

To: CORPORATE SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT CORPORATE SERVICES 01/04/11 to 16/09/11 (PERIOD 6)
FROM: EXECUTIVE DIRECTOR OF CORPORATE SERVICES		
DATE: 27 October 2011	Ref: PD/JMcE	

1. Purpose of Report

1.1 This report advises Committee on the overall financial position of Corporate Services for the period 1 April 2011 to 16 September 2011. Variances are reported for both year-to-date and projected outturn, with major outturn variances being highlighted and explained.

2. Approved Revenue Budget 2011-2012

2.1. The Council approved an overall Base Revenue Budget of £777.547 million on 10 February 2011, £30.8m (3.9%) of which was the approved Gross Revenue Budget for Corporate Services. Whilst the 2011-2012 budget process recognised various budget pressures facing Corporate Services', it also resulted in the Service contributing around £2.5m towards the Council's approved 2011-2012 efficiency savings. Further details regarding this year's budget are available within the general revenue monitoring appendices 1 and 2.

2.2 Subsequent to the approval of the base revenue budget, the Council has approved a restructuring of Services. The restructuring exercise was implemented on 1 July 2011 with the removal from Corporate Services and transferring to Environmental Services responsibility for a number of property functions including commercial rental income recovery. This report now covers the revised Corporate Services structure. The functions transferred will now be reported as part of the Environmental Services reports.

3. Summary of Financial Position

3.1. The Service is currently projecting a year-end surplus of £511,000. This is attributable to turnover savings across all divisions in Corporate Services, but primarily within the Design and Property Services division. Additional details regarding budget variations are outlined in paragraph four below, and the appendices to this report.

4. Risks and Uncertainty

4.1. 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.

4.2 At this point in time there are no significant risks likely to have a significant impact on the final outturn position of Corporate Services. Previously, in this section of the report, we

have commented on the potential effect of the economic climate on the level of rental income from commercial rents which had been an on-going factor for the last few years. However, with the restructuring and consequential reallocation of responsibilities and budgets, this risk will not have an impact on the financial outcome of Corporate Services budget. It will continue to be monitored by Environmental Services with reports to the Environmental Services Committee and the Policy and Resources (Property) Sub-Committee.

5. Major Variations

- 5.1. 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.
- 5.2. Included within the overall outturn position for Corporate Services is a projected underspend on employee costs of £577,000. Following approval of the Workforce Changes savings report of 16 December 2010, the service currently has 359.5 FTEs, and a budgeted turnover of £368,433 (13.5 FTEs). At period 6 there were 40.5 vacant posts within the Service, contributing to meet this turnover requirement and generating the further savings, mentioned above, as well.
- 5.3. Service Overview:

Corporate Services	Budget to date (£)	Actual to date (£)	Variance to date (£)	Projected Outturn Variance (£)
Central Services	1,853,849	1,843,714	10,135	18,000 Underspend
Design & Property Services	8,590,681	8,367,939	222,742	438,000 Underspend
Human Resources	1,046,334	1,036,872	9,462	17,000 Underspend
Legal Services	947,589	927,493	20,096	38,000 Underspend
Total	12,438,463	12,176,018	262,435	511,000 Underspend

- 5.4 Central Services (including Registration) £
18,000 Underspend

An underspend of £18,000 is anticipated at year end, mainly as a result of savings against printing, stationery and postage costs. These are being achieved through the more efficient use of resources.

- 5.5 Design & Property Services 438,000 Underspend

The Design & Property Services division is projecting expenditure to be £438,000 less than budget at the year end. The main reason for this is the number of vacant posts within the Design Unit.

The number of vacancies within Design stands at 21 posts. All of these vacant posts are effectively on hold pending the outcomes of the latest series of Service structure reviews,

with temporary cover sourced when necessary. This all adds significantly to the overall Service's bottom line underspend position.

Within the Property side of the division there are a further 8 posts vacant, with all of them currently being held vacant as part of the management action strategy to manage expenditure carefully in all areas at all times.

The anticipated year end saving for Design and Property Services in employee costs at this point of the year is £520,000.

