

Report of the Deputy Chief Executive

Report to Executive Board

Date: 14th February 2014

Subject: Financial Health Monitoring 2013/14 – Month 9

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to inform members of the financial health of the authority after nine months of the financial year in respect of the revenue budget, and the Housing Revenue Account.
2. Action is taking place across all areas of the Council and it is clear that significant savings are being delivered in line with the budget. At this stage of the financial year an overall underspend of £3.3m is projected, which is a £2.8m improvement on the position reported at month 8.
3. The Budget Proposals for 2014/15 rely on an overall underspend carried forward from the current year and it does therefore remain imperative that the actions assumed in these projections are delivered.
4. At month 9 the HRA is projecting a surplus of £0.4m.

Recommendations

5. Members are asked to note the projected financial position of the authority after nine months of the financial year 2013/14.

1. Purpose of this report

- 1.1 This report sets out for the Board the Council's projected financial health position for 2013/14 after nine months of the financial year.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget after nine months and comments on the key issues impacting on the overall achievement of the budget for the current year.

2. Background information

- 2.1 Members will recall that the net budget for the general fund was set at £583.9m, supported by the use of £2.5m of general fund reserves.
- 2.2 Following the closure of the 2012/13 accounts, an underspend of £6.7m was achieved and after a transfer of £3.74m to earmarked reserves, an additional £2.9m was added to general reserves, giving year end reserves at 31st March 2013 of £23.1m.

3. Main Issues

- 3.1 After nine months of the financial year an underspend of £3.3m is projected, as shown in Table 1 below.

Table 1

Directorate	Director	(Under) / Over Spend for the current period					Previous Month (Under) / Overspend
		Staffing £000	Other spend £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	
Adult Social Care	Sandie Keene	(148)	2,774	2,626	(3,097)	(471)	924
Children's Services	Nigel Richardson	(3,301)	6,593	3,292	(2,521)	771	2,590
City Development	Martin Farrington	403	550	953	184	1,137	1,047
Environment & Housing	Neil Evans	(68)	(17)	(85)	(307)	(392)	(393)
Strategy & Resources	Alan Gay	(830)	236	(594)	594	0	(77)
Legal & Democratic Services	Catherine Witham	(119)	37	(82)	7	(75)	(31)
Public Health	Ian Cameron	4	(222)	(218)	(15)	(233)	(161)
Citizens & Communities	James Rogers	42	281	323	(323)	0	(1)
Civic Enterprise Leeds	Julie Meakin	148	529	677	(128)	548	548
Total		(3,869)	10,760	6,891	(5,606)	1,285	4,446
Corporate issues							
Debt Savings						(2,200)	(2,200)
Transfer of Public Health to earmarked reserve						233	161
Uncommitted Contingency fund						(1,500)	(1,500)
Capitalised interest						(1,100)	(1,400)
Total						(3,282)	(493)

- 3.2 The major changes from the month 8 position are summarised below and further details of these projections for the year can be found in the financial dashboards attached to this report.

- 3.2.1 Adult Social Care – whilst there is still a risk that demand on the home care budget continues to rise, the projection assumes that there are no further increases on this budget for the remainder of the year. The reduction in the overall projection is due to Public Health agreeing to fund three services which can be aligned to the ring-

fenced grant rules. In addition, there has been an increase in income of £1.7m which reflects additional health funding agreed thus far for 2013/14. This funding recognises the demand pressures being experienced in Adult Social Care and acknowledges the additional health benefits of this spend. Further funding has been agreed with health partners for 2013/14. Linked to this additional health funding and the agreed strategy for 2014/15, the use of earmarked reserves has been reduced by £0.8m at Period 9 and this amount will be carried forward into 2014/15 to support the release of funds for preparations for the Better Care Fund.

- 3.2.2 Children’s Services – this projection includes additional income of £1.7m, being the Children’s Services element of the additional health funding agreed thus far for 2013/14. This funding recognises the demand pressures being experienced in Children’s Services and acknowledges the additional health benefits of this spend.
- 3.2.3 Debt – a £2.2m saving on debt charges is projected due to the continuation of low interest rates and the full year effect of slippage on the 2012/13 capital programme.
- 3.2.4 Capitalised Interest – under proper accounting practice the Council has the option to capitalise interest costs on assets under construction. Although this is dependent upon the final number of assets which remain incomplete at the year-end, the projection has been reassessed at £1.1m.
- 3.2.5 The Budget Proposals for 2014/15 assume a significant increase in the use of general fund reserves in 2014/15. This relies on an overall underspend carried forward from the current year and it is therefore imperative that the actions assumed in these projections are delivered.
- 3.2.6 Staffing

The cost of employing agency staff across the Council was £12.1m at month 9 with a projected outturn of £15.6m, as shown in Table 2. This is an increase of £1.2m from the month 8 position although the projection is £3.1m less than the previous year’s actual.

Table 2

Directorate	Previous Year Actual	Current Budget	Actual To Date	Variance To Date	Projected Outturn After Actions	Projected Variance
	(£000's)	(£000's)	(£000's)	(£000's)	(£000's)	(£000's)
Adult Social Care	4,937	3,654	3,286	(368)	3,925	271
Children's Services	7,508	5,587	4,481	(1,106)	6,157	570
City Development	824	545	542	(3)	614	69
Environment & Housing	1,680	960	882	(78)	1,398	438
Strategy & Resources	1,120	1,076	755	(321)	1,094	18
Legal & Democratic Services	203	65	75	10	75	10
Citizens & Communities	421	265	332	68	325	61
Public Health	0	50	53	3	53	3
Civic Enterprise Leeds	2,070	1,724	1,740	16	2,010	286
Total GF Services	18,764	13,926	12,146	(1,780)	15,651	1,725

3.3 Other Financial Performance

3.3.1 Council Tax and NNDR

As indicated in the 2013/14 Budget Report, the introduction from April 2013 of a scheme of Council Tax discounts does raise additional risks as to collection and the assumed collection rate for Council Tax was reduced from 99.2% to 99% to reflect this additional risk. The collection position at the end of November is as follows:

- Council Tax overall collection rate – 81.8% (83.0% last year). The in-year collection rate target for the current year is 1% lower than last year (95.5% compared to 96.6%) to reflect the increase in debt which has fallen due in respect of those who previously were in receipt of 100% Council Tax Benefit. In addition, more taxpayers are opting to pay over 12 months rather than 10. Current year performance is also being affected by increased charges in respect of empty properties, which during 2012/13 were exempt from council tax. Whilst the collection rate is lower this year the additional amounts due as a result of the Council Tax support changes and the additional empty properties charges have resulted in cash collected rising from £220.3m last year to £229.5m.
- Overall collection rate for those affected by Council Tax Support scheme – 58.2% (53.7% month 8).
- Collection rate for those previously getting 100% Council Tax benefit – 52.1% (47.5% month 8).

