



**Committee:** SPECIAL MEETING OF THE BUDGET AND PERFORMANCE PANEL

**Date:** TUESDAY, 16 SEPTEMBER 2008

**Venue:** LANCASTER TOWN HALL

**Time:** 4.30 P.M.

Councillors are reminded that as Members of Overview and Scrutiny they may not be subjected to the Party Whip, which is prohibited under the Lancaster City Council Constitution.

## A G E N D A

1. **Apologies for absence**
2. **Declaration of Interests**
3. **Items of Urgent Business authorised by the Chairman**

Discussions with Service Heads regarding over and underspends highlighted by the Capital and Revenue Outturn Report 2007/08:-

4. **Council Housing Services (Pages 1 - 2)**
5. **Legal and Human Resources (Pages 3 - 11)**
6. **Health and Strategic Housing (Pages 12 - 13)**
7. **Information and Customer Services (Page 14)**
8. **City Council (Direct) Services (Pages 15 - 27)**
9. **Property Services (Report to follow)**
10. **Cultural Services (Pages 28 - 32)**
11. **Planning Services (Pages 33 - 35)**
12. **Economic Development and Tourism (Pages 36 - 38)**

## ADMINISTRATIVE ARRANGEMENTS

### (i) **Membership**

Councillors Roger Sherlock (Chairman), John Whitelegg (Vice-Chairman), Tina Clifford,

Jean Dent, Keran Farrow, Sarah Fishwick, Mike Greenall, Stuart Langhorn and Ian McCulloch

**(ii) Substitute Membership**

Councillors Chris Coates, Roger Dennison, Rebekah Gerrard, Emily Heath, Janie Kirkman, Karen Leytham, Roger Plumb and Sylvia Rogerson

**(iii) Queries regarding this Agenda**

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email [ebateson@lancaster.gov.uk](mailto:ebateson@lancaster.gov.uk).

**(iv) Changes to Membership, substitutions or apologies**

Please contact Members' Secretary, telephone 582170, or alternatively email [memberservices@lancaster.gov.uk](mailto:memberservices@lancaster.gov.uk).

MARK CULLINAN,  
CHIEF EXECUTIVE,  
TOWN HALL,  
DALTON SQUARE,  
LANCASTER LA1 1PJ

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## BUDGET &amp; PERFORMANCE PANEL 16 SEPTEMBER 2008

## CONSIDERATION OF 2007/08 BUDGET VARIANCES

SERVICE: COUNCIL HOUSING SERVICES			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
COUNCIL HOUSING ADMINISTRATION AND MANAGEMENT	(£75,800)	<ul style="list-style-type: none"> <li>BALANCES ON WELFARE ACCOUNTS NOT SPENT (£25000)</li> <li>UNCONTROLLABLE COST OF REPAIRS TO LEASEHOLD PROPERTIES NOT BUDGETED FOR (- £26000)</li> <li>INCOME ON TELECARE (NEW SERVICE) NOT BUDGETED FOR (£1500)</li> <li>LIFELINE EQUIPMENT STOCK PURCHASES NOT BUDGETED FOR (- £22000)</li> <li>VARIOUS MINOR UNDERSPENDS (NET £12000) CENTRAL CONTROL</li> <li>INSURANCE REPAIRS NOT CLAIMED IN 2007/8 (£21800)</li> <li>ITEMS BUDGETED TO SPEND 2007/8 NOT COMPLETED - VARIOUS IT PROJECTS: EDMS PROJECT COMPLETION (£20000) ANITE / TASK REPAIRS SOLUTION (£44000)</li> </ul>	<ul style="list-style-type: none"> <li>WELFARE BALANCES FUNDED BY SERVICE CHARGE, TRANSFERRED TO RENEWALS</li> <li>IMPROVE BUDGETING. COSTS FULLY RECOVERABLE FROM SERVICE CHARGES</li> <li>NEW SERVICE. BASED ON CLIENT LED REQUESTS - UNCONTROLLABLE</li> <li>IMPROVE BUDGETING. CLIENT LED SERVICE - UNCONTROLLABLE</li> <li>IMPROVE BUDGETING WHERE POSSIBLE</li> <li>CLAIMS MADE 2008/9. PROCESS REVIEWED TO ELIMINATE RECURRENCE</li> <li>ORIGINALLY SUBJECT TO CARRY FORWARD REQUEST - EDMS TO BE FUNDED FROM RENEWALS, AND REPLENISHED FROM BALANCES. SIMILARLY ANITE / TASK</li> </ul>
INCREASED PROVISION	(£41,400)	<ul style="list-style-type: none"> <li>IMPROVED PERFORMANCE IN</li> </ul>	<ul style="list-style-type: none"> <li>REDUCE BUDGET PROVISION SUBJECT TO</li> </ul>

FOR BAD AND DOUBTFUL DEBTS		REDUCING RENT ARREARS	CONTINUED PERFORMANCE MONITORING
INTEREST ON INVESTMENT INCOME	(£77,800)	<ul style="list-style-type: none"> <li>HIGHER THAN ANTICIPATED HRA BALANCE. REFLECTS IN HRA AND INTEREST RATE</li> </ul>	<ul style="list-style-type: none"> <li>REDUCE % ALLOCATION TO PROVISION</li> </ul>
MAJOR REPAIRS RESERVE	(£372,300)	<ul style="list-style-type: none"> <li>NO BUDGET SET</li> </ul>	<ul style="list-style-type: none"> <li>OTHER LESSONS / ACTIONS ARISING WOULD ELIMINATE ADDITIONS TO HRA BALANCE</li> </ul>
CAPITAL EXPENDITURE FUNDED FROM INCOME	(£384,900)	<ul style="list-style-type: none"> <li>SAVINGS AND SLIPPAGE IN THE CAPITAL PROGRAMME</li> </ul>	<ul style="list-style-type: none"> <li>SET MMR BUDGET TO MINIMISE SLIPPAGE ON CAPITAL SCHEMES</li> <li>MINIMISE SLIPPAGE ON CAPITAL SCHEMES</li> </ul>
RENTS DWELLINGS	(£100,600)	<ul style="list-style-type: none"> <li>IMPROVED PERFORMANCE ON VOIDS BUDGETED @ 1.5%, ACTUAL 1% (£34000)</li> <li>CASH RECEIVED RE 53WK RENT YEAR (£66600)</li> </ul>	<ul style="list-style-type: none"> <li>REDUCE BUDGET PROVISION SUBJECT TO CONTINUED PERFORMANCE MONITORING</li> <li>REDUCE TARGET % SUBJECT TO CONTINUED PERFORMANCE MONITORING</li> <li>1<sup>ST</sup> APRIL DIRECT DEBITS (2008/9) IN 53 WK HOUSING RENT YEAR (2007/8) ENDING 4<sup>TH</sup> APRIL TO RECONCILE LEDGER TO HOUSING RENT ACCOUNTS</li> </ul>
RENTS NON DWELLINGS (GARAGES & OTHER)	(£70400)	<ul style="list-style-type: none"> <li>SERVICE CHARGE HOLDING ACCOUNT. YEAR END CLEARANCE</li> </ul>	<ul style="list-style-type: none"> <li>PROCESS CHANGE FOR 2008/9. FUTURE YEARS VARIANCE TO BE ZERO</li> </ul>
OTHER MISCELLANEOUS NET VARIANCES	(£11300)	<ul style="list-style-type: none"> <li>MULTIPLE OTHER VARIANCES</li> </ul>	<ul style="list-style-type: none"> <li>IMPROVE BUDGETING</li> </ul>