5.6 Human Resources 17,000 Underspend

At present the outturn for the Human Resources division is a £17,000 underspend at the year end.

Within this there are a couple of variances which are offsetting one another in respect of Medical Referral expenses which are being projected to be in excess of budget by £160,000 at this early point in the financial year. This will be fully offset though by a corresponding over-recovery in income, with all costs being fully recharged on to the appropriate Service. This area is purely demand led with all costs only being incurred following order requests and referrals from the other Services of the Council.

5.7 Legal Services 38,000 Underspend

This favourable projected outturn position at this early juncture in the year is primarily a result of a savings against Employee costs with an underspend of £40,000 being anticipated.

There are currently 4 vacancies within Legal Services with all of these being held as part of the management action plan to ensure that Legal Services remains within budget levels.

6. Management Action

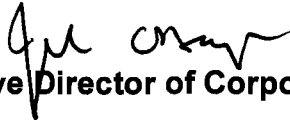
- 6.1 The year end variance for Corporate Services, projected forward from this Period 6 report, is an anticipated underspend of £511,000. This is being achieved mainly through the management of vacancy levels across all Divisions of the Service while minimising the impact on service delivery.

7. Financial Concurrence

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

8. Recommendations

- 8.1. Members are asked to note the Services approved 2011-12 budget and projected performance against this.



Executive Director of Corporate Services

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

NORTH LANARKSHIRE COUNCIL**FINANCIAL MONITORING REPORT - Divisional Analysis****1 April 2011 to 16 September 2011****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	1,853,849	1,843,714	10,135 Underspend	3,938,175	3,920,175	18,000 Underspend	0.5%	Printing / Stationery
2.	DESIGN & PROPERTY SERVICES	8,590,681	8,367,939	222,742 Underspend	20,981,536	20,543,536	438,000 Underspend	2.1%	Vacancy levels
3	HUMAN RESOURCES	1,046,334	1,036,872	9,462 Underspend	1,802,279	1,785,279	17,000 Underspend	0.9%	Vacancy levels
4	LEGAL SERVICES	947,589	927,493	20,096 Underspend	1,978,465	1,940,465	38,000 Underspend	1.9%	Vacancy levels
6	NET EXPENDITURE	12,438,453	12,176,018	262,435 Underspend	28,700,455	28,189,455	511,000 Underspend	1.8%	

NORTH LANARKSHIRE COUNCILFINANCIAL MONITORING REPORT - Subjective Analysis1 April 2011 to 16 September 2011

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	5,982,661	5,698,101	284,560 Underspend	13,815,288	13,238,288	577,000 Underspend	4.2%	Vacancy levels
2.	PROPERTY COSTS	4,288,089	4,323,308	(35,219) Overspend	11,678,284	11,748,284	(70,000) Overspend	-0.6%	Repairs exp
3.	SUPPLIES AND SERVICES	164,513	143,379	21,134 Underspend	475,824	436,824	39,000 Underspend	8.2%	IT Equipment Maintenance
4.	TRANSPORT & PLANT	167,635	153,919	13,716 Underspend	422,937	401,437	21,500 Underspend	5.1%	Delivery / Travel Exp's /Allowances
5.	ADMINISTRATION COSTS	291,556	286,639	4,917 Underspend	1,067,696	1,061,196	6,500 Underspend	0.6%	Printing / Stationery
6.	PAYMENTS TO OTHER BODIES	76,908	155,114	(78,206) Overspend	173,900	333,900	(160,000) Overspend	-92.0%	Medical Referral Fees
7.	OTHER COSTS	468	114	354 Underspend	11,011	11,011	- -	-	
8.	APPORTIONED EXPENSES	1,819,412	1,819,412	- -	3,621,126	3,621,126	- -	-	
9.	CAPITAL FINANCING CHARGES	433,583	433,583	- -	927,498	927,498	- -	-	
10.	C.F.C.R	-	-	- -	-	-	- -	-	
11.	TOTAL EXPENDITURE	13,224,825	13,013,569	211,256 Underspend	32,193,564	31,779,564	414,000 Underspend	1.3%	
12.	INCOME	786,372	837,551	51,179 Over-recovery	3,493,109	3,590,109	97,000 Over-recovery	2.8%	Medical Referral recharges..
13.	NET EXPENDITURE	12,438,453	12,176,018	262,435 Underspend	28,700,455	28,189,455	511,000 Underspend	1.8%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2011 to 16 September 2011

