APPENDIX A

SUMMARY OF GENERAL FUND MAJOR VARIANCES (Qtr 1 2011/12)

(Not included elsewhere in the report - excluding salaries for example)

FACTORS INFLUENCING VARIANCES	Variance to Date £	Current Year Projection £	Future Years Projection £
Unforeseeable windfalls or costs	(94,900)	(92,000)	+30,000
2. Demand led variances	+196,500	+147,400	+102,900
3. Efficiency savings	+0	(5,000)	(5,000)
4. Other service driven variances (incl delays)	+48,000	+110,000	+110,000
5. Budget setting issues/errors	+25,600	(44,500)	(23,000)
6. Other variances	+20,400	(52,500)	(78,000)
TOTAL VARIANCES	+195,600	+63,400	+136,900

	TOTAL V	ARIANCES	+195,600	+63,400	+136,900	
Service	Variance Type	Service Area	Variance to Date	Current Year Projection	Future Years Projection	Reason for Variance & Action being taken
			£	£ erse () = Fa	£	
		VARIANCES REPORTE				SERVICE HEAD COMMENTS)
	5	Salt Ayre NNDR (Rates)	+17,300	+17,300	+20,000	Uncontrollable increase due to revaluation last year. Transitional relief applied of which 2011/12 is the last year.
	2	Salt Ayre Studio	+4,500	+20,000	+20,000	Unachievable income target in relation to fitness activity classes in a highly competitive market. Note - Reflexions (Gym) income is on target at this stage. Adjustments to be dealt with at revised budget process.
Community Engagement	5	Salt Ayre - VAT	+0	+12,000	+12,000	Error in way VAT was charged on debtors accounts in previous years. Issue now resolved but will lead to an estimated £12000 loss in income across the Centre this year. Issue will be monitored and reviewed as the year progresses.
	6	Williamson Park - Water Services (Surface Water Drainage)	+0	+15,600	+16,000	Uncontrollable overspend due to change in way United Utilities invoices for surface water/drainage at the park. This is a revised figure based on a successful appeal.
	6	Lancaster VIC	+500	+10,500	+11,000	Rent and service charges (SC) from SCIC to increase following recent recalculation . Breakdown of SC requested from SCIC
	6	Public Conveniences - Demolition	+12,500	+0	+0	Carry forward request submitted in respect of £8k of works; any further overspend will be met from savings to existing budgets.
	2	Waste Collection - Contracted Services	(6,800)	(10,000)	(10,000)	Low absence levels have resulted in reduced need for agency staff to provide short term cover.
	2	Waste Collection - Plastic Refuse Sacks	(5,600)	(10,000)	(10,000)	Increased controls over issue have been introduced resulting in decreased demand
	2	Waste Collection - Replacement Bins & Boxes	+15,000	+0	+60,000	It is estimated that this budget will be overspent by £60k should the carry forward request not be approved. By not introducing a charging mechanism a system to ration demand is difficult.
Environmental Services	2	Trade Refuse	+13,000	+51,000	+51,000	Trade Refuse Charges were increased by an average of 7.3% but year on year the 1st qtr income is down £26k. This position reflects the decline identified in PRT 3 & 4 of 2010-11 and added to by the decline in the income from the University contract which is down 30% in the 1st 2 months of 2011-12.
	4	Highways	+48,000	+110,000	+110,000	The highways contract with County has now ended and ongoing disussions are taking place as to the future delivery of service. Since 1st April, the nature of the work has changed and it is now almost entirely urgent work resulting from Capita inspections. This work is paid on a similar basis to "cost-plus" and it does not generate the financial returns that we were reporting with schedule of rates work. The budget includes a surplus of £200k from highways work and latest projections indicate this isn't likely to be achieved but it should be noted that the service is still expected to contribute significantly to the General Fund.
	3	Banking / bill payment Charges	+0	(5,000)	(5,000)	Achieving PCIDSS compliance will enable reductions in charges to be achieved.
