

To: CORPORATE SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT CORPORATE SERVICES 1 APRIL 2011 – 9 DECEMBER 2011 (PERIOD 9)
FROM: EXECUTIVE DIRECTOR OF CORPORATE SERVICES		
DATE: 5 January 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 9 December 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. That restructuring, which has been implemented from the 1st July 2011 has the effect of removing from Corporate Services and transferring to Environmental Services responsibility for a number of property functions including commercial rental incomes recovery. This report now covers only the restructured Corporate Services and, accordingly, provides information on that alone. The elements 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 £670,750. 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 £707,000. The Service currently has 359.5 FTEs, and a budgeted turnover of £368,433 (13.5 FTEs). At period 9 there were 47 vacant posts within the Service, contributing to meet this turnover requirement and generating the further savings, mentioned above, as well.
- 5.3. Service Overview:

<b>Corporate Services</b>	<b>Budget to date (£)</b>	<b>Actual to date (£)</b>	<b>Variance to date (£)</b>	<b>Projected Outturn Variance (£)</b>
Central Services	2,838,627	2,823,508	15,119	<b>21,750 Underspend</b>
Design & Property Services	14,093,685	13,699,527	394,158	<b>558,000 Underspend</b>
Human Resources	1,421,363	1,416,569	4,794	<b>9,000 Underspend</b>
Legal Services	1,300,482	1,239,591	60,891	<b>82,000 Underspend</b>
<b>Total</b>	<b>19,654,157</b>	<b>19,179,195</b>	<b>474,962</b>	<b>670,750 Underspend</b>

- 5.4 Central Services (including Registration) £  
21,750 Underspend

An underspend of £21,750 is anticipated and is mainly as a result of savings against printing, stationery and postage costs.

While there is an underspend of £21,750 an overspend has been recorded in respect of the By Election for Ward 6 Coatbridge North and Glenboig, the cost of which currently stands at £15,200 (excluding premises and contractors costs) and exceeds budgeted provision of £10,000 (which has not changed since before the introduction of multi member wards). This overspend is currently being offset by the savings mentioned above but it should be noted that it could have an impact on the bottom line position if more expenditure is still to be incurred in this area.

- 5.5 Design & Property Services 558,000 Underspend

The Design & Property Services division is projecting expenditure to be £558,000 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 25 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 were a further 8.5 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 £651,000.

5.6 Human Resources 9,000 Underspend

At the moment the outturn for the Human Resources division is a small 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 £190,000, come the year end. 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 82,000 Underspend

This favourable projected outturn position at this early juncture in the year is a combination of savings against Employee costs and also an over-recovery in fee income with an overall underspend of £82,000 being anticipated.

There are currently 6 vacancies within Legal Services with the majority 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 9 report, is an anticipated underspend of £670,750. 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 9 December 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	2,838,627	2,823,508	15,119 Underspend	3,995,905	3,974,155	21,750 Underspend	0.5%	Printing / Stationery
2.	DESIGN & PROPERTY SERVICES	14,093,685	13,699,527	394,158 Underspend	20,956,536	20,398,536	558,000 Underspend	2.7%	Vacancy levels
3	HUMAN RESOURCES	1,421,363	1,416,569	4,794 Underspend	1,802,279	1,793,279	9,000 Underspend	0.5%	Vacancy levels
4	LEGAL SERVICES	1,300,482	1,239,591	60,891 Underspend	1,978,465	1,896,465	82,000 Underspend	4.1%	Vacancy levels
<b>6</b>	<b>NET EXPENDITURE</b>	<b>19,654,157</b>	<b>19,179,195</b>	<b>474,962 Underspend</b>	<b>28,733,185</b>	<b>28,062,435</b>	<b>670,750 Underspend</b>	<b>2.3%</b>	

