

To: CORPORATE SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT CORPORATE SERVICES 01/04/09 to 17/07/09 (PERIOD 4)
FROM: EXECUTIVE DIRECTOR OF CORPORATE SERVICES		
DATE: 4-Aug-09	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 2008 to 17th July 2009. Variances are reported for both year-to-date and projected outturn, with major outturn variances being highlighted and explained.

2. Summary of Financial Position

2.1. The Service is currently projecting a year-end surplus of £193,500. This is primarily attributable to turnover savings across all divisions in Corporate Services, but primarily within the Design Services division. Additional details regarding budget variations are outlined in paragraph four below, and the appendices to this report.

3. Risks and Uncertainty

3.1. Although risks are inherent in any financial planning and monitoring process, the current economic climate has the potential to impact upon the Council's ability to provide services within its existing budgetary provision.

3.2. The most significant risk which may impact upon the financial outcome of Corporate Services at the moment is:

3.2.1 The effect of the economic climate on the level of rental income from Commercial Rents.

3.2.2 At the moment the position is holding up relatively well in terms of income collected against the budgeted target, with only a small under-recovery of 0.5%, being expected at the moment. This amounts to approximately £40,000. However this could change quite quickly and the position will be monitored closely in the months ahead.

4. Major Variations

4.1. Appendices 1 and 2 outline the Services' performance against budget, with a summary of the major variances within each division outlined within the table below. Appendix 3 provides some additional information on expenditure items contained within the "Payments to Other Bodies" category.

4.2. Service Overview (see over)

CORPORATE SERVICES	Budget to date (£)	Actual to date (£)	Variance to date (£)	Projected Outturn Variance (£)
Central Services	1,405,303	1,387,619	17,684	39,000 Underspend
Design Services	3,819,633	3,730,990	88,643	195,000 Underspend
Human Resources	541,317	521,883	19,434	42,500 Underspend
Legal Services	659,054	654,638	4,416	9,000 Underspend
Property Services	2,094,846	2,154,464	(59,618)	(92,000) Overspend
Total	8,520,153	8,449,594	70,559	193,500 Underspend

4.3 Central Services

£
39,000 Underspend

An underspend of £39,000 is anticipated and is mainly as a result of vacancies that exist at present within Central Services.

A report detailing a fairly comprehensive review of Corporate Services Support Service functions, across all divisions, was presented to committee on May 21 and contained several recommendations to re-align posts across divisions bringing all core administrative and financial support functions for Corporate Services into the Central Services division. A key element of this report is that longer-term vacant posts will be used to fund the service re-structure.

At this point, before the outcomes of this have been actioned and fully worked through, the division has a total of 15.5 vacant posts, 4.5 of which are contributing to the turnover savings of the division. The remaining vacancies will contribute to the funding of the new structure and also generate savings against the overall outturn position of £35,000.

The other main areas of variance are within Administration costs where savings against printing and stationery costs will be achievable (£15,000). This is largely offset by a corresponding reduction in printing income recovery.

4.4 Design Services

195,000 Underspend

The Design Services division is projecting expenditure to be £195,000 less than budget at the year end. The main reason for this is the continued number of vacant posts within the Design Unit. As with the position in Central Services, there is a structure review pending. At the moment the total number of vacancies within Design is 24 posts, with 4 of these contributing to the required turnover saving. With the structure review pending, the final position with regard to the number of vacancies "held" and those to be filled is still under consideration. At the moment, there are 7 vacancies expected to be advertised in the near future, with the remainder being projected to contribute £195,000 worth of savings to the overall outturn position.

4.5 Human Resources

42,500 Underspend

There is a projected underspend of £42,500 expected within the Human Resources division, largely due to vacancies within the division. There are currently 4.5 posts vacant, 1 post is contributing to the assessed turnover requirement, 1 is to be advertised and the remaining 2.5 posts are contributing £35,000 worth of savings to the overall outturn position.

