

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref EK/NL/PF

Date 20/11/24

Revenue Budget Monitoring Report; Chief Executive's Service 01.04.24 – 13.09.24 (Period 6)

From Elaine Kemp, Chief Officer (Finance)

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Executive Summary

This report provides a summary of the Chief Executive's Service financial performance for the period 1 April 2024 to 13 September 2024 (Period 6). The report illustrates the provisional outturn as at 31 March 2025, with major outturn variances highlighted and explained per the Council's approved Financial Regulations.

The Council approved its General Fund Revenue Budget on 15 February 2024, of which £104.752m currently represents the net revenue budget for the Chief Executive's Service.

Incorporated within the revenue budget are approved service savings totalling £1.707m.

The Service is currently projecting a year-end underspend of £0.595m for the financial year predominately as a result of employee vacancies and underspends relating to ICT contracts.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledge the financial position of the 2024/25 Chief Executive's Service revenue budget.

The Plan for North Lanarkshire

Priority	Improve North Lanarkshire's resource base
Ambition statement	(25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning
Programme of Work	Statutory / corporate / service requirement

1. Background

- 1.1 The Council's approved Financial Regulations require the Chief Executive to remain within the approved budgetary provision, and to report all significant deviations - defined as the higher of £100,000 or 5% - within budget monitoring reports. Where significant deviations are identified, the Chief Executive must provide explanatory commentary, outline the action required to rectify such deviations and where relevant, must also highlight the impact this has on other budget headings.

2. Report

Summary of Financial Position

- 2.1 The Council approved its General Fund Revenue Budget on 15 February 2024, of which £104.746m (10.38%) represented the approved Revenue Budget for the Chief Executive's Service. In-year transfers from Education, Children and Families results in a revised budget of £104.752m.
- 2.2 The overall projected outturn position of the Service is a year-end underspend of £0.595m. Appendices one to five provide further information in respect of this position.
- 2.3 As at Period 6 the position on Council Tax Reduction Scheme remains under review along with other elements of the Council Tax Product including household numbers and council tax collection for the year. The Council Tax Product will then be assessed for expected credit losses as part of the year end process. It is currently anticipated there will be no material variance overall.
- 2.4 The 2024/25 budget incorporates £1.707m of savings which are listed in Appendix 5. Of this, £1.027m relates to service specific savings approved by Council in February and these have been fully delivered as at P6 through service restructures and a reduction in operational budgets. Furthermore, the historic underspend savings target of £0.680m has also been fully achieved across the service.

Analysis of Significant Variances

- 2.5 The service currently anticipates a projected underspend of £0.352m within Employee costs as a result of actual and projected vacancies.
- 2.6 Costs in relation to the annual insurance premium coupled with building costs relating to the Civic Centre has resulted in a projected overspend of £0.181m within Property Costs.
- 2.7 Within Supplies and Services the service is projecting a year end underspend of £0.517m which represents savings within Business and Digital resulting from the current usage levels of cloud-based systems.
- 2.8 The service is currently anticipating an overspend of £0.137m within Administration Costs predominately due to increased projected costs for Insurance Premiums, legal fees as a result of the level of Solicitor vacancies meaning external advice is required and postages, partially offset by training costs.
- 2.9 The projected outturn for income is an under-recovery of £0.014m predominately attributable to under-recoveries within legal insurance, licensing and registrars offset by rent allowances / rent rebates overpayments and interest received.

- 2.10 There are various minor variances across other budget areas resulting in the Service forecasting a year-end underspend of £0.595m as at 31 March 2025.

Earmarked and One-off Reserves

- 2.11 In finalising the Council's draft accounts to 31 March 2024, the service was given approval to earmark £3.567m of resources to fund key projects and initiatives profiled over a number of years. It is anticipated that £2.402m of the reserves balances will be utilised in 2024/25 with £1.143m required for future years and a balance of £0.022m to be returned to reserves. Details of the Service's earmarked funds are provided in Appendix 4.
- 2.12 The Service has also been given approval to utilise £1.059m of funds from the Corporate Strategic Workforce Planning Reserve over a number of years. It is anticipated £0.294m of this reserve will be utilised in 2024/25 and actual costs arising will be reported in future reports. These funds are not included in the Service outturn position.
- 2.13 The Service was also given approval to utilise £0.293m of funds from the Change Management Fund over several years. It is anticipated that £0.017m will be utilised in 2024/25 and actual costs will be reported in future reports. These funds are not included in the Service outturn position.
- 2.14 The Service has incurred £0.338m VRS costs relating to approved savings/restructures. Therefore, there is a requirement to utilise the Corporate Change Management fund at this time. Any further costs arising will be reported in future reports as they are incurred. These costs are not included in the Service outturn position.

