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| To: CORPORATE SERVICES COMMITTEE                  | Subject: REVENUE MONITORING REPORT<br>CORPORATE SERVICES<br>1 APRIL 2011 – 31 MARCH 2012<br>(PERIOD 13) |
| FROM: EXECUTIVE DIRECTOR OF<br>CORPORATE SERVICES |   |
| DATE: 7 June 2012                                 | 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 31 March 2012. 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 has a year-end surplus of £997,812. 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 There were no significant risks that had 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 an underspend on employee costs of £915,700. The Service currently has 359.5 FTEs, and a budgeted turnover of £368,433 (13.5 FTEs). At period 13 there were 29.5 vacant posts within the Service, contributing to meet this turnover requirement and generating the further savings, mentioned above, as well.
- 5.3. Service Overview:

| <b>Corporate Services</b>  | <b>Budget (£)</b> | <b>Provisional Actual (£)</b> | <b>Provisional Outturn Variance (£)</b> |
|----------------------------|-------------------|-------------------------------|---|
| Central Services           | 4,004,905         | 3,942,692                     | <b>62,213 Underspend</b>                |
| Design & Property Services | 20,956,536        | 20,199,353                    | <b>757,183 Underspend</b>               |
| Human Resources            | 1,802,279         | 1,772,237                     | <b>30,042 Underspend</b>                |
| Legal Services             | 1,978,465         | 1,830,091                     | <b>148,374 Underspend</b>               |
| <b>Total</b>               | <b>28,742,185</b> | <b>27,744,373</b>             | <b>997,812 Underspend</b>               |

- 5.4 Central Services (including Registration) £  
62,213 Underspend

An underspend of £62,213 has been achieved and is mainly as a result of savings against printing, stationery and postage costs.

While there is this overall underspend for the division, an overspend has been recorded in respect of the By Election for Ward 6 Coatbridge North and Glenboig which at £31,088 exceeds the 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.

- 5.5 Design & Property Services 757,183 Underspend

The Design & Property Services division returned expenditure of £757,183 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 17 posts. The majority of these vacant posts are effectively on hold. This all adds significantly to the overall Service's bottom line underspend position.

Within the Property side of the division there were a further 5.5 posts vacant.

The year end saving for Design and Property Services in employee costs is £835,747

5.6 Human Resources 30,042 Underspend

The year end position for Human Resources division is an underspend of £30,042

Within this there are a couple of variances which are offsetting one another in respect of Medical Referral expenses which are in excess of budget by £247,848 come the year end. This is 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 148,374 Underspend

This favourable outturn position at year end is a combination of savings against Employee costs and also an over-recovery in fee income.

There are currently 3 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 is an underspend of £997,812. This was 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 31 March 2012****COMMITTEE: CORPORATE SERVICES****SERVICE: CORPORATE SERVICES DIVISIONAL SUMMARY**

| LINE NO.<br>(1) | DESCRIPTION<br>(2)         | ANNUAL BUDGET<br>(6) | FINAL OUTTURN<br>(7) | FINAL OUTTURN VARIANCES<br>(8) | %<br>(9)    | Analysis<br>(10)      |
|-----------------|----------------------------|----------------------|----------------------|--------------------------------|-------------|-----------------------|
|                 |                            | £                    | £                    | £                              |             |                       |
| 1.              | CENTRAL SERVICES           | 4,004,905            | 3,942,692            | 62,213 Underspend              | 1.6%        | Printing / Stationery |
| 2.              | DESIGN & PROPERTY SERVICES | 20,956,536           | 20,199,353           | 757,183 Underspend             | 3.6%        | Vacancy levels        |
| 3               | HUMAN RESOURCES            | 1,802,279            | 1,772,237            | 30,042 Underspend              | 1.7%        | Vacancy levels        |
| 4               | LEGAL SERVICES             | 1,978,465            | 1,830,091            | 148,374 Underspend             | 7.5%        | Vacancy levels        |
| <b>6</b>        | <b>NET EXPENDITURE</b>     | <b>28,742,185</b>    | <b>27,744,373</b>    | <b>997,812 Underspend</b>      | <b>3.5%</b> |                       |

