

REPORT

To: CORPORATE SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT 01.04.13-19.07.13 (PERIOD 4)	
From: EXECUTIVE DIRECTOR OF CORPORATE SERVICES			
Date: 31 JULY 2013	Ref: PD/JMcE		

1. Purpose of Report

This report provides a summary of Corporate Services financial performance for the period 1 April 2013 to 19 July 2013 (period 4). The report illustrates the projected outturn as at 31st March 2014, with major outturn variances highlighted and explained per the Council's approved Financial Regulations.

2. Background

The Council's approved Financial Regulations require individual Executive Directors to remain within their approved budgetary provision, and to report all significant deviations - defined as the higher of £25,000 or 5% - within their budget monitoring reports.

3. Summary of Financial Position

The Council approved its General Fund Revenue Budget on 14 February 2013, of which £20.136m represents the approved Gross Revenue Budget for Corporate Services.

The Service is currently projecting an underspend of £256,000 at the year end. This is due to vacancies, primarily within the Design and Property division. Further details of any significant budget variations are outlined in paragraph four below and appendix 1 to this report per the requirements of the Council's approved Financial Regulations.

The Service's 2013-14 budget incorporates £2.103m of savings in line with the Council's approved three-year savings package. The Service monitors progress monthly and is presently projecting £2.103m (100%) of approved savings being achievable by the financial year-end. Further information regarding particularly challenging savings are noted in paragraph five below.

4. Analysis of Significant Variations**4.1. Central Services (including Registration): £15,000 Underspend**

Central Services and Registration are expected to have an underspend of £5,000 against budget for the year. This is primarily due to;

Central Services anticipated underspend of £35,000. This is due, in the main, to savings in printing and stationery costs of £40,000 due to general expenditure controls in this area. This saving is partially offset by an under recovery in printing recharges income of £10,000 as a result of the reduced expenditure in this area. The net effect still being an overall anticipated underspend.

Registration anticipated overspend of £20,000. This is mainly due to an anticipated overspend in employee costs of £40,000 as a result of the section running at full establishment numbers for the year and thus not meeting the inherent budgeted

turnover provision. However, this is expected to be offset to some extent by increased Registration fee income of £20,000 for the year ahead.

4.2. Design & Property Services: £226,000 Underspend

The Design & Property Services division is expected to come in at £226,000 less than budget for the year. This is primarily due to the number of vacant posts within the Design Unit. The number of vacancies within Design and Property Services stands at 15.5 posts with the majority of these vacant posts being on hold. This is the primary factor in the expected underspend for this division with the full year saving for Design and Property Services in employee costs being £210,000.

4.3. Human Resources: 15,000 Underspend

The provisional outturn for the Human Resources division is an underspend of £15,000.

This is due to an expected underspend against Employee costs. In addition, there are also variances which are offsetting one another in respect of expenditure associated with the recruitment process and also Medical Referral expenses. The latter of these is expected to be in excess of budget by £140,000. This is fully offset 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.

4.4. Legal Services: On Budget

The projected outturn position is currently in line with budget across all areas within the Legal Services division at this point in the financial year.

4.5. At this stage of the financial year, no significant risks are anticipated which may impact upon the 2013/14 financial outcome of the service.

4.6. The Service operates with an establishment of 298 FTEs and a budgeted turnover requirement of £339k (9.5 FTEs). At period 4, the service has 24 vacant posts, equating to projected full-year savings of £210k. The service is currently achieving its turnover requirement.

4.7. Payments to other bodies are detailed in Appendix 3. These account for £158,900 of the service's annual budget, the majority of that being for Medical Referrals across the Council. This is expected to be over budget by £140,000 and this could rise depending on demand across all Services as the year progresses. As mentioned above this is fully recharged by Corporate Services to the Council Service that has requested the referral, and as such doesn't impact on Corporate Services outturn position.

5. **2013-2014 Budget Savings**

As outlined in paragraph 3.3 above, Corporate Services have made good progress in delivering its approved 2013/14 efficiency saving of £2.103m. However, the saving associated with generating additional income of £100k from delivering a service to Children's Hearing Scotland will not now be possible to achieve. Discussions at CMT have acknowledged that this shortfall would be addressed through Council reserves and other replacement savings at the year end and as such the target savings value for Corporate Services is still on target to be achieved.

The Service will continue to monitor the position closely to make sure that any delays in fully actioning some of the efficiencies do not lead to some savings not being fully realised in this financial year. The management action noted below will help to ensure it remains within its overall budgetary provision.