2024/25 Budget Savings

- 2.15 The Council approved service savings of £1.707m savings of which £1.707m have been fully delivered as at Period 6. Further information regarding savings is included in Appendix 5.

Management Actions

- 2.16 The Service is being pro-active to ensure expenditure is contained within its approved 2024/25 budget.

3. Measures of success

- 3.1 The Service continues to operate within approved budget resources.

4. Supporting documentation

Appendix 1	Objective Summary
Appendix 2	Subjective Summary
Appendix 3	Payments to Other Bodies
Appendix 4	Earmarked Reserves
Appendix 5	Budget Savings

Elaine Kemp

Elaine Kemp
Chief Officer (Finance)

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>As stated in the main body of the report.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p>

<p>5.6</p>	<p>Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.7</p>	<p>Environmental / Carbon impact Does the report / project / practice contain information that has an impact on any environmental or carbon matters? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.8</p>	<p>Communications impact Does the report contain any information that has an impact on the council's communications activities? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.9</p>	<p>Risk impact Is there a risk impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?</p> <p>All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy, Services manage these as part of their overall corporate and service planning processes. The current economic climate, in particular, has the potential to impact upon the Council's ability to provide quality services within approved budget levels.</p> <p>To minimise risk, this report has been prepared by service based Finance personnel in consultation with budget managers, in accordance with the Financial Regulations.</p>
<p>5.10</p>	<p>Armed Forces Covenant Duty Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.</p>

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Objective Analysis
Period 06 (01 April 2024 - 13 September 2024)
A - Chief Executives Service

DIVISION OF SERVICE [1]	ANNUAL BUDGET [2]	PROJECTED OUTTURN [3]	PROJECTED OUTTURN VARIANCE [4]	% [5]	PERIOD MOVEMENT [6]	ANALYSIS [7]
DIRECTORATE & SUPPORT	514,437	549,484	(35,047) <i>ADV</i>	(6.8%)	(1,312)	Overspend in Legal Fees as a result of seeking external advice due to solicitor vacancies.
FINANCE	45,111,074	44,997,486	113,588 <i>FAV</i>	0.3%	113,588	Underspends due to vacancies and an over-recovery in income relating to rent allowances / rent rebates overpayments offset by projected overspends in insurance premiums and postages.
AUDIT & RISK	577,028	569,655	7,373 <i>FAV</i>	1.3%	7,373	Underspends due to vacancies.
LEGAL & DEMOCRATIC SOLUTIONS	2,448,234	2,418,374	29,860 <i>FAV</i>	1.2%	53,430	Underspends within employee costs and postages offset by an under-recovery in income in relation to insurance, photocopying and registrars.
BUSINESS & DIGITAL	23,102,277	22,707,849	394,428 <i>FAV</i>	1.7%	237,273	Underspends within ICT contracts linked to the timing of costs associated with cloud based systems and vacancies.
PEOPLE RESOURCES	8,533,063	8,533,063	0	0.0%	127,484	Underspends within Employee Costs and training budgets are offset by turnover resulting in a balanced budget.
STRATEGIC COMMUNICATIONS	5,126,925	5,126,925	0	0.0%	44,575	Balanced budget.
OTHER COPORATE SERVICES	5,784,817	5,700,251	84,566 <i>FAV</i>	1.5%	12,357	Underspend predominately relates to NLP Financial Guarantee and interest received offset by projected costs associated with byelections.
JOINT BOARDS	13,554,070	13,554,070	0	0.0%	0	Balanced budget.
NET EXPENDITURE	104,751,925	104,157,157	594,768 <i>FAV</i>	0.6%	594,768	

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Subjective Analysis
Period 06 (01 April 2024 - 13 September 2024)
A - Chief Executives Service