Financial Services	6	Investment Interest - Recovery of Icelandic Investments	(19,000)	(105,000)	(105,000)	The current estimate assumed that a settlement would be reached by the end of June 2011, however it is now likely to be that the court decision on creditor status will be later. The savings assume that priority status will be retained.
	1	Recovery of legal costs (from issuing summonses for non-payment of council tax or business rates).	+0	+45,000	+45,000	Provisional figure only, following last year's outturn. More analysis will be undertaken over the summer. Recent increases in charges and changes in payment patterns have reduced summonses, but importantly actual collection rates have been maintained or increased slightly.

APPENDIX A

Allowances 1 Allowances (8,400) (19,000) (1			<u></u>				APPENDIX A
Services Table Part Pa	Service		Service Area	Date		Projection	
VARIANCES REPORTED THROUGH PRT PROCESS (SERVICE HEAD COMMENTS) Members Special Responsibility (8,400) (19,000) (15,000) Savings on 2 cabinet places unfilled together with part of operations of the process of the pro					£		
Services 1 Members Special Responsibility (8,400) (19,000) (15,000) Savings on 2 Cabinet places unfilled together with part of op leaders' SRA and savings and eight on the part of op leaders' SRA and savings and eight of the part of op leaders' SRA and savings and eight of the part of op leaders' SRA and savings and eight of the part of op leaders' SRA and savings and eight of the part of op leaders' SRA and savings and eight of the part of op leaders' SRA and savings and eight of the part o			VARIANCES REPORTED				 SERVICE HEAD COMMENTS
Services 1 Elections	Covernonce	1	Members Special Responsibility			,	Savings on 2 Cabinet places unfilled together with part of opposition
Health & Housing 5 Strategic Housing Mgt & Admin - Management Fee 5 Strategic Housing Mgt & Admin - Management Fee 6 Strategic Housing Mgt & Admin - Administration Charges 7 Cheapside, Lancaster - Rent & 435,200 (73,800) (70,000) Administration charge not included in budget as confirmation of grant had not been received. 7 Cheapside, Lancaster - Rent & 435,200 (43,900) (70,000) Administration charge not included in budget as confirmation grant had not been received. 8 Rates 8 CityLab - rent and service charge recharges 9 CityLab - rent and service charge recharges 1 Palatine Hall - rates (5,000) (8,100) (8,100) (8,100) (8,100) New tenants have renefled two units. 1 Palatine Hall - rates (5,000) (5,000) +0 Refund from 10'11 following county occupation. 8 Car Parks Fees (18,300) ? New Pean appeals being considered that might lead to re successful. 9 Car Parks Permits +81,800 +67,600 ? Further reduced permit sales - 23% on public permits and 89 and Members. Uptake on Partner Permits well below estima properties other than identified above a property Services 1 Property Services 1 Cancessionary Travel - Community (26,000) (60,000) +0 Reduced cost of and demand for certificates property in connection of the speak of the budgeted service of the successful. 1 Concessionary Travel - Community (26,000) (60,000) +0 Reduced cost of and demand for certificates properties other than identified above a property Service of the successful of the s	-	1	Elections	(50,000)	(50,000)	+0	Estimated savings made due to the sharing of some of the election costs with the Alternative Vote Referendum - the go ahead of which wasn't known at the time of setting the budget.
Strategic Housing Mgt & Admin - (3,900) (73,800) (70,000) Administration charge not included in budget as confirmation grant had not been received. 2 7, Cheapside, Lancaster - Rent & +35,200 +43,900 +0 Vacant property. In discussions to let property this Financial Part year rates will be reimbursed via service charges income recharges. Property Services (1,100) (8,100) (2	Cemeteries - General - Income	+17,800	+0	+0	Lower than anticipated sale of grave spaces and Internment fees. However, last years outturn was higher than anticipated.
