

To: CORPORATE SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT CORPORATE SERVICES 01/04/07 to 31/03/08 PROVISIONAL OUTTURN
FROM: EXECUTIVE DIRECTOR OF CORPORATE SERVICES		
DATE: 23-APR-07	Ref: JMcE	

1. Purpose of Report

1.1. This report advises Committee on the provisional outturn position of Corporate Services for the period 1st April 2007 to 31st Mar 2008 and provides explanations for the major outturn variances.

2. Executive Summary of Financial Position

2.1. The provisional outturn shows an underspend of £875,900. This underspend is primarily attributable to vacancies across the Service, but particularly within Design Services. This being able to offset the major cost pressures that do exist elsewhere within Corporate Services. The most significant areas of pressure being within Legal Services where advertising costs associated with Licensing are very high and also in 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	Annual Budget (£)	Provisional Outturn (£)	Provisional Outturn Variance (£)
Central Services	4,577,764	4,295,014	282,750 Underspend
Design Services	15,412,517	14,921,467	491,050 Underspend
Human Resources	2,070,548	1,993,448	77,100 Underspend
Legal Services	2,611,180	2,608,180	3,000 Underspend
Property Services	8,412,694	8,390,694	22,000 Underspend
Total	33,084,703	32,208,803	875,900 Underspend

4.3 Central Services 282,750 Underspend

An underspend of £282,750 is expected and is mainly as a result of vacancies that exist at present within Central Services (£122,000).

The other main area of variance is within Administration costs where it now appears that savings against printing and stationery costs will be achieved (£74,000). There are other smaller underspends against Transport costs and an over-recovery in Registrars income, which also contribute to the overall underspend position.

This underspend is higher than that previously reported as a result of an additional budget resource from the Scottish Government in respect of increased responsibility for marches and parades of £64,000 and also additional Registrars income generated towards the close of the financial year not previously anticipated.

4.4 Design Services 491,050 Underspend

The Design Services division's provisional outturn position is an underspend of £491,050. 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 (£59,500), in line with expenditure patterns from previous years. This is partially offset by an under-recovery in external income for works previously carried out for Strathclyde Fire Brigade (£44k).

This is a significantly improved position from that reported previously where a provision for a potential under-recovery in fee income had been built into the projections.

The final position for Design Services now expects fees to fully cover all expenditure and hence the expenditure based underspends are now reported in full in this report.

It should be noted that the outturn for the Central Repairs Account is currently on budget at the year end.

4.5 Human Resources 77,100 Underspend

The provisional outturn is an underspend of £77,100.

This is a result of an increase in the anticipated savings within Employee Costs.

There are also two areas where significant variances are reported. These being in respect of the costs associated with the placing of Job Adverts and also Medical Referrals, where expenditure in excess of budget of £158,900 and £150,000, respectively, is recorded.

Both these areas are purely demand led and as a result can be difficult to accurately set budgets for each year. It is intended that the budgets for these areas will be reviewed and adjusted accordingly to more accurately reflect the level of activity in these particular areas for 2008/09.

As both of these services are fully rechargeable, there is no adverse effect to the bottom line position of Human Resources and any overspend in costs is matched by a corresponding over-recovery in recharge income. Thus, achieving the favourable year end position for Human Resources.

4.6 Legal Services 3,000 Underspend

This outturn provisionally expected for Legal Services is a small underspend of £3,000. This overall favourable variance is result of a series of underspends, overspends and income over-recoveries across the service.

The main contributing factors to the favourable outcome being savings arising from vacancies in Legal Support services and income recovery within the Licensing division. These are almost completely offset however by one main area of significant overspend within Legal Public services, that being 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.

This also applies, to a lesser extent, to the position in respect of the taxi licensing service, where higher than budgeted costs for the provision of taxi plates and MOT testing will be

offset by a directly corresponding over-recovery in income, hence having no adverse effect on the bottom line position of Legal Services.

As with the situation highlighted above in Human Resources, there is some scope for a review of historical budgets which no longer reflect today's level of activity with any updates and realignments being incorporated into the budgets for 2008/09.

4.7 Property Services 22,000 Underspend

The provisional outturn variance for Property Services is an underspend of £22,000.