Job Advert and Medical Referral expenses are running in excess of budget by upwards of £60,000, combined, at Period 4. This will result in a large overspend against these budget

lines at the year end. The overspends are fully offset, however, by a corresponding over-recovery in income, with the costs being recharged on to the appropriate Service. These areas are purely demand led with all costs only being incurred following order requests and referrals from the other Services of the Council.

4.6 Legal Services

9,000 Underspend

This favourable projected outturn position is result of a series of anticipated underspends and income over-recoveries being able to offset areas of cost pressure.

The main area of overspend is within administration costs in the Legal Public sector and is due to the licensing and maintenance costs of the District Court Administration System.

This is expected to be more than fully offset by savings from vacancies and an over-recovery in licensing income.

There are currently 9.5 vacancies in Legal Services, with 3.5 posts contributing to the budgeted turnover saving target for the division. Three posts are being held as a result of management action to ensure that Legal Services remain within its existing budget provision. In addition, it is prudent to hold vacant posts likely to relate to the transfer of the District Courts to the Scottish Court Service, currently anticipated for the early part of 2010. Overall, these posts are contributing savings of £50,000 to the overall outturn position.

4.7 Property Services

(92,000) Overspend

The projected year end variance reported at this stage is an overspend of £92,000, arising most significantly against property costs in the Office Accommodation division. This relates mainly to on-going pressures on rents payable as a result of the continued occupation of Scomag House and Park St, whose former budgets were transferred in 2008/09 to support the running costs of the Dalziel Building. These are being offset, to some extent, by the vacancies that exist in the Property Unit, anticipated additional income in respect of management fees, and close management of all rates related expenditure.

In terms of the vacancy position, there are 8 vacancies at the moment within Property Services. 3 of these posts are contributing to the required turnover saving for the division, with 3 being held to help the division remain within existing resources, as far as is possible. The estimated saving from these vacancies being £50,000 for the year.

Members should note that the anticipated year-end position incorporates a projection that income levels associated with commercial rents may not now come in on budget. At this point in time the income being recovered from the Councils' commercial property portfolio is down slightly (0.5%) on budgeted cash targets, which equates to approximately £40,000. Given the current economic climate, there is the potential, if this trend accelerates, for this projected shortfall to become more significant as the year progresses.

5. Management Action

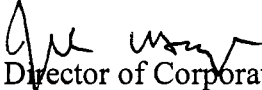
- 5.1. The projected year-end variance for Corporate Services as a whole is an underspend of £193,500. This is being achieved through management of vacancy levels across all divisions of the Service, without impacting on service delivery.

6. Financial Concurrence

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

7. Recommendations

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


Executive Director of Corporate Services

For further information on this report please contact John McEwan of Finance and Customer Services on ext 2720

NORTH LANARKSHIRE COUNCIL**FINANCIAL MONITORING REPORT - Divisional Analysis****1 April 2009 to 17 July 2009****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	1,405,303	1,387,619	17,684 Underspend	4,693,057	4,654,057	39,000 Underspend	0.8%	Vacancies & Printing costs
2.	DESIGN SERVICES	3,819,633	3,730,990	88,643 Underspend	13,899,988	13,704,988	195,000 Underspend	1.4%	Vacancy levels
3	HUMAN RESOURCES	541,317	521,883	19,434 Underspend	1,914,381	1,871,881	42,500 Underspend	2.2%	Vacancy levels
	LEGAL SERVICES	659,054	654,638	4,416 Underspend	2,316,008	2,307,008	9,000 Underspend	0.4%	Licensing Income
5	PROPERTY SERVICES	2,094,846	2,154,464	(59,618) Overspend	9,104,609	9,196,609	(92,000) Overspend	-1.0%	Property Rents
6	NET EXPENDITURE	8,520,153	8,449,594	70,559 Underspend	31,928,043	31,734,543	193,500 Underspend	0.6%	