The collection rate for NNDR at the end of December was 83.93% which is 2.09% less than the same time last year. However the figure for 2012/13 included payments received on 2nd January 2013 which could not be separated from those received during the Christmas closedown. Automatic cash posting is now possible during the closedown and so the 2013/14 figure is an accurate reflection of cash received to 31st December 2013. If cash received on 2nd January 2014 is included for 2013/14 the collection rate is 85.32%, or 0.7% behind 2012/13. This is well within the expected monthly fluctuations created by the main payment date being the 1st of the month, and the impact of the Trinity centre valuations are still working through due to the fact that they are payable over monthly instalments to the end of the financial year. There are currently no concerns regarding the collection rate.

It should be noted that any losses on both Council Tax and NNDR greater than those assumed in setting the budget will materialise through the collection fund and will not impact in the current year.

3.3.2 Local Welfare Support Scheme

From April 2013, the discretionary aspects of the Local Welfare Support Scheme were devolved to Local Authorities to administer. This budget of £2.8m is not ring-fenced but Councils are expected to use the funds to 'give flexible help to those in genuine need'. The funding in 2013/14 has been directed to those in most need within the City, particularly as a consequence of the recent changes to welfare benefits. Expected spend comprises: Direct Awards £1.5m, Initiative Funding £0.5m, Section 17 emergency payments (administered by Children's Services) £0.5m and additional funding for Discretionary Local Council Tax Scheme and Discretionary Housing Payments at £250k each.

4.0 Housing Revenue Account (HRA)

From 1st October 2013 the management of the council's housing stock was integrated into the Directorate of Environment and Housing. In line with this, HRA financial reporting now reflects the total financial position in respect of Housing Leeds.

At the end of Period 9 the HRA is projecting a surplus of £401k. This is after absorbing an additional recharge of £1m from Adult Social Care in respect of supporting people to remain in their own homes. Savings are projected in relation to employees, supplies and services (utilities, marketing and office consumables), legal recharges. Also additional income from capitalisation is anticipated due to the projected increase in RTB sales (316 more than budget).

Rent arrears continue to be closely monitored. Overall, arrears for current tenants are £5.6m compared to £4m at the end of 2012/13, an increase of £1.6m. Of this approximately £0.4m is simply due in-year timing differences between when the weekly rent is due and when payments are actually received from tenants who pay monthly by standing order and direct debt. Of the remainder of the increase, £0.3m has arisen due to Welfare Change in connection with Under-occupancy. Collection rates to the first week in December were 97.4% for dwelling rents, compared to 98% at the end of 2012/13. This compares favourably with collection performance in years 2011/12 and 2010/11 which were 97.65% and 97.42% respectively.

5 Quarter 3 2013-14 Procurement Report

5.1 Executive Board requested a quarterly update on procurement activity. Attached as Appendix B, is a report which provides information in relation to the second quarter of the current financial year in respect to procurement.

6.0 Corporate Considerations

6.1 Consultation and Engagement

6.1.1 This is a factual report and is not subject to consultation

6.2 Equality and Diversity / Cohesion and Integration

6.2.1 The Council's revenue budget for 2013/14 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 27th February 2013.

6.3 Council Policies and City Priorities

6.3.1 The 2013/14 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget.

6.4 Resources and Value for Money

6.4.1 This is a revenue financial report and as such all financial implications are detailed in the main body of the report.

6.5 Legal Implications, Access to Information and Call In

6.5.1 There are no legal implications arising from this report. In accordance with part 4 (f) of the Council's Constitution (Budget and Policy Framework Procedure Rules) Executive Board shall be entitled to vire across budget headings subject to value limits set out in the Financial Procedure Rules. There are no requests this month.

6.6 Risk Management

6.6.1 The Council's financial risk register details the risk and consequences, existing controls to mitigate against the risk, the value in monetary terms of the risk, review dates and progress towards managing the risk within existing resources. The register is prepared before the start of each financial year and is monitored on a regular basis. The scoring matrix is as follows:

Probability		Impact	
Score	Description	Score	Description
1	Rare	1	Insignificant £0-£499k
2	Unlikely	2	Minor £500-£999k
3	Possible	3	Moderate £1000-£1499k
4	Probable	4	Major £1500-£1999k
5	Almost Certain	5	Highly Significant Over £2m

Corporate Rating

P	I	Total Score	Corporate Rating
1	1	1	Low
1	2	2	Low
2	1	2	Low
3	1	3	Low
2	2	4	Low
4	1	4	Low
5	1	5	Low
1	3	3	Medium
2	3	6	Medium
3	2	6	Medium
4	2	8	Medium
5	2	10	Medium
2	4	8	High
1	4	4	High
1	5	5	High
2	5	10	High
3	3	9	High
3	4	12	High
4	3	12	High
5	3	15	High
3	5	15	Very High
4	4	16	Very High
4	5	20	Very High
5	4	20	Very High
5	5	25	Very High

6.6.2 The register shows that at month 9 there is 1 very high risk and 2 high risks (3 at month 8) as follows:-

Risk	Key Budget Impacted	P	I	Rating	Service area
Community Care packages may exceed the budgeted number and/or cost	Access & Inclusion	4	5	Very High	Adult Social Care
Reduced independent sector domiciliary care spend through the activities of the reablement service, the expansion of telecare and implementing electronic monitoring may not be fully achieved	Access & Inclusion	4	3	high	Adult Social Care
Section 278 Risk that due to economic climate, receipts may not pick up	Strategic	2	4	High	Cross Cutting

6.6.3 The high risk in respect of Health Transformation funding of £3.0m assumed in the 2013/14 budget has been deleted as confirmation of this funding has now been received.

7. Recommendations

7.1 Members of the Executive Board are asked to note the projected financial position of the authority after nine months of the financial year.

8. Background documents¹

8.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

ADULT SOCIAL CARE
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9 - (December 2013)

Overall Narrative

The Period 9 projection for Adult Social Care is an underspend of £0.5m (0.2%). This is a £1.4m reduction from Period 8 reflecting increased Public Health and CCG funding as explained below.

Some significant risks remain with the Period 9 projection. The most significant risk, given the statutory obligation to meet eligible needs, is that demand on the home care budget continues to rise, as the projection assumes that there are no further increases on this budget for the remainder of the year. There is also some risk regarding the placements budget during the winter period. The projection also assumes that the £0.8m budgeted additional income from the charging review is delivered in full.

During the year ongoing efforts have been made to reduce staffing spend to help mitigate the impact of the demand pressures facing the directorate and as a result there has been a downward trend in the projected staffing variation.

The main variations at Period 9 across the key expenditure types are as follows:

Transport (+£0.7m - 13%)

This reflects the continuation of expenditure levels from 2012/13, including some increased costs as learning disability day services are now operating from more dispersed bases. Work continues to identify mitigating actions, for example maximising the use of fleet transport to reduce private hire, although the main financial impact of these is likely to be in the next financial year.