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	1,217,543	1,216,541	1,002 Underspend	2,692,579	2,689,579	3,000 Underspend	0.1%	
2.	PROPERTY COSTS	18,027	18,109	(82) Overspend	35,804	35,804	- -	-	
3.	SUPPLIES AND SERVICES	84,853	77,937	6,916 Underspend	239,694	226,694	13,000 Underspend	5.4%	Equipment maintenance
4.	TRANSPORT & PLANT	41,983	40,744	1,239 Underspend	102,461	99,961	2,500 Underspend	2.4%	
5.	ADMINISTRATION COSTS	137,306	124,577	12,729 Underspend	433,721	406,221	27,500 Underspend	6.3%	Printing / Stationery/Postage exps
6.	PAYMENTS TO OTHER BODIES	32,778	31,983	795 Underspend	84,000	84,000	- -	-	
7.	OTHER COSTS	-	-	- -	10,000	10,000	- -	-	
8.	APPORTIONED EXPENSES	585,947	585,947	- -	1,269,670	1,269,670	- -	-	
9.	CAPITAL FINANCING CHARGES	3,847	3,847	- -	8,341	8,341	- -	-	
10.	C.F.C.R	-	-	- -	-	-	- -	-	
11.	TOTAL EXPENDITURE	2,122,284	2,099,685	22,599 Underspend	4,876,270	4,830,270	46,000 Underspend	0.9%	
12.	INCOME	268,435	255,971	(12,464) Under-Recovery	938,095	910,095	(28,000) Under-Recovery	-3.0%	Printing / Stationery/Postage Rech
13.	NET EXPENDITURE	1,853,849	1,843,714	10,135 Underspend	3,938,175	3,920,175	18,000 Underspend	0.5%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2011 to 16 September 2011

COMMITTEE: CORPORATE SERVICES

SERVICE: DESIGN & 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	2,780,887	2,524,104	256,783	Underspend	6,534,450	6,014,450	520,000	Underspend	8.0%	Vacancy Levels
2.	PROPERTY COSTS	4,270,062	4,305,199	(35,137)	Overspend	11,642,480	11,712,480	(70,000)	Overspend	-0.6%	Rent review increases
3.	SUPPLIES AND SERVICES	52,937	40,689	12,248	Underspend	155,862	133,862	22,000	Underspend	14.1%	General supplies
4.	TRANSPORT & PLANT	93,517	84,505	9,012	Underspend	244,889	228,889	16,000	Underspend	6.5%	Travel Expenses/Allowances
5.	ADMINISTRATION COSTS	46,457	43,654	2,803	Underspend	169,226	169,226	-	-	-	
6.	PAYMENTS TO OTHER BODIES	-	-	-	-	-	-	-	-	-	
7.	OTHER COSTS	468	114	354	Underspend	1,011	1,011	-	-	-	
8.	APPORTIONED EXPENSES	1,004,337	1,004,337	-	-	1,854,668	1,854,668	-	-	-	
9.	CAPITAL FINANCING CHARGES	422,396	422,396	-	-	903,250	903,250	-	-	-	
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	
11.	TOTAL EXPENDITURE	8,671,061	8,424,998	246,063	Underspend	21,505,836	21,017,836	488,000	Underspend	2.3%	
12.	INCOME	80,380	57,059	(23,321)	Under-Recovery	524,300	474,300	(50,000)	Under-Recovery	-9.5%	Grant Income Reduction
13.	NET EXPENDITURE	8,590,681	8,367,939	222,742	Underspend	20,981,536	20,543,536	438,000	Underspend	2.1%	