NORTH LANARKSHIRE COUNCILFINANCIAL MONITORING REPORT - Subjective Analysis1 April 2009 to 17 July 2009

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	4,506,245	4,339,632	166,613 Underspend	15,689,416	15,324,416	365,000 Underspend	2.3%	Vacancy levels
2.	PROPERTY COSTS	3,434,552	3,467,794	(33,242) Overspend	16,073,443	16,145,443	(72,000) Overspend	-0.4%	Energy Costs & Property Rents
3.	SUPPLIES AND SERVICES	105,296	104,530	766 Underspend	428,229	436,229	(8,000) Overspend	-1.9%	IT Equipment purchases/leases
4.	TRANSPORT & PLANT	124,497	113,573	10,924 Underspend	741,378	718,878	22,500 Underspend	3.0%	Lower travel costs across service
5.	ADMINISTRATION COSTS	344,630	433,777	(89,147) Overspend	1,380,095	1,576,095	(196,000) Overspend	-14.2%	Job Adverts / Professional Fees/ IT Licensing costs
6.	PAYMENTS TO OTHER BODIES	59,772	88,181	(28,409) Overspend	204,467	299,467	(95,000) Overspend	-46.5%	Medical Fees
7.	OTHER COSTS	3,512	3,070	442 Underspend	11,411	11,411		-	
8.	APPORTIONED EXPENSES	1,861,965	1,861,975	(10) Overspend	6,051,691	6,051,691		-	
9.	CAPITAL FINANCING CHARGES	495,980	495,980		1,611,888	1,611,888		-	
10.	C.F.C.R							-	
11.	TOTAL EXPENDITURE	10,936,449	10,908,512	27,937 Underspend	42,192,018	42,175,518	16,500 Underspend	0.0%	
12.	INCOME	2,416,296	2,458,918	42,622 Over-recovery	10,263,975	10,440,975	177,000 Over-recovery	1.7%	HR Recharges & & Licensing Fees
13.	NET EXPENDITURE	8,520,153	8,449,594	70,559 Underspend	31,928,043	31,734,543	193,500 Underspend	0.6%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2009 to 17 July 2009

COMMITTEE: CORPORATE SERVICES

SERVICE: CENTRAL SERVICES

LINE NO. (1)	DESCRIPTION	BUDGET TO DATE	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	843,282	824,473	18,809 Underspend	2,974,226	2,939,226	35,000 Underspend	1.2%	Vacancy levels Travel Expenses Lower printing costs
2.	PROPERTY COSTS	6,410	6,018	392 Underspend	28,952	28,952	- -		
3.	SUPPLIES AND SERVICES	65,849	66,180	(331) Overspend	212,301	212,301	- -		
4.	TRANSPORT & PLANT	18,599	11,834	6,765 Underspend	140,853	126,853	14,000 Underspend	9.9%	
5.	ADMINISTRATION COSTS	169,781	163,215	6,566 Underspend	693,671	673,671	20,000 Underspend	2.9%	
6.	PAYMENTS TO OTHER BODIES	23,237	22,470	767 Underspend	98,067	98,067	- -		
7.	OTHER COSTS	3,076	2,925	151 Underspend	10,000	10,000	- -		
8.	APPORTIONED EXPENSES	440,675	440,675		1,432,176	1,432,176	- -		
9.	CAPITAL FINANCING CHARGES	31,187	31,187		101,354	101,354	- -		
10.	C.F.C.R				-		- -		
11.	TOTAL EXPENDITURE	1,602,096	1,568,977	33,119 Underspend	5,691,600	5,622,600	69,000 Underspend	1.2%	
12.	INCOME	196,793	181,358	(15,435) Under-Recovery	998,543	968,543	(30,000) Under-Recovery	-3.0%	Printing & P/copying Recharges
13.	NET EXPENDITURE	1,405,303	1,387,619	17,684 Underspend	4,693,057	4,654,057	39,000 Underspend	0.8%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2009 to 17 July 2009

