

To: CORPORATE SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT CORPORATE SERVICES 01/04/10 to 25/06/10 (PERIOD 3)
FROM: EXECUTIVE DIRECTOR OF CORPORATE SERVICES		
DATE: 15-July-10	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 2010 to 25 June 2010. 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 £126,000. This is 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 continuing 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 had an impact upon the financial outcome of Corporate Services at the moment was :

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

3.2.2 This was a factor throughout 2009/10 with a downturn in real terms being experienced. The position was managed relatively well throughout the year with some one off sources of income and also a contribution from the "Punch the Crunch" initiative helped to minimise the overall drop. It is unclear whether similar one-offs will materialise at this early juncture of the new financial year and as such a larger shortfall than last years outturn is being projected at this stage. While this represents a relatively small fall in commercial rents in percentage terms, 1.6%, it has the potential to be a fairly large burden in cash terms on the overall Corporate Services bottom line position.

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

CORPORATE SERVICES	Budget to date (£)	Actual to date (£)	Variance to date (£)	Projected Outturn Variance (£)
Central Services	1,004,253	991,329	12,924	48,000 Underspend
Design Services	3,027,803	2,964,298	63,505	240,000 Underspend
Human Resources	361,453	355,053	6,400	25,000 Underspend
Legal Services	471,474	469,496	1,978	7,000 Underspend
Property Services	1,366,976	1,416,299	(49,323)	(194,000) Overspend
Total	6,231,959	6,196,475	35,484	126,000 Underspend

4.3 Central Services (including Registration) £
48,000 Underspend

An underspend of £48,000 is anticipated and is mainly as a result of vacancies that exist at present within Central Services.

The main factor in this expected outturn is an underspend against Employee costs. This is currently estimated to be £57,000 at the year end.

At this point, the division has a total of 4 vacant posts, with a further 4 posts having been recently removed from the establishment as part of the latest Corporate Services Structure Review report, approved at the Policy and Resources committee on June 3rd 2010.

These will meet the on-going turnover savings for the division.

Of the 4 current vacant posts, 1 is in the process of being filled, 2 still to be advertised and 1 is being held and managed as part of the on-going management action on vacancy levels.

The other main areas of variance are within Administration costs where savings against printing and stationery costs are likely once again.

These are being offset to some extent by reduced income levels in respect of property enquiry fees.

4.4 Design Services 240,000 Underspend

The Design Services division is projecting expenditure to be £240,000 less than budget at the year end. The main reason for this is the number of vacant posts within the Design Unit.

As with the position in Central Services, the latest structure review report, approved recently at P&R, has seen the number of posts vacant reduce as this new structure is implemented, with 6 posts set to be deleted from the current establishment.

So, following this report the number of vacancies within Design now stands at 13 posts, with 7.5 of these contributing to the divisions turnover saving.

6 posts are in the process of being considered for advertising and subsequent filling, (some on a temporary basis), with 7 being held and contributing to the overall Service's bottom line underspend position.

4.5 Human Resources 25,000 Underspend

There is a projected underspend of £25,000 expected within the Human Resources division, mainly due to vacancies within the division. Following the latest Corporate Services Structure Review report, mentioned above, there remains 1 post vacant at the close of period 3.

Medical Referral expenses are projected to be in excess of budget by upwards of £40k by the year end. While this shows as a large overspend against this particular line it is fully offset by a corresponding over-recovery in income, with the costs being recharged on to the appropriate Service.

This areas is 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 7,000 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 in general administration and storage costs.

In particular, postage costs have become under more pressure in recent years with a need to send items by recorded delivery in many cases. This makes it difficult to meet procurement and efficiency targets already implemented in respect of postage costs.

In terms of Employee costs, an underspend of £15,000 is anticipated with there currently being 4 vacancies within the Legal Services division.

3 posts have been deleted from the establishment following the recent Corporate Services staffing review and these will meet the budgeted turnover saving target for the division.

Of the 4 current vacant posts, 3 are being held as part of the management action plan to ensure that Legal Services remains within budget levels, with 1 in the process of being advertised.

4.7 Property Services (194,000) Overspend

The projected year end variance reported at this stage is an overspend of £194,000, arising most significantly against property costs in the Commercial Property and Office Accommodation divisions.

An expected under-recovery in commercial rental income within the Commercial Property division is also contributing to the adverse position.

The position within Office Accommodation mainly relates to on-going pressures on property rates and rents payable as a result of the continued occupation of Scomag House and Park St, whose budgets were transferred a couple of years ago to the new Dalziel Building in Motherwell. This is also the case in the Commercial Property division with a delay in being able to find a suitable use for the Dalziel Workspace site.