2 7. Cheapside, Lancaster - Rent & +35,200 +43,900 +0 Vacant property in Iscussions to let property his Financial Part year rates will be reimbursed via service charge recharges 2 CityLab - rent and service charge recharges +17,000 +0 +0 +0 Part year rates will be reimbursed via service charges in the estimated level will result in an outturn deficit of £18.3 kr the sessionated level will result in an outturn deficit of £18.3 kr the sessionated level will result in an outturn deficit of £18.3 kr the sessionated level will result in an outturn deficit of £18.3 kr the sessionated level will result in an outturn deficit of £18.3 kr the sessionated level will result in an outturn deficit of £18.3 kr the sessionated level will result in an outturn deficit of £18.3 kr the sessionated level will result in an outturn deficit of £18.3 kr the sessionated level will be taken from separate Reserve at outrum, to offset impact on revenue but the sessionated level will be taken from separate Reserve at outrum, to offset impact on revenue but the sessionated surplus of £30.6 kp. tot £18.3 kg will be taken from separate Reserve at outrum, to offset impact on revenue but the set will be taken from 10/11 following county occupation. New RVs and appeals being considered that might lead to result and appeals being considered that might lead to result and appeals being considered that might lead to result and the successful. Property Services 2 Car Parks Permits		5		+0	(12,200)	+0	Management fee from Home Improvement Agency not included in estimates as confirmation of grant had not been received.
2 Rates		5		(3,900)	(73,800)	(70,000)	Administration charge not included in budget as confirmation of DFG grant had not been received.
CityLab - rent and service charge recharges		2		+35,200	+43,900	+0	Vacant property. In discussions to let property this Financial year. Part year rates will be reimbursed via service charges income.
1 Palatine Hall - rates (5,000) (5,000) +0 Refund from 10/11 following county occupation. 6 Car Parks rates +26,400 +26,400 ? New RVs and appeals being considered that might lead to resuccessful. 2 Car Parks Fees (18,300) ? April and May income on target but below target in June. Provariance for full year is extremely difficult to predict at this stream of the part of the p		2		+17,000	+0	+0	Major tenant has moved out of the building. Reduction in income at the estimated level will result in an outturn deficit of £18.3k rather than the budgeted surplus of £30.6k, but £18.3k will be taken from the separate Reserve at outturn, to offset impact on revenue budget
6 Car Parks rates		2	Covered Yard - rent	(8,700)	(8,100)	(8,100)	New tenants have rented two units.
2 Car Parks Fees (18,300) ? ? variance for full year is extremely difficult to predict at this stream. 2 Car Parks Fees (18,300) ? ? variance for full year is extremely difficult to predict at this stream. 2 Car Parks Permits +81,800 +67,600 ? Further reduced permit sales - 23% on public permits and 8% and Members. Uptake on Partner Permits well below estima Members. Uptake on Partner Permits well below estima Members. Uptake on Partner Permits well below estima and Members. Uptake on Partner Permits well below estima and Members. Uptake on Partner Permits well below estima and Members. Uptake on Partner Permits well below estima and Members. Uptake on Partner Permits well below estima and Members. Uptake on Partner Permits well below estima to the rental income for demand for certificates. 2 St Leonard's House - rent +0 ? ? A major tenant has unexpectedly left the building which will in the rental income for the year and future years. National non-domestic rates - for all properties other than identified above +12,200 +12,200 +15,000 Uncontrollable increase due to revaluation in 2010/11. Transmeller applied of which 2011/12 is the last year. 1 Property Services mgt & admin - (5,500) (3,000) +0 Increased income from land transactions. 3 Since budgets were set County have made the decision to te Community Transport from 1st July and introduce a system of Based on 2010/11 monthly charges and taking into account creditor adjustment the final variance could be approximately £60k. 6 Electricity & Gas - all budgets ? ? ? Reduced cost identified in Q1 but analysis to be undertaken reflecting potentially large increase in unit costs due in the a decision to the reflecting potentially large increase in unit costs due in the a decision of the properties of the proper		1	Palatine Hall - rates	(5,000)	(5,000)	+0	Refund from 10/11 following county occupation.
