

To: CORPORATE SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT 01.04.15 – 18.09.15 (PERIOD 6) CORPORATE SERVICES
From: EXECUTIVE DIRECTOR OF CORPORATE SERVICES		
Date: 14 OCTOBER 2015	Ref: KS/FC/PD	

1. Purpose of Report

This report provides a summary of Corporate Services financial performance for the period 1st April 2015 to 18th September 2015 (Period 6). The report illustrates the projected outturn as at 31st 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 12th 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 £1,073,000 as at 18th September 2015. This is primarily as a result of underspends in employee costs across the service (£525,000), utilities and rents within Office Accommodation (£265,000), Administration costs (£96,000) and reduced Carbon Reduction Payments (£92,000). 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 projected outturn represents a favourable movement of £0.085m from that previously reported. This movement is primarily in relation to licence fee income which is now expected to be £55,000 over-recovered.
- 2.4. 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.
- 2.5. 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 £476,000 less than budget. This is primarily due to employee savings of £260,000, an underspend in print recharges of £37,000 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, an underspend of £30,000 in Childrens Panel expenses and increased Registration (£22,000) and Licencing (£55,000) Fees. 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 £580,000 less than budget. This is mainly due to employee savings of £238,000, utility savings of £250,000 as a result of reductions in consumption and energy efficiency measures. Energy efficiency measures have also resulted in an anticipated underspend of £92,000 on Carbon Reduction Payments due 14/15 consumption across the Council in being lower than previously anticipated.

- 3.3. Human Resources division is currently projected to spend £17,000 less than budget as a result of savings in employee costs. Within this overall position, there is a projected overspend of £13,000 in respect of expenditure associated with the recruitment process, and £335,000 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 6, the service has 35.5 vacant posts, equating to full-year savings of £1.267m. The service is currently meeting its turnover requirement with an overall employee cost underspend of £525,000 anticipated to be achieved this year. The service continues to review 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, with an overspend of £0.276m projected. This is primarily as a result of Medical Referrals which are anticipated to be £0.320m 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
 #REF!
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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	2,111,172	1,818,890	292,282 FAV	5,400,105	4,924,105	476,000 FAV	8.8%	121,000	Mainly vacancy savings along with reduced Printing Costs, underspends in Childrens Panel Costs, Civic Welcome & Hospitalities, Advertising, and increase Registration Fee income
CORPORATE PROPERTY AND PROCUREMENT	5,991,021	5,423,893	567,128 FAV	17,998,641	17,418,641	580,000 FAV	3.2%	(16,000)	Primarily vacancy savings and savings within Office Accomodation (Electricity, Water, Rents) along with Carbon Reduction Payments
HUMAN RESOURCES	361,064	312,885	48,179 FAV	1,632,716	1,615,716	17,000 FAV	1.0%	(20,000)	Vacancy Savings. Overall position also includes overspends in medical fees and job adverts met by corresponding overrecoveries in income.
NET EXPENDITURE	8,463,257	7,555,668	907,589 FAV	25,031,462	23,958,462	1,073,000 FAV	4.3%	85,000	