The improved position is a result of several factors where Property Services staff have been pro-active in addressing issues to enable the more efficient use of the Council's Commercial and Office Accommodation Property portfolios. These have included securing lower Property Rates charges for a number of properties, through Property revaluations, rebates received in respect of volume discounts associated with energy consumption and refunds from previous years incorrectly metered water costs.

The outturn position still includes areas of cost pressures which still have an adverse impact on the bottom line position. The most significant variances are in property costs which are anticipated to be overspent by £103,000 across both the Commercial Property portfolio and the Office Accommodation division.

Some of the main factors contributing in this have been addressed to some extent through budget virements and examination of the existing budgets will continue on an on-going basis, to see if further budget re-alignments can help to alleviate the still existing cost pressures.

E.g. Areas such as unbudgeted property rents, increased building cleaning, waste uplift and security costs.

The overall favourable position is achieved through the overspends now being fully offset for this financial year by way of the over-recovery in income within Commercial Property and the Employee cost savings arising from vacancies within the Property Unit.

5. Summary

5.1 The provisional outturn variance for Corporate Services as a whole is an underspend of £875,900.

This is a significant improvement from the previous report to committee and is mainly a result of the two following factors;

Design Services - a provision built into projections to cover for the possible under-recovery of Design Fees is no longer required, with the level of fees now being sufficient to fully cover the cost of Design Services.

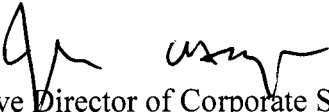
Central Services - increased Registrars income recovery at the end of the year and additional budget resources to meet the increased responsibility requirements for marches and parades. .

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 31 March 2008****COMMITTEE: CORPORATE SERVICES****SERVICE: CORPORATE SERVICES DIVISIONAL SUMMARY**

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	PROVISIONAL OUTTURN (4)	PROVISIONAL OUTTURN VARIANCES (5)	% (6)	Analysis (7)
		£	£	£		
1.	CENTRAL SERVICES	4,577,764	4,295,014	282,750 Underspend	6.2%	Vacancies & Travel costs
2.	DESIGN SERVICES	15,412,517	14,921,467	491,050 Underspend	3.2%	Vacancy levels
3.	HUMAN RESOURCES	2,070,548	1,993,448	77,100 Underspend	3.7%	Vacancy levels
4.	LEGAL SERVICES	2,611,180	2,608,180	3,000 Underspend	0.1%	Licensing Income
5.	PROPERTY SERVICES	8,412,694	8,390,694	22,000 Underspend	0.3%	Property Rates & Commercial Inc.
6	NET EXPENDITURE	33,084,703	32,208,803	875,900 Underspend	2.6%	

NORTH LANARKSHIRE COUNCIL**FINANCIAL MONITORING REPORT - Divisional Analysis****1 April 2007 to 31 March 2008****COMMITTEE: CORPORATE SERVICES****SERVICE: CORPORATE SERVICES (CONSOLIDATED)**

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	PROVISIONAL OUTTURN (4)	PROVISIONAL OUTTURN VARIANCES (5)	% (6)	Analysis (7)
		£	£	£		
1.	EMPLOYEE COSTS	14,731,398	13,931,398	800,000 Underspend	5.4%	Vacancy levels
2.	PROPERTY COSTS	17,198,537	17,281,937	(83,400) Overspend	-0.5%	Property Rents & Service charges
3.	SUPPLIES AND SERVICES	574,967	537,667	37,300 Underspend	6.5%	IT Equipment purchases
4.	TRANSPORT & PLANT	781,693	719,443	62,250 Underspend	8.0%	Lower travel costs across service
5.	ADMINISTRATION COSTS	1,545,481	1,896,281	(350,800) Overspend	-22.7%	Job Adverts / Professional Fees
6.	PAYMENTS TO OTHER BODIES	250,837	373,787	(122,950) Overspend	-49.0%	Medical Fees
7.	OTHER COSTS	11,411	11,411	- -		
8.	APPORTIONED EXPENSES	6,983,057	6,983,057	- -		
9.	CAPITAL FINANCING CHARGES	1,091,101	1,091,101	- -		
10.	C.F.C.R			- -		
11.	TOTAL EXPENDITURE	43,168,482	42,826,082	342,400 Underspend	0.8%	
12.	INCOME	10,083,779	10,617,279	533,500 Over-recovery	5.3%	Licensing & Human Res. Receipts
13.	NET EXPENDITURE	33,084,703	32,208,803	875,900 Underspend	2.6%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT - Divisional Analysis

