

To: CORPORATE SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT CORPORATE SERVICES 01/04/07 to 01/02/08 (PERIOD 11)
FROM: EXECUTIVE DIRECTOR OF CORPORATE SERVICES		
DATE: 14-Feb-07	Ref: 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 1st Feb 2008. 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 £486,500, a favourable movement of £78,500 from the underspend of £408,000 previously reported for period 10. This underspend is primarily attributable to vacancies across the Service, but particularly within Design Services. These being able to offset the cost pressures that do exist within Property Services 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.

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 table below.

4.2. Service Overview

CORPORATE SERVICES	Budget to date (£)	Actual to date (£)	Variance to date (£)	Projected Outturn Variance (£)
Central Services	3,797,939	3,648,445	149,494	157,500 Underspend
Design Services	12,062,969	11,787,396	275,573	310,000 Underspend
Human Resources	1,330,083	1,290,710	39,373	35,500 Underspend
Legal Services	2,213,856	2,215,150	(1,294)	2,000 Underspend
Property Services	6,427,663	6,444,285	(16,622)	(18,500) Overspend
Total	25,832,510	25,385,986	446,524	486,500 Underspend

4.3 Central Services 157,500 Underspend

An underspend of £157,000 is anticipated and is mainly as a result of vacancies that exist at present within Central Services (£70,000). The other main areas of variance is within Administration costs where it now appears that savings against printing and stationery costs will be achievable (£64,000). There are other smaller variances, such as an under-recovery in income and underspends anticipated against transport and plant which are largely offsetting one another. These are not significant overall but will be continued to be monitored as the year end becomes closer.

4.4 Design Services 310,000 Underspend

The Design Services division is projecting expenditure to be £310,000 less than budget at the year end. 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 (£40,000), in line with expenditure patterns from previous years. This is partially offset by the now anticipated under-recovery in external income for works previously carried out for Strathclyde Fire Brigade (£50k). It should be noted that the Central Repairs Account is currently projected to be on budget at the year end.

4.5 Human Resources 35,500 Underspend

There is a Projected underspend of £35,500 now expected within the Human Resources division. This movement from that previously reported is a result of an increase in the anticipated savings within Employee Costs. Administration costs and Payments to Other Bodies are expected to be overspent by £112,500 and £80,000 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 2,000 Underspend

This projected favourable variance is result of a series of 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 (£125,000)

The one main area of significant overspend within Legal Public services is in relation to the advertising costs associated with licensing. This particular large overspend has been an on-going situation for a number of years and is generally managed through a, by and large, corresponding over recovery in licensing income.

There are also an anticipated overspend in transport (£23,000) due to the volume of MOT tests. As indicated above, however, the current level of underspend in employee costs and income recovery is currently anticipated to be able to offset these cost pressures.

4.7 Property Services (18,500) Overspend

The projected year end variance reported at this stage is an overspend of £18,500. This is an improvement of £89,500 from that previously reported. The improved position is a result of rebates received in respect of volume discounts associated with energy consumption and refunds from previous years incorrect metered water costs.

The overall position is still indicating that an overspend may still occur with the most significant variances being in property costs which are anticipated to be overspent by some £215,000 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 building cleaning, waste uplift and security costs. The large overspends have been partly offset by an expected over-recovery in income within Commercial Property of £182,000.

The increased income 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.

In relation to the variances currently within the Commercial Property division budget virement is proposed to increase both the rents payable budget line and the income rents receivable budget line by £100,000. This will bring these respective areas more into line with the actual activity in this division. There is no net effect on the bottom line budget and will help make future budget monitoring reports and management information more meaningful.

5. Service Efficiency Measures

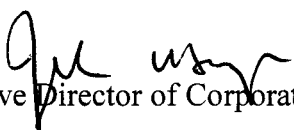
- 5.1 The projected year-end variance for Corporate Services as a whole is an underspend of £486,500, which is an improvement from the previous report of £78,500 mainly as a result of the improving position within the Property Services division.
- 5.2.1 The major overspends within Property relate to on-going budget pressures in relation to the Office Accommodation strategy and also rental payable costs in the Commercial Sector. These are increasingly being able to be offset, this year, through the over-recovery of income in the Commercial Property side and the receipt of one off credits in respect of energy consumption and metered water costs. Every effort will continue to be made to maximise these income streams in order to try and minimise the overall adverse effect of areas where budget shortfalls do exist.
- 5.2.2 Also, it should be possible to transfer some of the budgeted resources from Carron House once that property is fully vacated to Fleming House to 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 and that the virement request in paragraph 4.7 be approved.