Community care packages (+£4.1m - 2.9%)

Adult Social Care's demand-led community care budget has been under pressure throughout this financial year and the level of spend reflects the underlying activity. There has been a 3% increase in assessments and an increase in the proportion of assessments that have resulted in eligible needs. This is the equivalent of 288 more cases with eligible needs in the first six months of 2013/14 compared with the same period last year. The financial consequences are set out below:

Within independent sector domiciliary care there has been an increase in home care activity levels, with planned home care hours within the independent sector rising by 15% in the first six months of 2013/14. There has been a delay in the implementation of electronic monitoring of client contact time and so the anticipated savings through more accurate and efficient billing from care providers are not being realised. The projected reductions in long term care as a result of reablement have been revised downwards to reflect the data from the most recent cases.

Expenditure on residential care is slightly higher than budgeted, reflecting an increase in the spend on mental health and physical impairment placements due to a small number of unanticipated high cost packages. Since the start of the financial year six care packages have been approved with annual spend on each in the region of £100k. In addition there are some additional re-provision costs due to the timing of implementing the decisions taken by Executive Board in September regarding directly provided residential homes. There is a higher than budgeted number of bed weeks though this is currently being managed within the older people's budget.

There is a small underspend on the learning disability pooled budget, mainly because spend is lower than the level of growth anticipated in the budget

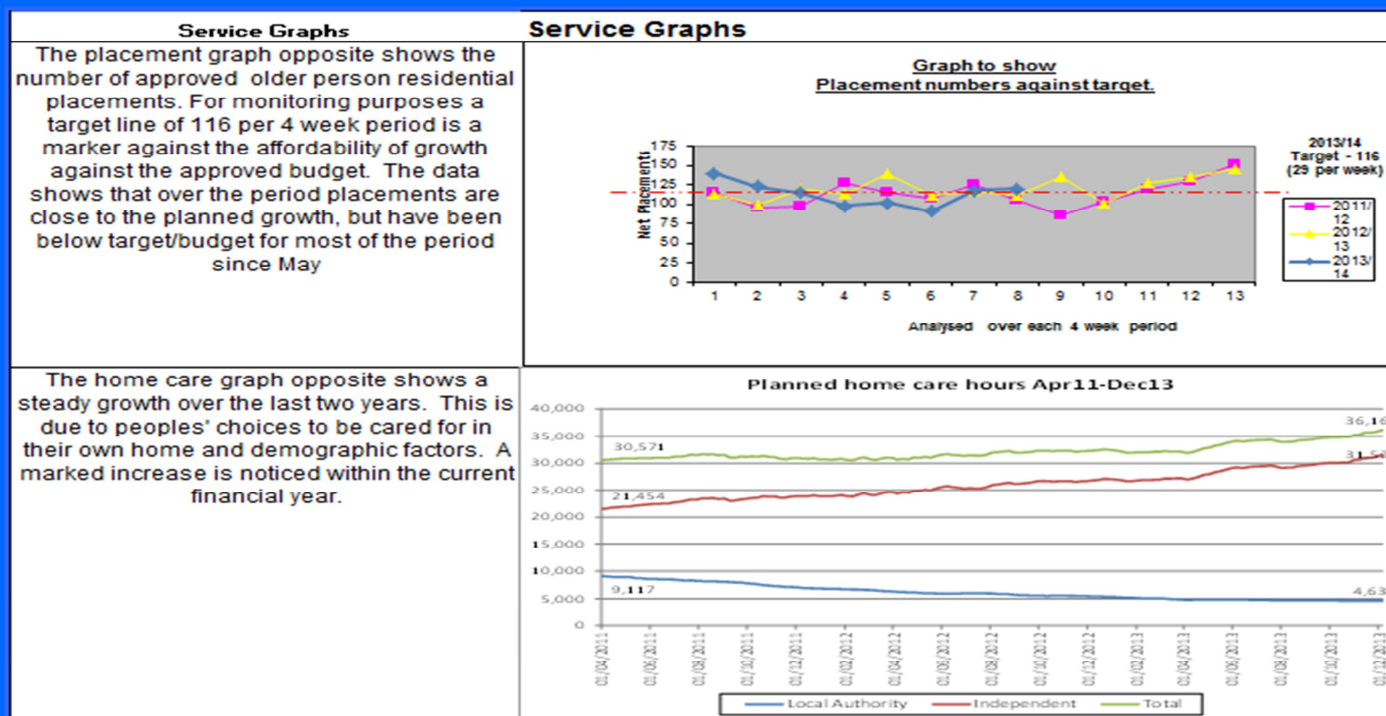
Income (-£3.1m - 5.0%)

This includes increased charges to the Housing Revenue Account, partly offset by slightly lower than budgeted service user income. In addition, Public Health has provided funding for three services within Adult Social Care in the current year amounting to £0.4m. The majority of the increased income reflects additional health funding agreed for 2013/14, with £1.7m being included at Period 9. Further funding has been agreed with Health partners for 2013/14 to be finalised within a section 256 agreement. This funding recognises the demand pressures being experienced in Adult Social Care and acknowledges the additional health benefits of this additional expenditure.

Use of Earmarked Reserve (-£1.6m)

This is being utilised to support whole system service transformation and business change across Adult Social Care, providing support for project delivery and to ensure that services are effectively engaged and able to embed the changes. Savings identified to date to mitigate the budget pressures outlined above can now be released to support the agreed strategy for the Adult Social Care budget in 2014/15. Accordingly, the use of the earmarked reserve has been reduced by £0.8m at Period 9.

**ADULT SOCIAL CARE
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9 - (December 2013)**



Budget												
Expenditure on care packages is the major element of expenditure. This table is based on the standard subjective analysis and so care package spend is spread across several headings.												
	Latest Estimate £'000	Projected Variations										Total (under) / overspend £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Appropriation £'000	Total Expenditure £'000	Income £'000	
Quarter 1	197,935	606	26	(133)	69	500	177	(841)	0	404	129	534
Month 4	197,903	1,279	79	170	(35)	702	761	(397)	(1,382)	1,177	(188)	990
Month 5	198,103	869	136	(94)	5	780	2,311	(554)	(1,520)	1,932	(907)	1,025
Month 6	198,103	667	195	(242)	(24)	753	2,606	(681)	(1,520)	1,753	(761)	991
Month 7	198,103	520	92	(193)	(45)	849	4,034	(426)	(2,257)	2,574	(1,680)	884
Month 8	198,183	-2	128	(341)	(33)	841	3,785	(145)	(2,223)	2,009	(1,085)	924
Month 9	198,183	-148	124	(439)	(100)	845	3,781	(15)	(1,423)	2,626	(3,097)	(471)
	Latest Estimate £'000	Quarter 1 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000	Outturn £'000
Access and Care	91,017	768	1,329	2,943	2,526	4,095	4,155	4,188				
Strategic Commissioning	2,065	643	525	(135)	43	88	(68)	(2,211)				
Resources	5,732	93	(1,275)	(1,921)	(1,957)	(2,764)	(2,704)	(1,761)				
Care Services	99,369	(970)	410	137	380	(524)	(459)	(687)				
Total	198,183	534	990	1,025	991	894	924	(471)				

**CHILDREN'S SERVICES DIRECTORATE
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
April to December - Month 9**

Overall

The month 9 forecast variation for the Children's Services Directorate is an overspend of £0.77m which is equivalent to 0.6% against the net managed budget of £135m. This projection represents a favourable movement of £1.8m compared to the previous month 8 projections which is mainly due to an additional £1.7m of health funding.