**BUDGET AND PERFORMANCE PANEL 16TH SEPTEMBER 2008  
REVENUE AND CAPITAL OUTTURN 2007/08**

**COMMENTS OF THE HEAD OF LEGAL AND HUMAN RESOURCES**

The Head of Legal and HR will be on annual leave and therefore unable to attend the meeting on the 16th September 2008. She will be represented at the meeting by the Legal Services Manager, HR Manager and Licensing Manager, but her comments are as follows:

Background Information

Variances of £5,000 or more on any individual budget code are always reported to the Legal and HR PRT meetings. These variances are identified by Financial Services in advance of the meetings.

During 2007/08, separate PRT meetings were held for Legal, Licensing and HR, and the variances reported to each of the Quarter 4 meetings are set out in the attached Appendix 1.

It should be pointed out that the variances set out in Appendix D to the Cabinet report of the 31st July 2008 are variances on budget headings or cost centres which combine a number of individual budget codes. It is inevitable, therefore, that these variances will be different from the more detailed ones reported to the PRT. It seems unfair for this now to be a matter for apparent criticism. Clearly, if two individual budget codes each show a variance of say £3,000, individually they will be under the £5,000 threshold for reporting to the PRT, but together, under the wider budget heading, will create a variance of more than £5,000. It seems important therefore to apply the same reporting criteria all the time, or at least to recognise that there will be differences if different criteria are used..

Appendix D

Having said that, some of the figures in Appendix D for Legal and HR in the "QTR4 PRT" column seem to be incorrect, and do not reflect what was actually reported to the PRT meetings.

A template explaining the variances in Appendix D is attached as Appendix 2 to this note, but the Service Head's more detailed comments on each budget heading set out in Appendix D are as follows:

Gambling Act 2005 – Income

A figure of £25,100 was not reported to the service's PRT. A variance of £19,853 (favourable) on gaming machines income was reported. At the time of the PRT there had been coding problems within the Gambling Act 2005 income codes, as 2007/08 was the first year of operation of the new Act. Some amusement machines had been incorrectly coded to gaming machines.

The reason for the overall £14,000 favourable variance at outturn was that the Gambling Act 2005 was not implemented until 2007. It had been impossible to estimate in advance what the effect of the new Act would be, and in fact many more applications for amusement arcades were received under the new Act than had been anticipated, with a number of operators electing to divide up existing premises, and to apply for a number of separate licences for those premises. Thus the income was

considerably more than expected. This could not have been anticipated in advance. Licensing income is always difficult to estimate, because the number of new applications and renewals will always be an unknown. This is all the more so when new legislation is introduced.

### Hackney Carriage Licences – Mainly Income

This budget heading actually covers not only hackney carriage licences but also private hire licences, ie taxis generally.

At the PRT, two variances were reported under this heading – a favourable variance of £5,887 on private hire vehicle licence income, and an adverse £6,466 on expenditure for vehicle tests. These in effect balanced each other, as the extra spending on tests was required because of the additional number of licensed vehicles. As part of the close-down of accounts for CC(D)S who carry out the vehicle tests, a refund of £5,500 was subsequently received.

In fact, at outturn, none of the individual budget codes under this heading showed a variance of more than £5,000, with the exception of the “support recharge”, which is outside the Service’s control.

The figure of £7400 in appendix D actually represents the net figure for the cost centre, without the support recharge. The variance had not been calculated by Financial Services in this way for the purposes of the PRT meeting – as indicated above, individual budget code variances exceeding £5,000 were reported to that meeting. The overall figure of £7400 is made up of a number of variances in individual budget codes, each less than £5000.

The reason for the £7,400 variance, is again the impossibility of estimating in advance how many new applications for vehicle and driver licences will be submitted during the course of a year, and how many existing licences will be renewed. Taxi driving is a particularly transitory trade, and whilst the number of hackney carriages is fixed, the number of licensed private hire vehicles can vary considerably throughout the year.

### Licensing Act 2003:

The favourable variance in Licensing Act income was correctly reported to the PRT. The Licensing Act 2003 was implemented in late 2005, and is still therefore “bedding in”, and it has been very difficult to accurately estimate the income from new applications, variations and annual fees.

### Miscellaneous Licences: Income

This heading covers a number of different types of licences ranging from tattooists to animal boarding establishments. A favourable variance of £5,240 was reported to the PRT against the coding of game dealers, and was reported at that time as a miscoding of income. The variance under this heading in fact relates to a sex shop licence, for which the current fee is £5,125. A sex shop licence application was received in 2007/08 for the first time in very many years. It is impossible to budget accurately for such an eventuality. In fact, the shop has now closed, so a similar fee will not be received in the current year.

### HR: Consultancy/Corporate Training/Equality and Diversity

Appendix D states that a variance of only £7,700 under these headings was reported to the PRT. This is incorrect, as variances of £7,707 on corporate training and £23,990 on consultants were reported to the PRT.

An underspend of £4,200 arose on equality and diversity because a decision was taken in consultation with Cabinet Members during 2007/08 to defer the work on achieving Level 2 of the Equality Standard.

An underspend of nearly £24,000 arose under the heading of consultants, as it did not prove possible to appoint a suitable Interim Principal Human Resources Officer during 2007/08 to assist with the routine workload during the Fair Pay project.

Corporate Training was overspent by £1,293 as compared with the original budget, as a result of the liP accreditation process. This budget had in fact been increased at revised budget time. This proved to have been unnecessary and arose as a result of an error on the Powersolve system, but this led to the apparent underspend.

### Searches: Mainly Income

A variance of £9,000 was reported to the PRT, which was the figure provided by Financial Services at the time. At outturn, the variance was £8,000. The level of search income is outside the control of the Service, and depends on the strength of the housing market at the time. As with licensing income, search fee income is extremely difficult to estimate accurately in advance.