2 Car Parks Fees (18,300) ? variance for full year is extremely difficult to predict at this stryear. 2 Car Parks Permits +81,800 +67,600 ? Further reduced permit sales - 23% on public permits and 8% and Members. Uptake on Partner Permits well below estima Property Services 2 Energy Performance Certificates (6,800) (7,000) +0 Reduced cost of and demand for certificates. 2 St Leonard's House - rent +0 ? Reduced cost of and demand for certificates. 3 National non-domestic rates - for all properties other than identified above +12,200 +12,200 +15,000 Uncontrollable increase due to revaluation in 2010/11. Transceller applied of which 2011/12 is the last year. 1 Property Services mgt & admin - (5,500) (3,000) +0 Increased income from land transactions. 2 Concessionary Travel - Community Transport (26,000) (60,000) +0 Increased income from land transactions. 3 Since budgets were set County have made the decision to tall Community Transport from 1st July and introduce a system of Based on 2010/11 monthly charges and taking into account creditor adjustment the final variance could be approximately £60k. 4 Reduced cost identified in Q1 but analysis to be undertaken reflecting potentially large increase in unit costs due in the ail identify whether or not there will be a saving at year end. So over-accrued for final quarter last year which will partially of		6	Car Parks rates	+26,400	+26,400	?	New RVs and appeals being considered that might lead to refunds if successful.
Property Services 2 Energy Performance Certificates (6,800) (7,000) +0 Reduced cost of and demand for certificates. 2 St Leonard's House - rent +0 ? ? A major tenant has unexpectedly left the building which will in the rental income for the year and future years. National non-domestic rates - for all properties other than identified above +12,200 +12,200 +15,000 Uncontrollable increase due to revaluation in 2010/11. Transfel relief applied of which 2011/12 is the last year. 1 Property Services mgt & admin - (5,500) (3,000) +0 Increased income from land transactions. 2 Concessionary Travel - Community Transport from 1st July and introduce a system of Based on 2010/11 monthly charges and taking into account creditor adjustment the final variance could be approximately £60k. 3 Reduced cost of and demand for certificates. 4 A major tenant has unexpectedly left the building which will in the rental income for the year and future years. 4 Increased income from land transactions. 5 Since budgets were set County have made the decision to teat Community Transport from 1st July and introduce a system of Based on 2010/11 monthly charges and taking into account creditor adjustment the final variance could be approximately £60k. 8 Reduced cost identified in Q1 but analysis to be undertaken reflecting potentially large increase in unit costs due in the account creditor in the cost identified in Q1 but analysis to be undertaken reflecting potentially large increase in unit costs due in the account creditor from the cost identified in Q1 but analysis to be undertaken reflecting potentially large increase in unit costs due in the account creditor from the cost identified and the cost iden	-	2	Car Parks Fees	(18,300)	?	?	April and May income on target but below target in June. Projected variance for full year is extremely difficult to predict at this stage in the year.
2 Energy Performance Certificates (6,800) (7,000) +0 Reduced cost of and demand for certificates. 2 St Leonard's House - rent +0 ? A major tenant has unexpectedly left the building which will in the rental income for the year and future years. National non-domestic rates - for all properties other than identified above +12,200 +15,000 Uncontrollable increase due to revaluation in 2010/11. Transfer elief applied of which 2011/12 is the last year. 1 Property Services mgt & admin - (5,500) (3,000) +0 Increased income from land transactions. 2 Since budgets were set County have made the decision to ta Community Transport from 1st July and introduce a system of Based on 2010/11 monthly charges and taking into account creditor adjustment the final variance could be approximately £60k. 3 Reduced cost identified in Q1 but analysis to be undertaken reflecting potentially large increase in unit costs due in the autientify whether or not there will be a saving at year end. So over-accrued for final quarter last year which will partially off	D	2	Car Parks Permits	+81,800	+67,600	?	Further reduced permit sales - 23% on public permits and 8% on staff and Members. Uptake on Partner Permits well below estimated figure.