Also contributing to the expected overspend will be the potential non achievement of one of the approved efficiency savings for 2010/11.

This being the proposed purchase of Coats House, Airdrie which has been delayed and potentially may not happen at all. This efficiency was costed at £170,000 for the full year.

These are being offset, to some extent, by anticipated savings against energy costs where the pattern of reduced consumption in 2009/10 is expected to continue for 2010/11 and also savings in employee costs as a result of vacant posts in the Property Unit division.

The recent Corporate Services staffing review report saw 2 vacant posts removed from the establishment with these posts contributing to the required turnover saving for the division.

At period 3, there were 7.5 posts vacant, with 6 of these currently being held vacant as part of the management action strategy to offset as far as is possible the cost pressures mentioned above. The estimated saving in employee costs at this early point of the year is £50,000.

5. Management Action

- 5.1. The projected year-end variance for Corporate Services as a whole is an underspend of £126,000. This is being mainly 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

Members seeking further information on the contents of this report are asked to contact Paul Donnelly on Extension 2422

NORTH LANARKSHIRE COUNCIL**FINANCIAL MONITORING REPORT - Divisional Analysis****1 April 2010 to 25 June 2010****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	1,004,253	991,329	12,924 Underspend	4,400,802	4,352,802	48,000 Underspend	1.1%	Vacancies & Printing costs
2.	DESIGN SERVICES	3,027,803	2,964,298	63,505 Underspend	13,819,461	13,579,461	240,000 Underspend	1.7%	Vacancy levels
3.	HUMAN RESOURCES	361,453	355,053	6,400 Underspend	1,881,230	1,856,230	25,000 Underspend	1.3%	Vacancy levels
4.	LEGAL SERVICES	471,474	469,496	1,978 Underspend	1,875,272	1,868,272	7,000 Underspend	0.4%	Licensing Income
5.	PROPERTY SERVICES	1,366,976	1,416,299	(49,323) Overspend	9,106,760	9,300,760	(194,000) Overspend	-2.1%	Property Rents (Exp & Income)
6	NET EXPENDITURE	6,231,959	6,196,475	35,484 Underspend	31,083,525	30,957,525	126,000 Underspend	0.4%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT - Subjective Analysis

1 April 2010 to 25 June 2010

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	3,329,921	3,246,811	83,110 Underspend	15,290,149	14,923,149	367,000 Underspend	2.4%	Vacancy levels
2.	PROPERTY COSTS	2,845,933	2,880,718	(34,785) Overspend	16,092,507	16,242,507	(150,000) Overspend	-0.9%	Surplus properties Rents/Rates
3.	SUPPLIES AND SERVICES	90,188	87,834	2,354 Underspend	414,704	423,704	(9,000) Overspend	-2.2%	IT Equipment purchases/leases
4.	TRANSPORT & PLANT	97,597	86,154	11,443 Underspend	704,935	671,935	33,000 Underspend	4.7%	Travel Expenses/Allowances
5.	ADMINISTRATION COSTS	224,931	227,075	(2,144) Overspend	1,331,805	1,341,805	(10,000) Overspend	-0.8%	IT Licensing costs
6.	PAYMENTS TO OTHER BODIES	31,125	39,690	(8,565) Overspend	173,900	213,900	(40,000) Overspend	-23.0%	Medical Referral Fees
7.	OTHER COSTS	327	317	10 Underspend	11,411	11,411	- -	-	
8.	APPORTIONED EXPENSES	950,439	950,439	- -	5,699,774	5,699,774	- -	-	
9.	CAPITAL FINANCING CHARGES	443,019	443,019	- -	1,491,529	1,491,529	- -	-	
10.	C.F.C.R	-	-	- -	-	-	- -	-	
11.	TOTAL EXPENDITURE	8,013,480	7,962,057	51,423 Underspend	41,210,714	41,019,714	191,000 Underspend	0.5%	
12.	INCOME	1,781,521	1,765,582	(15,939) Under-Recovery	10,127,189	10,062,189	(65,000) Under-Recovery	-0.6%	Commercial Rents
13.	NET EXPENDITURE	6,231,959	6,196,475	35,484 Underspend	31,083,525	30,957,525	126,000 Underspend	0.4%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2010 to 25 June 2010

COMMITTEE: CORPORATE SERVICES

SERVICE: CENTRAL SERVICES (including Registration)

