

To: CORPORATE SERVICES COMMITTEE	Subject: REVENUE MONITORING REPORT 01.04.15 – 26.06.15 (PERIOD 3) CORPORATE SERVICES	
From: EXECUTIVE DIRECTOR OF CORPORATE SERVICES		
Date: 15 JULY 2015	Ref: KS/FR	

## 1. Purpose of Report

This report provides a summary of Corporate Services financial performance for the period 1<sup>st</sup> April 2015 to 26<sup>th</sup> June 2015 (Period 3). The report illustrates the projected outturn as at 31<sup>st</sup> March 2016, with major outturn variances highlighted and explained per the Council's approved Financial Regulations.

## 2. Summary of Financial Position

- 2.1. The Council approved its General Fund Revenue Budget on 12<sup>th</sup> February 2015, of which £25.031m represents the approved Gross Revenue Budget for Corporate Services.
- 2.2. The Service is reporting a projected underspend of £395,000 as at 26<sup>th</sup> June 2015. This is primarily as a result of underspend in utilities (£240,000) and rents (£30,000) within Office Accommodation, and reduced printing charges (£38,000) and Civic Welcome and Hospitalities. Further details of any significant budget variations are outlined in paragraph three below and appendix 1 to this report, per the requirements of the Council's approved Financial Regulations.
- 2.3. The Service's 2015/16 budget incorporates £1.174m of savings in line with the Council's approved three-year savings package. The Service monitors progress monthly and is presently projecting £1.075m (92%) of approved savings being achievable by the financial year-end with the remaining £0.099m being delivered through alternative savings. Further information regarding particularly challenging savings is noted in paragraph four below.
- 2.4. Within the Service, some elements of expenditure are being met from earmarked reserves. These elements are not contained within the figures in this report but are detailed in Appendix 4.

## 3. Analysis of Significant Variations

- 3.1. Democratic and Legal Services is currently projected to spend £106,000 less than budget. This is primarily due to an underspend in print recharges of £38,000 due to reduced printing activity, reduced spend on Civic Welcome and Hospitalities of £30,000 and Advertising of £20,000 as a result of a drive to reduce these costs and a underspend of £14,000 in additional work within transport and plant. In addition, there are underspends in printing costs of £45,000 which are offset by a reduction in print recharge income.
- 3.2. Corporate Property and Procurement is projected to spend £289,000 less than budget. This is mainly due to utility savings of £240,000 as a result of reductions in consumption and energy efficiency measures, and rental savings of £30,000 as a result of rationalising the office premise portfolio.
- 3.3. Human Resources division is currently projected to be on budget. Within this overall position, there is a projected overspend of £13,000 in respect of expenditure associated with the recruitment process, and £309,000 in Medical Referral expenses. These services are demand led by referrals from other Services of the council therefore the costs are fully offset by a corresponding over-recovery in income.

- 3.4. The Service operates with an establishment of 241 FTEs and a budgeted turnover requirement of £0.643m (15.9 FTEs). At period 3, the service has 35.5 vacant posts, equating to full-year savings of £0.746m. The service is currently meeting its turnover requirement and is currently reviewing recruitment needs in line with the current freeze on non-essential vacancies.
- 3.5. Payments to other bodies are detailed in Appendix 3. These account for £0.347m of the Service's annual budget, a significant element of which is for Medical Referrals which are anticipated to be £0.309m over budget. As indicated 3.3 above these costs are recharged to other Services therefore have no impact on the overall Corporate Services outturn position.

#### **4. 2015/16 Budget Savings**

- 4.1. As outlined in paragraph 2.5 above, Corporate Services have made good progress in delivering its approved 2015/16 efficiency saving of £1.174m with £1.075m presently considered achievable and included within the projected outturn position. As outlined in the Implementation of Financial Savings 15/16 - Workforce Changes report to Policy and Resources Committee on 4th December 2014, £0.099m of savings approved as staffing savings will now be delivered through reductions in overtime, transport costs and other minor budgets with these alternative savings expected to be fully deliverable.

