

# **ECONOMIC DEVELOPMENT**

**NORTH LANARKSHIRE COUNCIL  
REPORT**

To: ECONOMIC DEVELOPMENT COMMITTEE	Subject: REVENUE ESTIMATES 2001/2002 ECONOMIC DEVELOPMENT	
From: DIRECTOR OF FINANCE		
Date: 5 February 2001	Ref AC/PH/Rev1	

1. **Introduction**

1.1 This report seeks the Committee's consideration and approval of the Economic Development Division's revenue budget for the year 2001/2002.

2. **Determination of the 2001/2002 Base Revenue Estimate**

2.1 The base budget for 2001/2002 has been prepared by advancing the 1999/2000 approved budget to reflect current service provision (CSP) costs necessary to maintain the service at the existing level during the forthcoming year.

2.2 Members will recall that the base estimates were submitted to the meeting of the Planning and Environment Committee held on 6<sup>th</sup> December 2000. Included within these base estimates were CSP adjustments amounting to an increase of £0.004m to take account of such items as:

- The costs of staff increments.

2.3 Further adjustments of £0.032m have now been made to the previously reported base estimates. A revised CSP summary is included at appendix i, with a detailed explanation of allowances for further expenditure pressures detailed within appendix ii.

2.4 The significant movements from the current year's position are noted below:

	<u>£m</u>
• An allowance for likely pay settlements for 2001/2002.	0.024
• The impact of staff increments and superannuation increases.	0.008
• Realignment of central administration costs to reflect usage trends.	0.005

2.5 The overall movement in the Department's budget for 2001/2002 amounts to £0.036m or 1.8%, prior to the inclusion of the movement within Specific Grant income as shown within the Council's total AEF settlement or of savings proposals referred to in section 3 below. The increase between the 2 years can be summarised as follows:

	<u>£m</u>
Base budget 2000/2001	2.040
<u>Add</u>	
Cost Pressures	0.036
<b>Total Increase</b>	<b><u>0.036</u></b>
Base budget 2001/2002	<u>2.076</u>

### 3 Savings Proposals

- 3.1 The Policy & Resources Committee at its meeting of 5<sup>th</sup> September 2000 approved a report by the Chief Executive, which set out the process for the preparation of resource and service plans. The report recommended that departments identify efficiency savings totalling some £5m, which would be achieved through the process of Best Value, Value for Money studies and economies resulting from Capital Investment.
- 3.2 The details of those savings brought forward by the Director of Planning and Environment, amounting to some £0.070m, are contained at appendix iv. The Committee is invited to consider the level of savings which it would wish to recommend to the Policy & Resources Committee for acceptance.

### 4 Three-Year Budgeting

- 4.1 The Scottish Executive's recent settlement announcement provides AEF ( grant support) figures for each of the next 3 years, to enable Councils to publish firm Council Tax levels for years 2002/2003 and 2003/2004. This will provide Councils with the opportunity to move towards 3-year budgeting, and it is intended that departmental budgets will be developed over the coming months which will assist in the process of Service Planning and the ongoing development of Best Value.

### 5 Recommendations

- 5.1 The Committee is requested to:
- i) Note the level of CSP movements and increases as set out within appendices i and ii.
  - ii) Agree the base budget as per appendix iii, prior to the consideration of efficiency savings.
  - iii) Consider and recommend to the Policy and Resources Committee a range of efficiency savings that will have no detrimental impact on service delivery.
  - iv) Note the proposals to develop departmental 3-year budgets.



Director of Finance

**North Lanarkshire Council**  
**Current Service Provision (CSP) Adjustments 2001/2002**

Committee: Planning & Environment

Service : Economic Development

**CSP Adjustments**

1 Cost Pressures	£
<b>Economic Development</b>	
1.1 Cost of staff increments	4,351
1.2 Pay award provision 2001/2002 at 3.0%	23,563
1.3 Decrease in employers national insurance (0.3%)	(863)
1.4 Increase in employers superannuation (200% to 210%)	3,738
1.5 Admin insurance realignments	176
1.6 Apportioned expenses reallocation	5,491
<b>1 Total Cost Pressures</b>	<b>36,456</b>
<b>2 Service Enhancements</b>	
2.1 Council recognised service enhancements	Nil
2.2 Scottish executive recognised service enhancements	Nil
<b>Total service enhancements</b>	<b>Nil</b>
<b>3 Specific Grants</b>	<b>Nil</b>
<b>Total CSP Adjustments</b>	<b>36,456</b>

**North Lanarkshire Council**  
**Explanatory Notes to CSP Adjustments**

**Service :** Economic Development

£

**Economic Development**

1.1 <u>Incremental Drift</u> Resources required to fund annual staff increments.	4,350
1.2 <u>Pay award provision 2001/2002</u> An estimated pay award settlement of 3% has been allowed for in the 2001/02 budget.	23,563
1.3 <u>Decrease in Employers National Insurance</u> A decrease in NI rate of 0.3% as an offset against the introduction of the Climate Levy Tax.	(863)
1.4 <u>Increase in Employers Superannuation</u> The employers contribution has increased from 200% to 210% of the employees contribution.	3,738
1.5 <u>Admin Insurance Realignment</u> Realignment of insurance budgets	176
1.6 <u>Apportioned Expenses Reallocation</u> Central costs reallocated to departments	5,491

