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**NORTH LANARKSHIRE COUNCIL AGENDA ITEM No. ....**  
**REPORT**

<b>To :</b>	<b>ECONOMIC DEVELOPMENT COMMITTEE</b>	<b>Subject :</b>	<b>1997/98 BUDGET MONITORING REPORT</b>
<b>From :</b>	<b>DIRECTOR OF FINANCE</b>		<b>PERIOD 1/4/97 - 01/02/98</b>
			<b>ECONOMIC DEVELOPMENT</b>
<b>Date :</b>	<b>19 February 1998</b>	<b>Ref. :</b>	<b>JM/JQ</b>

**Introduction**

I enclose the Budget Monitoring Report for the period 1 April 1997 to 1 February 1998. The report provides a comparison of actual expenditure and income against estimated expenditure and income, and provides explanations of the more significant variances.

**Summary of Budget Variances**

The net expenditure for the period shows an underspend of £63,874 or 5% of the budgeted estimate.

The major variances , as detailed within the attached reports , can be summarised as follows :-

**Major Areas of Overspend**

	<u>£</u>
1 Excess Travel Costs	8,021
Due to location of the department in the Northern division of North Lanarkshire ie Fleming House , Cumbernauld the majority of staff are receiving payments for excess travel .	
2 Travel Allowances	1,255
The majority of companies administered by the Economic Development department are geographically based in the Southern and Central Divisions of North Lanarkshire . Therefore as a direct consequence of the staff being based in the Northern Division additional travel expenses are unavoidable .	
3 Administration costs - Distribution of Business Directories	5,060
The Economic Development department receives requests for copies of its Business Directory from individuals and businesses from both within and outwith the North Lanarkshire area . This overspend reflects the costs associated with the production and distribution of such directories . However for each Business Directory sent outwith the NLC area a charge of between £10 and £5 is levied depending on the circumstances of the applicant .This income therefore offsets the production and distribution costs .(see below)	
4 Payments to Other Bodies - Employment Grant Scheme	40,000
Due to a number of large scale closures eg Long Airdox , Marshalls in the North Lanarkshire area in 1997/98 , there has been a significant increase in the number of grants being allocated to assist those person's directly affected seek re-employment .	

**TOTAL REPORTED MAJOR OVERSPENDS**

54,336

**Major Areas of Underspend**

1. Salaries & Wages	24,918
Reflects the level of vacancies during 1997/98 in excess of both the turnover saving requirement and the wage award shortfall. All posts within the department are currently filled .	
2. Payments to Other Bodies - Management Technology Training Grant	80,000
A restructuring of this scheme has taken place in 1997/98 in conjunction with the other funding partners eg. European Social Fund , LDA . As a result the contribution made from NLC to successful companies has been reduced from 80% to 50% thus resulting in significant underspend .	
3. Income - Sale of Business Directories	13,292
Proceeds from sale of Business Directories to individuals and organisations from outwith the North Lanarkshire area including the sale of advertising space within the directory itself .	

**TOTAL REPORTED MAJOR UNDERSPENDS**

118,210

**Recommendations**

The Committee note the contents of this report.

  
 Director of Finance

## NORTH LANARKSHIRE COUNCIL

## FINANCIAL MONITORING REPORT

1 April 1997 To 1st February 1998

COMMITTEE : PLANNING & DEVELOPMENT DIVISION : ECONOMIC DEVELOPMENT

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE (6)		% (7)
£			£	£	£		
617,860	1.	EMPLOYEE COSTS	527,422	502,504	24,918	Underspend	5%
37,000	2.	PROPERTY COSTS	37,000	37,000	0		0%
2,000	3.	SUPPLIES AND SERVICES	554	554	0		0%
21,340	4.	TRANSPORT & PLANT	17,926	27,202	(9,276)	Overspend	-52%
130,710	5.	ADMINISTRATION COSTS	108,882	113,942	(5,060)	Overspend	-5%
148,600	6.	APPORTIONED EXPENSES	0	0	0		
940,700	7.	PAYMENTS TO OTHER BODIES	764,965	724,965	40,000	Underspend	5%
0	8.	CAPITAL FINANCING CHARGES	0	0	0		
2,940	9.	INTEREST ON REVENUE BALANCES	0	0	0		0%
0	10.	OTHER COSTS	0	0	0		0%
1,901,150	11.	TOTAL EXPENDITURE	1,456,749	1,406,167	50,582	Underspend	3%
453,510	12.	INCOME	101,830	115,122	13,292	Over-recovered	13%
1,447,640	13	NET EXPENDITURE	1,354,919	1,291,045	63,874	Underspend	5%

## NORTH LANARKSHIRE COUNCIL

## FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : ECONOMIC DEVELOPMENT DIVISION : ECONOMIC DEVELOPMENT

	£
1. <u>Employee Costs</u>	<u>24,918 Underspend</u>
Salaries & Wages	
Reflects the level of vacancies during 1997/98 in excess of both the turnover saving requirement and the wage award shortfall.	
2. <u>Transport &amp; Plant</u>	<u>9,276 Overspend</u>
Excess Travel expenses due to re-location at Fleming House	
3. <u>Administration Costs</u>	<u>5,060 Overspend</u>
Production costs in respect of Business Directories including Printing & Stationary requirements and postage costs of distribution . (see income below)	
4. <u>Payments to Other Bodies</u>	<u>40,000 Underspend</u>
4.1 Management Technology Training Grant - Underspend due to a restructuring in 1997/98 whereby the council now makes a reduced contribution to successful companies ie reduction from 80% to 50% .	<u>80,000 Underspend</u>
4.2 Employment Grant Scheme - Increase in number of grants being allocated as a direct result of large scale closures which have occurred in 1997/98 in North Lanarkshire Council e.g. Marshall's , Long Airdox	<u>40,000 Overspend</u>
5. <u>Income</u>	<u>13,292 Over-recovered</u>
Sale of Business Directories and advertising space within .	