#### **5. Management Actions**

- 5.1. The service is taking a range of management action to ensure it contains expenditure, as far as possible, within its approved 2015/16 budget provision, including control of staff recruitment and curtailment of non essential expenditure.

#### **6. Risks and Uncertainty**

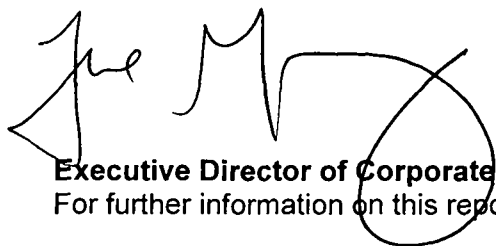
- 6.1. All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy (September 2012), services manage these as part of their overall corporate and service planning processes. Reflecting the risk analysis matrix included within the approved Risk Management Strategy, there are no areas at the moment within Corporate Services that are considered to present a high risk to the financial outcome of the service.

#### **7. Financial Concurrence**

- 7.1. Prepared in accordance with the Scheme of Financial Delegation, the financial information contained within this report has been agreed with the Head of Financial Services following assessment and due diligence by service-based finance personnel.

#### **8. Recommendations**

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



**Executive Director of Corporate Services**

For further information on this report please contact Paul Donnelly, Corporate Services on ext 2422

**Corporate Services**  
**Revenue Budget Monitoring Report - Objective Analysis**  
**1 April 2015 to 26 June 2015**  
**Period 3**

DIVISION OF SERVICE (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROVISIONAL OUTTURN (6)	PROVISIONAL OUTTURN VARIANCE (7)	%	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£	£	£	£	(8)		
DEMOCRATIC AND LEGAL SERVICES	759,236	723,610	35,627 FAV	5,400,105	5,294,105	106,000 FAV	2.0%	40,000	Reduced Printing Costs, underspends in additional work, Civic Welcome & Hospitalitys, Advertising, and increase Registration Fee income
CORPORATE PROPERTY AND PROCUREMENT	2,610,883	2,543,741	67,142 FAV	17,998,641	17,709,641	289,000 FAV	1.6%	252,000	Primarily Savings within Office Accomodation (Electricity, Water, Rents) and car leasing charges
HUMAN RESOURCES	279,354	319,473	(40,119) ADV	1,632,716	1,632,716	-	-	-	Overspends in medical fees and job adverts met by corresponding overrecoveries in income.
<b>NET EXPENDITURE</b>	<b>3,649,473</b>	<b>3,586,823</b>	<b>62,650 FAV</b>	<b>25,031,462</b>	<b>24,636,482</b>	<b>395,000 FAV</b>	<b>1.6%</b>	<b>292,000</b>	

FAV = Favourable variation, underspend etc

ADV = Adverse variation, overspend etc

**Corporate Services**  
**Revenue Budget Monitoring Report - Subjective Analysis**  
**1 April 2015 to 26 June 2015**  
**Period 3**