## NORTH LANARKSHIRE COUNCIL

## ESTIMATE OF EXPENDITURE AND INCOME FOR THE YEAR ENDING 31st MARCH 2002

## ECONOMIC DEVELOPMENT - SUBJECTIVE SUMMARY

LINE NO.	2000/01 REVENUE ESTIMATE	EXPENDITURE	(1)	(2)	(3)
				2001/02 BASE ESTIMATE	MOVEMENTS
	£				£
1	727,878	<b>EMPLOYEE COSTS</b>		<b>758,667</b>	<b>30,789</b>
2	606,614	Salaries - APT & C Staff		633,831	27,217
3	68,339	Superannuation - APT&C Staff		72,506	4,167
4	44,424	National Insurance - APT & C Staff		43,829	(595)
5	5,000	Training Costs		5,000	0
6	2,571	Pension Costs		2,571	0
7	930	Other Employee Costs		930	0
8	<b>8,135</b>	<b>SUPPLIES AND SERVICES</b>		<b>8,135</b>	<b>0</b>
9	210	Office Equipment		210	0
10	2,000	Computer Consumables		2,000	0
11	3,000	Computer Software		3,000	0
12	1,925	Computer Hardware Maintenance		1,925	0
13	1,000	Furniture & Fittings		1,000	0
14	<b>21,000</b>	<b>TRANSPORT AND PLANT COSTS</b>		<b>21,000</b>	<b>0</b>
15	21,000	Travelling Expenses		21,000	0
16	<b>124,423</b>	<b>ADMINISTRATION COSTS</b>		<b>124,599</b>	<b>176</b>
17	15,000	Printing & Stationery		15,000	0
18	230	Petty Outlays		230	0
19	84,000	Marketing Projects		84,000	0
20	10,000	Research		10,000	0
21	4,000	Postages		4,000	0
22	4,500	Telephones		4,500	0
23	693	Insurance (Other than Property and Transport)		869	176
24	1,000	Other Administration Costs		1,000	0
25	3,000	Conferences & Course Expenses		3,000	0
26	2,000	Hospitality		2,000	0
27	<b>330,277</b>	<b>APPORTIONED EXPENSES</b>		<b>335,768</b>	<b>5,491</b>
28	<b>910,000</b>	<b>PAYMENTS TO OTHER BODIES</b>		<b>910,000</b>	<b>0</b>
29	10,000	Donations & Subscriptions		10,000	0
30	69,000	Business Grants/Loans (Gross)		69,000	0
31	50,000	Business Start-Up Grants		50,000	0
32	40,000	Training Access Grant		40,000	0
33	247,000	Employment Grant Scheme		247,000	0
34	64,000	Management Training Tech Grant		64,000	0
35	0	Youth Employment Training Initiative		0	0
36	35,000	International Trade		35,000	0
37	97,000	Contingency for Joint Ventures		97,000	0
38	0	Launchpad		0	0
39	71,000	Town Centre Initiatives		71,000	0
40	100,000	General Development Fund		100,000	0
41	30,000	Women's Placement Programme		30,000	0
42	32,000	Training Resource Bank		32,000	0
43	65,000	NLC CCTV Ltd		65,000	0
44	0	Development Initiative - Petersburn		0	0
45	<b>2,121,713</b>	<b>Total Expenditure</b>		<b>2,158,169</b>	<b>36,456</b>

## NORTH LANARKSHIRE COUNCIL

## ESTIMATE OF EXPENDITURE AND INCOME FOR THE YEAR ENDING 31st MARCH 2002

## ECONOMIC DEVELOPMENT - SUBJECTIVE SUMMARY

LINE NO.	2000/01 REVENUE ESTIMATE	(1)		(2)	(3)
		INCOME		2001/02 BASE ESTIMATE	MOVEMENTS
	£				£
1	82,000	<b>INCOME</b>		<b>82,000</b>	0
2	0	Boost Loan Repayments - Princ & Interest		0	0
3	70,000	New Deal ETF - Employment Services		70,000	0
4	12,000	Miscellaneous Income		12,000	0
5	82,000	<b>Total Income</b>		<b>82,000</b>	0
6	2,121,713	<b>Gross Expenditure b/f</b>		<b>2,158,169</b>	<b>36,456</b>
7	2,039,713	<b>Net Expenditure</b>		<b>2,076,169</b>	<b>36,456</b>

<b>ECONOMIC DEVELOPMENT DIVISION</b>	
<b>EFFICIENCY SAVINGS 2001/2002</b>	
<b>DESCRIPTION</b>	<b>AMOUNT £</b>
<b><u>ECONOMIC DEVELOPMENT</u></b> <b><u>Review of Payments to Other Bodies</u></b> Review of training grant requirement in light of alternative funding sources now available.	<b>70,000</b>

**TOTAL SAVINGS****70,000**