6. **Management Actions**

The service is taking a range of management action to ensure it contains expenditure, as far as possible, within its approved 2013/14 budget provision, including:

Control in recruiting non essential staff;
Curtailment of non essential expenditure.

7. **Risks and Uncertainty**

The Council's Risk Management Strategy, approved September 2012, recognises there are risks involved in everything it does, with the current economic climate in particular having potential to impact upon the Council's ability to provide quality services within its existing budgetary provision.

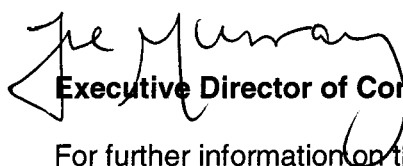
Risks are a combination of probability and impact of particular events, and Corporate Services manage these as part of the overall corporate and service planning processes. Reflecting the risk analysis matrix included within the Council's approved Risk Management Strategy, there are no areas at the moment within Corporate Services that are considered to present a high risk to the financial outcome of the service.

8. **Financial Concurrence**

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.

9. **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 John Fleming, Corporate Services on ext 2228.

Corporate Services
Revenue Budget Monitoring Report - Objective Analysis
1 April 2013 to 19 July 2013
Period 4

DIVISION OF SERVICE (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (U OR O) (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (U OR O) (7)	% (8)	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£	£	£	£			
CENTRAL SERVICES	1,177,245	1,174,349	2,896 FAV	3,963,281	3,948,281	15,000 FAV	0.4%	10,000	Printing/Stationery & Registrars Income
DESIGN & PROPERTY SERVICES	4,654,261	4,575,316	78,945 FAV	20,842,566	20,616,566	226,000 FAV	1.1%	31,000	Vacancy levels
HUMAN RESOURCES	661,896	654,315	7,581 FAV	1,721,485	1,706,485	15,000 FAV	0.9%	3,000	Vacancy levels
LEGAL SERVICES	505,149	503,942	1,207 FAV	1,609,557	1,609,557	- -	-	-	
NET EXPENDITURE	6,998,551	6,907,922	90,629 FAV	28,136,889	27,880,889	256,000 FAV	0.9%	44,000	

FAV = Favourable variation, underspend etc

ADV = Adverse variation, overspend etc

Corporate Services
Revenue Budget Monitoring Report - Subjective Analysis
1 April 2013 to 19 July 2013
Period 4

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (U OR O) (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (U OR O) (7)	% (8)	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£	£	£	£			
EMPLOYEE COSTS	3,481,963	3,413,407	68,556 FAV	12,109,382	11,899,382	210,000 FAV	1.7%	33,000	Vacancy levels
PROPERTY COSTS	2,114,672	2,113,107	1,565 FAV	11,320,075	11,320,075	- -	-	-	
SUPPLIES AND SERVICES	96,548	96,307	241 FAV	410,658	410,658	- -	-	-	
TRANSPORT & PLANT	85,492	77,546	7,946 FAV	405,011	389,011	16,000 FAV	4.0%	16,000	Delivery / Travel Exp's / Allowances
ADMINISTRATION COSTS	268,047	265,707	2,340 FAV	1,029,915	1,017,915	12,000 FAV	1.2%	5,000	Printing/Stationery
PAYMENTS TO OTHER BODIES	37,072	77,205	(40,133) ADV	158,900	298,900	(140,000) ADV	-88.1%	-	Medical Referral Fees
OTHER COSTS	1,576	1,237	339 FAV	820,000	820,000	- -	-	-	
APPORTIONED EXPENSES	1,349,812	1,349,812	- -	4,386,754	4,386,754	- -	-	-	
CAPITAL FINANCING CHARGES	205,999	205,999	- -	657,449	657,449	- -	-	-	
C.F.C.R	-	-	- -	-	-	- -	-	-	
TOTAL EXPENDITURE	7,641,181	7,600,327	40,854 FAV	31,298,144	31,200,144	98,000 FAV	0.3%	54,000	
INCOME	642,630	692,405	49,775 FAV	3,161,255	3,319,255	158,000 FAV	5.0%	(10,000)	Medical Referral recharges..
NET EXPENDITURE	6,998,551	6,907,922	90,629 FAV	28,136,889	27,880,889	256,000 FAV	0.9%	44,000	

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Corporate Services
Revenue Budget Monitoring Report - Subjective Analysis
1 April 2013 to 19 July 2013
Period 4

SERVICE: CENTRAL SERVICES (including Registration)