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2011 to 16 September 2011

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	911,860	903,689	8,171	Underspend	2,176,609	2,162,609	14,000	Underspend	0.6%	Vacancy	
2.	PROPERTY COSTS	-	-	-	-	-	-	-	-	-		
3.	SUPPLIES AND SERVICES	20,657	20,634	23	Underspend	62,792	62,792	-	-	-		
4.	TRANSPORT & PLANT	4,520	1,611	2,909	Underspend	12,513	9,513	3,000	Underspend	24.0%		
5.	ADMINISTRATION COSTS	71,834	85,018	(13,184)	Overspend	365,726	390,726	(25,000)	Overspend	-6.8%		Job advert support expenses
6.	PAYMENTS TO OTHER BODIES	44,130	123,131	(79,001)	Overspend	89,900	249,900	(160,000)	Overspend	-178.0%		Medical Referral Fees
7.	OTHER COSTS	-	-	-	-	-	-	-	-	-		
8.	APPORTIONED EXPENSES	74,915	74,915	-	-	162,332	162,332	-	-	-		
9.	CAPITAL FINANCING CHARGES	7,340	7,340	-	-	15,907	15,907	-	-	-		
10.	C.F.C.R	-	-	-	-	-	-	-	-	-		
11.	TOTAL EXPENDITURE	1,135,256	1,216,338	(81,082)	Overspend	2,885,779	3,053,779	(168,000)	Overspend	-5.8%		
12.	INCOME	88,922	179,466	90,544	Over-recovery	1,083,500	1,268,500	185,000	Over-recovery	17.1%	Medical Referral recharges..	
13.	NET EXPENDITURE	1,046,334	1,036,872	9,462	Underspend	1,802,279	1,785,279	17,000	Underspend	0.9%		

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2011 to 16 September 2011

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	1,072,371	1,053,767	18,604 Underspend	2,411,650	2,371,650	40,000 Underspend	1.7%	Vacancy levels
2.	PROPERTY COSTS	-	-	- -	-	-	- -	-	
3.	SUPPLIES AND SERVICES	6,066	4,119	1,947 Underspend	17,476	13,476	4,000 Underspend	22.9%	
4.	TRANSPORT & PLANT	27,615	27,059	556 Underspend	63,074	63,074	- -	-	
5.	ADMINISTRATION COSTS	35,959	33,390	2,569 Underspend	99,023	95,023	4,000 Underspend	4.0%	
6.	PAYMENTS TO OTHER BODIES	-	-	- -	-	-	- -	-	
7.	OTHER COSTS	-	-	- -	-	-	- -	-	
8.	APPORTIONED EXPENSES	154,213	154,213	- -	334,456	334,456	- -	-	
9.	CAPITAL FINANCING CHARGES	-	-	- -	-	-	- -	-	
10.	C.F.C.R	-	-	- -	-	-	- -	-	
11.	TOTAL EXPENDITURE	1,296,224	1,272,548	23,676 Underspend	2,925,679	2,877,679	48,000 Underspend	1.6%	
12.	INCOME	348,635	345,055	(3,580) Under-Recovery	947,214	937,214	(10,000) Under-Recovery	-1.1%	Legal Fees
13.	NET EXPENDITURE	947,589	927,493	20,096 Underspend	1,978,465	1,940,465	38,000 Underspend	1.9%	

NORTH LANARKSHIRE COUNCIL**FINANCIAL MONITORING REPORT****1 April 2011 to 16 September 2011****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	32,778	31,983	795	Underspend	84,000	84,000	-	-	-	
2.	TOWN TWINNING	4,278	4,215	63	Underspend	19,000	19,000	-	-	-	
3.	CHILDREN'S PANEL	28,500	27,768	732	Underspend	65,000	65,000	-	-	-	
4.	Human Resources	44,130	123,131	(79,001)	Overspend	89,900	249,900	(160,000)	Overspend	-178.0%	
5.	MEDICAL REFERRALS	44,130	123,131	(79,001)	Overspend	89,900	249,900	(160,000)	Overspend	-178.0%	Offset by Income
8.	TOTAL EXPENDITURE	76,908	155,114	(78,206)	Overspend	173,900	333,900	(160,000)	Overspend	-92.0%	