1 April 2007 to 31 March 2008

COMMITTEE: CORPORATE SERVICES

SERVICE:

CENTRAL SERVICES

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	PROVISIONAL OUTTURN (4)	PROVISIONAL OUTTURN VARIANCES (5)	% (6)	Analysis (7)	
		£	£	£			
1.	EMPLOYEE COSTS	2,825,462	2,703,462	122,000	Underspend	4.3%	Vacancy levels
2.	PROPERTY COSTS	43,077	42,977	100	Underspend	0.2%	
3.	SUPPLIES AND SERVICES	250,938	226,438	24,500	Underspend	9.8%	Eq'mnt Purchases
4.	TRANSPORT & PLANT	135,464	99,714	35,750	Underspend	26.4%	Lower travel costs
5.	ADMINISTRATION COSTS	805,398	734,998	70,400	Underspend	8.7%	Lower printing costs
6.	PAYMENTS TO OTHER BODIES	98,410	85,410	13,000	Underspend	13.2%	Children's Panel Exp.
7.	OTHER COSTS	10,000	10,000				
8.	APPORTIONED EXPENSES	1,380,559	1,380,559				
9.	CAPITAL FINANCING CHARGES	76,399	76,399				
10.	C.F.C.R						
11.	TOTAL EXPENDITURE	5,625,707	5,359,957	265,750	Underspend	4.7%	
12.	INCOME	1,047,943	1,064,943	17,000	Over-recovery	1.6%	Registration Fees
13	NET EXPENDITURE	4,577,764	4,295,014	282,750	Underspend	6.2%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT - Divisional Analysis

1 April 2007 to 31 March 2008

COMMITTEE: CORPORATE SERVICES

SERVICE:

DESIGN SERVICES

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	PROVISIONAL OUTTURN (4)	PROVISIONAL OUTTURN VARIANCES (5)	% (6)	Analysis (7)
		£	£	£		
1.	EMPLOYEE COSTS	5,593,840	5,149,840	444,000 Underspend	7.9%	Vacancy levels
2.	PROPERTY COSTS	7,558,338	7,531,838	26,500 Underspend	0.4%	CRA Direct Exp
3.	SUPPLIES AND SERVICES	107,450	107,450			
4.	TRANSPORT & PLANT	456,548	397,048	59,500 Underspend	13.0%	Lower travel costs & vacancies
5.	ADMINISTRATION COSTS	147,172	146,472	700 Underspend	0.5%	
6.	PAYMENTS TO OTHER BODIES	4,670	320	4,350 Underspend	93.1%	
7.	OTHER COSTS	1,411	1,411			
8.	APPORTIONED EXPENSES	1,632,913	1,632,913			
9.	CAPITAL FINANCING CHARGE:	90,175	90,175			
10.	C.F.C.R					
11.	TOTAL EXPENDITURE	15,592,517	15,057,467	535,050 Underspend	3.4%	
12.	INCOME	180,000	136,000	(44,000) Under-Recovery	-24.4%	External Fees - S/clyde FB
13.	NET EXPENDITURE	15,412,517	14,921,467	491,050 Underspend	3.2%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT - Divisional Analysis

1 April 2007 to 31 March 2008

COMMITTEE: CORPORATE SERVICES

SERVICE:

