

AGENDA ITEM No. 3 NORTH LANARKSHIRE COUNCIL
REPORT

To : ECONOMIC DEVELOPMENT COMMITTEE		Subject : 1997/98 BUDGET MONITORING REPORT PERIOD 1/4/97 - 01/03/98 ECONOMIC DEVELOPMENT
From : DIRECTOR OF FINANCE		
Date : 30 March 1998	Ref. : JM/JQ	

Introduction

I enclose the Budget Monitoring Report for the period 1 April 1997 to 1 March 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 £52,741 or 4% of the budgeted estimate.

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

Major Areas of Overspend

£

- 1 Excess Travel Costs 8,702
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 4,080
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 6,372
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 20,000
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 39,154

Major Areas of Underspend

1 . Salaries & Wages	28,373
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	44,588
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	18,934
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**91,895****Recommendations**

The Committee note the contents of this report.



Director of Finance

FINANCIAL MONITORING REPORT

COMMITTEE : ECONOMIC DEVELOPMENT SERVICE : ECONOMIC DEVELOPMENT

TOTAL BUDGET (1)	LINE NO. (2)	DESCRIPTION (3)	BUDGET TO DATE (4)	ACTUAL TO DATE (5)	VARIANCE		% (7)
					(6)		
£			£	£	£		
617,860	1.	EMPLOYEE COSTS	577,917	549,544	28,373	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	19,547	32,329	(12,782)	Overspend	-65%
130,710	5.	ADMINISTRATION COSTS	119,731	126,103	(6,372)	Overspend	-5%
148,600	6.	APPORTIONED EXPENSES	11,035	11,035	0		0%
940,700	7.	PAYMENTS TO OTHER BODIES	782,985	758,397	24,588	Underspend	3%
0	8.	CAPITAL FINANCING CHARGES	0	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	1,548,769	1,514,962	33,807	Underspend	2%
453,510	12.	INCOME	156,450	175,384	18,934	Over-recovered	12%
1,447,640	13.	NET EXPENDITURE	1,392,319	1,339,578	52,741	Underspend	4%

FINANCIAL MONITORING REPORT 1997/98 - VARIANCE ANALYSIS

COMMITTEE : ECONOMIC DEVELOPMENT SERVICE : ECONOMIC DEVELOPMENT

	<u>£</u>
1. <u>Employee Costs</u>	<u>28,373</u> Underspend
Salaries & Wages	<u>28,373</u> Underspend
Reflects the level of vacancies during 1997/98 in excess of both the turnover saving requirement and the wage award shortfall.	
2. <u>Transport & Plant</u>	<u>12,782</u> Overspend
Excess Travel expenses and car allowances due to re-location at Fleming House	<u>12,782</u> Overspend
3. <u>Administration Costs</u>	<u>6,372</u> Overspend
3.1 Production costs in respect of Business Directories including Printing & Stationary requirements and postage costs of distribution . (see income below)	<u>6,372</u> Overspend
4. <u>Payments to Other Bodies</u>	<u>24,588</u> Underspend
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>44,588</u> Underspend
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>20,000</u> Overspend
5 <u>Income</u>	<u>18,934</u> Over-recovery
Sale of Business Directories and Advertising space within .	<u>18,934</u> Over-recovery