

**NORTH LANARKSHIRE COUNCIL  
REPORT**

<b>To :</b> ECONOMIC DEVELOPMENT COMMITTEE	<b>Subject :</b> 1998/99 BUDGET MONITORING REPORT
<b>From :</b> DIRECTOR OF FINANCE	PERIOD 1/4/98 - 11/10/98
<b>Date :</b> 09 November 1998	<b>Ref. :</b> JM/JQ
	<b>ECONOMIC DEVELOPMENT</b>

**Introduction**

I enclose the Budget Monitoring Report for the period 1 April 1998 to 11 October 1998. The report shows a comparison of actual expenditure and income against estimated expenditure and income, and provides explanations of the more significant variances. The report also presents a projected out-turn for the division with details of material under and over spends .

**Summary of Budget Variances**

The net expenditure for the year-to-date shows an overspend of £14,519 or 2.04% of the budget, whereas the projected out-turn is an underspend of £2,746 or 0.16% of the annual budget .

The budget variances are made up of several factors which are described in detail in the attached report , and are summarised as follows :-

**Explanations of Major Variances.**

£

1 Employee Costs

The current overspend of £11,355 is projected to out-turn at £35,976 overspend .  
The major variances are explained below :-

- |   |                   |
|---|-------------------|
| a) Temporary Staff - Resider Programme  | 25,910 Overspend  |
| Staff employed through the Resider Programme as part of the Integrated Support Project carried out by the Motherwell Training Resource Unit . This overspend will be funded from various sources ie ESF , Corporate Programme Development Fund and other external organisations (see item 5(a) ). |                   |
| b) Salaries & Wages   | 16,300 Underspend |
| This reflects the level of vacancies during 1997/98 in excess of both the turnover saving requirement and the wage award shortfall.   |                   |
| c) Overtime   | 1,745 Overspend   |
| Required to maintain appropriate level of service due to delay in filling vacancies .   |                   |

2 Property Costs

The current overspend of £1,275 is projected to out-turn at £2,300 overspend .  
The major variance is explained below :-

- |  |                 |
|--|-----------------|
| a) Accommodation Costs   | 1,275 Overspend |
| Water charges , Gas , Electricity and Cleaning costs for the Integrated Support Project carried out by the Motherwell Training Resource Unit who currently occupy the property previously used for the Urban Programme Funded Community Enterprise Project . These costs will be funded from various sources ie ESF , Corporate Development Fund. (see item 5 (a)) |                 |

### 3 Transport & Plant

The current overspend of £6,070 is projected to out-turn at £13,743 overspend .

The major variances are explained below :-

- a) **Excess Travel Costs** 3,547 Overspend

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 .

- b) **Travel Allowances** 2,523 Overspend

A number of companies administered by the Economic Development division 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 .

### 4 Administration Costs

The current overspend of £2,819 is projected to out-turn at £5,235 overspend .

The major variance is explained below :-

- a) **Printing/Stationary/Telephones/Professional Fees** 2,819 Overspend

General administration costs of the Motherwell Training Resource Unit and Community Economic Regeneration Project . These costs will be funded from various sources ie ESF , Corporate Development Fund (see item 5 (a))

### 5 Income

The current over-recovery of £7,000 is projected to out-turn at £60,000 .

The major variance is explained below :-

- a) **Resider Programme** 7,000 Over-recovery

Contribution towards the Resider Programme from the Corporate Programme Development Fund . This income funds the costs of the temporary staff employed on this programme , accommodation costs and general administration .

### TOTAL MAJOR VARIANCES

14,519 Overspend

### Recommendations

The Committee notes the contents of this report.