CATEGORY	ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED OUTTURN VARIANCE	%	PERIOD MOVEMENT	ANALYSIS
[1]	[2]	[3]	[4]	[5]	[6]	[7]
EMPLOYEE COSTS	41,584,276	41,232,506	351,769 FAV	0.9%	185,169	Underspends due to vacancies partially offset by overtime costs.
PROPERTY COSTS	1,846,382	2,027,497	(181,115) ADV	(9.8%)	(45,000)	Assumed increased costs relating to the insurance premium coupled with building costs relating to the Civic Centre.
SUPPLIES & SERVICES	10,730,875	10,213,715	517,160 FAV	4.8%	268,535	Underspends within ICT contracts linked to the timing of costs associated with cloud based systems
TRANSPORT & PLANT	365,671	333,200	32,471 FAV	8.9%	32,363	Minor
ADMINISTRATION COSTS	8,200,674	8,337,241	(136,567) ADV	(1.7%)	59,032	Assumed insurance premium increase, legal fees as a result of using external advice due to the level of internal vacancies and postages offset by training costs.
PAYMENTS TO OTHER BODIES	15,633,564	15,664,004	(30,440) ADV	(0.2%)	3,890	Projected costs associated with by-elections and medical fees.
TRANSFER PAYMENTS	108,757,069	108,757,069	0	0.0%	0	
CAPITAL FINANCING COSTS	6,812,218	6,742,994	69,224 FAV	1.0%	0	Over-recovery of income re NLP Financial Guarantee.
REVENUE FINANCING COSTS	0	0	0	0.0%	0	
OTHER EXPENDITURE	5,076,864	5,090,585	(13,721) ADV	(0.3%)	23,627	Miscellaneous costs associated with the purchase of Cumbernauld Shopping Centre.
TOTAL EXPENDITURE	199,007,594	198,398,810	608,783 FAV	0.3%	527,618	
INCOME	(94,255,669)	(94,241,653)	(14,015) ADV	0.0%	67,150	Under-recovery in income in relation to insurance, photocopying and registrars offset by over-recoveries for Rent Allowances / Rent Rebates Overpayments and interest.
NET EXPENDITURE	104,751,925	104,157,157	594,768 FAV	0.6%	594,768	

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Payments to Other Bodies
Period 06 (01 April 2024 - 13 September 2024)
A - Chief Executives Service

CATEGORY [1]	ANNUAL BUDGET [2]	PROJECTED OUT-TURN [3]	PROJECTED OUT-TURN VARIANCE [4]	% [5]	PERIOD MOVEMENT [6]	ANALYSIS [7]
PAYMENTS TO OTHER BODIES GENERAL	669,400	699,400	(30,000) ADV	(4.5%)	0	Projected costs associated with by-elections.
MEDICAL FEES	10,659	16,665	(6,006) ADV	(56.4%)	(111)	Increased costs in relation to medical fees.
AGENCY FEES	71,686	71,686	0	0.0%	0	
TOWN TWINNING	0	0	0	0.0%	0	
CHILDRENS PANEL	25,035	21,035	4,000 FAV	16.0%	4,000	Minor variance
COSLA ANNUAL LEVY	195,000	193,434	1,566 FAV	0.8%	0	Minor variance
COMMUNITY COUNCIL GRANTS	125,222	125,222	0	0.0%	0	
GRANTS TO ORGANISATIONS	987,294	987,294	0	0.0%	0	
EXTERNAL AUDIT FEE	679,389	679,389	0	0.0%	0	
ELECTION PROVISION	0	0	0	0.0%	0	
TOURISM - VISIT NORTH LANARKSHIRE	37,000	37,000	0	0.0%	0	
SCOTTISH WELFARE FUND	2,759,844	2,759,844	0	0.0%	0	
SUB-CONTRACTOR PAYMENTS	1,869	1,869	0	0.0%	0	
LOCAL TAX PAYPOINT COMMISSION	35,000	35,000	0	0.0%	0	
COSLA MIGRATION SCOTLAND	150,000	150,000	0	0.0%	0	
LANDS VALUATION CONTRIBUTION	1,814,004	1,814,004	0	0.0%	0	
SPT CONTRIBUTION	5,472,132	5,472,132	0	0.0%	0	
SPT CONCESSIONARY FARES CONTRIBUTION	579,419	579,419	0	0.0%	0	
CUSTOMER FIRST CONTRIBUTION	2,700,000	2,700,000	0	0.0%	0	
TOTAL EXPENDITURE	16,312,953	16,343,393	(30,440) ADV	(0.2%)	3,889	