Executive Director of Corporate Services

NORTH LANARKSHIRE COUNCIL**FINANCIAL MONITORING REPORT - Divisional Analysis****1 April 2007 to 1 February 2008****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	3,797,939	3,648,445	149,494	Underspend	4,495,648	4,338,148	157,500	Underspend	3.5%	Vacancies & Travel costs
2.	DESIGN SERVICES	12,062,969	11,787,396	275,573	Underspend	15,429,096	15,119,096	310,000	Underspend	2.0%	Vacancy levels
3.	HUMAN RESOURCES	1,330,083	1,290,710	39,373	Underspend	2,070,548	2,035,048	35,500	Underspend	1.7%	Vacancy levels
4.	LEGAL SERVICES	2,213,856	2,215,150	(1,294)	Overspend	2,611,180	2,609,180	2,000	Underspend	0.1%	Licensing Income
5.	PROPERTY SERVICES	6,427,663	6,444,285	(16,622)	Overspend	8,383,815	8,402,315	(18,500)	Overspend	-0.2%	Property Rents & Service charges
6.	NET EXPENDITURE	25,832,510	25,385,986	446,524	Underspend	32,990,287	32,503,787	486,500	Underspend	1.5%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT - Subjective Analysis

1 April 2007 to 1 February 2008

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)		ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCES (8)		% (9)	Analysis (10)
		£	£	£		£	£	£			
1.	EMPLOYEE COSTS	12,240,174	11,789,793	450,381	Underspend	14,761,398	14,223,398	538,000	Underspend	3.6%	Vacancy levels
2.	PROPERTY COSTS	12,172,104	12,347,676	(175,572)	Overspend	17,069,504	17,284,504	(215,000)	Overspend	-1.3%	Property Rents & Service charges
3.	SUPPLIES AND SERVICES	365,708	347,155	18,553	Underspend	539,967	524,467	15,500	Underspend	2.9%	IT Equipment purchases
4.	TRANSPORT & PLANT	595,891	541,950	53,941	Underspend	798,900	728,900	70,000	Underspend	8.8%	Lower travel costs across service
5.	ADMINISTRATION COSTS	1,182,228	1,414,079	(231,851)	Overspend	1,576,481	1,847,981	(271,500)	Overspend	-17.2%	Job Adverts / Professional Fees
6.	PAYMENTS TO OTHER BODIES	197,217	268,415	(71,198)	Overspend	250,837	316,337	(65,500)	Overspend	-26.1%	Medical Fees
7.	OTHER COSTS	5,699	2,090	3,609	Underspend	11,411	11,411			-	
8.	APPORTIONED EXPENSES	5,388,164	5,388,164	-	-	6,983,057	6,983,057			-	
9.	CAPITAL FINANCING CHARGES	960,936	960,936	-	-	1,091,101	1,091,101			-	
10.	C.F.C.R			-	-					-	
11.	TOTAL EXPENDITURE	33,108,121	33,060,258	47,863	Underspend	43,082,656	43,011,156	71,500	Underspend	0.2%	
12.	INCOME	7,275,611	7,674,272	398,661	Over-recovery	10,092,369	10,507,369	415,000	Over-recovery	4.1%	Commercial Property / Human Res
13.	NET EXPENDITURE	25,832,510	25,385,986	446,524	Underspend	32,990,287	32,503,787	486,500	Underspend	1.5%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 1 February 2008