Looked After Children

The 2013/14 budget strategy recognised the strategic obsession around reducing the need for children to be in care with budget action plans totally £8m around safely reducing placement numbers [-£6m], increasing funding from partners [-£1m] and negotiating procurement savings [-£1.1m]. At this stage in the financial year, the forecast is that these significant budget savings will largely be achieved, but with some potential slippage. In terms of placement numbers, at the end of December 2013, there were 65 children & young people in externally provided residential placements [+3 when compared with the financial model] and 259 children & young people in placements with Independent Fostering Agencies [+35 compared with the financial model]. Overall, these placement numbers translate into a potential cost pressure of £2.1m through to March 2014. In addition, discussions are continuing with partners around achieving the right balance of funding for the most complex placements. The month 9 projections continue to recognise the demand pressures around alternatives to care, including adoptions and special guardianship orders [£0.8m] and care leavers [£0.54m].

Staffing

At month 9 the overall staffing budgets are forecast to underspend by £3.3m across the combined general fund, grant funded and central schools budget functions which recognise the number of vacant posts across the Directorate and also the impact of the predominantly internal recruitment market. The month 9 budgets have been adjusted to recognise that a significant element of the staffing variation relates to the ring-fenced central schools budget funding. The forecast spend on agency staffing is £6.1m and £1.1m on overtime.

Premises & Supplies & Services

The projected variation confirms the intention to release the earmarked reserves to support the in-house residential review [£0.2m] and the relocation of the Youth Offending Service [£0.15] in addition to forecast savings from restricting all non-essential spend.

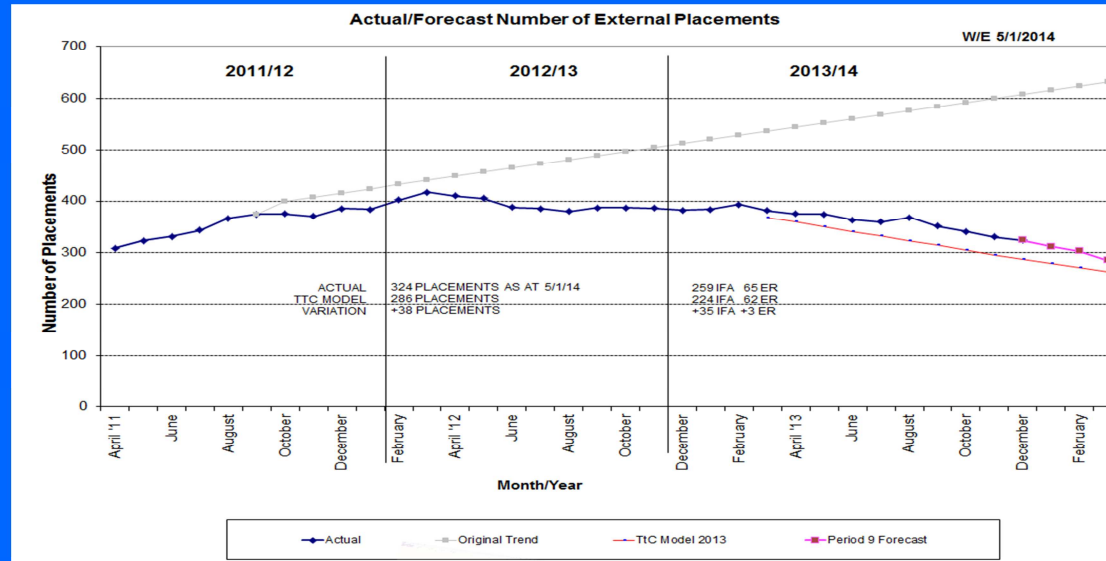
Transport

The 2013/14 budget strategy included anticipated savings of £2.8m in the current year from reviewing the way all aspects of home to school transport is provided. The month 9 projections continue to reflect the Executive Board's decision to phase the implementation of the agreed changes to the home to school transport policies in addition to some continuing demand pressures which are mitigated in part through the implementation of some provision changes in the current year, including transport for Looked after Children.

Income

The forecast £0.8m favourable variation across the income and funding budgets reflects the budget adjustment in respect of the central schools budget funding. The projections also recognise a forecast variation [£0.4m] in respect of nursery fee income, mitigated by an additional £0.4m of performance by results funding in respect of the Families First (Leeds) programme. The majority of the increased income reflects additional health funding agreed for 2013/14, with £1.7m being included at Period 9. Further funding has been agreed with Health partners for 2013/14 to be finalised within a section 256 agreement. This funding recognises the demand pressures being experienced in Children's Services and acknowledges the additional health benefits of this additional expenditure.

**CHILDREN'S SERVICES DIRECTORATE
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
April to December - Month 9**



	PROJECTED VARIANCES												Total (under) / overspend £'000
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Total Expenditure £'000	Income £'000	
Quarter 1	291,594	(156,423)	135,171	(3,346)	(227)	25	48	67	904	181	(2,348)	2,998	650
Month 4	291,339	(155,876)	135,463	(3,734)	(603)	(464)	2,192	618	1,226	(212)	(977)	2,591	1,614
Month 5	290,243	(155,508)	134,735	(3,308)	(602)	(28)	2,139	833	870	45	(51)	2,042	1,991
Month 6	290,560	(155,825)	134,735	(4,035)	(434)	51	2,443	485	717	13	(76)	2,900	2,140
Month 7	290,135	(155,400)	134,735	(2,846)	(151)	(8)	2,440	1,961	1,528	(73)	2,851	(107)	2,744
Month 8	291,194	(156,482)	134,712	(3,147)	(165)	(4)	2,441	1,811	2,420	(46)	3,310	(720)	2,590
Month 9	291,227	(156,515)	134,712	(3,301)	(170)	(93)	2,467	1,826	2,575	(12)	3,292	(2,521)	771

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Quarter 1 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000	Outturn £'000
Partnership, Development & Business Support	17,455	(7,412)	10,043	(410)	(951)	(814)	(620)	(447)	(383)	(432)				
Learning, Skills & Universal Services	80,039	(62,311)	17,728	(209)	(402)	(634)	(615)	(692)	(641)	(644)				
Safeguarding, Targeted & Specialist Services	125,435	(31,117)	94,318	1,299	156	738	303	825	567	(1,220)				
Strategy, Performance & Commissioning	68,298	(55,675)	12,623	470	2,811	2,701	3,072	3,058	3,047	3,067				
Total	291,227	(156,515)	134,712	1,150	1,614	1,991	2,140	2,744	2,590	771	0	0	0	0

City Development
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9

Overall Narrative

Overall the Directorate is forecast to overspend by £1.14m. This is a £0.09m increase on the Period 8 position and is due to an increase in anticipated costs in Asset Management. The position assumes that various actions to make additional savings of £0.3m will be implemented across the Directorate and these are being progressed as part of the Directorate's budget action plan. Overall the projected variances now reflect increased savings on premises costs from energy and other premises running costs mainly in Highways and Transportation. Supplies and services now shows a projected overspend this is mainly in Highways and Transportation and reflects higher projected works expenditure of approximately £600k in the Direct Labour Organisation for maintenance works funded by additional income.