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Status of Earmarked Reserves
Period 06 (01 April 2024 - 13 September 2024)
A - Chief Executives Service

DESCRIPTION OF EARMARKED RESOURCE	FINANCIAL YEAR - 2023/24									
	Reserve Allocation	Profiled in Future Years	Approved Reserve Total	Spend to Date	Projected Spend Value	Projected Spend %	Reprofile to Future Years	No Longer Required	Reserves Required In Year	Commentary Regards Usage
Service Specific Earmarked Reserves:										
Admin of Covid and Cost of Living related support scheme	11,919	0	11,919	11,919	11,919	100.0%			11,919	
COL Grant	34,645	0	34,645	34,406	34,645	100.0%			34,645	
Modern Apprentices	75,838	(18,959)	56,879	14,099	25,349	44.6%	31,530		25,349	Service will look to appoint a further 1fte from the winter Intake and therefore require the balance to be carried forward to support these costs.
Insurance Premiums	812,876	0	812,876	812,876	812,876	100.0%			812,876	
Digitisation	83,797	0	83,797	83,797	83,797	100.0%			83,797	
B&D - Investment model replacement of funds	627,000	(168,382)	458,618	121,551	458,618	100.0%			458,618	
NLC10 posts	21,849	0	21,849	0	0	0.0%		21,849	0	Budget no longer required as project is now complete.
NLC12 post	312,055	(251,905)	60,150	22,711	57,182	95.1%	2,968		57,182	Balance of budget required to support residual costs in 2025/26.
B&D - Backfill for EUC Infrastructure Team (Windows 11)	137,900	0	137,900	42,543	104,576	75.8%	33,324		104,576	Balance of budget required to support residual costs in 2025/26.
Learning Academy	100,000	0	100,000	21,658	100,000	100.0%			100,000	
Construction Academy	228,000	0	228,000	0	43,881	19.3%	184,119		43,881	Balance required in 2025/26 to support ongoing commitments.
CSH Recover NL	81,000	0	81,000	0	81,000	100.0%			81,000	
Recover NL CSH 2022/23 (Single Number)	457,861	(93,699)	364,162	0	59,496	16.3%	304,666		59,496	Recruitment exercise currently underway, balance will be required to be carried forward.
Recover NL Grants	23,863	0	23,863	1,924	23,863	100.0%			23,863	
Cost of Living (Comms)	35,372	0	35,372	7,000	35,372	100.0%			35,372	
Cumbernauld Community Grants (Antonine Centre)	225,000	0	225,000		225,000	100.0%			225,000	
Grant award Programme	148,000	(54,000)	94,000	94,000	94,000	100.0%			94,000	
Audit Fee	150,000	0	150,000	0	150,000	100.0%			150,000	
TOTAL	3,566,975	(586,944)	2,980,030	1,268,485	2,401,575		556,606	21,849	2,401,575	

NORTH LANARKSHIRE COUNCIL
Revenue Budget Monitoring Report - Savings
Period 06 (01 April 2024 - 13 September 2024)
A - Chief Executives Service

Ref.	DESCRIPTION OF APPROVED SAVING	APPROVED SAVINGS			
		Target Value	Value Deliverable	Savings Gap	Reasons for Savings Gap
		£000	£000	£000	
01CEX	Directorate & Support - Reivew of Support Services	56	56	0	
03CEX	Directorate & Support	4	4	0	
04CEX	Finance (5%)	48	48	0	
07CEX	Legal & Democratic - Central Services (10%)	14	14	0	
13CEXD	Business & Digital - Reivew of Support Services	43	43	0	
10CEX	Business & Digital - Digital / Field Services - Technical Support to Education & Families	92	92	0	
11CEXD	Business & Digital - DigitalINL (MS Licences)	200	200	0	
12CEX	Business & Digital - Technoclogy Solutions - restructure and review of contracts	110	110	0	
13CEX	Business & Digital - Business Strategy	154	154	0	
19CEX	Strategic Communications & Engagement - Corporate Communications	149	149	0	
20CEX	Strategic Communications & Engagement - Communities	157	157	0	
	Historic Recurring Underspends	680	680	0	
	TOTAL	1,707	1,707	0	