**NORTH LANARKSHIRE COUNCIL****FINANCIAL MONITORING REPORT - Subjective Analysis****1 April 2011 to 31 March 2012****COMMITTEE: CORPORATE SERVICES****SERVICE: CORPORATE SERVICES (CONSOLIDATED)**

| LINE NO.<br>(1) | DESCRIPTION<br>(2)        | ANNUAL BUDGET<br>(6) | FINAL OUTTURN<br>(7) | FINAL OUTTURN VARIANCES<br>(8) | %<br>(9) | Analysis<br>(10)                    |
|-----------------|---------------------------|----------------------|----------------------|--------------------------------|----------|-------------------------------------|
|                 |                           | £                    | £                    | £                              |          |                                     |
| 1.              | EMPLOYEE COSTS            | 13,677,701           | 12,762,001           | 915,700 Underspend             | 6.7%     | Vacancy levels                      |
| 2.              | PROPERTY COSTS            | 11,653,284           | 11,752,482           | (99,198) Overspend             | -0.9%    | Rental Increases / Repairs          |
| 3.              | SUPPLIES AND SERVICES     | 420,154              | 449,076              | (28,922) Overspend             | -6.9%    | IT Equipment Maintenance            |
| 4.              | TRANSPORT & PLANT         | 422,937              | 352,554              | 70,383 Underspend              | 16.6%    | Delivery / Travel Exp's /Allowances |
| 5.              | ADMINISTRATION COSTS      | 1,036,696            | 846,323              | 190,373 Underspend             | 18.4%    | Printing / Stationery / Civic       |
| 6.              | PAYMENTS TO OTHER BODIES  | 173,900              | 404,615              | (230,715) Overspend            | -132.7%  | Medical Referral Fees               |
| 7.              | OTHER COSTS               | 11,011               | 31,414               | (20,403) Overspend             | -185.3%  | Additional costs of By-Election     |
| 8.              | APPORTIONED EXPENSES      | 3,621,126            | 3,621,126            |                                |          |                                     |
| 9.              | CAPITAL FINANCING CHARGES | 927,498              | 927,498              |                                |          |                                     |
| 10.             | C.F.C.R                   |                      |                      |                                |          |                                     |
| 11.             | TOTAL EXPENDITURE         | 31,944,307           | 31,147,089           | 797,218 Underspend             | 2.5%     |                                     |
| 12.             | INCOME                    | 3,202,122            | 3,402,716            | 200,594 Over-recovery          | 6.3%     | Medical Referral recharges..        |
| 13.             | NET EXPENDITURE           | 28,742,185           | 27,744,373           | 997,812 Underspend             | 3.5%     |                                     |

**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 2011 to 31 March 2012**

**COMMITTEE: CORPORATE SERVICES**

**SERVICE: CENTRAL SERVICES (including Registration)**

| LINE NO.<br>(1) | DESCRIPTION<br>(2)        | ANNUAL BUDGET<br>(6) | FINAL OUTTURN<br>(7) | FINAL OUTTURN VARIANCES<br>(8) | %<br>(9)    | Analysis<br>(10)                     |
|-----------------|---------------------------|----------------------|----------------------|--------------------------------|-------------|--------------------------------------|
|                 |                           | £                    | £                    | £                              |             |                                      |
| 1.              | EMPLOYEE COSTS            | 2,692,579            | 2,716,949            | (24,370) Overspend             | -0.9%       | Security & PRP                       |
| 2.              | PROPERTY COSTS            | 35,804               | 27,600               | 8,204 Underspend               | 22.9%       | Ground Maintenance                   |
| 3.              | SUPPLIES AND SERVICES     | 188,324              | 188,215              | 109 Underspend                 | 0.1%        | Equipment maintenance                |
| 4.              | TRANSPORT & PLANT         | 102,461              | 89,615               | 12,846 Underspend              | 12.5%       | Delivery Costs                       |
| 5.              | ADMINISTRATION COSTS      | 472,721              | 361,739              | 110,982 Underspend             | 23.5%       | Printing / Stationery / Postage exps |
| 6.              | PAYMENTS TO OTHER BODIES  | 84,000               | 66,867               | 17,133 Underspend              | 20.4%       | Town Twinning / Childrens Pane       |
| 7.              | OTHER COSTS               | 10,000               | 31,088               | (21,088) Overspend             | -210.9%     | Additional costs of By-Election      |
| 8.              | APPORTIONED EXPENSES      | 1,269,670            | 1,269,670            |                                | -           |                                      |
| 9.              | CAPITAL FINANCING CHARGES | 8,341                | 8,341                |                                | -           |                                      |
| 10.             | C.F.C.R                   |                      |                      |                                | -           |                                      |
| 11.             | TOTAL EXPENDITURE         | 4,863,900            | 4,760,084            | 103,816 Underspend             | 2.1%        |                                      |
| 12.             | INCOME                    | 858,995              | 817,392              | (41,603) Under-Recovery        | -4.8%       | Printing / Stationery/Postage Rech   |
| 13              | <b>NET EXPENDITURE</b>    | <b>4,004,905</b>     | <b>3,942,692</b>     | <b>62,213 Underspend</b>       | <b>1.6%</b> |                                      |