Economic Development, Employment and Skills, Highways and Transportation, Regeneration, and Resources and Strategy are still expected to spend within budget or underspend. There are still some risks around income assumptions but with only 3 months remaining it is felt reasonable that these risks are reducing. In Highways and Transportation although the recent decision not to implement charging for resident parking permits will result in a shortfall in income of £400k against the budget it is anticipated that this will be funded by additional one off income in Asset Management.

Asset Management shows a projected overspend of £0.18m. This is mainly due to the expected shortfall against the advertising income target although additional one off income has helped offset this. There has been a small increase in other projected costs in the service. The projected position also assumes a surplus of £250k on the Arena account as a result of lower borrowing costs than budgeted for. It is also assumed that all other income targets will be met. The projection assumes that the £2.9m debtor for the recovery of arena legal costs will be received, this will be reviewed at the end of the financial year.

Planning and Sustainable Development shows a projected overspend of £0.6m. This is due to a projected overspend of £0.5m on staffing and other expenditure of £160k. Planning and building income is above the phased budget by £434k for the first 9 months of the year. The projection assumes that planning and building fees will exceed the budget by £400k. This additional income from planning and building fees will help offset projected shortfalls for other sources of income for the service.

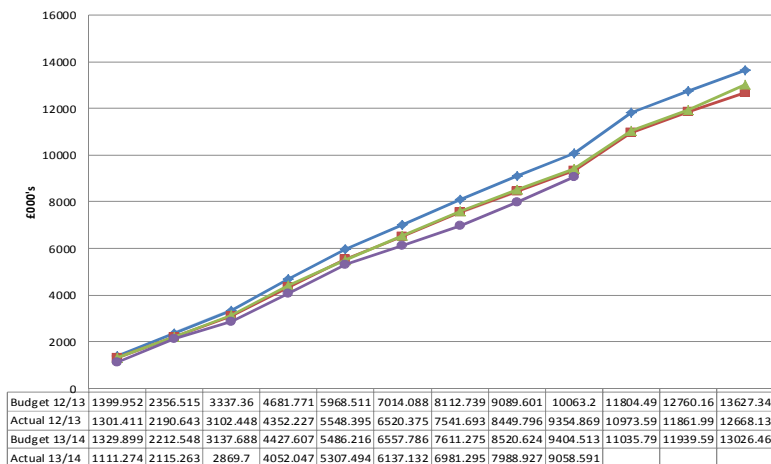
Sport and Active Recreation is expected to overspend by £0.8m. The graph below shows cumulative sport income to date against the phased budget. The budget for Sport Income is just under £13m. Actual income is currently below budget by £346k although the actual shortfall for the year is expected to be higher as the timing of the receipt of swimming lesson income shows a more favourable position for Period 9 compared to the phased budget. A shortfall of just over £800k is projected for the year. There is a risk that the position on income worsens further in the winter period.

An overspend of £282k is projected for Libraries, Arts and Heritage. The majority of this is explained by a shortfall in income from events and venues.

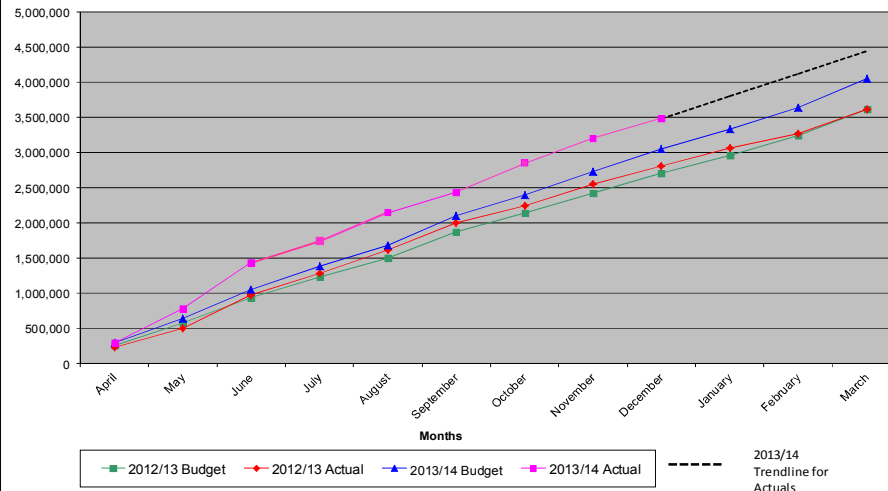
All services have been asked to review planned spend for the rest of the year so that the target saving of a further £0.3m can be achieved. This target has gradually been reduced during the year as actions have been implemented. In addition, recruitment for the rest of the year will continue to be reviewed to reduce the projected overspend on staffing. FTE numbers are slightly below budget but there is also a £500k directorate saving target included in Resources and Strategy which will only be achieved by continuing with strict controls over the appointment of new and replacement staff. Additional recruitment is still expected to take place in Highways and Transportation, Employment and Skills and Libraries, Arts and Heritage. These are largely funded and frontline posts reflect the Council's priorities.

**City Development
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9**

Sport Income 2012-13 and 2013-14 Cumulative



Planning and Building Fees 2012-13 and 2013-14 Cumulative



Budget Management - net variations against the approved budget;

	Latest Estimate £'000	Projected Variations										Total (under) / overspend £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Total Expenditure £'000	Income £'000		
Quarter 1		751	172	(963)	5	41	27	30	63	870	933	
Month 4		663	116	(692)	4	(5)	27	1	114	1,126	1,240	
Month 5		510	176	(494)	2	(100)	27	0	121	869	990	
Month 6		456	143	(416)	(11)	206	27	0	405	664	1,069	
Month 7		450	187	(318)	35	244	27	0	625	442	1,067	
Month 8		422	(180)	454	60	315	27	54	1,152	(105)	1,047	
Month 9		403	(1)	584	66	(179)	27	53	953	184	1,137	

	Latest Estimate £'000	Quarter 1 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000	Outturn £'000
Planning and Sustainable Development	3,714	545	542	538	526	545	633	656				
Economic Development	1,600	0	0	0	0	(41)	(117)	(182)				
Asset Management	9,379	494	500	250	236	178	116	181				
Highways and Transportation	20,810	189	189	189	(64)	(65)	(15)	4				
Regeneration	672	0	21	(25)	(25)	(24)	(14)	(38)				
Resources and Strategy	2,152	(848)	(800)	(765)	(511)	(386)	(425)	(349)				
Employment and Skills	2,942	52	48	44	(107)	(193)	(208)	(220)				
Libraries, Arts and Heritage	20,797	2	159	156	265	253	275	282				
Sport and Active Recreation	6,234	500	582	604	749	800	802	804				
Total	68,300	934	1,241	991	1,069	1,067	1,047	1,138	0	0	0	0

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9 (December 2013)

Overall Position -£392k

The overall period 9 projection is an underspend of £392k.