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (U OR O) (4)		%	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (U OR O) (7)		% (8)	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£			£	£	£				
EMPLOYEE COSTS	753,580	760,809	(7,229)	ADV	-1.0%	2,485,621	2,500,621	(15,000)	ADV	-0.6%	15,000	Registrars at full establishment Delay in implementing effc's savs Printing / Stationery
PROPERTY COSTS	5,519	5,243	276	FAV	5.0%	35,804	35,804	-	-	-	-	
SUPPLIES AND SERVICES	62,338	63,780	(1,442)	ADV	-2.3%	185,609	185,609	-	-	-	-	
TRANSPORT & PLANT	16,118	15,526	592	FAV	3.7%	92,957	92,957	-	-	-	-	
ADMINISTRATION COSTS	116,159	103,179	12,980	FAV	11.2%	481,749	441,749	40,000	FAV	8.3%	5,000	
PAYMENTS TO OTHER BODIES	13,944	13,939	5	FAV	0.0%	84,000	84,000	-	-	-	-	
OTHER COSTS	1,576	1,237	339	FAV	21.5%	10,000	10,000	-	-	-	-	
APPORTIONED EXPENSES	451,991	451,991	-	-	-	1,468,943	1,468,943	-	-	-	-	
CAPITAL FINANCING CHARGES	260	260	-	-	-	847	847	-	-	-	-	
C.F.C.R	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE	1,421,485	1,415,964	5,521	FAV	0.4%	4,845,530	4,820,530	25,000	FAV	0.5%	20,000	
INCOME	244,240	241,615	(2,625)	ADV	-1.1%	882,249	872,249	(10,000)	ADV	-1.1%	(10,000)	Printing / Stationery Recharges
NET EXPENDITURE	1,177,245	1,174,349	2,896	FAV	0.2%	3,963,281	3,948,281	15,000	FAV	0.4%	10,000	

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Corporate Services
Revenue Budget Monitoring Report - Subjective Analysis
1 April 2013 to 19 July 2013
Period 4

SERVICE: DESIGN & PROPERTY SERVICES

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (U OR O) (4)		%	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (U OR O) (7)		% (8)	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£			£	£	£				
EMPLOYEE COSTS	1,557,201	1,488,322	68,879	U	4.4%	5,473,978	5,263,978	210,000	FAV	3.8%	15,000	Vacancy Levels
PROPERTY COSTS	2,109,153	2,107,864	1,289	U	0.1%	11,284,271	11,284,271	-	-	-	-	
SUPPLIES AND SERVICES	17,834	17,551	283	U	1.6%	131,826	131,826	-	-	-	-	
TRANSPORT & PLANT	57,393	51,839	5,554	U	9.7%	241,767	225,767	16,000	FAV	6.6%	16,000	Travel Expenses/Allowances
ADMINISTRATION COSTS	20,312	18,274	2,038	U	10.0%	129,483	129,483	-	-	-	-	
PAYMENTS TO OTHER BODIES	81	-	81	U	100.0%	-	-	-	-	-	-	
22 OTHER COSTS	-	-	-	-	-	810,000	810,000	-	-	-	-	
APPORTIONED EXPENSES	733,549	733,549	-	-	-	2,383,965	2,383,965	-	-	-	-	
CAPITAL FINANCING CHARGES	205,739	205,739	-	-	-	656,602	656,602	-	-	-	-	
C.F.C.R	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE	4,701,262	4,623,138	78,124	U	1.7%	21,111,892	20,885,892	226,000	FAV	1.1%	31,000	
INCOME	47,001	47,822	821	Over-recovery	1.7%	269,326	269,326	-	-	-	-	
NET EXPENDITURE	4,654,261	4,575,316	78,945	U	1.7%	20,842,566	20,616,566	226,000	FAV	1.1%	31,000	

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Corporate Services
Revenue Budget Monitoring Report - Subjective Analysis
1 April 2013 to 19 July 2013
Period 4