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	654,617	641,304	13,313 Underspend	2,933,302	2,876,302	57,000 Underspend	1.9%	Vacancy levels
2.	PROPERTY COSTS	762	483	279 Underspend	35,804	35,804	- -	-	
3.	SUPPLIES AND SERVICES	68,225	67,773	452 Underspend	189,490	189,490	- -	-	
4.	TRANSPORT & PLANT	13,557	11,924	1,633 Underspend	120,505	114,505	6,000 Underspend	5.0%	Travel Expenses/Allowances
5.	ADMINISTRATION COSTS	95,702	93,408	2,294 Underspend	590,928	580,928	10,000 Underspend	1.7%	Lower printing costs
6.	PAYMENTS TO OTHER BODIES	10,386	10,362	24 Underspend	84,000	84,000	- -	-	
7.	OTHER COSTS	-	-	- -	10,000	10,000	- -	-	
8.	APPORTIONED EXPENSES	323,829	323,829	- -	1,403,701	1,403,701	- -	-	
9.	CAPITAL FINANCING CHARGES	2,817	2,817	- -	12,215	12,215	- -	-	
10.	C.F.C.R	-	-	- -	-	-	- -	-	
11.	TOTAL EXPENDITURE	1,169,895	1,151,900	17,995 Underspend	5,379,945	5,306,945	73,000 Underspend	1.4%	
12.	INCOME	165,642	160,571	(5,071) Under-Recovery	979,143	954,143	(25,000) Under-Recovery	-2.6%	Enquiry Fees
13.	NET EXPENDITURE	1,004,253	991,329	12,924 Underspend	4,400,802	4,352,802	48,000 Underspend	1.1%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2010 to 25 June 2010

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	1,205,985	1,154,048	51,937	Underspend	5,558,399	5,333,399	225,000	Underspend	4.0%	Vacancy Levels Travel Expenses/Allowances
2.	PROPERTY COSTS	1,393,975	1,391,140	2,835	Underspend	6,154,988	6,154,988	-	-	-	
3.	SUPPLIES AND SERVICES	3,358	1,454	1,904	Underspend	88,235	88,235	-	-	-	
4.	TRANSPORT & PLANT	46,871	41,283	5,588	Underspend	428,576	413,576	15,000	Underspend	3.5%	
5.	ADMINISTRATION COSTS	19,291	18,060	1,231	Underspend	136,083	136,083	-	-	-	
6.	PAYMENTS TO OTHER BODIES	-	-	-	-	-	-	-	-	-	
7.	OTHER COSTS	327	317	10	Underspend	1,411	1,411	-	-	-	
8.	APPORTIONED EXPENSES	340,956	340,956	-	-	1,477,902	1,477,902	-	-	-	
9.	CAPITAL FINANCING CHARGES	17,040	17,040	-	-	73,867	73,867	-	-	-	
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	
11.	TOTAL EXPENDITURE	3,027,803	2,964,298	63,505	Underspend	13,919,461	13,679,461	240,000	Underspend	1.7%	
12.	INCOME	-	-	-	-	100,000	100,000	-	-	-	
13	NET EXPENDITURE	3,027,803	2,964,298	63,505	Underspend	13,819,461	13,579,461	240,000	Underspend	1.7%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2010 to 25 June 2010

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	328,098	323,924	4,174	Underspend	1,616,556	1,596,556	20,000	Underspend	1.2%	Vacancy levels
2.	PROPERTY COSTS	-	-	-	-		-	-	-	-	
3.	SUPPLIES AND SERVICES	6,891	6,308	583	Underspend	62,371	62,371	-	-	-	
4.	TRANSPORT & PLANT	1,908	543	1,365	Underspend	24,513	19,513	5,000	Underspend	20.4%	Travel Expenses/Allowances
5.	ADMINISTRATION COSTS	52,583	51,892	691	Underspend	323,000	323,000	-	-	-	
6.	PAYMENTS TO OTHER BODIES	20,739	29,328	(8,589)	Overspend	89,900	129,900	(40,000)	Overspend	-44.5%	Medical Referral Fees
7.	OTHER COSTS	-	-	-	-	-	-	-	-	-	
8.	APPORTIONED EXPENSES	43,362	43,362	-	-	187,954	187,954	-	-	-	
9.	CAPITAL FINANCING CHARGES	5,523	5,523	-	-	23,936	23,936	-	-	-	
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	
11.	TOTAL EXPENDITURE	459,104	460,880	(1,776)	Overspend	2,328,230	2,343,230	(15,000)	Overspend	-0.6%	
12.	INCOME	97,651	105,827	8,176	Over-recovery	447,000	487,000	40,000	Over-recovery	8.9%	Medical Referral recharges..
13.	NET EXPENDITURE	361,453	355,053	6,400	Underspend	1,881,230	1,856,230	25,000	Underspend	1.3%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2010 to 25 June 2010