Head of Legal and Human Resources  
27th August 2008

**PRT Financial Report : Qtr 4**

Legal

**REVENUE**

Service Area	Variance to Date £	Projected Variance for Year £	Reason for Variance & Action being Taken	Variance First Reported
Sundry Expenses General fees and Charges Search Fees	+5,380 -6,206 -8,974		Miscoding. Journal transfer undertaken by Financial Services Impossible to estimate the income definitively for any given period Income is outside the control of the Services - depends on demand for searches and the strength of the housing market	
	-9,800	+0		

**CAPITAL**

Service Area	Variance to Date £	Projected Variance for Year £	Reason for Variance & Action being Taken	Variance First Reported



# PRT Financial Report : Qtr 4

## Legal & Human Resources

### REVENUE

Service Area	Variance to Date £	Projected Variance for Year £	Reason for Variance & Action being Taken	Variance First Reported
Gaming machines	-19,853		Miscoding. Correction may result in variance for amusement arcades, as a result of unexpected number of applications under Gambling Act 2005	
Services- General	+6,466		Increased number of vehicle tests required	
PH Vehicle licences	-5,887		Increased number of licences (compensates in part for additional tests above)	
Licensing Act Premise	-41,404		Underestimate of projected income	
Salaries	-5,373		Staff turnover - savings in salary while posts were vacant	
Game Dealers	-5,240		Miscoding of income	
Bingo establishments	-11,250		Income received in advance for 2008/09	
	<b>-82,541</b>	<b>+0</b>		

### CAPITAL

Service Area	Variance to Date £	Projected Variance for Year £	Reason for Variance & Action being Taken	Variance First Reported

# PRT Financial Report : Qtr 4

## Human Resources

### REVENUE

Service Area	Variance to Date £	Projected Variance for Year £	Reason for Variance & Action being Taken	Variance First Reported
Corporate Training	-7,707		In December an additional £9000 was transferred to this budget as Powersolve was showing a zero balance. This was in fact incorrect, and the true position is an overspend of £1293 over the original budget of £31,6000	
Employee advertising Consultants	+5,582 -23,990		This has resulted from the costs of advertising the vacant Principal HR Officer post This has resulted from not appointing an Interim Principal HR Officer	
	-26,115	+0		

Transfers from this reserve are made by Financial Services at year end. Some spending will have occurred, although the fund will be used in the main to cover the transitional costs arising from the implementation of Fair Pay.

Job Evaluation Reserv -233,000

### CAPITAL

## HLHR APPENDIX 2

## BUDGET &amp; PERFORMANCE PANEL 16 SEPTEMBER 2008

## CONSIDERATION OF 2007/08 BUDGET VARIANCES

SERVICE: LEGAL AND HR			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
Gambling Act 2005	(14,000)	<ul style="list-style-type: none"> <li>Additional licensing income particularly from the division of amusement arcades by operators into a number of separate licensable units.</li> <li>New legislation - always difficult to estimate licensing income, but particularly so under a new licensing regime, implemented in 2007</li> </ul>	<ul style="list-style-type: none"> <li>Future budgets will be based on renewal of licences applied for in 2007/08</li> </ul>
Hackney Carriage Licences	(7,400)	<ul style="list-style-type: none"> <li>More licence income than anticipated</li> <li>Taxi driving is a transitory trade and it is impossible to estimate in advance how many new and renewal applications there will be for drivers' licences and for private hire vehicle licences, which fall within this budget area</li> </ul>	<ul style="list-style-type: none"> <li>Budgets will continue to be set on best estimates to ensure so far as possible that level of fees is sufficient to meet the costs of the service but without making a profit</li> </ul>

<p>HR: Consultancy/ Corporate Training/Equality and Diversity</p>	<p>(28,000)</p>	<ul style="list-style-type: none"> <li>• Consultancy was underspent because it was not possible to recruit an Interim Principal HR Officer to assist with routine workload during Fair Pay Project</li> <li>• Corporate Training was slightly overspent compared with the original budget as a result of the IIP accreditation costs. The budget was actually increased at revised budget time as a result of a misunderstanding of the expenditure to date as indicated on Powersolve, and this increase led to an apparent underspend compared with the revised figure</li> <li>• Equality and Diversity was underspent because of a decision in consultation with Cabinet members not to pursue level 2 of the equality standard in 2007/08</li> </ul>	<ul style="list-style-type: none"> <li>• Consultancy situation arose as a result of the fair pay project, and was therefore a one-off</li> <li>• The misunderstanding of Powersolve should not recur under the new financial system</li> <li>• It is noted that the request to carry forward equality and diversity budget was not allowed. Cabinet is to consider community cohesion in November and it is anticipated that the Council's aspirations with regard to the Equality Standard will be considered at that time.</li> </ul>
<p>Miscellaneous Licences Income</p>	<p>(5300)</p>	<ul style="list-style-type: none"> <li>• Favourable variance arose as a result of a single application for a sex shop licence, for which the current fee is £5125</li> <li>• This was the first such application for very many years and could not have been budgeted for</li> </ul>	<ul style="list-style-type: none"> <li>• The shop has now closed, and the 2008/09 budget does not in any event include provision for renewal of the licence. If this changes, the budget will be updated at revised budget time.</li> <li>• Nor can there be any assumption that further such applications will be received in the future</li> </ul>

Searches	(8,000)	<ul style="list-style-type: none"><li>• Favourable variance on budgeted income from search fees</li><li>• Outside the control of the Service as led by customer demand and the housing market</li></ul>	<ul style="list-style-type: none"><li>• With current decline in housing market, future budgets will assume a reduction in search fee income</li></ul>
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**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**  
**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

SERVICE: HEALTH AND STRATEGIC HOUSING			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
Cemeteries: Income	20,900	<ul style="list-style-type: none"> <li>The income shortfall arose due to sales of graves and interments being lower than predicted.</li> </ul>	<ul style="list-style-type: none"> <li>Income is always difficult to accurately predict as it is dependant on demand.</li> </ul>
Health & Safety	6,200	<ul style="list-style-type: none"> <li>4K of the underspend arose due to a planned training course (in March) not taking place due to conflicting staffing priorities.</li> <li>The remaining underspend arose due to income for 2008/09 inadvertently being received in 2007/08.</li> </ul>	<ul style="list-style-type: none"> <li>Training courses have been planned well in advance this year.</li> <li>A closer relationship with Service Accountant will be adopted and meetings at year end to explain year end procedures with all responsible spending officers. To ensure all year end transactions are identified correctly.</li> </ul>
Homelessness: Priority Needs Order/Net B&B Costs	10,900	<ul style="list-style-type: none"> <li>The underspend was a result of not pursuing implementation of a sanctuary scheme due to staffing difficulties.</li> </ul>	<ul style="list-style-type: none"> <li>A carry forward request was submitted and approved for this. It is hoped to pursue the scheme in 2008/09.</li> </ul>

BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
Home Support: Grant Income 17,700	17,700	<ul style="list-style-type: none"> <li>This budget reflected a bid for monies from Poulton Neighbourhood Management, which was unsuccessful.</li> </ul>	<ul style="list-style-type: none"> <li>The responsible spending officer and Service Accountant will ensure that the budget will only reflect monies actually received.</li> </ul>
Pest Control: Income	25,500	<ul style="list-style-type: none"> <li>Overspend due to income targets being based on unrealistic income targets set following busy pest control years in 1999/2000.</li> </ul>	<ul style="list-style-type: none"> <li>Income will be reviewed with Service Accountant to reflect a realistic target and the impact on revenue budgets.</li> </ul>
HMO License Fees	(5,500)	<ul style="list-style-type: none"> <li>Underspend due to sudden influx of income in the last quarter following proactive chasing landlords.</li> </ul>	<ul style="list-style-type: none"> <li>Income targets will be reviewed at the next budget setting process with the responsible spending officer and service accountant.</li> </ul>
Strategic Housing Grant Admin Charges	(13,800)	<ul style="list-style-type: none"> <li>Underspend due to additional income received over the income target.</li> </ul>	<ul style="list-style-type: none"> <li>Income target is very difficult to predict accurately as it is dependent on how many grants are processed each year and how many interim payments are made. Officers will review the income more closely and make in year adjustments if necessary.</li> </ul>

**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

<b>SERVICE: INFORMATION AND CUSTOMER SERVICES</b>			
<b>BUDGET/SERVICE AREA</b>	<b>£ (FAVOURABLE)/ ADVERSE</b>	<b>KEY REASONS/CIRCUMSTANCES</b>	<b>LESSONS &amp; ACTIONS ARISEN</b>
Customer Services : Mystery Shopper	<b>(8,000)</b>	THE WORK WAS COMMISSIONED BUT NOT COMPLETED BY APRIL 2008 – £10,000 WAS COMMITTED AND £4,500 SUBJECT TO CARRY FORWARD REQUEST	DUE TO TIMING OF NATIONAL SURVEY WORK COULD NOT BE COMMISSIONED SOONER. VARIANCE WAS £18,000 AT QTR 4 BUT WAS LARGELY COMMITTED
Software : Various	<b>(66,900)</b>	DELAY OF SOME PROJECTS – MAJORITY DUE TO STAFF SHORTAGES IN FINANCE AND ICS	MAJORITY WAS CARRIED FORWARD AND WILL BE SPENT IN <b>2008/2009</b>
Equipment Maintenance	<b>(12,200)</b>	WORK TO TRIAL THE SOFTWARE WERE NOT COMPLETED BY APRIL 2008 AND NEGOTIATIONS WITH SOFTWARE HOUSE WERE ONGOING	BUDGET WAS CARRIED FORWARD EVENTUALLY WHEN TESTING AND NEGOTIATIONS COMPLETE
Printing / Copying Equipment	<b>(39,600)</b>	CHANGES FROM CENTRALISED PRINTING TO SERVICES PRINTING	REPORTED AT SERVICE PRT – ASSUMED OFFSET BY RECHARGES TO SERVICES THEREFORE NOT REPORTED AT CORPORATE LEVEL. A FULL CORPORATE REVIEW IS TO BE CARRIED OUT AS PART OF THE <b>2009/10</b> BUDGET PROCESS



**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

**SERVICE: CITY COUNCIL (DIRECT) SERVICES**

BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
<b>GROUNDS MAINTENANCE</b>	<b>(70,300)</b>	<ul style="list-style-type: none"> <li>• <b>EMPLOYEES – POOR RESPONSE TO RECRUITMENT DRIVE RESULTED IN TWO VACANT POSTS FOR PERIOD OF FOUR MONTHS</b></li> <li>• <b>TRANSPORT - INCREASED PERFORMANCE HAS LED TO EFFICIENCY SAVINGS IN R&amp;M</b></li> <li>• <b>EQUIPMENT &amp; TOOLS - INCREASED PERFORMANCE HAS LED TO EFFICIENCY SAVINGS IN R&amp;M OF MOWERS</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>DISCUSSIONS WITH HR TO IMPROVE FUTURE RECRUITMENT DRIVES</b></li> <li>• <b>SAVINGS MADE RE: R&amp;M TO BE BUILT INTO FORTHCOMING BUDGET EXERCISE</b></li> <li>• <b>SAVINGS MADE RE: R&amp;M TO BE BUILT INTO FORTHCOMING BUDGET EXERCISE</b></li> </ul>

**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

SERVICE: CITY COUNCIL (DIRECT) SERVICES			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
PLAYGROUNDS	(9,000)	<ul style="list-style-type: none"> <li>• PLAYGROUND IMPROVEMENTS – ADVERSE WEATHER CONDITIONS RESULTED IN REVENUE PROGRAMME NOT BEING COMPLETED</li> <li>• FEES &amp; CHARGES – £2.5K EXTERNAL CONTRIBUTION RECEIVED</li> </ul>	<ul style="list-style-type: none"> <li>• PROGRAMME RE-SCHEDULED IN LINE WITH CURRENT YEARS BUDGET</li> <li>• CONTRIBUTION RECEIVED UNDER £5K AND THEREFORE UNDER THRESHOLD OF PRT PROCESS, BUDGETS WILL BE UPDATED IMMEDIATELY UPON RECEIPT OF ANY FUTURE CONTRIBUTIONS</li> </ul>

**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

SERVICE: CITY COUNCIL (DIRECT) SERVICES			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
<b>PUBLIC CONVENIENCES</b>	<b>(35,800)</b>	<ul style="list-style-type: none"> <li>MARKETGATE RECHARGE – AMOUNTS ACCRUED WERE ESTIMATED OVER A NUMBER OF YEARS DUE TO LACK OF CLAIMING AND CHANGE OF MANAGEMENT COMPANY. ACTUAL AMOUNT OF INVOICE RECEIVED DURING CLOSURE OF ACCOUNTS PROCESS SUBSTANTIALLY LOWER THAN ALLOWED FOR.</li> </ul>	<ul style="list-style-type: none"> <li>CLOSER CONTACT WITH NEW MANAGEMENT COMPANY RESULTING IN TIMELIER INFORMATION RECEIVED. BUDGETS WILL BE UPDATED ACCORDINGLY AS PART OF FORTHCOMING BUDGET EXERCISE.</li> </ul>

**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

**SERVICE: CITY COUNCIL (DIRECT) SERVICES**

BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
STREET CLEANING	(10,800)	<ul style="list-style-type: none"> <li>• FEES &amp; CHARGES – IMPROVED PROMOTION OF ABILITY TO PROVIDE EXTERNAL SERVICES I.E. CLEANSING &amp; GRAFFITI REMOVAL</li> <li>• EQUIPMENT &amp; TOOLS – RENEWAL OF 5 YEAR CONTRACT FOR SUPPLY AND REPAIR OF LITTER BINS LOWER THAN BUDGETED FOR</li> </ul>	<ul style="list-style-type: none"> <li>• IN LINE WITH SERVICE BUSINESS PLANS</li> <li>• FUTURE SAVINGS WILL BE BUILT INTO FORTHCOMING BUDGET EXERCISE</li> </ul>