## NORTH LANARKSHIRE COUNCIL

## FINANCIAL MONITORING REPORT - Subjective Analysis

1 April 2011 to 9 December 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	9,196,876	8,698,107	498,769 Underspend	13,815,288	13,108,288	707,000 Underspend	5.1%	Vacancy levels
2.	PROPERTY COSTS	7,908,232	7,982,337	(74,105) Overspend	11,653,284	11,748,284	(95,000) Overspend	-0.8%	Rental Increases
3.	SUPPLIES AND SERVICES	236,763	206,823	29,940 Underspend	405,154	370,404	34,750 Underspend	8.6%	IT Equipment Maintenance
4.	TRANSPORT & PLANT	259,052	236,682	22,370 Underspend	422,937	391,937	31,000 Underspend	7.3%	Delivery / Travel Exp's / Allowances
5.	ADMINISTRATION COSTS	478,607	455,080	23,527 Underspend	1,097,696	1,067,696	30,000 Underspend	2.7%	Printing / Stationery
6.	PAYMENTS TO OTHER BODIES	110,476	241,821	(131,345) Overspend	173,900	363,900	(190,000) Overspend	-109.3%	Medical Referral Fees
7.	OTHER COSTS	9,623	10,721	(1,098) Overspend	11,011	13,011	(2,000) Overspend	-18.2%	
8.	APPORTIONED EXPENSES	2,506,745	2,506,745		3,621,126	3,621,126	- -	-	
9.	CAPITAL FINANCING CHARGES	642,095	642,095		927,498	927,498	- -	-	
10.	C.F.C.R				-		- -	-	
11.	TOTAL EXPENDITURE	21,348,469	20,980,411	368,058 Underspend	32,127,894	31,612,144	515,750 Underspend	1.6%	
12.	INCOME	1,694,312	1,801,216	106,904 Over-recovery	3,394,709	3,549,709	155,000 Over-recovery	4.6%	Medical Referral recharges..
13.	NET EXPENDITURE	19,654,157	19,179,195	474,962 Underspend	28,733,185	28,062,435	670,750 Underspend	2.3%	

**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 2011 to 9 December 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	1,850,530	1,845,584	4,946 Underspend	2,692,579	2,687,579	5,000 Underspend	0.2%	
2.	PROPERTY COSTS	24,792	24,878	(86) Overspend	35,804	35,804	- -	-	
3.	SUPPLIES AND SERVICES	129,450	123,146	6,304 Underspend	188,324	178,574	9,750 Underspend	5.2%	Equipment maintenance
4.	TRANSPORT & PLANT	55,928	55,671	257 Underspend	102,461	102,461	- -	-	
5.	ADMINISTRATION COSTS	253,703	221,558	32,145 Underspend	463,721	419,721	44,000 Underspend	9.5%	Printing / Stationery/Postage exps
6.	PAYMENTS TO OTHER BODIES	45,240	45,210	30 Underspend	84,000	84,000	- -	-	
7.	OTHER COSTS	8,921	10,460	(1,539) Overspend	10,000	12,000	(2,000) Overspend	-20.0%	
8.	APPORTIONED EXPENSES	878,983	878,983	- -	1,269,670	1,269,670	- -	-	
9.	CAPITAL FINANCING CHARGES	5,771	5,771	- -	8,341	8,341	- -	-	
10.	C.F.C.R	-	-	- -	-	-	- -	-	
11.	TOTAL EXPENDITURE	3,253,318	3,211,261	42,057 Underspend	4,854,900	4,798,150	56,750 Underspend	1.2%	
12.	INCOME	414,691	387,753	(26,938) Under-Recovery	858,995	823,995	(35,000) Under-Recovery	-4.1%	Printing / Stationery/Postage Rech
13.	NET EXPENDITURE	2,838,627	2,823,508	15,119 Underspend	3,995,905	3,974,155	21,750 Underspend	0.5%	

**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 2011 to 9 December 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	4,357,315	3,897,983	459,332	Underspend	6,534,450	5,883,450	651,000	Underspend	10.0%	Vacancy Levels
2.	PROPERTY COSTS	7,883,440	7,957,459	(74,019)	Overspend	11,617,480	11,712,480	(95,000)	Overspend	-0.8%	Rental Increases
3.	SUPPLIES AND SERVICES	74,062	52,300	21,762	Underspend	136,562	113,562	23,000	Underspend	16.8%	General supplies
4.	TRANSPORT & PLANT	155,140	136,823	18,317	Underspend	244,889	218,889	26,000	Underspend	10.6%	Travel Expenses/Allowances
5.	ADMINISTRATION COSTS	63,344	64,631	(1,287)	Overspend	169,226	172,226	(3,000)	Overspend	-1.8%	
6.	PAYMENTS TO OTHER BODIES	-	-	-	-	-	-	-	-	-	
7.	OTHER COSTS	702	261	441	Underspend	1,011	1,011	-	-	-	
8.	APPORTIONED EXPENSES	1,283,983	1,283,983	-	-	1,854,668	1,854,668	-	-	-	
9.	CAPITAL FINANCING CHARGES	625,313	625,313	-	-	903,250	903,250	-	-	-	
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	
11.	<b>TOTAL EXPENDITURE</b>	<b>14,443,299</b>	<b>14,018,753</b>	<b>424,546</b>	<b>Underspend</b>	<b>21,461,536</b>	<b>20,859,536</b>	<b>602,000</b>	<b>Underspend</b>	<b>2.8%</b>	
12.	INCOME	349,614	319,226	(30,388)	Under-Recovery	505,000	461,000	(44,000)	Under-Recovery	-8.7%	Grant Income Reduction
13.	<b>NET EXPENDITURE</b>	<b>14,093,685</b>	<b>13,699,527</b>	<b>394,158</b>	<b>Underspend</b>	<b>20,956,536</b>	<b>20,398,536</b>	<b>558,000</b>	<b>Underspend</b>	<b>2.7%</b>	