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

Corporate Services
Revenue Budget Monitoring Report - Subjective Analysis
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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	4,241,868	3,870,915	370,952 FAV	9,652,579	9,127,579	525,000 FAV	5.4%	66,000	Vacancy savings across the service as a result of the freeze on recruitment
PROPERTY COSTS	4,110,409	3,893,245	217,164 FAV	11,051,595	10,835,595	216,000 FAV	2.0%	(54,000)	Savings in Electricity (£200k), Water (£50k) and Rents (£15k) partially offset by an overspend in contract cleaning (£33k) within Office Accomodation
SUPPLIES AND SERVICES	154,222	110,785	43,437 FAV	390,859	373,859	17,000 FAV	4.3%	20,000	
TRANSPORT & PLANT	117,493	84,210	33,283 FAV	305,735	263,735	42,000 FAV	13.7%	(2,000)	Savings in car leasing and additional work
ADMINISTRATION COSTS	987,539	920,803	66,737 FAV	5,723,126	5,627,126	96,000 FAV	1.7%	(2,000)	Primarily external printing costs (£45k), reduced print recharge (£37k) Civic Welcome & Hospitalities (£30k) and advertising (£20k) offset by overspends in job adverts
PAYMENTS TO OTHER BODIES	64,375	143,880	(79,506) ADV	346,615	626,615	(280,000) ADV	-80.8%	15,000	Increased Medical Fees (£320k) offset by reduced childrens panel expenses (£30k)
CAPITAL FINANCING CHARGES	153,157	153,157	- -	612,629	612,629	- -	-	-	
REVENUE FINANCING CHARGES	-	-	- -	-	-	- -	-	-	
OTHER COSTS	10,000	(82,213)	92,213 FAV	1,624,000	1,532,000	92,000 FAV	5.7%	-	Reduced Carbon Reduction Payments
TOTAL EXPENDITURE	9,839,063	9,094,783	744,280 FAV	29,707,138	28,999,139	708,000 FAV	2.4%	43,000	
INCOME	1,375,806	1,539,115	163,309 FAV	4,675,676	5,040,676	365,000 FAV	7.8%	42,000	Increased registration (£22k) and licencing (£55k) fee income, onward recharge of job adverts (£320k) and medical fees (£13k) partially offset by reduced print recharges (£45k).
NET EXPENDITURE	8,463,257	7,555,668	907,589 FAV	25,031,462	23,958,462	1,073,000 FAV	4.3%	85,000	

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Corporate Services
Revenue Budget Monitoring Report - Subjective Analysis
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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	2,002,041	1,845,936	156,105 FAV	4,622,297	4,362,297	260,000 FAV	5.6%	50,000	Vacancies Primarily external printing costs (£45k), print recharge (£37k), Civic Welcome & Hospitalities (£30k) and Advertising (£20k) Childrens Panel (£30k) and Twinning (£9k)
PROPERTY COSTS	11,490	16,500	(5,010) ADV	44,156	60,156	(16,000) ADV	-36.2%	(16,000)	
SUPPLIES AND SERVICES	96,467	74,580	21,887 FAV	219,785	202,785	17,000 FAV	7.7%	20,000	
TRANSPORT & PLANT	57,638	46,706	10,932 FAV	168,131	154,131	14,000 FAV	8.3%	(1,000)	
ADMINISTRATION COSTS	654,097	585,618	68,479 FAV	2,165,220	2,036,220	129,000 FAV	6.0%	11,000	
PAYMENTS TO OTHER BODIES	38,778	15,335	23,443 FAV	84,000	44,000	40,000 FAV	47.6%	-	
CAPITAL FINANCING CHARGES	212	212	- -	847	847	- -	-	-	
REVENUE FINANCING CHARGES	-	-	- -	-	-	- -	-	-	
OTHER COSTS	10,000	10,000	(0) ADV	10,000	10,000	- -	-	-	
TOTAL EXPENDITURE	2,870,723	2,594,887	275,836 FAV	7,314,436	6,870,436	444,000 FAV	6.1%	64,000	
INCOME	759,551	775,997	16,446 FAV	1,914,331	1,946,331	32,000 FAV	1.7%	57,000	Increased Registration (£22k) and Licence (£55k) fee income, partially offset by reduced print recharges (£45k)
NET EXPENDITURE	2,111,172	1,818,890	292,282 FAV	5,400,105	4,924,105	476,000 FAV	8.8%	121,000	

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Corporate Services
Revenue Budget Monitoring Report - Subjective Analysis
 #REF!
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Division:

Corporate Property & 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	1,471,317	1,247,322	223,995 FAV	3,396,575	3,158,575	238,000 FAV	7.0%	26,000	Vacancies
PROPERTY COSTS	4,098,919	3,876,746	222,173 FAV	11,007,439	10,775,439	232,000 FAV	2.1%	(38,000)	Savings in Electricity (£200k), Water (£50k) and Rents (£15k) partially offset by an overspend in contract cleaning (£33k) within Office Accomodation
SUPPLIES AND SERVICES	50,224	32,161	18,063 FAV	112,027	102,027	10,000 FAV	8.9%	10,000	
TRANSPORT & PLANT	57,260	36,437	20,823 FAV	131,591	103,591	28,000 FAV	21.3%	(1,000)	Savings in Car leasing charges
ADMINISTRATION COSTS	162,988	171,989	(9,001) ADV	2,980,089	3,000,089	(20,000) ADV	-0.7%	(13,000)	
PAYMENTS TO OTHER BODIES	597	831	(234) ADV	187,715	187,715	- -	-	-	
CAPITAL FINANCING CHARGES	152,945	152,945	- -	611,782	611,782	- -	-	-	
REVENUE FINANCING CHARGES	-	-	- -	-	-	- -	-	-	
OTHER COSTS	-	(92,214)	92,214 FAV	1,614,000	1,522,000	92,000 FAV	5.7%	-	14/15 Carbon Reduction payment lower than anticipated
TOTAL EXPENDITURE	5,994,250	5,426,218	568,032 FAV	20,041,218	19,461,218	580,000 FAV	2.9%	(16,000)	
INCOME	3,229	2,325	(904) ADV	2,042,577	2,042,577	- -	-	-	
NET EXPENDITURE	5,991,021	5,423,893	567,128 FAV	17,998,641	17,418,641	580,000 FAV	3.2%	(16,000)	

ADV = Adverse variation, overspend etc

FAV = Favourable variation, underspend etc
12,007,620

11994748

1287176%

Corporate Services
Revenue Budget Monitoring Report - Subjective Analysis
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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	£ 768,510	£ 777,657	£ (9,148) ADV	£ 1,633,707	£ 1,606,707	£ 27,000 FAV	1.7%	(10,000)	Vacancies
PROPERTY COSTS	-	-	- -	-	-	- -	-	-	
SUPPLIES AND SERVICES	7,531	4,044	3,487 FAV	59,047	69,047	(10,000) ADV	-16.9%	(10,000)	
TRANSPORT & PLANT	2,595	1,067	1,528 FAV	6,013	6,013	- -	-	-	
ADMINISTRATION COSTS	170,454	163,195	7,259 FAV	577,817	590,817	(13,000) ADV	-2.2%	-	Increased Job Adverts costs £13k
PAYMENTS TO OTHER BODIES	25,000	127,714	(102,714) ADV	74,900	394,900	(320,000) ADV	-427.2%	15,000	Increased Medical Fees
CAPITAL FINANCING CHARGES	-	-	- -	-	-	- -	-	-	
REVENUE FINANCING CHARGES	-	-	- -	-	-	- -	-	-	
OTHER COSTS	-	-	- -	-	-	- -	-	-	
TOTAL EXPENDITURE	974,090	1,073,678	(99,588) ADV	2,351,484	2,667,484	(316,000) ADV	-13.4%	(5,000)	
INCOME	613,026	760,793	147,767 FAV	718,768	1,051,768	333,000 FAV	46.3%	(15,000)	Onward recharge of job adverts and medical fees
NET EXPENDITURE	361,064	312,885	48,179 FAV	1,632,716	1,615,716	17,000 FAV	1.0%	(20,000)	

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Corporate Services
Revenue Budget Monitoring Report - PTOB Analysis
 #REF!
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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)	
Central Services	7,854	3,176	4,678	84,000	40,000	44,000	52.4%	Reduced expenses claims
TOWN TWINNING	3,696	1,611	2,085	19,000	10,000	9,000	47.4%	
CHILDREN'S PANEL	4,158	1,565	2,593	65,000	30,000	35,000	53.8%	
Human Resources	25,000	127,714	(102,714)	74,900	394,900	(320,000)	-427.2%	Demand led service - fully rechargeable to user Services
MEDICAL REFERRALS	25,000	127,714	(102,714)	74,900	394,900	(320,000)	-427.2%	
Procurement	597	597	(0)	187,715	187,715	-	-	
AGENCY FEES	597	597	(0)	187,715	187,715	-	-	
TOTAL EXPENDITURE	33,451	131,487	(98,037)	346,615	622,615	(276,000)	-79.6%	

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Corporate Services
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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	610,492	139,508	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
TOTAL EXPENDITURE	950,000	810,492	139,508	