**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

**SERVICE: CITY COUNCIL (DIRECT) SERVICES**

BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
AMENITY LIGHTING	(5,500)	<ul style="list-style-type: none"> <li>• CONTRACTUAL DELAYS TO SCHEMES IDENTIFIED.</li> <li>• BUDGET USED FOR REACTIVE MAINTENANCE AND ENERGY SUPPLIES ONLY</li> </ul>	<ul style="list-style-type: none"> <li>• DEVELOP PROGRAM OF PLANNED MAINTENANCE, IMPROVEMENT AND RENEWAL</li> </ul>

**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

SERVICE:			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
ENVIRONMENTAL ENFORCEMENT	(6,800)	<ul style="list-style-type: none"> <li>TIMING OF THE SCHOOLS COMPETITION MEANT THERE WAS A NEED FOR A £4,700 CARRY FORWARD REQUEST (GRANTED)</li> </ul>	<ul style="list-style-type: none"> <li>SEE PREVIOUS COLUMN</li> </ul>

**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

**SERVICE: CITY COUNCIL (DIRECT) SERVICES**

BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
<p><b>HIGHWAYS PARTNERSHIP</b></p>	<p><b>(81,400)</b></p>	<ul style="list-style-type: none"> <li>• LCES REDUCED RENTAL FOR VEHICLES USED BY DAILY RESPONSE TEAMS</li> <li>• REDUCTION IN CENTRAL TRANSPORT COSTS DUE TO REDUCTIONS IN REPAIR AND MAINTENANCE COSTS AND DELAYS IN VEHICLE REPLACEMENT</li> <li>• HIGHWAYS OPERATES AS A TRUE TRADING ACCOUNT AND RELIES ON ORDERS BEING RECEIVED FROM CLIENTS BOTH INTERNAL AND EXTERNAL. THERE ARE NO GUARANTEED LEVELS OF WORK. THEREFORE A PESSIMISTIC VIEW IS TAKEN WHEN PREPARING THE BUDGET</li> </ul>	<ul style="list-style-type: none"> <li>• REFLECT REVISED RENTALS IN REVISED AND FUTURE BUDGETS</li> <li>• REFLECT POSITION IN REVISED AND FUTURE BUDGETS</li> <li>• TAKE A MORE OPTIMISTIC VIEW OF THE TRADING POSITION</li> </ul>

**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

**SERVICE: CITY COUNCIL (DIRECT) SERVICES**

BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
<p><b>VEHICLE MAINTENANCE</b></p>	<p><b>(21,000)</b></p>	<ul style="list-style-type: none"> <li>• <b>UNDERSPEND ON R&amp;M OF BUILDINGS. ORDER PLACED FOR ROOF REPAIRS BUT WORK NOT CARRIED OUT BEFORE YEAR END. REQUEST SUBMITTED FOR CARRY FORWARD DENIED</b></li> <li>• <b>REDUCTION IN EXPENDITURE ON SUPPLIES AND SERVICES</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>DEVELOP PROGRAM OF PLANNED MAINTENANCE, IMPROVEMENT AND RENEWAL</b></li> <li>• <b>REFLECT POSITION IN REVISED AND FUTURE BUDGETS</b></li> </ul>



**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

**SERVICE: CITY COUNCIL (DIRECT) SERVICES**

BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
<p><b>RECYCLING – BRING SITES &amp; OLD KERBSIDE</b></p>	<p><b>(9,300)</b></p>	<ul style="list-style-type: none"> <li>• <b>UNDERSPEND ON R&amp;M OF SITES, REPLACEMENT OF EQUIPMENT AND EDUCATION</b></li> <li>• <b>IMPACT INTRODUCTION OF FURTHER PHASE OF THREE STREAM WASTE RESULTING IN SWITCH OF COSTS FROM HERE TO THREE STREAM WASTE GREATER THAN EXPECTED</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>CARRY OUT REVIEW OF RECYCLING SITES</b></li> <li>• <b>DEVELOP PROGRAM OF PLANNED MAINTENANCE, IMPROVEMENT AND RENEWAL</b></li> <li>• <b>REFLECT POSITION IN REVISED AND FUTURE BUDGETS</b></li> </ul>

BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008

CONSIDERATION OF 2007/08 BUDGET VARIANCES

SERVICE: CITY COUNCIL (DIRECT) SERVICES			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
REFUSE COLLECTION	(58,300)	<ul style="list-style-type: none"> <li>• UNDERSPEND ON EMPLOYEE COSTS £13,000. TOTAL EMPLOYEE BUDGET FOR REFUSE £2.21M. UNDERSPEND REPRESENTS .06 OF A PERCENT.</li> <li>• TURNOVER OF STAFF CONTRIBUTING TO UNDERSPEND</li> <li>• UNDERSPEND ON TRANSPORT COSTS OF £44,000. UNDERSPEND ARISING MAINLY FROM REPAIR AND MAINTENANCE OF VEHICLES.</li> <li>• INTRODUCTION OF TRANSFER STATION AT SALT AYRE RESULTING IN REDUCTION IN DAMAGE TO VEHICLES</li> <li>• MAJOR INVESTMENT IN NEW AND ADDITIONAL VEHICLES RESULTING IN FEWER BREAKDOWNS TOGETHER WITH ENFORCEMENT OF PLANNED MAINTENANCE REGIME RESULTING IN REDUCTION IN R&amp;M COSTS</li> </ul>	<ul style="list-style-type: none"> <li>• NO LESSONS TO BE LEARNED. % UNDERSPEND IN CONTEXT OF BUDGET MINIMAL</li> <li>• REFLECT POSITION IN REVISED AND FUTURE BUDGETS</li> </ul>

## BUDGET &amp; PERFORMANCE PANEL 16 SEPTEMBER 2008

## CONSIDERATION OF 2007/08 BUDGET VARIANCES

SERVICE: CITY COUNCIL (DIRECT) SERVICES			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
THREE STREAM WASTE	(49,300)	<ul style="list-style-type: none"> <li>OVERSPEND ON EMPLOYEE COSTS £29,000. OVER ALL REFUSE AND RECYCLING BUDGETS UNDERSPEND £13,000.</li> <li>UNDERSPEND ON TRANSPORT COSTS OF £28,000. UNDERSPEND ARISING MAINLY FROM REPAIR AND MAINTENANCE OF VEHICLES</li> <li>OVERSPEND ON CASUAL HIRE £16,000. REASON FAILURE OF RECYCLING BOX SUPPLIER TO SUPPLY BOXES AND LIDS ON TIME FOR PHASE V OFFSET BY COMPENSATION FROM SUPPLIER £21,000</li> </ul>	<ul style="list-style-type: none"> <li>NO LESSONS TO BE LEARNED. % UNDERSPEND IN CONTEXT OF BUDGET MINIMAL</li> <li>REFLECT POSITION IN REVISED AND FUTURE BUDGETS</li> <li>ENSURED SUPPLIER DELIVERED ON TIME THIS YEAR</li> </ul>