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	1,609,254	1,524,111	85,143	Underspend	5,724,227	5,529,227	195,000	Underspend	3.4%	Vacancy Levels Car Allowances
2.	PROPERTY COSTS	1,620,719	1,618,379	2,340	Underspend	6,037,626	6,037,626			-	
3.	SUPPLIES AND SERVICES	14,151	12,425	1,726	Underspend	88,235	88,235			-	
4.	TRANSPORT & PLANT	59,870	59,434	436	Underspend	428,576	428,576			-	
5.	ADMINISTRATION COSTS	29,184	30,467	(1,283)	Overspend	140,403	140,403			-	
6.	PAYMENTS TO OTHER BODIES									-	
7.	OTHER COSTS	436	145	291	Underspend	1,411	1,411			-	
8.	APPORTIONED EXPENSES	453,473	453,483	(10)	Overspend	1,473,740	1,473,740			-	
9.	CAPITAL FINANCING CHARGES	32,546	32,546			105,770	105,770			-	
10.	C.F.C.R									-	
11.	TOTAL EXPENDITURE	3,819,633	3,730,990	88,643	Underspend	13,999,988	13,804,988	195,000	Underspend	1.4%	
12.	INCOME	-	-	-	-	100,000	100,000	-	-	-	
13.	NET EXPENDITURE	3,819,633	3,730,990	88,643	Underspend	13,899,988	13,704,988	195,000	Underspend	1.4%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2009 to 17 July 2009

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	446,279	427,561	18,718	Underspend	1,507,381	1,472,381	35,000	Underspend	2.3%	Vacancy levels
2.	PROPERTY COSTS							-	-		
3.	SUPPLIES AND SERVICES	9,194	6,766	2,428	Underspend	62,371	62,371				
4.	TRANSPORT & PLANT	3,174	787	2,387	Underspend	27,013	19,513	7,500	Underspend	27.8%	Car Allowances
5.	ADMINISTRATION COSTS	52,939	81,185	(28,246)	Overspend	246,500	337,500	(91,000)	Overspend	-36.9%	Job Advert costs
6.	PAYMENTS TO OTHER BODIES	34,661	64,485	(29,824)	Overspend	89,900	184,900	(95,000)	Overspend	-105.7%	Medical Referral costs
7.	OTHER COSTS							-	-	-	
8.	APPORTIONED EXPENSES	63,394	63,394			206,519	206,519	-	-	-	
9.	CAPITAL FINANCING CHARGES	7,599	7,599			24,697	24,697	-	-	-	
10.	C.F.C.R							-	-	-	
11.	TOTAL EXPENDITURE	617,240	651,777	(34,537)	Overspend	2,164,381	2,307,881	(143,500)	Overspend	-6.6%	
12.	INCOME	75,923	129,894	53,971	Over-recovery	250,000	436,000	186,000	Over-recovery	74.4%	Medical Referral and Job Advert.. recharges
13.	NET EXPENDITURE	541,317	521,883	19,434	Underspend	1,914,381	1,871,881	42,500	Underspend	2.2%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2009 to 17 July 2009