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROVISIONAL OUTTURN (6)	PROVISIONAL OUTTURN VARIANCE (7)	% (8)	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£	£	£	£			
EMPLOYEE COSTS	1,939,794	1,938,075	1,719 FAV	9,652,579	9,652,579	- -	-	5,000	
PROPERTY COSTS	1,919,635	1,851,608	68,027 FAV	11,051,595	10,781,595	270,000 FAV	2.4%	240,000	Savings in Electricity (£200k), Water (£40k) and Rents (£30k) within Office Accomodation
SUPPLIES AND SERVICES	64,656	53,559	11,097 FAV	390,859	390,859	- -	-	(7,000)	
TRANSPORT & PLANT	56,281	40,909	15,372 FAV	305,735	272,735	33,000 FAV	10.8%	11,000	Savings in car leasing within Corporate Property & Procurement and additional work in Democratic & Legal
ADMINISTRATION COSTS	174,019	174,310	(291) ADV	5,723,126	5,614,126	109,000 FAV	1.9%	28,000	Primarily external printing costs (£45k), reduced print recharge (£38k) and Civic Welcome & Hospitalitys (£30k)
PAYMENTS TO OTHER BODIES	29,719	74,006	(44,287) ADV	346,615	655,615	(309,000) ADV	-89.1%	(30,000)	Increased Medical Fees
CAPITAL FINANCING CHARGES	-	-	- -	612,629	612,629	- -	-	-	
REVENUE FINANCING CHARGES	-	-	- -	-	-	- -	-	-	
OTHER COSTS	2,307	261	2,046 FAV	1,624,000	1,624,000	- -	-	-	
<b>TOTAL EXPENDITURE</b>	<b>4,186,410</b>	<b>4,132,728</b>	<b>53,682 FAV</b>	<b>29,707,138</b>	<b>29,604,138</b>	<b>103,001 FAV</b>	<b>0.3%</b>	<b>247,000</b>	
<b>INCOME</b>	<b>536,937</b>	<b>545,905</b>	<b>8,968 FAV</b>	<b>4,675,676</b>	<b>4,967,676</b>	<b>292,000 FAV</b>	<b>6.2%</b>	<b>45,000</b>	Onward recharge of job adverts and medical fees partially offset by reduced print recharges
<b>NET EXPENDITURE</b>	<b>3,649,473</b>	<b>3,586,823</b>	<b>62,650 FAV</b>	<b>25,031,462</b>	<b>24,636,462</b>	<b>395,000 FAV</b>	<b>1.6%</b>	<b>292,000</b>	

FAV = Favourable variation, underspend etc

ADV = Adverse variation, overspend etc

**Corporate Services**  
**Revenue Budget Monitoring Report - Subjective Analysis**  
**1 April 2015 to 26 June 2015**  
**Period 3**

Division:

Democratic & Legal Services

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROVISIONAL OUTTURN (6)	PROVISIONAL OUTTURN VARIANCE (7)	% (8)	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£	£	£	£			
EMPLOYEE COSTS	910,081	892,639	17,442 FAV	4,622,297	4,622,297	- -	-	5,000	
PROPERTY COSTS	2,769	4,019	(1,250) ADV	44,156	44,156	- -	-	-	
SUPPLIES AND SERVICES	37,469	38,351	(882) ADV	219,785	219,785	- -	-	(7,000)	
TRANSPORT & PLANT	30,865	25,362	5,503 FAV	168,131	154,131	14,000 FAV	8.3%	(1,000)	Underspend in additional work
ADMINISTRATION COSTS	126,091	97,361	28,730 FAV	2,165,220	2,043,220	122,000 FAV	5.6%	28,000	Primarily external printing costs (£45k), print recharge (£38k), Civic Welcome & Hospitalities (£30k) and Advertising (£20k)
PAYMENTS TO OTHER BODIES	19,386	6,106	13,280 FAV	84,000	84,000	- -	-	-	
CAPITAL FINANCING CHARGES	-	-	- -	847	847	- -	-	-	
REVENUE FINANCING CHARGES	-	-	- -	-	-	- -	-	-	
OTHER COSTS	2,307	261	2,046 FAV	10,000	10,000	- -	-	-	
<b>TOTAL EXPENDITURE</b>	<b>1,128,968</b>	<b>1,064,100</b>	<b>64,868 FAV</b>	<b>7,314,436</b>	<b>7,178,436</b>	<b>136,000 FAV</b>	<b>1.9%</b>	<b>25,000</b>	
INCOME	369,732	340,491	(29,241) ADV	1,914,331	1,884,331	(30,000) ADV	-1.6%	15,000	Reduced print recharges (£45k) partially offset by increased Registration Fee income (£15k)
<b>NET EXPENDITURE</b>	<b>759,236</b>	<b>723,610</b>	<b>35,627 FAV</b>	<b>5,400,105</b>	<b>5,294,105</b>	<b>106,000 FAV</b>	<b>2.0%</b>	<b>40,000</b>	