HUMAN RESOURCES

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	PROVISIONAL OUTTURN (4)	PROVISIONAL OUTTURN VARIANCES (5)	% (6)	Analysis (7)
		£	£	£		
1.	EMPLOYEE COSTS	1,415,119	1,334,119	81,000 Underspend	5.7%	Vacancy levels
2.	PROPERTY COSTS			- -		
3.	SUPPLIES AND SERVICES	66,228	67,228	(1,000) Overspend	-1.5%	Gen office supplies underspend
4.	TRANSPORT & PLANT	30,152	18,152	12,000 Underspend	39.8%	Car Leasing exp.
5.	ADMINISTRATION COSTS	254,648	413,548	(158,900) Overspend	-62.4%	Job Advert costs
6.	PAYMENTS TO OTHER BODIES	130,005	280,005	(150,000) Overspend	-115.4%	Medical Fee costs
7.	OTHER COSTS			- -		
8.	APPORTIONED EXPENSES	395,608	395,608	- -		
9.	CAPITAL FINANCING CHARGE:	13,867	13,867	- -		
10.	C.F.C.R			- -		
11.	TOTAL EXPENDITURE	2,305,627	2,522,527	(216,900) Overspend	-9.4%	
12.	INCOME	235,079	529,079	294,000 Over-recovery	125.1%	Recovery of overspends above
13.	NET EXPENDITURE	2,070,548	1,993,448	77,100 Underspend	3.7%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT - Divisional Analysis

1 April 2007 to 31 March 2008

COMMITTEE: CORPORATE SERVICES

SERVICE: LEGAL SERVICES

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	PROVISIONAL OUTTURN (4)	PROVISIONAL OUTTURN VARIANCES (5)	% (6)	Analysis (7)
		£	£	£		
1.	EMPLOYEE COSTS	2,338,982	2,319,982	19,000 Underspend	0.8%	Vacancy levels
2.	PROPERTY COSTS	10,121	17,121	(7,000) Overspend	-69.2%	Storage Costs
3.	SUPPLIES AND SERVICES	28,238	33,438	(5,200) Overspend	-18.4%	Eq'mnt Purchases
4.	TRANSPORT & PLANT	37,671	83,671	(46,000) Overspend	-122.1%	Taxi - Mot's & Plates
5.	ADMINISTRATION COSTS	130,250	323,250	(193,000) Overspend	-148.2%	Lic's advertising & software costs
6.	PAYMENTS TO OTHER BODIES	17,383	7,683	9,700 Underspend	55.8%	JP's Expenses
7.	OTHER COSTS					
8.	APPORTIONED EXPENSES	1,070,003	1,070,003			
9.	CAPITAL FINANCING CHARGE	35,732	35,732			
10.	C.F.C.R					
11.	TOTAL EXPENDITURE	3,668,380	3,890,880	(222,500) Overspend	-6.1%	
12.	INCOME	1,057,200	1,282,700	225,500 Over-recovery	21.3%	Licensing fees
13.	NET EXPENDITURE	2,611,180	2,608,180	3,000 Underspend	0.1%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT - Divisional Analysis

1 April 2007 to 31 March 2008

COMMITTEE: CORPORATE SERVICES

SERVICE:

PROPERTY SERVICES

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	PROVISIONAL OUTTURN (4)	PROVISIONAL OUTTURN VARIANCES (5)	% (6)	Analysis (7)	
		£	£	£			
1.	EMPLOYEE COSTS	2,557,995	2,423,995	134,000	Underspend	5.2%	Vacancy levels
2.	PROPERTY COSTS	9,587,001	9,690,001	(103,000)	Overspend	-1.1%	Property rents and service chrgs
3.	SUPPLIES AND SERVICES	122,113	103,113	19,000	Underspend	15.6%	IT Equipment purchases
4.	TRANSPORT & PLANT	121,858	120,858	1,000	Underspend	0.8%	Lower travel costs
5.	ADMINISTRATION COSTS	208,013	278,013	(70,000)	Overspend	-33.7%	Training / Job Advert costs
6.	PAYMENTS TO OTHER BODIES	369	369				
7.	OTHER COSTS						
8.	APPORTIONED EXPENSES	2,503,974	2,503,974				
9.	CAPITAL FINANCING CHARGES	874,928	874,928				
10.	C.F.C.R						
11.	TOTAL EXPENDITURE	15,976,251	15,995,251	(19,000)	Overspend	-0.1%	
12.	INCOME	7,563,557	7,604,557	41,000	Over-recovery	0.5%	Commercial Property rents
13.	NET EXPENDITURE	8,412,694	8,390,694	22,000	Underspend	0.3%	