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	2,348,704	2,285,993	62,711 Underspend	2,815,462	2,745,462	70,000 Underspend	2.5%	Vacancy levels
2	PROPERTY COSTS	34,425	30,675	3,750 Underspend	42,923	42,923	- -		
3	SUPPLIES AND SERVICES	165,187	146,380	18,807 Underspend	230,938	208,938	22,000 Underspend	9.5%	Eq'mnt Purchases
4	TRANSPORT & PLANT	104,602	71,296	33,306 Underspend	137,502	102,502	35,000 Underspend	25.5%	Lower travel costs
5	ADMINISTRATION COSTS	594,618	543,763	50,855 Underspend	861,398	797,398	64,000 Underspend	7.4%	Lower printing costs
6	PAYMENTS TO OTHER BODIES	64,738	59,007	5,731 Underspend	98,410	91,910	6,500 Underspend	6.6%	
7	OTHER COSTS	4,500	1,268	3,232 Underspend	10,000	10,000	- -		
8	APPORTIONED EXPENSES	1,215,423	1,215,423	- -	1,380,559	1,380,559	- -		
9	CAPITAL FINANCING CHARGES	73,994	73,994	- -	76,399	76,399	- -		
10	C.F.C.R			- -			- -		
11	TOTAL EXPENDITURE	4,606,191	4,427,799	178,392 Underspend	5,653,591	5,456,091	197,500 Underspend	3.5%	
12	INCOME	808,252	779,354	(28,898) Under-Recovery	1,157,943	1,117,943	(40,000) Under-Recovery	-3.5%	Registration Fees
13	NET EXPENDITURE	3,797,939	3,648,445	149,494 Underspend	4,495,648	4,338,148	157,500 Underspend	3.5%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 1 February 2008

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	4,617,819	4,355,125	262,694	Underspend	5,623,840	5,303,840	320,000	Underspend	5.7%	Vacancy levels Lower travel costs
2.	PROPERTY COSTS	5,522,301	5,508,265	14,036	Underspend	7,558,338	7,558,338	-	-	-	
3.	SUPPLIES AND SERVICES	61,127	58,830	2,297	Underspend	92,450	92,450	-	-	-	
4.	TRANSPORT & PLANT	341,119	317,523	23,596	Underspend	473,127	433,127	40,000	Underspend	8.5%	
5.	ADMINISTRATION COSTS	112,879	106,867	6,012	Underspend	132,172	132,172	-	-	-	
6.	PAYMENTS TO OTHER BODIES	1,561		1,561	Underspend	4,670	4,670	-	-	-	
7.	OTHER COSTS	1,199	822	377	Underspend	1,411	1,411	-	-	-	
8.	APPORTIONED EXPENSES	1,387,332	1,387,332			1,632,913	1,632,913	-	-	-	
9.	CAPITAL FINANCING CHARGES	77,632	77,632	-	-	90,175	90,175	-	-	-	
10.	C.F.C.R			-	-	-	-	-	-	-	
11.	TOTAL EXPENDITURE	12,122,969	11,812,396	310,573	Underspend	15,609,096	15,249,096	360,000	Underspend	2.3%	
12.	INCOME	60,000	25,000	(35,000)	Under-Recovery	180,000	130,000	(50,000)	Under-Recovery	-27.8%	External Fees - S/clyde FB
13.	NET EXPENDITURE	12,062,969	11,787,396	275,573	Underspend	15,429,096	15,119,096	310,000	Underspend	2.0%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 1 February 2008

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	1,162,130	1,123,400	38,730	Underspend	1,415,119	1,377,119	38,000	Underspend	2.7%	Vacancy levels Gen office supplies underpends Gen admin supplies underpends Job Advert costs Medical Fee costs
2.	PROPERTY COSTS			-	-			-	-	-	
3.	SUPPLIES AND SERVICES	19,091	15,321	3,770	Underspend	66,228	63,228	3,000	Underspend	4.5%	
4.	TRANSPORT & PLANT	18,623	13,688	4,935	Underspend	30,152	28,152	2,000	Underspend	6.6%	
5.	ADMINISTRATION COSTS	169,478	276,792	(107,314)	Overspend	254,648	367,148	(112,500)	Overspend	-44.2%	
6.	PAYMENTS TO OTHER BODIES	118,336	203,130	(84,794)	Overspend	130,005	210,005	(80,000)	Overspend	-61.5%	
7.	OTHER COSTS			-	-			-	-	-	
8.	APPORTIONED EXPENSES	31,546	31,546	-	-	395,608	395,608	-	-	-	
9.	CAPITAL FINANCING CHARGES	9,781	9,781	-	-	13,867	13,867	-	-	-	
10.	C.F.C.R			-	-			-	-	-	
11.	TOTAL EXPENDITURE	1,528,985	1,673,658	(144,673)	Overspend	2,305,627	2,455,127	(149,500)	Overspend	-6.5%	
12.	INCOME	198,902	382,948	184,046	Over-recovery	235,079	420,079	185,000	Over-recovery	78.7%	Recovery of overspends above
13.	NET EXPENDITURE	1,330,083	1,290,710	39,373	Underspend	2,070,548	2,035,048	35,500	Underspend	1.7%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 1 February 2008