the rental income for the year and future years. National non-domestic rates - for all properties other than identified above 1 Property Services mgt & admin - income general (5,500) (3,000) +0 Increased income from land transactions. Concessionary Travel - Community Transport (26,000) (60,000) +0 Based on 2010/11 monthly charges and taking into account creditor adjustment the final variance could be approximately £60k. Electricity & Gas - all budgets ? ? ? ? ? ? ? ? ? ?		2	Energy Performance Certificates	(6,800)	(7,000)	+0	Reduced cost of and demand for certificates.
5 properties other than identified above +12,200 +15,000 Uncontrollable increase due to revaluation in 2010/11. Transcrible fapplied of which 2011/12 is the last year. 1 Property Services mgt & admin - income general (5,500) (3,000) +0 Increased income from land transactions. 2 Concessionary Travel - Community Transport (60,000) +0 Based on 2010/11 monthly charges and taking into account creditor adjustment the final variance could be approximately £60k. 6 Electricity & Gas - all budgets ? ? ? Reduced cost identified in Q1 but analysis to be undertaken reflecting potentially large increase in unit costs due in the autidentify whether or not there will be a saving at year end. So over-accrued for final quarter last year which will partially off		2	St Leonard's House - rent	+0	?	?	A major tenant has unexpectedly left the building which will impact on the rental income for the year and future years.
1 Concessionary Travel - Community Transport (26,000) (60	<u> </u>	5	properties other than identified	+12,200	+12,200	+15,000	Uncontrollable increase due to revaluation in 2010/11. Transitional relief applied of which 2011/12 is the last year.
Concessionary Travel - Community Transport (26,000) (60,000) +0 Community Transport from 1st July and introduce a system of Based on 2010/11 monthly charges and taking into account creditor adjustment the final variance could be approximately £60k. Reduced cost identified in Q1 but analysis to be undertaken reflecting potentially large increase in unit costs due in the audiculation identify whether or not there will be a saving at year end. So over-accrued for final quarter last year which will partially off		1		(5,500)	(3,000)	+0	Increased income from land transactions.
6 Electricity & Gas - all budgets ? ? reflecting potentially large increase in unit costs due in the au identify whether or not there will be a saving at year end. So over-accrued for final quarter last year which will partially off		1		(26,000)	(60,000)	+0	Since budgets were set County have made the decision to take over Community Transport from 1st July and introduce a system of fares. Based on 2010/11 monthly charges and taking into account a 2010/11 creditor adjustment the final variance could be approximately £55k-£60k.
		6	Electricity & Gas - all budgets	?	?	?	Reduced cost identified in Q1 but analysis to be undertaken during Q2 reflecting potentially large increase in unit costs due in the autumn to identify whether or not there will be a saving at year end. Some areas over-accrued for final quarter last year which will partially offset any increases.
major schemes, one of which was Centros (previously antici	_	2	Planning Application Fee Income	+22,000	+0	+0	Uncontrollable. Anticipated fee income dependant upon receipt of major schemes, one of which was Centros (previously anticipated to be by Spring 11 - not achieved). Full year budget achievable only if anticipated large schemes come forward.
Building Control Application Fee +36 400 +0 Sustained competition from Private Sector Approved Inspect	a Folicy	2		+36,400	+0	+0	Sustained competition from Private Sector Approved Inspectors - improved marketing over remainder of year should assist recovery.
TOTAL VARIANCES +195,600 +63,400 +136,900			TOTAL VARIANCES	+195,600	+63,400	+136,900	

VARIANCES <u>NOT</u> REPORTED THE			THROUGI	
	TOTAL VARIANCES	+0	+0	+0
	OVERALL VARIANCES	+195,600	+63,400	+136,900