	ADMINISTRATION COSTS	157,636	261,751	(104,115)	Overspend	254,648	353,648	(99,000)	Overspend	-38.9%	
6.	PAYMENTS TO OTHER BODIES	50,836	87,735	(36,899)	Overspend	80,005	120,005	(40,000)	Overspend	-50.0%	
7.	OTHER COSTS										
8.	APPORTIONED EXPENSES	31,546	31,546			395,608	395,608	-	-		
9.	CAPITAL FINANCING CHARGES	8,690	8,690			13,867	13,867	-	-		
10.	C.F.C.R							-	-		
11.	TOTAL EXPENDITURE	1,108,673	1,229,426	(120,753)	Overspend	2,255,627	2,378,627	(123,000)	Overspend	-5.5%	
12.	INCOME	144,656	278,405	133,749	Over-recovery	235,079	369,079	134,000	Over-recovery	57.0%	Recovery of overspends above
13.	NET EXPENDITURE	964,017	951,021	12,996	Underspend	2,020,548	2,009,548	11,000	Underspend	0.5%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 9 November 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)		ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCES (8)		% (9)	Analysis (10)
		£	£	£		£	£	£			
1.	EMPLOYEE COSTS	1,420,574	1,404,665	15,909	Underspend	2,338,982	2,303,982	35,000	Underspend	1.5%	Vacancy levels MOT Testing DCAS & Legal Fees
2.	PROPERTY COSTS	5,062	5,062			10,121	10,121	-	-		
3.	SUPPLIES AND SERVICES	17,380	17,272	108	Underspend	28,238	29,238	(1,000)	Overspend	-3.5%	
4.	TRANSPORT & PLANT	22,877	40,858	(17,981)	Overspend	37,671	68,671	(31,000)	Overspend	-82.3%	
5.	ADMINISTRATION COSTS	93,391	140,663	(47,272)	Overspend	130,250	195,250	(65,000)	Overspend	-49.9%	
6.	PAYMENTS TO OTHER BODIES	6,700	4,567	2,133	Underspend	17,383	17,383	-	-		
7.	OTHER COSTS							-	-		
8.	APPORTIONED EXPENSES	703,008	703,008			1,070,003	1,070,003	-	-		
9.	CAPITAL FINANCING CHARGES	17,866	17,866			35,732	35,732	-	-		
10.	C.F.C.R							-	-		
11.	TOTAL EXPENDITURE	2,286,858	2,333,961	(47,103)	Overspend	3,668,380	3,730,380	(62,000)	Overspend	-1.7%	
12.	INCOME	510,604	558,370	47,766	Over-recovery	1,057,200	1,127,200	70,000	Over-recovery	6.6%	Licensing fees
13.	NET EXPENDITURE	1,776,254	1,775,591	663	Underspend	2,611,180	2,603,180	8,000	Underspend	0.3%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 9 November 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)		ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCES (8)		% (9)	Analysis (10)
		£	£	£		£	£	£			
1.	EMPLOYEE COSTS	1,529,634	1,506,232	23,402	Underspend	2,587,995	2,557,995	30,000	Underspend	1.2%	Vacancy levels
2.	PROPERTY COSTS	5,541,320	5,761,407	(220,087)	Overspend	9,458,122	9,780,122	(322,000)	Overspend	-3.4%	Property rents & Utility payments
3.	SUPPLIES AND SERVICES	72,838	86,790	(13,952)	Overspend	102,113	127,113	(25,000)	Overspend	-24.5%	IT Equipment purchases
4.	TRANSPORT & PLANT	71,929	63,559	8,370	Underspend	120,448	104,448	16,000	Underspend	13.3%	Lower travel costs
5.	ADMINISTRATION COSTS	133,659	147,432	(13,773)	Overspend	198,013	230,013	(32,000)	Overspend	-16.2%	Training / Job Advert costs
6.	PAYMENTS TO OTHER BODIES	324	324			369	369			-	
7.	OTHER COSTS									-	
8.	APPORTIONED EXPENSES	931,593	931,593			2,503,974	2,503,974			-	
9.	CAPITAL FINANCING CHARGES	604,301	604,301			874,928	874,928			-	
10.	C.F.C.R									-	
11.	TOTAL EXPENDITURE	8,885,598	9,101,638	(216,040)	Overspend	15,845,962	16,178,962	(333,000)	Overspend	-2.1%	
12.	INCOME	3,570,835	3,680,351	109,516	Over-recovery	7,462,147	7,655,147	193,000	Over-recovery	2.6%	Commercial Property rents
13.	NET EXPENDITURE	5,314,763	5,421,287	(106,524)	Overspend	8,383,815	8,523,815	(140,000)	Overspend	-1.7%	