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	774,098	750,222	23,876	Underspend	2,706,159	2,656,159	50,000	Underspend	1.8%	Vacancy levels Lower travel costs District Court Income System software & licence costs
2.	PROPERTY COSTS							-	-	-	
3.	SUPPLIES AND SERVICES	8,202	8,429	(227)	Overspend	21,775	21,775	-	-	-	
4.	TRANSPORT & PLANT	19,627	18,297	1,330	Underspend	71,074	70,074	1,000	Underspend	1.4%	
5.	ADMINISTRATION COSTS	38,055	75,225	(37,170)	Overspend	118,905	188,905	(70,000)	Overspend	-58.9%	
6.	PAYMENTS TO OTHER BODIES	1,874	1,226	648	Underspend	16,500	16,500	-	-	-	
7.	OTHER COSTS							-	-	-	
8.	APPORTIONED EXPENSES	204,435	204,435			664,359	664,359	-	-	-	
9.	CAPITAL FINANCING CHARGES	6,721	6,721			21,836	21,836	-	-	-	
10.	C.F.C.R							-	-	-	
11.	TOTAL EXPENDITURE	1,053,012	1,064,555	(11,543)	Overspend	3,620,608	3,639,608	(19,000)	Overspend	-0.5%	
12.	INCOME	393,958	409,917	15,959	Over-recovery	1,304,600	1,332,600	28,000	Over-recovery	2.1%	Licensing Fees
13.	NET EXPENDITURE	659,054	654,638	4,416	Underspend	2,315,008	2,307,008	9,000	Underspend	0.4%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2009 to 17 July 2009

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	633,332	613,265	20,067	Underspend	2,111,423	2,121,423	50,000	Underspend	1.8%	Vacancy levels
2.	PROPERTY COSTS	1,807,423	1,843,397	(35,974)	Overspend	10,006,865	10,078,865	(72,000)	Overspend	-0.7%	Property rents
3.	SUPPLIES AND SERVICES	7,900	10,730	(2,830)	Overspend	43,547	51,547	(8,000)	Overspend	-18.4%	IT Equipment maintenance
4.	TRANSPORT & PLANT	23,227	23,221	6	Underspend	73,862	73,862				
5.	ADMINISTRATION COSTS	54,671	83,685	(29,014)	Overspend	180,616	235,616	(55,000)	Overspend	-30.5%	Prof fees & technical expenses eg Autocad/Cadcam
6.	PAYMENTS TO OTHER BODIES	-	-	-	-			-	-		
7.	OTHER COSTS	-	-	-	-			-	-		
8.	APPORTIONED EXPENSES	699,988	699,988	-	-	2,214,891	2,214,891	-	-		
9.	CAPITAL FINANCING CHARGES	417,927	417,927	-	-	1,358,231	1,358,231	-	-		
10.	C.F.C.R	-	-	-	-			-	-		
11.	TOTAL EXPENDITURE	3,844,468	3,892,213	(47,745)	Overspend	16,115,441	16,800,441	(685,000)	Overspend	-0.5%	
12.	INCOME	1,749,622	1,737,749	11,873	Under-Recovery	1,610,832	1,603,832	7,000	Under-Recovery	-0.1%	Commercial Rents
13.	NET EXPENDITURE	2,094,846	2,154,464	(59,618)	Overspend	9,104,609	9,196,609	(92,000)	Overspend	-1.0%	

NORTH LANARKSHIRE COUNCIL**FINANCIAL MONITORING REPORT****1 April 2009 to 17 July 2009****COMMITTEE: CORPORATE SERVICES****PAYMENT TO OTHER BODIES**

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	23,237	22,470	767	Underspend	98,067	98,067	-	-	-	
2.	TOWN TWINNING	6,235	6,236	(1)	Overspend	30,000	30,000	-	-	-	
3.	CHILDREN'S PANEL	17,002	16,234	768	Underspend	65,000	65,000	-	-	-	
4.	REGISTRAR OFFICES	-	-	-	-	3,067	3,067	-	-	-	
5.	Human Resources	34,661	64,485	(29,824)	Overspend	89,900	184,900	(95,000)	Overspend	-105.7%	Service demand led
6.	MEDICAL REFERRALS	34,661	64,485	(29,824)	Overspend	89,900	184,900	(95,000)	Overspend	-105.7%	
7.	Legal Services	1,874	1,226	648	Underspend	16,500	16,500	-	-	-	
8.	J.P. ALLOWANCES	1,874	1,226	648	Underspend	16,500	16,500	-	-	-	
9.	TOTAL EXPENDITURE	59,772	88,181	(28,409)	Overspend	204,467	299,467	(95,000)	Overspend	-46.5%	