<p><b>THREE STREAM WASTE (CONTINUED)</b></p>		<ul style="list-style-type: none"> <li>• <b>UNDERSPEND ON PRINTING AND STATIONERY £24,000. ORDER ISSUED, SUPPLIER FAILED TO DELIVER BEFORE YEAR END. REQUEST FOR C/F £18,000 ALLOWED</b></li> <li>• <b>PLASTIC SACKS &amp; REPLACEMENT BINS AND BOXES £11,000. ISSUED ON REQUEST. DEMAND LED</b></li> <li>• <b>UNDERSPEND ON PROTECTIVE CLOTHING £9,000. BETTER QUALITY OF CLOTHING ISSUED LEADING TO REDUCED DEMAND FOR REPLACEMENT</b></li> <li>• <b>UNDERSPEND ON SERVICES £6,000. OFFSET BY SAVINGS ON BRING SITES &amp; OLD KERBSIDE. RESULTED FROM INTRODUCTION OF PHASE V</b></li> <li>• <b>REDUCED INCOME FROM SALE OF PAPER £9,000. TONNAGE OF PAPER RECYCLED LESS THAN EXPECTED</b></li> <li>• <b>INCREASE IN INCOME FROM SALE OF CANS, GLASS AND CARDBOARD. £6,000 CONTRACT STARTED IN SEPT 2007. DIFFICULT TO ESTIMATE ACCURATELY</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>BUDGET REDUCED IN 2008/9. BETTER PLANNING OF SPENDING BUDGET</b></li> <li>• <b>REFLECT POSITION IN REVISED AND FUTURE BUDGETS</b></li> <li>• <b>REFLECT POSITION IN REVISED AND FUTURE BUDGETS</b></li> <li>• <b>REFLECT POSITION IN REVISED AND FUTURE BUDGETS</b></li> <li>• <b>REFLECT POSITION IN REVISED AND FUTURE BUDGETS</b></li> <li>• <b>REFLECT POSITION IN REVISED AND FUTURE BUDGETS</b></li> </ul>
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**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

<b>SERVICE: CITY COUNCIL (DIRECT) SERVICES</b>			
<b>BUDGET/SERVICE AREA</b>	<b>£ (FAVOURABLE)/ ADVERSE</b>	<b>KEY REASONS/CIRCUMSTANCES</b>	<b>LESSONS &amp; ACTIONS ARISEN</b>
<b>TRADE REFUSE</b>	<b>(15,300)</b>	<ul style="list-style-type: none"> <li>• <b>UNDERSPEND ON CONTAINERS AND PLASTIC SACKS. DEMAND LED</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>REVIEW AND REFLECT POSITION IN REVISED AND FUTURE BUDGETS</b></li> </ul>

BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008

CONSIDERATION OF 2007/08 BUDGET VARIANCES

SERVICE: CULTURAL SERVICES			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
SALT AYRE	£56,100 AS REPORTED £54282 ACTUAL FIGURE	<ul style="list-style-type: none"> <li>• £32,000 - INCREASE IN UTILITY CHARGES</li> <li>• £17,000 - LOSS OF INCOME DUE TO BAR/CAFÉ CLOSURE, CLOSURE LONGER THAN EXPECTED AND NO REDUCTION IN REVISED CAFÉ BUDGET FOR CLOSURE</li> <li>• BALANCE OF OVERSPEND MADE UP OF MANY SMALLER ITEMS</li> </ul>	<ul style="list-style-type: none"> <li>• FINANCE AWARENESS SESSIONS UNDERTAKEN</li> <li>• ADDITIONAL MONITORING OF UTILITIES</li> <li>• CLOSER WORKING RELATIONSHIP WITH FINANCE TO MONITOR BUDGETS MORE EFFECTIVLY</li> </ul>
COMMUNITY POOLS	£44,300	<ul style="list-style-type: none"> <li>- £23,000 - ADDITIONAL CASUAL STAFFING AND TRAINING COSTS NOT MET BY ADDITIONAL INCOME</li> <li>- £5,000 SWIM LESSON INCOME MOVED TO NEW YEAR IN ERROR</li> <li>- £5,000 ADDITIONAL WATER USAGE CHARGES</li> <li>- £5,000 ADDITIONAL COSTS FOR SCHOOL SWIMMING TRANSPORT</li> </ul>	<ul style="list-style-type: none"> <li>• FINANCE AWARENESS SESSIONS UNDERTAKEN FOR BETTER BUDGET MONITORING AND CONTROL</li> <li>• REVIEW OF STAFFING UNDERWAY</li> <li>• CLOSER WORKING RELATIONSHIP WITH FINANCE TO MONITOR BUDGETS MORE EFFECTIVLY</li> </ul>

<p><b>DOME</b></p> <p><b>£17,000</b></p>		<ul style="list-style-type: none"> <li>- BALANCE OF OVERSPEND MADE UP OF MANY SMALLER ITEMS</li> <li>- URGENT ELECTRICAL WORKS, ADDITIONAL EQUIPMENT FOR THE LARGE SHOWS AND A REDUCTION IN PRIVATE HIRES</li> <li>- VARIABLES THAT EXIST IN THE DOMES EVENTS AND APPLICATION OF CODES FOR DIFFERENT SHOWS</li> <li>- EXPENDITURE ON EVENTS NOT MATCHED BY INCOME</li> <li>- GRANT RECEIVED (CARRY FORWARD REQUEST APPROVED)</li> <li>- SAVING OF £5000 ON SALARIES COSTS DUE TO STAFF TURNOVER</li> <li>- £3200 ADDITIONAL INCOME</li> <li>- LEASE VEHICLE NOT CHARGED IN 07/08</li> </ul>	<ul style="list-style-type: none"> <li>- WITH FINANCE, CLOSER CONTROLS AND MONITORING OF SHOWS AND BUDGETS PUT IN PLACE</li> <li>- ADDITIONAL BUDGETARY TRAINING FOR STAFF CONCERNED</li> <li>- MORE REGULAR LIASON WITH FINANCE</li> <li>- CAPITAL FUNDING BID DUE TO IMPROVE EFFICIENCIES</li> <li>- EXPENDITURE DUE IN 2008/09</li> <li>- COMBINATION OF SMALLER ITEMS PRODUCING OVERALL SAVING IN BUDGET</li> </ul>
<p><b>GROUNDWORK TRUST</b></p> <p><b>(£4,400)</b></p> <p><b>LEISURE DEVELOPMENT</b></p> <p><b>(£10,700)</b></p>			