Community Safety (£156k underspend)

A net underspend of £129k is anticipated on staffing, after adjusting for income effects from vacant funded posts and the ELI efficiency target. The net staffing underspends are primarily within Leeds Watch. An underspend of £27k is expected as a result of the West Yorkshire police pay award for PCSOs. The income targets for the service are expected to be achieved.

Resources Strategy & Commissioning (£440k underspend)

There is a projected underspend of £402k due to efficiencies delivered on Supporting People contract payments. Community Centre budgets have transferred to C&C but a probable overspend of £111k has been retained within E&H. Other underspends on staffing, supplies, income and reserves give an overall projected underspend of £440k for Resources Strategy & Commissioning.

The Drugs Commissioning Service agreed a list of contracts that will be funded by Public Health and the Police and Crime Commissioner and whilst no over/underspend is anticipated, £150k may have to be drawn from reserves to fund in year activity.

Statutory Housing (£0k balanced)

Staffing savings of £371k have been projected. This is primarily due to post vacancies arising from the recent restructure but will be offset by reduced funding for the Leeds Neighbourhood Approach team (£69k). The remaining staffing underspend will offset efficiency targets built into the 13/14 budget - primarily the £200k target for Adaptions income from Housing Associations which has been treated as capital income.

Parks & Countryside (£227k underspend)

An underspend of £398k on staffing is anticipated for the year due to a number of vacant posts at the start of the year, however this is partially offset by a £150k efficiency target from the review of bowls provision. Income from attractions, cafe and retail is expected to exceed the target by £76k and spend on repairs is projected to be £50k below budget. Plant and machinery sales income is expected to generate £50k more than the budget.

However this is partially offset by a £35k golf income pressure, £50k utilities pressure and a £123k pressure on insurance charges

Waste Management (£1,010k overspend)

Refuse Collection is projected to over spend by around £543k. The estimated costs of sickness cover above the budget is £175k, staff in MWC is £15k and the cost of additional management support helping to progress key service projects is expected to be around £103k. Based on days lost in the previous 2 winters, it is assumed the effects of catch up will be £65k. Vehicle repairs are forecast to be around £180k above the budget. Within Waste (Strategy & Disposal) there is a forecast overspend of £365k. £200k relates to the continuing reduction in electricity from gas generation at Gamblethorpe and disposal costs are projected to be £264k above budget. The remaining variance relating to additional payments for extra contact centre staff and the additional cost of 'waste recycling advisors' within the Education budget. Savings in procurement costs of around £100k are also forecast.

Environmental Action (£144k overspend)

Ongoing costs of staff in MWC are anticipated to be £128k. The cost of dog kennelling is £14k and the additional cost of supervisor and front line cover is estimated £40k. Staff savings in Env Health of £60k help to reduce the other pressures.

Car Parking (£732k underspend)

Savings from vacant posts that are in the process of being recruited to will save £167k.

Parking income is projected to be £680k higher than the budget. This is mainly additional income from existing bus lane enforcement (£331k), Fee income and PCN income is forecast at £362k above budget mainly from the delay in closure of Quarry Hill. Woodhouse Lane now forecasted to be on budget.

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9 (December 2013)

Budget Management - net variations against the approved budget;

Summary By Expenditure Type

	Latest Estimate	Projected Variations									Total (under) / overspend £'000	
		Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Appropriation	Total Expenditure		Income
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Quarter 1	78,016	4	(121)	116	(283)	6	148	0	0	(130)	130	0
Month 4	79,147	(55)	(250)	303	(504)	0	(272)	0	276	(502)	502	0
Month 5	79,163	180	(194)	358	(414)	0	(302)	0	0	(372)	(20)	(392)
Month 6	79,163	337	(97)	121	(478)	(140)	(302)	0	0	(559)	203	(356)
Month 7	79,163	247	(75)	94	(519)	(50)	(264)	0	0	(567)	207	(360)
Month 8	78,252	2	(77)	453	(489)	147	(269)	0	151	(82)	(311)	(392)
Month 9	78,252	(68)	(117)	484	(412)	146	(269)	0	151	(85)	(307)	(392)

Summary By Service

	Latest Estimate	Projected Variations							
		Quarter 1	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Community Safety	3,398	(20)	(51)	(36)	(54)	(96)	(139)	(156)	Mainly staffing savings
Resources, Strategy & Commissioning	12,343	(19)	51	(401)	(347)	(378)	(390)	(440)	£402k underspend on SP contracts
Statutory Housing	2,671	0	0	0	0	0	0	0	£371k staffing savings less pressures from unachieved BAPs
Parks & Countryside	10,927	(1)	0	(150)	(233)	(233)	(227)	(227)	Staff savings and other net pressures
Waste Strategy and Disposal	19,489	0	72	226	226	153	364	418	£200k tonnes & Gamblethorpe; £130k educ & (£100k) PFI
Waste Operations	3,122	0	8	34	36	34	34	47	Income shortfall partially offset by staff savings
Refuse Collection	19,182	111	99	362	387	411	544	544	Staffing pressures partially offset by vehicle and bin savings (mainly financing savings)
Environmental Action	11,352	44	20	70	98	129	110	125	
Environmental Health	2,796	(9)	12	31	30	80	38	29	MWC costs £128k; offset staff savings
Car Parking	-7,028	(106)	(211)	(528)	(499)	(460)	(726)	(732)	£167k staffing savings and additional income from BLE and delays to closure of Quarry Hill
Total	78,252	0	0	(392)	(356)	(360)	(392)	(392)	

STRATEGY AND RESOURCES
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9

Overall Position

Overall, Strategy and Resources is expected to be on-line with budget by year end no major risks have been identified as part of the month 9 budget monitoring process. The main reason for the change from last month is a further reduction in the projected income for the PPPU.

Strategy and Improvement

In general, the service is on-line to achieve the staffing savings reflected in the budget. However, the projected additional staffing requirement to implement the 'Changing the Workplace' programme is now estimated at £616k, but this cost will be funded partly from savings in prudential borrowing charges with the balance funded corporately.

Finance

Pay savings (£782k) reflected were reflected in the 2013/14 budget. Although in the early months of the year this looked to be a difficult challenge to achieve, in recent months there have been a number of staff moves and leavers over and above the known early leavers. In addition, income of £38k is now assumed in respect of staff supporting the Tour de France Grand Depart.

Human Resources

Against the £500k pay savings in the budget, the forecast for year end based on staff in post plus certain appointments before year end has resulted in pay budgets being projected to be on target. However, there are increased costs in pensions as a result of early leavers and increases in supplies and services resulting in an overall projected overspend of £57k. Instead of recharging the cost of eye tests, in the interests of reducing bureaucracy and process, these costs (£12k to date) are now all funded from the HR budget.