FAV = Favourable variation, underspend etc  
 ADV = Adverse variation, overspend etc

**Corporate Services**  
**Revenue Budget Monitoring Report - Subjective Analysis**  
**1 April 2015 to 26 June 2015**  
**Period 3**

Division:

Corporate Property &amp; Procurement

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROVISIONAL OUTTURN (6)	PROVISIONAL OUTTURN VARIANCE (7)	% (8)	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£	£	£	£			
EMPLOYEE COSTS	637,267	641,337	(4,069) ADV	3,396,575	3,396,575	- -	-	-	
PROPERTY COSTS	1,916,866	1,847,589	69,276 FAV	11,007,439	10,737,439	270,000 FAV	2.5%	240,000	Savings in Electricity (£200k), Water (£40k) and Rents (£30k) within Office Accomodation
SUPPLIES AND SERVICES	20,839	13,604	7,234 FAV	112,027	112,027	- -	-	-	
TRANSPORT & PLANT	24,201	15,252	8,949 FAV	131,591	112,591	19,000 FAV	14.4%	12,000	Savings in Car leasing charges
ADMINISTRATION COSTS	12,989	25,848	(12,859) ADV	2,980,089	2,980,089	- -	-	-	
PAYMENTS TO OTHER BODIES	335	335	- -	187,715	187,715	- -	-	-	
CAPITAL FINANCING CHARGES	-	-	- -	611,782	611,782	- -	-	-	
REVENUE FINANCING CHARGES	-	-	- -	-	-	- -	-	-	
OTHER COSTS	-	-	- -	1,614,000	1,614,000	- -	-	-	
<b>TOTAL EXPENDITURE</b>	<b>2,612,497</b>	<b>2,543,966</b>	<b>68,531 FAV</b>	<b>20,041,218</b>	<b>19,752,218</b>	<b>289,000 FAV</b>	<b>1.4%</b>	<b>252,000</b>	
<b>INCOME</b>	<b>1,614</b>	<b>225</b>	<b>(1,389) ADV</b>	<b>2,042,577</b>	<b>2,042,577</b>	<b>- -</b>	<b>-</b>	<b>-</b>	
<b>NET EXPENDITURE</b>	<b>2,610,883</b>	<b>2,543,741</b>	<b>67,142 FAV</b>	<b>17,998,641</b>	<b>17,709,641</b>	<b>289,000 FAV</b>	<b>1.6%</b>	<b>252,000</b>	

ADV = Adverse variation, overspend etc

FAV = Favourable variation, underspend etc  
15,387,758

15165900

22185807%

**Corporate Services**  
**Revenue Budget Monitoring Report - Subjective Analysis**  
**1 April 2015 to 26 June 2015**  
**Period 3**