**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 2011 to 31 March 2012**

**COMMITTEE: CORPORATE SERVICES**

**SERVICE:**

**DESIGN & PROPERTY SERVICES**

| LINE NO.<br>(1) | DESCRIPTION<br>(2)        | ANNUAL BUDGET<br>(6) | FINAL OUTTURN<br>(7) | FINAL OUTTURN VARIANCES<br>(8) | %<br>(9)    | Analysis<br>(10)                |
|-----------------|---------------------------|----------------------|----------------------|--------------------------------|-------------|---------------------------------|
|                 |                           | £                    | £                    | £                              |             |                                 |
| 1.              | EMPLOYEE COSTS            | 6,534,450            | 5,698,703            | 835,747 Underspend             | 12.8%       | Vacancy Levels                  |
| 2.              | PROPERTY COSTS            | 11,617,480           | 11,724,882           | (107,402) Overspend            | -0.9%       | Rent review increases / Repairs |
| 3.              | SUPPLIES AND SERVICES     | 136,562              | 149,746              | (13,184) Overspend             | -9.7%       | General supplies                |
| 4.              | TRANSPORT & PLANT         | 244,889              | 196,782              | 48,107 Underspend              | 19.6%       | Travel Expenses/Allowances      |
| 5.              | ADMINISTRATION COSTS      | 169,226              | 110,421              | 58,805 Underspend              | 34.7%       | Training / Telephones           |
| 6.              | PAYMENTS TO OTHER BODIES  |                      |                      |                                |             |                                 |
| 7.              | OTHER COSTS               | 1,011                | 326                  | 685 Underspend                 | 67.8%       |                                 |
| 8.              | APPORTIONED EXPENSES      | 1,854,668            | 1,854,668            |                                |             |                                 |
| 9.              | CAPITAL FINANCING CHARGES | 903,250              | 903,250              |                                |             |                                 |
| 10.             | C.F.C.R                   |                      |                      |                                |             |                                 |
| 11.             | TOTAL EXPENDITURE         | 21,461,536           | 20,638,778           | 822,758 Underspend             | 3.8%        |                                 |
| 12.             | INCOME                    | 505,000              | 439,425              | (65,575) Under-Recovery        | -13.0%      | Grant Income Reduction          |
| <b>13</b>       | <b>NET EXPENDITURE</b>    | <b>20,956,536</b>    | <b>20,199,353</b>    | <b>757,183 Underspend</b>      | <b>3.6%</b> |                                 |

**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 2011 to 31 March 2012**

**COMMITTEE: CORPORATE SERVICES**

**SERVICE: HUMAN RESOURCES**

| LINE NO.<br>(1) | DESCRIPTION<br>(2)        | ANNUAL BUDGET<br>(6) | FINAL OUTTURN<br>(7) | FINAL OUTTURN VARIANCES<br>(8) | %<br>(9)    | Analysis<br>(10)             |
|-----------------|---------------------------|----------------------|----------------------|--------------------------------|-------------|------------------------------|
|                 |                           | £                    | £                    | £                              |             |                              |
| 1.              | EMPLOYEE COSTS            | 2,029,022            | 2,012,359            | 16,663 Underspend              | 0.8%        | Vacancy                      |
| 2.              | PROPERTY COSTS            |                      |                      |                                |             |                              |
| 3.              | SUPPLIES AND SERVICES     | 62,792               | 76,132               | (13,340) Overspend             | -21.2%      | IT Equipment Maintenance     |
| 4.              | TRANSPORT & PLANT         | 12,513               | 4,370                | 8,143 Underspend               | 65.1%       | Travel Expenses/Allowances   |
| 5.              | ADMINISTRATION COSTS      | 270,726              | 251,850              | 18,876 Underspend              | 7.0%        | Corporate Training Exp.      |
| 6.              | PAYMENTS TO OTHER BODIES  | 89,900               | 337,748              | (247,848) Overspend            | -275.7%     | Medical Referral Fees        |
| 7.              | OTHER COSTS               |                      |                      |                                | -           |                              |
| 8.              | APPORTIONED EXPENSES      | 162,332              | 162,332              |                                | -           |                              |
| 9.              | CAPITAL FINANCING CHARGES | 15,907               | 15,907               |                                | -           |                              |
| 10.             | C.F.C.R                   |                      |                      |                                | -           |                              |
| 11.             | TOTAL EXPENDITURE         | 2,643,192            | 2,860,698            | (217,506) Overspend            | -8.2%       |                              |
| 12.             | INCOME                    | 840,913              | 1,088,461            | 247,548 Over-recovery          | 29.4%       | Medical Referral recharges.. |
| <b>13</b>       | <b>NET EXPENDITURE</b>    | <b>1,802,279</b>     | <b>1,772,237</b>     | <b>30,042 Underspend</b>       | <b>1.7%</b> |                              |



