

AGENDA ITEM NO.1.....

NORTH LANARKSHIRE COUNCIL

REPORT

To	ECONOMIC DEVELOPMENT COMMITTEE	Subject	1999/2000 Budget Monitoring Economic Development for the period ending 27 February 2000
From	DIRECTOR OF PLANNING AND ENVIRONMENT		
Date	20 April 2000	Ref	DP/JQ

1. Introduction

The purpose of this report is to provide comparative information with regard to budget estimates and actual expenditure / income. Variances are reported at both year-to-date and projected outturn levels, with major variances being highlighted and the reasons for such explained.

2. Summary of Budget Variances

The net expenditure for the period shows an underspend of £74,098 (4.58%). The projected outturn indicates an underspend of £34,245 (1.74%) by the year-end.

The projected outturn variances are the result of several factors and these are summarised in the following paragraphs.

3. Explanations of Major Outturn Variances**3.1 Economic Development****(a) Employee Costs****(i) Salaries and Wages**

27,238 Underspend

Savings have been generated as a result of vacancies, including the following posts:

- > Policy Officer
- > Marketing and Tourism Development Officer
- > Admin Assistant

These savings have been partly utilised to help finance the Lanarkshire Key Fund Initiative as a result of a virement approved by Finance Committee.

(ii) Temporary Staff - Resider II and Objective III

(26,773) Overspend

Staff are temporarily employed on the Community Economic Regeneration Project which falls within the remit of Resider II programme and the Information Support Worker project which falls within the remit of Objective III programme. These additional costs will be funded from ESF contributions (refer to paragraph 3.7(d)(i) below).

(iii) Environmental Task Force

16,780 Underspend

Delay in the appointment of staff to undertake the administration of the Environmental Task Force option of the New Deal across Lanarkshire.

(b)	Transport and Plant The Economic Development Unit is based at Cumbernauld and, therefore, many staff are receiving excess travel payments. In addition, staff are required to cover all of the North Lanarkshire area, thus incurring additional travel costs.	(12,000)	Overspend
(c)	Third Party Payments		
(i)	Women's Economic Initiatives Increased partnership working and unforeseen delays in the implementation of the initiatives has resulted in reduced expenditure.	9,000	Underspend
(d)	Income		
(i)	External Sources - external contributions received towards the Community Economic Regeneration Project, which falls within the remit of the Resider II programme, and the Information Support Worker Project, which falls within the remit of Objective III. These monies will cover additional staff costs incurred (refer to paragraph 3.7(a)(ii) above).	30,000	Over-recovery
(ii)	Advertising Revenue - Business Directories Due to slippage in the projects timescale for the production of the new North Lanarkshire Business Directory. It has been indicated from the publishers that the expected income from advertising will not materialise in the current financial year but in the next financial year.	10,000	Under-recovery
Total Economic Development		34,245	Underspend

4 Financial Concurrence

The Director of Finance concurs with the financial information contained in this report and has been fully involved in its preparation.

5 Summary

The favourable projection is a result of savings within employee costs plus additional income being generated from external sources. These savings are helping to offset the budget shortfall within Transport costs and lower than anticipated income from the sale of advertising within the North Lanarkshire Business Directory.

6 Recommendation

It is recommended that committee note the contents of this report.



David M Porch
Director of Planning and Environment
30 March 2000

For further information, please contact Joe Quinn (01698 302262) or Sharon Macdonald (01236 616236).

**ECONOMIC DEVELOPMENT
FOR THE PERIOD ENDING 27 FEBRUARY 2000**

LINE NO.	DESCRIPTION	BUDGET TO DATE	ACTUAL TO DATE	YEAR-TO-DATE VARIANCES	VARIANCE	% VARIANCE	ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED OUTTURN VARIANCES	% VARIANCE
1	Employee Costs	594,761	577,039	17,722 Underspend	17,722	2.98%	681,891	664,646	17,245 Underspend	2.53%
2	Property Costs	0	0	0	(9)	0.00%	0	0	0	0.00%
3	Supplies and Services	7,509	6,938	571 Underspend	580	7.60%	8,135	8,135	0	0.00%
4	Payments to Contractors	0	0	0	0	0.00%	0	0	0	0.00%
5	Transport and Plant	18,312	26,812	(8,500) Overspend	(8,500)	(46.42%)	21,000	33,000	(12,000) Overspend	(57.14%)
6	Administration Costs	115,635	90,761	24,874 Underspend	28,400	21.51%	127,980	127,980	0	0.00%
7	Payments to Other Bodies	882,475	849,393	33,082 Underspend	235,329	3.75%	988,000	979,000	9,000 Underspend	0.91%
8	Other Expenditure	0	0	0	0	0.00%	0	0	0	0.00%
9	Apportioned Expenses	20,878	20,878	0	73,595	0.00%	188,946	188,946	0	0.00%
10	Capital Financing Costs	0	0	0	0	0.00%	0	0	0	0.00%
11	GROSS EXPENDITURE	1,639,570	1,571,821	67,749 Underspend	347,117	4.13%	2,015,952	2,001,707	14,245 Underspend	0.71%
12	Income	23,076	29,425	6,349 Over-recovery	6,349	27.51%	44,000	64,000	20,000 Over-recovery	45.45%
13	NET EXPENDITURE	1,616,494	1,542,396	74,098 Underspend	353,466	4.58%	1,971,952	1,937,707	34,245 Underspend	1.74%