**Division:** **Human Resources**

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROVISIONAL OUTTURN (6)	PROVISIONAL OUTTURN VARIANCE (7)	% (8)	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£	£	£	£			
EMPLOYEE COSTS	392,445	404,099	(11,654) ADV	1,633,707	1,633,707	-	-	-	
PROPERTY COSTS	-	-	-	-	-	-	-	-	
SUPPLIES AND SERVICES	6,348	1,603	4,745 FAV	59,047	59,047	-	-	-	
TRANSPORT & PLANT	1,215	295	921 FAV	6,013	6,013	-	-	-	
ADMINISTRATION COSTS	34,939	51,100	(16,161) ADV	577,817	590,817	(13,000) ADV	-2.2%	-	Increased Job Adverts costs £13k
PAYMENTS TO OTHER BODIES	9,998	67,565	(57,567) ADV	74,900	383,900	(309,000) ADV	-412.6%	(30,000)	Increased Medical Fees
CAPITAL FINANCING CHARGES	-	-	-	-	-	-	-	-	
REVENUE FINANCING CHARGES	-	-	-	-	-	-	-	-	
OTHER COSTS	-	-	-	-	-	-	-	-	
<b>TOTAL EXPENDITURE</b>	<b>444,945</b>	<b>524,662</b>	<b>(79,717) ADV</b>	<b>2,351,484</b>	<b>2,673,484</b>	<b>(322,000) ADV</b>	<b>-13.7%</b>	<b>(30,000)</b>	
<b>INCOME</b>	<b>165,591</b>	<b>205,189</b>	<b>39,598 FAV</b>	<b>718,768</b>	<b>1,040,768</b>	<b>322,000 FAV</b>	<b>44.8%</b>	<b>30,000</b>	Onward recharge of job adverts and medical fees
<b>NET EXPENDITURE</b>	<b>279,354</b>	<b>319,473</b>	<b>(40,119) ADV</b>	<b>1,632,716</b>	<b>1,632,716</b>	<b>-</b>	<b>-</b>	<b>-</b>	

FAV = Favourable variation, underspend etc  
 ADV = Adverse variation, overspend etc

**Corporate Services**  
**Revenue Budget Monitoring Report - PTOB Analysis**  
**1 April 2015 to 26 June 2015**  
**Period 3**

**PAYMENT TO OTHER BODIES**

DESCRIPTION (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCES (4)	ANNUAL BUDGET (5)	PROVISIONAL OUTTURN (6)	PROVISIONAL OUTTURN VARIANCES (7)	%	TYPICAL AREAS OF EXPENDITURE/ANALYSIS OF VARIATIONS (10)
	£	£	£	£	£	£	(8)	
<b>Central Services</b>	<b>3,927</b>	<b>1,565</b>	<b>2,362</b>	<b>84,000</b>	<b>84,000</b>	-	-	
TOWN TWINNING	1,848	-	1,848	19,000	19,000	-	-	
CHILDREN'S PANEL	2,079	1,565	514	65,000	65,000	-	-	
<b>Human Resources</b>	<b>9,998</b>	<b>67,565</b>	<b>(57,567)</b>	<b>74,900</b>	<b>383,900</b>	<b>(309,000)</b>	ADV	<b>-412.6%</b>
MEDICAL REFERRALS	9,998	67,565	(57,567)	74,900	383,900	(309,000)	ADV	-412.6%
<b>Procurement</b>	<b>335</b>	<b>335</b>	-	<b>187,715</b>	<b>187,715</b>	-	-	
AGENCY FEES	335	335	-	187,715	187,715	-	-	
<b>TOTAL EXPENDITURE</b>	<b>14,260</b>	<b>69,465</b>	<b>(55,205)</b>	<b>346,615</b>	<b>655,615</b>	<b>(309,000)</b>	ADV	<b>-89.1%</b>

FAV = Favourable variation, underspend etc

ADV = Adverse variation, overspend etc



**Corporate Services**  
**Revenue Budget Monitoring Report - Subjective Analysis**  
**1 April 2015 to 26 June 2015**  
**Period 3**

EARMARKED RESERVE DESCRIPTION (1)	EARMARKED RESERVE (2)	PROVISIONAL OUTTURN (3)	REMAINING BALANCE (4)	EARMARKED RESERVE PURPOSE (5)
	£	£	£	
ELECTIONS	100,000	100,000	-	To fund the anticipated shortfall in the cost of holding elections including the General Election, and at least 2 Council By-elections
DILAPIDATIONS FUND	750,000	639,000	111,000	To fund Dilapidations on vacated properties
HSMS REPLACEMENT	100,000	100,000	-	To fund software development work to ensure Atrium, the replacement system for HSMS meets the needs of Corporate Services
<b>TOTAL EXPENDITURE</b>	<b>950,000</b>	<b>839,000</b>	<b>111,000</b>	