# Budget & Performance Panel 16 September 2008

## Festivals and Events – Evaluation

2007/08 Outturn

Festival / Event	FINANCE EVALUATION						OTHER EVALUATION CRITERIA	
	Spend £	Income £	Net Cost £	Approved Budget/ Authorised FIF Allocation £	Variance £	Targets	Outcomes	
Lancaster Jazz Festival	£21,842	£11,316	£10,523	£10,500	£26	2007/2008 Corporate Objective:- "To provide a varied programme of festivals and events throughout the district"	Event undertaken in partnership with a range of community and commercial partners. All venues full and significant positive press coverage for the district (local, regional and national).	
Morecambe Heritage Gala	£24,496	£8,357	£16,139	£15,900	£239	Ditto	Attendance estimated in excess of 20,000 people	
Lancaster Firework Spectacular	£15,860	£2,105	£13,755	£12,400	£1,355	Ditto	Attendance estimated in excess of 10,000 people	
Glasson Maritime Weekend # NOTE	£64,011	£52,923	£11,088	£10,500	£588	Ditto	Attendance estimated in excess of 5,000 people	

RCM/JEB/August 2008

# NOTE Glasson Maritime Weekend This Event is traditionally held over the Easter Weekend. Unusually, in 2007/2008 there were 2 "Easters" falling within the same financial year. The figures above reflect that anomaly, but the matter has been addressed for future events in future years, following the approval by Overview & Scrutiny Committee and Cabinet of the Festivals & Events Report.



Festival / Event	FINANCE EVALUATION						OTHER EVALUATION CRITERIA	
	Spend £	Income £	Net Cost £	Approved Budget / Authorised FIF Allocation £	Variance £	Targets	Outcomes	
<b>Festival Innovation Fund (FIF), supported events;-</b>								
• Hurdy Gurdy Festival			£4,345	£4,345	Nil	Grants awarded in accordance with FIF criteria	Achieved FIF Criteria	
• Nice 'n' Sleazy			£2,200	£2,200	Nil	Grants awarded in accordance with FIF criteria	Achieved FIF Criteria	
• Tutti Frutti			£500	£500	Nil	Grants awarded in accordance with FIF criteria	Achieved FIF Criteria	
• Kite Festival			£5,000	£5,000	Nil	Grants awarded in accordance with FIF criteria	Achieved FIF Criteria	
• Williamson Park – FAB			£1,000	£1,000	Nil	Grants awarded in accordance with FIF criteria	Achieved FIF Criteria	
• Jazz & Country Music events – Happy Mount Park			£4,000	£4,000	Nil	Grants awarded in accordance with FIF criteria	Achieved FIF Criteria	

## BUDGET &amp; PERFORMANCE PANEL 16 SEPTEMBER 2008

## CONSIDERATION OF 2007/08 BUDGET VARIANCES

SERVICE: CULTURAL SERVICES			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
HEYSHAM MOSSGATE: PROFESSIONAL FEES	(£10,000)	<ul style="list-style-type: none"> <li>GRANT RECEIVED FROM LANCASHIRE COUNTY DEVELOPMENT LTD (LCDLTD), TOWARD PROFESSIONAL FEES I.E., ARCHITECT, QS, ETC. THE PROJECT IS PART OF THE WORK PROGRAMME OF THE HEAD OF CULTURAL SERVICES, APPROVED BY CABINET.</li> </ul>	<ul style="list-style-type: none"> <li>EXPENDITURE EXPECTED TO BE INCURRED IN 2008/2009</li> </ul>

## BUDGET &amp; PERFORMANCE PANEL 16 SEPTEMBER 2008

## CONSIDERATION OF 2007/08 BUDGET VARIANCES

SERVICE: PLANNING SERVICES			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
BUILDING CONTROL ACCOUNT	(46,800)	<ul style="list-style-type: none"> <li>(£28.7K) WAS REPORTED UNDER INDIVIDUAL HEADINGS IN PRT Q4 COVERING DBCO VACANT POST, SAVINGS AGAINST EQUIP &amp; TOOLS, AND HIGHER THAN ANTICIPATED INCOME. A FURTHER (£6.2K) OCCURRED DURING CLOSEDOWN RE FRS17 ADJUSTMENTS OUTSIDE OF SERVICE CONTROL</li> </ul>	<ul style="list-style-type: none"> <li>OUTTURN FIGURES DIFFERENT BUT AT TIME OF PREP FOR Q4 BEST ESTIMATE USED AS PER FINANCIAL TRAINING.</li> </ul>
PLANNING APPLICATION FEES	(24,700)	<ul style="list-style-type: none"> <li>NOT REPORTED AS UNPREDICTABLE TO PROFILE AND VARIANCE NORMAL DURING ANY ONE YEAR. SIGNIFICANT OUT TURNS UNDER BUDGET NORMAL TO HIGHLIGHT.</li> </ul>	<ul style="list-style-type: none"> <li>SERVICE HEADS ONLY ASKED TO REPORT PROBLEMATIC VARIANCES BY FORMER DIRECTOR. DID REPORT INCREASED INCOME IN Q2 &amp; HALF YEAR REVISION AS ACTION IN Q3. REVIEW OF MONITORING SYSTEMS REQUIRED AND CLOSER LIAISON WITH FINANCE</li> </ul>

<p><b>LAND DRAINAGE R&amp;M</b></p>	<p><b>(6,000)</b></p>	<ul style="list-style-type: none"> <li>• <b>REPORTED Q4</b></li> </ul>	
<p><b>LOCAL DEVELOPMENT FRAMEWORK</b></p>	<p><b>7,800</b></p>	<ul style="list-style-type: none"> <li>• <b>EXPLANATION WAS PROBABLY CORRECT AS REPORTED Q4; HOWEVER VARIANCE AMOUNT ITSELF WAS REPORTED AS BEING A FAVOURABLE £9.2K AS A RESULT OF MISREADING NEGATIVE SIGN ON PRT REPORT</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>FINANCIAL AWARENESS TRAINING SESSIONS RECENTLY CARRIED OUT FOR ALL RSO'S WITH FURTHER MORE DETAILED FINANCE TRAINING TO BE PROVIDED</b></li> </ul>
<p><b>LUNESIDE REGENERATION GRANT INCOME</b></p>	<p><b>(67,700)</b></p>	<ul style="list-style-type: none"> <li>• <b>REPORTED Q4</b></li> </ul>	
<p><b>MIDDLETON WOOD ELECTRICITY / R&amp;M</b></p>	<p><b>(32,000)</b></p>	<ul style="list-style-type: none"> <li>• <b>(£27K) WAS REPORTED SEPARATELY Q4 AND INCLUDED A CREDIT OF (£23K) FROM ENERGY SUPPLIER FOLLOWING REVIEW OF METER READINGS. THE BALANCE RELATES TO UNDERSPENDS FOR R&amp;M FOR WHICH A CARRY FORWARD HAS BEEN REQUESTED</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>IMPROVED MONITORING SYSTEM NOW IN PLACE FOR CHASING UP BILLS</b></li> </ul>