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	545,570	542,577	2,993	Underspend	2,263,817	2,248,817	15,000	Underspend	0.7%	Vacancy levels
2.	PROPERTY COSTS	-	-	-	-	-	-	-	-	-	
3.	SUPPLIES AND SERVICES	4,939	5,100	(161)	Overspend	17,076	17,076	-	-	-	
4.	TRANSPORT & PLANT	12,853	11,454	1,399	Underspend	63,074	61,074	2,000	Underspend	3.2%	Travel Expenses/Allowances
5.	ADMINISTRATION COSTS	23,803	29,541	(5,738)	Overspend	102,178	122,178	(20,000)	Overspend	-19.6%	Postages/Storage/ Subscriptions
6.	PAYMENTS TO OTHER BODIES	-	-	-	-	-	-	-	-	-	
7.	OTHER COSTS	-	-	-	-	-	-	-	-	-	
8.	APPORTIONED EXPENSES	86,367	86,367	-	-	374,341	374,341	-	-	-	
9.	CAPITAL FINANCING CHARGES	-	-	-	-	-	-	-	-	-	
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	
11.	TOTAL EXPENDITURE	673,532	675,039	(1,507)	Overspend	2,820,486	2,823,486	(3,000)	Overspend	-0.1%	
12.	INCOME	202,058	205,543	3,485	Over-recovery	945,214	955,214	10,000	Over-recovery	1.1%	General Legal fees
13.	NET EXPENDITURE	471,474	469,496	1,978	Underspend	1,875,272	1,868,272	7,000	Underspend	0.4%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2010 to 25 June 2010

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	595,651	584,958	10,693	Underspend	2,918,075	2,868,075	50,000	Underspend	1.7%	Vacancy levels
2.	PROPERTY COSTS	1,451,196	1,489,095	(37,899)	Overspend	9,901,715	10,051,715	(150,000)	Overspend	-1.5%	Rents/rates @ surplus properties
3.	SUPPLIES AND SERVICES	6,775	7,199	(424)	Overspend	57,532	66,532	(9,000)	Overspend	-15.6%	IT Equipment maintenance
4.	TRANSPORT & PLANT	22,408	20,950	1,458	Underspend	68,267	63,267	5,000	Underspend	7.3%	Travel Expenses/Allowances
5.	ADMINISTRATION COSTS	33,552	34,174	(622)	Overspend	179,616	179,616	-	-	-	
6.	PAYMENTS TO OTHER BODIES	-	-	-	-	-	-	-	-	-	
7.	OTHER COSTS	-	-	-	-	-	-	-	-	-	
8.	APPORTIONED EXPENSES	155,925	155,925	-	-	2,255,876	2,255,876	-	-	-	
9.	CAPITAL FINANCING CHARGES	417,639	417,639	-	-	1,381,511	1,381,511	-	-	-	
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	
11.	TOTAL EXPENDITURE	2,683,146	2,709,940	(26,794)	Overspend	16,762,592	16,866,592	(104,000)	Overspend	-0.6%	
12.	INCOME	1,316,170	1,293,641	(22,529)	Under-Recovery	7,655,832	7,565,832	(90,000)	Under-Recovery	-1.2%	Commercial Rents
13.	NET EXPENDITURE	1,366,976	1,416,299	(49,323)	Overspend	9,106,760	9,300,760	(194,000)	Overspend	-2.1%	

NORTH LANARKSHIRE COUNCIL**FINANCIAL MONITORING REPORT****1 April 2010 to 25 June 2010****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	10,386	10,362	24 Underspend	84,000	84,000	- -	-	
2.	TOWN TWINNING	2,575	2,575	- -	19,000	19,000	- -	-	
3.	CHILDREN'S PANEL	7,811	7,787	24 Underspend	65,000	65,000	- -		
4.	Human Resources	20,739	29,328	(8,589) Overspend	89,900	129,900	(40,000) Overspend	-44.5%	
5.	MEDICAL REFERRALS	20,739	29,328	(8,589) Overspend	89,900	129,900	(40,000) Overspend	-44.5%	
8.	TOTAL EXPENDITURE	31,125	39,690	(8,565) Overspend	173,900	213,900	(40,000) Overspend	-23.0%	