SERVICE: HUMAN RESOURCES

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (U OR O) (4)		%	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (U OR O) (7)		% (8)	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£			£	£	£				
EMPLOYEE COSTS	576,272	569,858	6,414	FAV	1.1%	2,109,793	2,094,793	15,000	FAV	0.7%	3,000	Vacancy Levels
PROPERTY COSTS	-	-	-	-	-	-	-	-	-	-	-	-
SUPPLIES AND SERVICES	7,357	6,089	1,268	FAV	17.2%	59,047	59,047	-	-	-	-	-
TRANSPORT & PLANT	1,622	71	1,551	FAV	95.6%	7,713	7,713	-	-	-	-	-
ADMINISTRATION COSTS	102,807	115,742	(12,935)	ADV	-12.6%	302,672	330,672	(28,000)	ADV	-9.3%	-	Recruitment Advertising fees
PAYMENTS TO OTHER BODIES	23,047	63,266	(40,219)	ADV	-174.5%	74,900	214,900	(140,000)	ADV	-186.9%	-	Medical Referral Fees
OTHER COSTS	-	-	-	-	-	-	-	-	-	-	-	-
APPORTIONED EXPENSES	79,642	79,642	-	-	-	258,826	258,826	-	-	-	-	-
CAPITAL FINANCING CHARGES	-	-	-	-	-	-	-	-	-	-	-	-
C.F.C.R	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	790,747	834,668	(43,921)	ADV	-5.6%	2,812,951	2,965,951	(153,000)	ADV	-5.4%	3,000	
INCOME	128,851	180,353	51,502	FAV	40.0%	1,091,466	1,259,466	168,000	FAV	15.4%	-	Medical Fees & Job Ad recharges..
NET EXPENDITURE	661,896	654,315	7,581	FAV	1.1%	1,721,485	1,706,485	15,000	FAV	0.9%	3,000	

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Corporate Services
Revenue Budget Monitoring Report - Subjective Analysis
1 April 2013 to 19 July 2013
Period 4

SERVICE: LEGAL SERVICES

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (U OR O) (4)		%	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (U OR O) (7)		% (8)	PERIOD MOVEMENT (9)	Analysis (10)
	£	£	£			£	£	£				
EMPLOYEE COSTS	594,910	594,418	492	FAV	0.1%	2,039,990	2,039,990	-	-	-	-	
PROPERTY COSTS	-	-	-	-	-	-	-	-	-	-	-	
SUPPLIES AND SERVICES	9,019	8,887	132	FAV	1.5%	34,176	34,176	-	-	-	-	
TRANSPORT & PLANT	10,359	10,110	249	FAV	2.4%	62,574	62,574	-	-	-	-	
ADMINISTRATION COSTS	28,769	28,512	257	FAV	0.9%	116,011	116,011	-	-	-	-	
PAYMENTS TO OTHER BODIES	-	-	-	-	-	-	-	-	-	-	-	
OTHER COSTS	-	-	-	-	-	-	-	-	-	-	-	
24 APPORTIONED EXPENSES	84,630	84,630	-	-	-	275,020	275,020	-	-	-	-	
CAPITAL FINANCING CHARGES	-	-	-	-	-	-	-	-	-	-	-	
C.F.C.R	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE	727,687	726,557	1,130	FAV	0.2%	2,527,771	2,527,771	-	-	-	-	
INCOME	222,538	222,615	77	FAV	0.0%	918,214	918,214	-	-	-	-	
NET EXPENDITURE	505,149	503,942	1,207	FAV	0.2%	1,609,557	1,609,557	-	-	-	-	

FAV = Favourable variation, underspend etc
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Corporate Services
Revenue Budget Monitoring Report - PTOB Analysis
1 April 2013 to 19 July 2013
Period 4

PAYMENT TO OTHER BODIES

DESCRIPTION (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCES (U OR O) (4)		%	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCES (U OR O) (7)		% (8)	PERIOD MOVEMENT (9)	TYPICAL AREAS OF EXPENDITURE/ANALYSIS OF VARIATIONS (10)
	£	£	£			£	£	£				
Central Services	13,944	13,939	5	FAV	0.0%	84,000	84,000	-	-	-	-	
TOWN TWINNING	3,752	3,747	5	FAV	0.1%	19,000	19,000	-	-	-	-	
CHILDREN'S PANEL	10,192	10,192	-	-		65,000	65,000	-	-	-	-	
Human Resources	23,047	63,286	(40,239)	ADV	-174.6%	74,900	214,900	(140,000)	ADV	-186.9%	-	
MEDICAL REFERRALS	23,047	63,286	(40,239)	ADV	-174.6%	74,900	214,900	(140,000)	ADV	-186.9%	-	Offset by Income
TOTAL EXPENDITURE	36,991	77,225	(40,234)	ADV	-108.8%	158,900	298,900	(140,000)	ADV	-88.1%	-	

FAV = Favourable variation, underspend etc

ADV = Adverse variation, overspend etc

Corporate Services
Revenue Budget Monitoring Report - Vacancy Monitoring
1 April 2012 - 21 July 2013
Period 4

Vacancies in Corporate Services at Period 4 (2013/2014)

Section	Total Vacancies as FTE	Management Action as FTE	Recruitment as FTE
Central Services and Registrars	2.00	2.00	0.00
Design and Property Services	15.50	10.50	5.00
Human Resources	1.00	0.00	1.00
Legal Services	5.50	5.50	0.00
	24.00	18.00	6.00