**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 2011 to 9 December 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	1,371,148	1,368,384	2,764	Underspend	2,176,609	2,170,609	6,000	Underspend	0.3%	Vacancy
2.	PROPERTY COSTS	-	-	-	-	-	-	-	-	-	
3.	SUPPLIES AND SERVICES	23,151	22,700	451	Underspend	62,792	62,792	-	-	-	
4.	TRANSPORT & PLANT	6,307	2,976	3,331	Underspend	12,513	7,513	5,000	Underspend	40.0%	
5.	ADMINISTRATION COSTS	101,386	110,198	(8,812)	Overspend	365,726	376,726	(11,000)	Overspend	-3.0%	Job advert support expenses
6.	PAYMENTS TO OTHER BODIES	65,236	196,611	(131,375)	Overspend	89,900	279,900	(190,000)	Overspend	-211.3%	Medical Referral Fees
7.	OTHER COSTS	-	-	-	-	-	-	-	-	-	
8.	APPORTIONED EXPENSES	112,381	112,381	-	-	162,332	162,332	-	-	-	
9.	CAPITAL FINANCING CHARGES	11,011	11,011	-	-	15,907	15,907	-	-	-	
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	
11.	TOTAL EXPENDITURE	1,690,620	1,824,261	(133,641)	Overspend	2,885,779	3,075,779	(190,000)	Overspend	-6.6%	
12.	INCOME	269,257	407,692	138,435	Over-recovery	1,083,500	1,282,500	199,000	Over-recovery	18.4%	Medical Referral recharges..
13.	NET EXPENDITURE	1,421,363	1,416,569	4,794	Underspend	1,802,279	1,793,279	9,000	Underspend	0.5%	



**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 2011 to 9 December 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	1,617,883	1,586,156	31,727	Underspend	2,411,650	2,366,650	45,000	Underspend	1.9%	Vacancy levels
2.	PROPERTY COSTS	-	-	-	-	-	-	-	-	-	
3.	SUPPLIES AND SERVICES	10,100	8,677	1,423	Underspend	17,476	15,476	2,000	Underspend	11.4%	
4.	TRANSPORT & PLANT	41,677	41,212	465	Underspend	63,074	63,074	-	-	-	
5.	ADMINISTRATION COSTS	60,174	58,693	1,481	Underspend	99,023	99,023	-	-	-	
6.	PAYMENTS TO OTHER BODIES	-	-	-	-	-	-	-	-	-	
7.	OTHER COSTS	-	-	-	-	-	-	-	-	-	
8.	APPORTIONED EXPENSES	231,398	231,398	-	-	334,456	334,456	-	-	-	
9.	CAPITAL FINANCING CHARGES	-	-	-	-	-	-	-	-	-	
10.	C.F.C.R	-	-	-	-	-	-	-	-	-	
11.	TOTAL EXPENDITURE	1,961,232	1,926,136	35,096	Underspend	2,925,679	2,878,679	47,000	Underspend	1.6%	
12.	INCOME	660,750	686,545	25,795	Over-recovery	947,214	982,214	35,000	Over-recovery	3.7%	Legal Fees
13.	NET EXPENDITURE	1,300,482	1,239,591	60,891	Underspend	1,978,465	1,896,465	82,000	Underspend	4.1%	

NORTH LANARKSHIRE COUNCILFINANCIAL MONITORING REPORT1 April 2011 to 9 December 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.	<b>Central Services</b>	<b>45,240</b>	<b>45,210</b>	<b>30</b> Underspend	<b>84,000</b>	<b>84,000</b>	- -	-	
2.	TOWN TWINNING	9,737	9,735	2 Underspend	19,000	19,000	- -	-	
3.	CHILDREN'S PANEL	35,503	35,475	28 Underspend	65,000	65,000	- -	-	
4.	<b>Human Resources</b>	<b>65,236</b>	<b>196,611</b>	<b>(131,375)</b> Overspend	<b>89,900</b>	<b>279,900</b>	<b>(190,000)</b> Overspend	-211.3%	
5.	MEDICAL REFERRALS	65,236	196,611	(131,375) Overspend	89,900	279,900	(190,000) Overspend	-211.3%	Offset by Income
8.	TOTAL EXPENDITURE	110,476	241,821	(131,345)   Overspend	173,900	363,900	(190,000)   Overspend	-109.3%	