

2011/12 VARIANCE ANALYSIS - For consideration by Cabinet 06 December 2011

SERVICE	SERVICE AREA / FUNCTION	REASON FOR VARIANCE	Future Years Impact	VARIANCE (FAVOURABLE) / +ADVERSE		REPORTED AT PRT QTR2
				£	£	£
CORPORATE ACCOUNTS	Capital Financing from Revenue / Reserves	Updated and reprofiled for Member / Officer delegated decisions		(214,300)		
	Investment Impairment Reserve	Net surplus fund following court ruling on preferential creditor status on Icelandic Investments		(993,900)		
	Restructuring Reserve	Updated for 2010/11 outturn and 2011/12 approved restructures		+59,800		
	Debt Repayment (MRP)	Savings linked to above Icelandic court decision - debt charge no longer required		(105,000)		(105,000)
	Debt Repayment (MRP)	Re-profiling of amounts set aside following slippage on capital programme financing		(28,000)	(1,281,400)	
COMMUNITY ENGAGEMENT	Williamson Park	Mainly additional water charges and health & safety issues	Part Recurring	+31,300		+22,900
	Community Pools	Mainly salary savings plus additional income at Carnforth (£10K)		(22,200)		(1,000)
	Sports & Physical Activity	Additional admission fees and reduced overtime	Recurring	(10,600)		
	Promenade Management	Additional income from concessions		(14,300)		(14,300)
	Non-Resort Parks	Additional rental income		(5,500)		(5,500)
	Lancaster VIC	Mainly backdated & increased service charge from SCIC	Part Recurring	+32,000		+18,500
	Corporate & Partnership Initiatives	Contribution slipped into 2012/13 due to late start		+20,000		
	Salary Savings	Service wide net savings		(37,900)		+35,600
		Other Minor Variances		+7,000	(200)	+5,200
ENVIRONMENTAL SERVICES	Management & Administration	Mainly salary savings		(48,600)		(44,500)
	Highways	Changes in method of work allocation by County and reimbursement rates	Part Recurring	+120,300		+198,000
	Public Conveniences	Mainly salary savings		(6,100)		
	Street Cleansing	Mainly salary savings net of agency staffing		(46,800)		(50,000)
	Street Nameplates	Improvements to nameplates as approved at Cabinet 04 October 2011		+16,000		
	Three Stream Waste Collection	Salary savings and changes in vehicle procurement financing	Recurring	(128,600)		(219,000)
	Trade Refuse	Reduced income net of reduced waste disposal and landfill costs	Recurring	+35,400		+66,000
		Other Minor Variances		(800)	(59,200)	
FINANCIAL SERVICES	Revenues & Benefits	Net additional savings on Shared Service	Part Recurring	(84,300)		(50,000)
	Revenues & Benefits	Reduction in Legal Costs Recovered on Council Tax & NNDR resulting reduced summonses and increase in charges	Recurring	+144,100		+60,000
	Investment Interest	Additional interest mainly due to Icelandic investments		(62,100)		(20,000)
	HRA Charges (Items 8)	Revised recharge to HRA based on updated Capital Financing Requirement		(29,300)		
	Provisions	Contributions re-profiled to future years		+109,300		
	Banking & Treasury Management	Increased bank charges due to increased volume of transactions	Recurring	+12,900		
		Other Minor Variances		(6,900)	+83,700	

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GOVERNANCE SERVICES	City Council Elections	Savings resulting from combining election costs with the Alternative Vote Referendum		(55,400)		(50,000)
	Democratic Representation	Members Expenses - savings on two Cabinet places & part of opposition leader's SRA	Recurring	(19,100)		(19,000)
	Salary Savings	Service wide salary savings		(37,400)		(38,400)
	Legal - Management & Administration	Savings on books and periodicals	Recurring	(10,000)		(10,000)
	Electoral Registration	Only 50% of postal votes are required to be reviewed - provision was made for a full review		(32,100)		
	Searches	Additional income from search fees		(16,900)		(15,000)
		Other Minor Variances		(8,400)	(179,300)	
HEALTH & HOUSING	Salary Savings	Service wide salary savings		(165,500)		(64,300)
	Management & Administration Fees	Disable Facilities Grant administration fees not originally budgeted for	Recurring	(60,000)		(60,000)
	Management & Administration Fees	Management Fee for Home Improvement Agency not originally budgeted for	Recurring	(12,200)		(12,200)
	Cemeteries	Burial of the dead services additional cost due to increased public burials	Recurring	+7,000		+7,000
		Other Minor Variances		(12,800)	(243,500)	
INFORMATION SERVICES	Salary Savings	Vacant post / restructure savings		(64,800)		(70,000)
	Software	Savings on Ordnance Survey Fee and Information Management	Recurring	(12,200)		
	External Contributions	Recharge to Preston CC re Revenues and Benefits Shared Service	Recurring	(12,500)		
	Sales - Prints & Plans	Income no longer generated from this area	Recurring	+5,300		
		Other Minor Variances		+7,400	(76,800)	
OFFICE OF CHIEF EXEC	Salary savings	Savings on PA post		(25,100)		(26,000)
		Other Minor Variances		(1,200)	(26,300)	

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PROPERTY SERVICES	Commercial Properties	Mainly due to reduced income at Cheapside and St.Leonard's House		+106,500		+140,300
	Municipal Buildings	Energy Performance Certificated - reduced demand	Recurring	(10,000)		(10,000)
	Lancaster Market	Reduced rent and service charge due to reduced occupancy levels	Recurring	+85,900		+88,000
	Morecambe Market	Reduced rates liability	Recurring	(28,800)		
	Morecambe Market	Reduced income from stalls	Recurring	+31,700		
	Off Street Car Parks	Mainly additional rates liability (£26K) and reduced income from charges & permits (£145K)	Recurring	+159,000		+167,000
	Parking Management & Administration	Mainly additional income from external staff time recharges	Recurring	(24,700)		
	Concessionary Travel	Community Transport provided by County Council - growth item no longer required		(65,800)		(65,800)
	Salary Savings	Service wide salary savings		(65,700)		(39,800)
		Other Minor Variances		(34,300)	+153,800	(13,300)
REGENERATION & POLICY	Building Control	Net deficit - mainly due to reduced income of £119K	Recurring	+104,800		+105,000
	Coast Protection	Mainly due to salary savings and additional capitalised salary recharges		(58,000)		
	Development Control	Additional consultancy and legal costs (£100K) and reduced fee income (£75K)	Part Recurring	+175,000		+175,000
	Economic Development	Mainly due to salary savings and reduced subscriptions		(33,800)		
	Lancaster BID Feasibility Study	Spend slipped into 2012/13		(20,000)		(15,000)
	Morecambe BID Feasibility Study	Spend slipped into 2012/13		(40,000)		(40,000)
	Morecambe Area Action Plan	Spend slipped into 2012/13		(66,300)		
	Public Realm	Spend slipped into 2012/13 and £10K of budget transferred to finance Sustrans Project		(25,800)		
	THI 2	Spend slipped into 2012/13		(10,000)		
		Other Minor Variances		+22,000	+47,900	

Total Variance for Year (1,581,300)