*PP*

Director of Finance

**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 1998 To 11 October 1998**

**COMMITTEE : ECONOMIC DEVELOPMENT**

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR-TO-DATE VARIANCES (5)	(6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUT-TURN VARIANCES (9)	(10)
		£	£	£	%	£	£	£	%
1.	EMPLOYEE COSTS	302,000	313,355	(11,355) Overspend	-3.76%	622,249	658,225	(35,976) Overspend	-5.78%
2.	PROPERTY COSTS	0	1,275	(1,275) Overspend		0	2,300	(2,300) Overspend	0.00%
3.	SUPPLIES AND SERVICES	3,260	3,260	0	0.00%	3,789	3,789	0	0.00%
4.	TRANSPORT & PLANT	10,542	16,612	(6,070) Overspend	-57.58%	21,340	35,083	(13,743) Overspend	-64.40%
5.	ADMINISTRATION COSTS	43,876	46,695	(2,819) Overspend	-6.42%	125,770	131,005	(5,235) Overspend	-4.16%
6.	PAYMENTS TO OTHER BODIES	383,978	383,978	0	0.00%	863,405	863,405	0	0.00%
7.	OTHER EXPENDITURE	0	0	0	0.00%	0	0	0	0.00%
8.	APPORTIONED EXPENSES	0	0	0	0.00%	148,600	148,600	0	0.00%
9.	CAPITAL FINANCING COSTS	0	0	0	0.00%	0	0	0	0.00%
10.	TOTAL EXPENDITURE	743,656	765,175	(21,519) Overspend	-2.89%	1,785,153	1,842,407	(57,254) Overspend	-3.21%
11.	INCOME	33,030	40,030	7,000 Over-recovery	21.19%	36,060	96,060	60,000 Over-recovery	166.39%
12.	NET EXPENDITURE	710,626	725,145	(14,519) Overspend	-2.04%	1,749,093	1,746,347	2,746 Underspend	0.16%

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 1998 To 11 October 1998

**COMMITTEE : ECONOMIC DEVELOPMENT**

**ANALYSIS OF THE MAJOR VARIANCES**

Year-to-Date

Projected Out-turn

**1. EMPLOYEE COSTS - £11,355 OVERSPEND**

**35,976      Overspend**

Temporary Staff      £  
25,910 Overspend

Staff employed through the Resider Programme as part of the Integrated Support Project carried out by the Motherwell Training Resource Unit . This project will be funded from various sources ie ESF , Corporate Programme Development Fund and other external organisations .

Projected out-turn for year is £53,196 based on the full year salary costs . Note however this overspend will be recovered by additional income . (See income below)

53,196      Overspend

Turnover Savings      16,300 Underspend

Savings generated as a result of part year vacancies in the following posts  
i) Economic Development Officer (2 posts)  
ii) Administrative Assistants (2 posts)  
These savings are partly offset by the pay award shortfall .

The projected out-turn based on estimates of the timescale to fill vacancies is likely to result in a £19,720 saving .

19,720      Underspend

Overtime      1,745 Overspend

Required to maintain appropriate level of service due to delay in filling vacant posts .  
Projected out-turn is £2,500 overspend .

2,500      Overspend

**2. PROPERTY COSTS - £1,275 OVERSPEND**

**2,300      Overspend**

Accommodation Costs      £  
1,275 Overspend

Water charges , Gas , Electricity and Cleaning Costs for the Integrated Support Project carried out by the Motherwell Training Resource Unit who currently occupy the property previously used for the Urban Programme funded Community Enterprise project. These costs will be funded from various sources ie ESF , Corporate Programme Development Fund etc

Projected out-turn for year is £2,300  
This overspend will be recovered by additional income (see income below)

2,300      Overspend

**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 1998 To 11 October 1998**

**COMMITTEE : ECONOMIC DEVELOPMENT**

**ANALYSIS OF THE MAJOR VARIANCES**

**Year-to-Date**

**Projected Out-turn**

**3. TRANSPORT AND PLANT - £6,070 OVERSPEND**

**13,743 Overspend**

£  
Car Allowances / Excess Travel      6,070 Overspend

Additional car allowance and excess travel expenses as a result of location of staff headquarter's at Fleming House in Cumbernauld .

Projected out-turn is a £13,743 overspend .

**13,743 Overspend**

**4. ADMINISTRATION COSTS - £2,819 OVERSPEND**

**5,235 Overspend**

£  
Printing /Stationary / Telephones/Prof Fees      1,147 Overspend

General Administration costs of the Integrated Support Project carried out by the Motherwell Training Resource Unit .  
This costs will be funded from various sources ie ESF , Corporate Programme Development Fund and other external organisations .

Projected out-turn for year is £2,130  
This overspend will be recovered by additional income . (see income below)

**2,130 Overspend**

Printing /Stationary / Telephones      1,672 Overspend

General Administration costs of the Community Economic Regeneration Project .  
This costs will be funded from various sources ie ESF , Corporate Programme Development Fund and other external organisations .

Projected out-turn for year is £3,105  
This overspend will be recovered by additional income . (see income below)

**3,105 Overspend**

**5. INCOME - £7,000 OVER-RECOVERED**

**60,000 Over-recovery**

£  
Resider Programme      7,000 Over-recovered

Contribution received towards the Resider Programme from the Corporate Programme Development Fund in support of the  
i) Motherwell Training Resource Unit ii) Community Econ Regeneration Project

The projected level of contributions for the full year is £60,000 which will cover the costs of the temporary staff employed , accommodation and general admin.

**60,000 Over-recovery**