Technology

An underspend of £154k is now projected which is mainly as a result of further savings on featurenet lines, reduced cost of Microsoft licenses and reduced capital charges in relation to the Essential Services Programme. Spend on staffing/overtime is around £470k below budget however this is largely offset by the cost of 7 contractors performing essential work and a loss of capital income generated by the vacant posts.

Procurement

An increase in the staffing underspend and additional YPO rebate income has been offset by additional PPPU resource now being deployed in relation to the 'transforming procurement' agenda.

PPPU

The main pressure reflects the main priorities in terms of the work of the unit during 2013/14 and the consequent impact against budgeted income levels. The income budget is built up on the basis of charging project staff at standard hourly rates that recover the full costs of the unit, including all overheads and a budgeted surplus. In order to direct resource at certain key projects for the Council, this has meant that certain work has been carried without charge or at reduced rates, examples include work on 'delivering the best Council plan', waste strategy and transforming procurement. The overall impact is that income is currently forecast to be £382k less than budget. The unit is still forecast to make a surplus of £726k (net managed budget). There is also additional expenditure of £60k in relation to the movement of project staff into St George's House that has been included in the overall £420k 'under recovery' of surplus.

STRATEGY AND RESOURCES
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9

BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET

	Latest Estimate £'000	Projected Variations									Total (under) / overspend £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Total Expenditure £'000	Income £'000	
Quarter 1	42,148	(133)	(1)	10	(6)	30	0	0	(100)	100	0
Month 4	42,041	(219)	0	38	(3)	29	0	0	(155)	155	0
Month 5	41,964	(424)	4	141	(8)	34	0	0	(253)	253	0
Month 6	37,890	(575)	4	195	(10)	9	0	0	(377)	377	0
Month 7	37,925	(672)	(1)	15	(8)	150	0	0	(516)	479	(37)
Month 8	37,925	(763)	20	111	(6)	154	0	0	(484)	405	(79)
Month 9	37,902	(830)	20	62	(1)	155	0	0	(594)	594	0

	Latest Estimate £'000	Quarter 1 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000	Outturn £'000
Strategy and Improvement	6,869	(1)	1	0	(1)	(1)	0	(3)				
Finance	8,288	(2)	(18)	(78)	(50)	(88)	(188)	(178)				
Human Resources	6,664	24	17	0	(1)	40	57	(20)				
Technology	15,397	0	1	(40)	(58)	(149)	(149)	(211)				
Procurement	1,718	(21)	1	(20)	(20)	(9)	(7)	(7)				
Public Private Partnership Unit	(1,145)	0	(2)	138	130	170	210	419				
Regional Policy	111	0	0	0	0	0	0	0				
Total	37,902	0	0	0	0	(37)	(77)	0	0	0	0	0

LEGAL AND DEMOCRATIC SERVICES
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9

Overall Narrative

No significant issues or risks have been identified and the directorate and a change in policy regarding charging LEA schools for school appeals will result in new income of approx £75k.

Legal Services

In respect of expenditure, the locums previously employed to cover staffing vacancies have now been ceased and replaced by permanent staff. However, several posts are still vacant and as a result, an underspend of £-100k is expected. However, this is offset by a corresponding reduction in income. Reductions in running costs budgets over previous years have created a pressure of approx £38k though this should be contained within the overall budget. In terms of income, the context is set by the outturn position for 2012/13 where there was an under-recovery of income of £373k. For the 2013/14 budget, income was reduced by £432k to remove the 'profit' element that service generated in respect of charges to general fund services and it was proposed that hourly charge out rates be adjusted accordingly. At present the projection is for the income budget to be achieved in 2013/14. A new simplified and streamlined charging mechanism is currently being implemented and will significantly reduce the time spent on recharges both within Legal Services and also the client directorates. As a result of the staffing underspend detailed above, income is projected to be £100k below budget as there will be less chargeable hours.

Democratic Services

Staffing changes mean that a minor underspend of £-9k is projected at year end on staffing with only 1 agency staff remaining. Income from non LEA school appeals is projected to be £15k in excess of the budget. In addition the recent initiative to introduce an appropriate charge in respect of LEA school appeals will realise income of around £75k in the current year. In terms of 2014/15, this proposal has now been approved by the Schools Forum and a decision is awaited from the Secretary of State.

BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET

	Latest Estimate £'000	Projected Variations									Total (under) / overspend £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Total Expenditure £'000	Income £'000	
Quarter 1	4,053	(6)	0	(4)	(1)	0	0	0	(11)	3	(8)
Month 4	4,042	(4)	0	(2)	(1)	0	0	0	(7)	3	(4)
Month 5	4,042	(4)	0	(2)	(1)	0	0	0	(7)	3	(4)
Month 6	4,042	(4)	0	(2)	(1)	0	0	0	(7)	3	(4)
Month 7	4,042	(15)	0	(1)	(2)	0	0	0	(18)	(11)	(29)
Month 8	4,042	(118)	0	0	(2)	0	0	0	(120)	89	(31)
Month 9	4,042	(119)	0	38	(2)	0	0	0	(83)	7	(76)

	Latest Estimate £'000	Quarter 1 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000	Outturn £'000
Legal Services	(1,488)	0	0	0	0	0	0	38				
Democratic Services	5,530	(8)	(4)	(4)	(4)	(29)	(31)	(114)				
Total	4,042	(8)	(4)	(4)	(4)	(29)	(31)	(76)	0	0	0	0

PUBLIC HEALTH
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9

Overall

The Public Health function transferred to the Council from NHS Leeds with effect from 1st April 2013. The first year allocation of government funding is £36.9m which has now been allocated out across the various service headings within the new Directorate. The funding is ring-fenced to Public Health activities and any under or overspend would be carried forward, using an earmarked reserve, into the next year.

At month 9, the projection is that there will be a £233k underspend.

Staffing

In total, 9 Administration and Business Support posts have been appointed to and a further 4 Public Health Specialist posts currently going through the recruitment process however there are a number of vacancies still to be filled. It is anticipated that these vacancies will be recruited to over the coming months with some in 2014/15. There are no longer any agency staff working in Public Health.

In addition, during August 7 members of staff (6.81 fte's) transferred into Public Health from Adult Social Care. However, as Public Health were already funding these posts there is no additional cost to the service. A virement has now been completed to transfer budget from commissioned services into pay to cover these costs. As the recruitment of the last 2 administration posts was completed ahead of schedule, staffing budgets are now projected to be £4k overspent.

Commissioned and Programmed Services

This is the main area of spend with a current budget of £32.7m. Public Health commissions and funds services directly and with other parts of the authority. Almost all the contracts are fixed price with payments made on a quarterly basis so there is minimal risk of over (or under) spend. However there are some contracts which are based on payment by activity and these are being monitored closely to minimise any impact on the budget, this includes:

- * Pharmacy supervised consumption (methadone), nicotine replacement therapy (NRT) and enhanced sexual health services
- * GP NHS Health check, smoking and sexual health services
- * Drug misuse prescribing, dispensing and diagnostic tests

The NHS reforms have created some uncertainty and at month 9 there is still much to be fully understood, current national guidance is not clear and further guidance is expected. This is particularly relevant for drugs prescribing and dispensing costs and sexual health services.

