

SUMMARY OF MAJOR VARIANCES (Qtr 1 2009/10)

(Not included elsewhere in the report)

Service	Service Area	Reason for Variance & Action being taken	Variance to Date	Projected Variance to Year End
			£	£
			+ = Adverse () = Favourable	
VARIANCES REPORTED THROUGH PRT PROCESS (SERVICE HEAD COMMENTS)				
Legal & HR	Search Fee Income	Reduced number of searches because of the housing market and general economic climate. Demand for searches is outside the control of the Service.	+9,200	+37,000
	Legal Books and Periodicals	This budget was overspent by £5,584 in 2008/09 due to increased cost of keeping the legal library up to date. There is likely to be a similar overspend this year, although efforts are being made to reduce subscriptions wherever possible.	+0	+6,000
Financial Services	Investment Interest	Projection based on interest assumptions used for outturn as reported to Cabinet, in line with accounting guidance for Icelandic investments. (This is likely to increase, taking account of claims process for Glitnir and Landsbanki).	(27,000)	(271,000)
	Software & Related Services	Projected savings is best guess at present - it will be firmed up in next quarter (and assumes that C/F request will be approved). Should be more scope for ongoing savings in future years also.	(25,000)	(15,000)
CC(D)S	Highways	As has been previously reported due to jobbing nature of work it is extremely difficult to predict levels of income in Highways. As in previous years more profitable jobs are expected in the second half of year.	+14,000	?
	Fuel	Possible saving due to reduction in oil price, however, inflation rate is volatile in this market and saving could easily be lost.	(19,000)	?
	Bulky Waste Collection	Requests for collections down by 25%. Income down by £5K to date.	+5,000	?
	Building Cleaning Overtime	Overtime increased due to temporary increase in cleaning specification as a result of the 'swine flu' pandemic.	+5,000	?
	Household Waste Collection - Recyclable Materials	Monitoring suggests 16% drop in income offset by expenditure savings.	+5,000	+15,000
	Trade Refuse Income	Latest projections suggest a fall in trade refuse income.	+17,000	?
Property Services	Salt Ayre Tip	Backdated rent for variation to lease. A single payment windfall.	(36,000)	(36,000)
	Lancaster Market	Replacement market assistant not expected until September 2009, so will need to continue to pay remaining assistants overtime to cover hours needed.	+3,400	+7,500
	Off-street Car Parks - electricity	Reduced energy initiative ongoing at St.Nicholas Arcades car park. Air quality testing also being undertaken before savings can be confirmed.	(14,000)	(10,000)
	Off-street Car Parks - fees	Income has been 2.67% above target over April, May and June but it is very difficult to forecast if this will be sustained during the remaining quarters.	(6,900)	(10,000)
	Off-street Car Parks - permits	Reduced permits sales as follows : Members 4%, Staff 6% and Public 20%.	+37,900	+47,000
	Festival Market	Replacement market assistant not expected until September 2009, so will need to continue to pay remaining assistants overtime to cover hours needed.	+4,300	+8,500
	Ryelands House	Total variance for whole year of £20,500 subject to R&M and security remaining in line with budget. New lease arrangements with PCT not complete and potential further delays result from possible need for TUPE transfer of staff.	+30,100	+20,500
Economic Development & Tourism	Lancaster VIC Souvenirs	Reasons - Relocation to Storey CIC, delayed opening of café/bar affecting footfall, poor exterior signage and lack of public awareness, likely to affect of economic downturn. Action being taken - exterior banner signs agreed, additional window signs purchased, Storey Gallery opened 11/07, cafe and bar due to open 01/09.	+2,600	+7,500
Cultural Services	Promenade Management	Agreement with Fairground operator on promenade arena is less than anticipated.	+6,000	+6,000
Health & Strategic Housing	Homelessness - fees and charges	An increase in the Homeless Priority need order budget has led to the success of prevention initiatives, which in turn has led to less vulnerable people requiring Bed & Breakfast. This has also reduced the income receivable from housing benefit.	+5,600	+7,000
	Cemeteries - Severance payments	Severance payment not required due to memorial safety team being made permanent following end of contract.	(6,000)	(6,000)
	Housing Strategy Renewal Team	This team has been disbanded, all costs apart from salaries are expected to form savings amounting to £15,000.	(6,400)	(15,000)
Planning Services	Planning Application Fee income	Continued reduction in planning application fees due to continued economic downturn. While overall the number of applications received is comparable with last year there has been a significant drop (approx 70%) in the "major" category, which generate the highest fees. There are some early indications that several major proposals are likely to come forward in the next few months but this situation will have to be monitored carefully with a view to adjusting budget estimates in September.	+46,500	+50,000
	Building Control	Building Control application numbers are lower this year than last due to the continuing downturn in the construction industry, consequently income is also reduced. This situation is made worse by increased success of private Building Control providers.	+53,800	+60,000
	Cost of Holding Lunside East	Variance to date relates to renewal of pollution liability insurance. Premium renewed for 3 years giving a substantial saving of £15,000.	+18,900	+10,000
Revenue Services	Postage	Lower recharge from Post Office for 2009/10 bills	(12,000)	(12,000)
VARIANCES NOT REPORTED THROUGH PRT PROCESS				
TOTAL VARIANCES			+112,000	(93,000)