

AGENDA ITEM No. ^{1(b)}

NORTH LANARKSHIRE COUNCIL
REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE	Subject: ECONOMIC DEVELOPMENT REVENUE ACCOUNT ESTIMATES 1997/98 BASE SUBMISSIONS	
From: DIRECTOR OF FINANCE		
Date: 25 November 1996	Ref: JM/CP	

1. Introduction

- 1.1 The purpose of this report is to present to Committee the Department's base estimates submission for the forthcoming year 1997/98.
- 1.2 The report to the Finance Committee on 15 August 1996 outlined the approach which was being adopted in compiling the 1997/98 revenue estimates culminating in the fixing of the 1997/98 Council Tax levels on the uniform budget setting day of 6 March 1997.

2. Process

- 2.1 This year's process will consist of three stages:-

Stage 1

The initial stage of the exercise will be to determine the cost of the existing level of service provision. The 1996/97 approved budget will be the starting point and will be uplifted to include the full impact of the 1996/97 pay award, the re-instatement of the additional vacancy savings which were included as part of the 1996/97 package of reductions, annual operational costs of new facilities coming on-stream for the first time, clearly quantifiable new legislative costs and finally changes previously approved by the Council during 1996/97. Thereafter this will become the base budget for 1997/98.

Stage 2

Application of inflationary increases where appropriate.

Stage 3

Following the Government's announcement on capping, GAE and revenue support grant settlements, the Council will require to consider spending priorities against a backdrop of reducing resources and competing demands. Decisions will have to be taken on service priorities and the extent of department savings in light of the 1997/98 capping level.

3. Outlook For 1997/98

3.1 The 1996/97 budget was set at the capping limit following the implementation of a significant savings package. The Government's spending proposals for 1997/98 are likely to be no less severe putting more pressure on the Council to reduce the level of departmental spending. Indeed 1997/98 will be the fourth year in succession that the GAE and capping settlements have failed to recognise pay-awards with such payments once again having to be met from efficiency savings and possible cuts in services.

4. Departmental Submission

4.1 The first stage of the revenue exercise is now complete and the attached appendices summarise the base budget for 1997/98 prior to consideration being given to

- (i) inflationary increases including 1997/98 pay awards.
- (ii) the effect of the increase in employers superannuation increase.
- (iii) the cost to the Council of mainlining Urban Aid funded projects.
- (iv) other policy decisions being taken by the Council in relation to service growth bids and expenditure savings.

4.2 The appendices attached include:

- (i) Summary of 1996/97 approved budget.
- (ii) Increases to cost of existing service provision.
- (iii) Explanation of increases.
- (iv) Analysis of 1997/98 base estimates by expenditure type.

5. Recommendations

5.1 The Committee is requested to note the Department's budget position meantime.


Director of Finance

Cost of Existing Service Provision for 1997/ 98

Committee : PLANNING AND DEVELOPMENT

Service : ECONOMIC DEVELOPMENT

Part 1	£000	£000
Net approved expenditure per 1996 / 97 Revenue Estimates		1,852

Part 2	£000	£000
<u>Items Outwith Resource Allocation :</u>		
DEDUCT : Central Administration Costs	151	
: Central Repairs Budget	10	
: Loan and Interest Charges	245	
Sub - Total		406

Part 3	£000	£000
<u>Adjustments to Base Allocation :</u>		
Budget Re-alignments	36	
- SBDU Property Costs to Estates (2)		
- CCTV Transfer from Estates 37		
- Insurance (2)		
- Town centre Mgmt from Planning 3		
Shortfall 1996/97 Wage Awards	2	
Additional Turnover Savings 1996/97	20	
		58

ADJUSTED NET EXPENDITURE - BASE FOR 1997 / 98
(Form CSP / 2 - Line 1)

1,504

Cost of Existing Service Provision for 1997 / 98

Department : ECONOMIC DEVELOPMENT

£000

£000

Part 1

Adjusted Net Expenditure Base for 1997 / 98 (CSP / 1 Line 4)

1,504

Part 2

ADD : Increases to Expenditure2.1 Impact of Incremental Drift 72.2 Other Increases in Expenditure

a. Donations and Subscriptions 8

b. Project and Action Fund 10

c. Staff Training 5

23

Part 3

LESS : Reductions in Expenditure

0

0

Existing Service Provision in 1997/98 (Part 1 + Part 2 - Part 3)

1,534

Cost of Existing Service Provision for 1997 / 98**Department :****ECONOMIC DEVELOPMENT****£000****Further Explanations of Items Included in CSP 2**

2.2a	<u>Donations and Subscriptions</u> The existing commitment of the council in Economic Development terms with subscriptions to CLES etc. have increased to £7,600 in North Lanarkshire terms with no budgetary resources allocated to cover this.	8
2.2b	<u>Project and Action Fund</u> An increase in the project and Action Fund , which funds consultants reports and evaluations , crucial to the project development work conducted by the unit.	10
2.2c	<u>Staff Training</u> An increase in the staff training resources required to facilitate continious professional development and skills enhancement for the unit.	5

North Lanarkshire Council

Cost of Existing Service Provision for 1997/98

Department :

ECONOMIC DEVELOPMENT

	Net Expenditure Estimates 1996/97	LESS : Items Outwith Resource Allocation	ADD : Adjustments to Base Allocation	Adjusted Net Expenditure Base 1997/98	ADD : Analysis of CSP Adjustments 1997/98	Cost of Existing Service Provision in 1997/98
	£000	£000	£000	£000	£000	£000
EMPLOYEE COSTS	427		22	449	12	461
PROPERTY COSTS	16	10	38	44	0	44
SUPPLIES & SERVICES	3			3	0	3
TRANSPORT & PLANT COSTS	18			18	0	18
ADMINISTRATION COSTS	323	151	(2)	170	0	170
PAYMENTS TO OTHER BODIES	1,224			1,224	18	1,242
OTHER EXPENDITURE	3	3		0	0	0
LOAN CHARGES	242	242		0	0	0
GROSS EXPENDITURE	2,256	406	58	1,908	30	1,938
INCOME	404	0		404	0	404
NET EXPENDITURE	1,852	406	58	1,504	30	1,534