<p>TOWNSCAPE HERITAGE INITIATIVE</p>	<p>(15,200)</p>	<ul style="list-style-type: none"> <li>HIGHLIGHTED DURING BUDGET PROCESS THAT HLF GRANT AVAILABLE FOR TH11, HOWEVER TOO LATE TO FEED INTO 07/08 REVISED BUDGET PROCESS AND NOT FED INTO SUBSEQUENT PRT REPORTS</li> </ul> <p>** IN ALL THE ABOVE CIRCUMSTANCES PRT REPORTS WERE BASED ON PERIOD 12 LEDGER FIGURES AND BEST GUESS ESTIMATES</p>	<ul style="list-style-type: none"> <li>REPORT TO PRT WOULD HAVE ENSURED THAT BUDGET VARIANCE WAS PICKED UP</li> <li>NEW PAPERWORK ATTACHED TO PRT Q1 0809 REPORT (FOR REPROFILING/ BUDGET MOVEMENT/VIREMENT ETC) TO AID SERVICES IN FUTURE PRT INFORMATION PROVISION</li> </ul> <p>IMPROVED LIAISON WITH AND REVIEW OF PRT PAPERWORK AND GUIDANCE BY FINANCE SHOULD IMPROVE MONITORING IN FUTURE</p>
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**BUDGET & PERFORMANCE PANEL 16 SEPTEMBER 2008**

**CONSIDERATION OF 2007/08 BUDGET VARIANCES**

SERVICE: ECONOMIC DEVELOPMENT & TOURISM			
BUDGET/SERVICE AREA	£ (FAVOURABLE)/ ADVERSE	KEY REASONS/CIRCUMSTANCES	LESSONS & ACTIONS ARISEN
<b>1) CAPITAL SLIPPAGE</b>			
<b>STOREY CIC CAPITAL SLIPPAGE REQUEST</b>	<b>(354,000)</b>	<ul style="list-style-type: none"> <li>This relates to a delayed start in the main capital construction project (due to the relocation of Oxford Archaeology and finalisation of construction contract). The original profile assumed a start in August – actual start was 4<sup>th</sup> October.</li> <li>The delayed start did not constitute variance in the overall project costs</li> </ul>	<ul style="list-style-type: none"> <li>Slippage of this level is not unusual in a major capital project</li> <li>The project is being implemented in accordance with LAMP procedures and is now progressing well and within budget</li> </ul>
<b>CARNFORTH MTI CAPITAL SLIPPAGE REQUEST</b>	<b>(493,000)</b> <i>(Note: Slippage figure should be £195K of which £100K is City Council capital funding and £95K is external NWDA funding.. This will be corrected in the HFS Capital report to Cabinet in October (provisional figure was used in Outturn).</i>	<ul style="list-style-type: none"> <li>This relates to delayed implementation of two key projects within the MTI programme, Carnforth Fire Station and Carnforth Community Centre, and the withdrawal of a third project by Groundwork West Lancashire. As a result NWDA agreed a 6 month extension to the MTI programme, to September 2008.</li> <li>The largest element of this slippage was the Community Centre project</li> </ul>	<ul style="list-style-type: none"> <li>Experience with this and other regeneration programmes, which are typically made up of a number of projects many of which are being delivered by external organisations, shows that it is not unusual for there to be slippage at programme level due to delay in implementation of one or more individual projects.</li> <li>The Economic Development Service has developed robust monitoring arrangements</li> </ul>

		<p>which is being delivered by Lancashire County Council and is outside our direct control. The project is now underway and will be completed within the revised target date.</p> <ul style="list-style-type: none"> <li>• These issues were reported in the commentary sections of the PRT reports</li> </ul>	<p>at "programme" level to identify these issues and manage them. In this case prompt action was taken to negotiate a programme extension with NWDA and contingency projects were brought forward to pick up underspend.</p>
<b>2) REVENUE VARIANCE – CONTROLLABLE BUDGETS</b>			
<b>MARKETING &amp; PROMOTION – ADVERTISING</b>	<b>(6,700)</b>	<p>Underspend arose due to two factors:</p> <ul style="list-style-type: none"> <li>• Delay in receipt of the Business Directory from the publishers, pushing distribution costs (£2000) back into 2008/09</li> <li>• Short term staffing problems led to lack of capacity in the marketing team to deliver some elements of the marketing plan, which have also been deferred to 2008/09</li> <li>• These issues arose in the final quarter and a carry forward request was made</li> </ul>	<ul style="list-style-type: none"> <li>• A carry forward request in relation to the business directory distribution costs was approved by Cabinet in July</li> <li>• A minor review has been undertaken of marketing responsibilities within the Service to address the staffing issues.</li> </ul>
<b>MORECAMBE TIC – INCOME/RENT/MATERIALS</b>	<b>(14,200)</b>	<p>The underspend arises from a number of individual ones within the cost centre, but the three most significant ones are:</p> <ul style="list-style-type: none"> <li>• TIC rent for one quarter was paid in advance in the previous financial year, so there was a one-off saving in 2007/08, which offset a one-off additional cost in 2006/07</li> <li>• Commission income for ticket sales higher than anticipated and not picked up in part because of some</li> </ul>	<ul style="list-style-type: none"> <li>• General (and where appropriate more specific) financial awareness training sessions for RSO's to be carried out by Financial Services</li> <li>• It has been agreed that RSO's will review holding accounts on a more regular basis and ensure transactions are coded correctly from 2008/09 onwards</li> <li>• There is already a reasonable Service monitoring system in place for materials, which can easily be adjusted to take</li> </ul>

		income transactions being incorrectly coded to expenditure headings within the ticket sales holding code	account of anticipated year end stock adjustments to be used in conjunction with monthly reconciliation to the General Ledger system.
		<ul style="list-style-type: none"> <li>Materials stock adjustment for 2008/09 carried out at year end were not fully factored into spending decisions for the 2007/08 year</li> </ul>	
<b>3) REVENUE VARIANCE – NON-CONTROLLABLE BUDGETS</b>			
<b>CARP MTI – ADDITIONAL GRANT INCOME</b>	<b>(12,800)</b>	<ul style="list-style-type: none"> <li>These budget lines reflect variation in the amount of grant claimed against individual external funding programmes for staff engaged in management of these programmes</li> </ul>	<ul style="list-style-type: none"> <li>Further work is being undertaken between officers in Economic Development and Financial Services to improve the presentation of budgets and monitoring actual activity</li> </ul>
<b>OBJECTIVE 2: GRANT INCOME</b>	<b>7,000</b>	<ul style="list-style-type: none"> <li>Individual variances have occurred as a result of actual staff time allocations being claimed differently to that originally estimated at the beginning of the year. The shortfall in Objective 2 income is offset against additional income claimed for CARP MTI</li> <li>Overall the variance for grant income is not considered significant, i.e. less than £5k when the CARP, SRB, Vision and Objective 2 programmes are combined</li> </ul>	