**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 2011 to 31 March 2012**

**COMMITTEE: CORPORATE SERVICES**

**SERVICE: LEGAL SERVICES**

| <b>.LINE<br/>NO.<br/>(1)</b> | <b>DESCRIPTION<br/>(2)</b> | <b>ANNUAL<br/>BUDGET<br/>(6)</b> | <b>FINAL<br/>OUTTURN<br/>(7)</b> | <b>FINAL OUTTURN<br/>VARIANCES<br/>(8)</b> | <b>%<br/>(9)</b> | <b>Analysis<br/>(10)</b> |
|------------------------------|----------------------------|----------------------------------|----------------------------------|--|------------------|--------------------------|
|                              |                            | £                                | £                                | £  |                  |                          |
| 1.                           | EMPLOYEE COSTS             | 2,421,650                        | 2,333,990                        | 87,660 Underspend                          | 3.6%             | Vacancy levels           |
| 2.                           | PROPERTY COSTS             |                                  |                                  |  |                  |                          |
| 3.                           | SUPPLIES AND SERVICES      | 32,476                           | 34,983                           | (2,507) Overspend                          | -7.7%            |                          |
| 4.                           | TRANSPORT & PLANT          | 63,074                           | 61,787                           | 1,287 Underspend                           | 2.0%             |                          |
| 5.                           | ADMINISTRATION COSTS       | 124,023                          | 122,313                          | 1,710 Underspend                           | 1.4%             |                          |
| 6.                           | PAYMENTS TO OTHER BODIES   |                                  |                                  |  |                  |                          |
| 7.                           | OTHER COSTS                |                                  |                                  |  |                  |                          |
| 8.                           | APPORTIONED EXPENSES       | 334,456                          | 334,456                          |  |                  |                          |
| 9.                           | CAPITAL FINANCING CHARGES  |                                  |                                  |  |                  |                          |
| 10.                          | C.F.C.R                    |                                  |                                  |  |                  |                          |
| 11.                          | TOTAL EXPENDITURE          | 2,975,679                        | 2,887,529                        | 88,150 Underspend                          | 3.0%             |                          |
| 12.                          | INCOME                     | 997,214                          | 1,057,438                        | 60,224 Over-recovery                       | 6.0%             | Legal / Licensing Fees   |
| <b>13</b>                    | <b>NET EXPENDITURE</b>     | <b>1,978,465</b>                 | <b>1,830,091</b>                 | <b>148,374 Underspend</b>                  | <b>7.5%</b>      |                          |

**NORTH LANARKSHIRE COUNCIL****FINANCIAL MONITORING REPORT****1 April 2011 to 31 March 2012****COMMITTEE: CORPORATE SERVICES****PAYMENT TO OTHER BODIES**

| LINE NO.<br>(1) | DESCRIPTION<br>(2)      | ANNUAL BUDGET<br>(6) | FINAL OUTTURN<br>(7) | FINAL OUTTURN VARIANCES<br>(8) | %<br>(9) | Analysis<br>(10) |
|-----------------|-------------------------|----------------------|----------------------|--------------------------------|----------|------------------|
| 1.              | <b>Central Services</b> | £ 84,000             | £ 66,867             | £ 17,133 Underspend            | 20.4%    | Town Twinning    |
| 2.              | TOWN TWINNING           | 19,000               | 14,872               | 4,128 Underspend               | 21.7%    |                  |
| 3.              | CHILDREN'S PANEL        | 65,000               | 51,995               | 13,005 Underspend              | 20.0%    |                  |
| 4.              | <b>Human Resources</b>  | <b>89,900</b>        | <b>337,748</b>       | <b>(247,848)</b> Overspend     | -275.7%  | Offset by Income |
| 5.              | MEDICAL REFERRALS       | 89,900               | 337,748              | (247,848) Overspend            | -275.7%  |                  |
| 8.              | TOTAL EXPENDITURE       | 173,900              | 404,615              | (230,715)   Overspend          | -132.7%  |                  |