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	1,959,464	1,940,860	18,604 Underspend	2,338,982	2,313,982	25,000 Underspend	1.1%	Vacancy levels Taxi MOT Testing Lic's advertising & software costs
2.	PROPERTY COSTS	7,593	7,593		10,121	10,121		-	
3.	SUPPLIES AND SERVICES	23,898	21,969	1,929 Underspend	28,238	28,238		-	
4.	TRANSPORT & PLANT	41,560	60,934	(19,374) Overspend	37,671	60,671	(23,000) Overspend	-61.1%	
5.	ADMINISTRATION COSTS	129,357	264,180	(134,823) Overspend	130,250	288,250	(158,000) Overspend	-121.3%	
6.	PAYMENTS TO OTHER BODIES	12,213	5,909	6,304 Underspend	17,383	9,383	8,000 Underspend	46.0%	
7.	OTHER COSTS							-	
8.	APPORTIONED EXPENSES	872,512	872,512		1,070,003	1,070,003		-	
9.	CAPITAL FINANCING CHARGES	27,866	27,866		35,732	35,732	- -	-	
10.	C.F.C.R						- -	-	
11.	TOTAL EXPENDITURE	3,074,463	3,201,823	(127,360) Overspend	3,668,380	3,816,380	(148,000) Overspend	-4.0%	
12.	INCOME	860,607	986,673	126,066 Over-recovery	1,057,200	1,207,200	150,000 Over-recovery	14.2%	Licensing fees
13.	NET EXPENDITURE	2,213,856	2,215,150	(1,294) Overspend	2,611,180	2,609,180	2,000 Underspend	0.1%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2007 to 1 February 2008

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	2,152,057	2,084,415	67,642	Underspend	2,567,995	2,482,995	85,000	Underspend	3.3%	Vacancy levels
2.	PROPERTY COSTS	6,607,785	6,801,143	(193,358)	Overspend	9,458,122	9,673,122	(215,000)	Overspend	-2.3%	Property rents and service chrg
3.	SUPPLIES AND SERVICES	96,405	104,655	(8,250)	Overspend	122,113	131,613	(9,500)	Overspend	-7.8%	IT Equipment purchases
4.	TRANSPORT & PLANT	89,987	78,509	11,478	Underspend	120,448	104,448	16,000	Underspend	13.3%	Lower travel costs
5.	ADMINISTRATION COSTS	175,896	222,477	(46,581)	Overspend	198,013	263,013	(65,000)	Overspend	-32.8%	Training / Job Advert costs
6.	PAYMENTS TO OTHER BODIES	369	369			369	369				
7.	OTHER COSTS										
8.	APPORTIONED EXPENSES	1,881,351	1,881,351			2,503,974	2,503,974				
9.	CAPITAL FINANCING CHARGES	771,663	771,663			874,928	874,928				
10.	C.F.C.R										
11.	TOTAL EXPENDITURE	11,775,513	11,944,582	(169,069)	Overspend	15,845,962	16,034,462	(188,500)	Overspend	-1.2%	
12.	INCOME	5,347,850	5,500,297	152,447	Over-recovery	7,462,147	7,632,147	170,000	Over-recovery	2.3%	Commercial Property rents
13.	NET EXPENDITURE	6,427,663	6,444,285	(16,622)	Overspend	8,383,815	8,402,315	(18,500)	Overspend	-0.2%	