After successful negotiations with Clinical Commissioning Groups (CCG's) regarding the costs for sexual health devices (intrauterine contraceptive devices and implants) agreement has been reached to keep status quo in 2013-14 regarding this funding meaning this will remain with CCG's in 2013-14. Due to this, Public Health have been able to submit an underspend of £500k in this area, though it is extremely likely that this will be a cost pressure in 2014-15. In addition there is national uncertainty about the costs for out of area genito-urinary (GU) services. The Council is responsible for Leeds patients who access GU services outside Leeds. There is significant confusion across providers and local authorities about data that is obtained by providers in order to provide assurance that costs are the responsibility of the local authority where the patient resides.

At month 9 it is now clear that the authority is responsible for drugs prescribing and dispensing costs for services Public Health commission, in particular St Martins Healthcare. Local Authorities are reliant on the NHS Prescription service to administer prescriptions for Public Health commissioned services and pharmacy dispensing costs. This includes a national NHS tariff for dispensing costs which could increase at any point, thus providing additional costs pressures. A virement has been completed in month 9 for 203k to cover additional expenditure for drugs dispensing costs 2013-14. However this cost will increase in 2014-15 as the authority will be responsible for a full 12 months; this will be in the region of an additional 300k. There is still uncertainty about the Council's responsibility for Shared Care GPs who provide drug misuse services; work is on-going to get clarity on this as national guidance unclear. The guidance is also unclear about additional Public Health medicines such as drugs to support stop smoking services and contraceptive injections.

As part of preparation of the 2014/15 budget review has been undertaken to identify current expenditure that can be aligned to the public health ring-fenced grant rules. In light current projected outturn for Public Health in 2013/14, it has been decided to fund 3 services provided within Adult Social Care in the current year: Care and Repair £194k, Luncheon Clubs £185k and Irish Health and Homes £33k.

PUBLIC HEALTH
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9

BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET

	Latest Estimate £'000	Projected Variations									Total (Under) / Overspend £'000	Transfer to Reserves £'000	
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Total Expenditure £'000	Income £'000			
Quarter 1	0	0	0	4	0	0	(4)	0	0	0	0	0	0
Month 4	0	2	0	10	0	0	(12)	0	0	0	0	0	0
Month 5	0	(301)	0	10	0	0	(10)	0	(301)	1	(300)	300	0
Month 6	0	(476)	0	14	0	9	152	0	(301)	1	(300)	300	0
Month 7	0	(1,131)	8	183	(2)	14	662	0	(266)	0	(266)	266	0
Month 8	0	(10)	0	(70)	0	9	(75)	0	(146)	(15)	(161)	161	0
Month 9	0	4	0	(54)	2	9	(179)	0	(218)	(15)	(233)	233	0

	Latest Estimate £'000	Month 3 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000	Outturn £'000
Public Health grant	(36,855)	0	0	0	0	0	0	0	0	0	0	
PH staffing and general running	4,139	0	0	(300)	(467)	(951)	(21)	(5)				
Commissioned and Programmed Services:												
General Public Health	1,713	0	0	0	(563)	(520)	(270)	(270)				
Health Protection	1,123	0	0	0	0	(200)	(57)	(57)				
Healthy Living and PH	1,273	0	0	0	100	137	(17)	(17)				
Older People and Long Term	1,675	0	0	0	0	34	0	412				
Health Improvement and	21,847	0	0	0	605	1,209	203	(297)				
Child and Maternal Health	3,875	0	0	0	25	25	0	0				
Mental Wellbeing	813	0	0	0	0	0	0	0				
Population Healthcare	397	0	0	0	0	0	1	1				
Transfer to reserves	0	0	0	300	300	266	161	233				

CITIZENS AND COMMUNITIES
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9

Overall

In line with previous months, although there are a number of minor pressures within across all services, actions have been identified that should produce a balanced budget by year end.

Locality Leadership

A result of the 'Investing in Young People' agenda is that £250k has been transferred from Children's Services to the Area Committees as additional provision for youth activities. This will increase to £500k in 2014/15.

During month 8, the Community Centres budgets transferred from Environments and Housing. At the moment, this budget is projected to be on line by the end of the year.

The well being budget is now projected to overspend the in-year budget by £103k however it is assumed that this will be funded from the amount held in reserves from previous years' underspends.

Customer Access

After a period of significant turnover staffing levels have now stabilised and current workload is being contained by the existing staff plus 3 people from the 'Slivers of Time' pool and 2 specialist agency. Contact centre performance had fallen below the 90% target but is now back on track and we are currently forecasting to be within budget.

Licensing and Registration

Additional ELI and keeping posts vacant where practical has generated some savings on staffing which will offset an expected shortfall in income for Registrars due to drop in numbers for Citizenship Ceremonies. Where possible savings are also being made in supplies and services. A shortfall in Entertainment Licensing income of £54k is expected because of a delay in the implementation of a review of the Licensing Act 2004. Savings in salaries (£20k) and charges from Environmental Action Team (£34k) are expected to offset this. Funding of the by election costs (£34k) is dependent on income outturn as no budget provision was originally made for this and this is now reflected as an Action Plan item.

Benefits, Welfare and Poverty

High demand is currently being experienced due to changes in housing benefits and the introduction of a new council tax scheme. There are a number of staff vacancies in the benefits assessment and social fund teams, but agency staff and overtime is being used to meet demand, producing a net £120k overspend on staffing related costs.

The service has had to procure a new software update for £114k but this is grant funded. Other costs are envisaged such as rising costs of postage and printing of £137k which are partly funded by a grant of £118k. Car allowance lump sum payments of £33k also represent a pressure. Income from a member of staff seconded to DWP gives £43k extra income. Further additional income means that this service is expected to be on line by the end of the year.

Housing benefit spend/government subsidy is currently projected to be on target. Although council tax benefit has ceased for 2013/14, the service continues to collect overpaid council tax benefit on past years' claims. It is envisaged that £149k will be able to be recouped, this will benefit the 'collection fund' account rather than directly within Citizens and Communities.

CITIZENS AND COMMUNITIES
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9

BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET:

	Latest Estimate £'000	Projected Variations										Total (under) / overspend £'000
		Staffing £'000	Premises £'000	& Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Appropriation £'000	Total Expenditure £'000	Income £'000	
Quarter 1	10,156	(56)	0	146	5	0	0	0	0	95	(95)	0
Month 4	10,141	34	0	200	28	0	0	7,108	0	7,370	(7,370)	0
Month 5	10,391	36	0	194	34	0	0	6,088	0	6,352	(6,352)	0
Month 6	14,446	(32)	3	443	36	(37)	0	6,088	(166)	6,335	(6,335)	0
Month 7	14,446	94	5	377	25	(54)	0	6,090	(103)	6,434	(6,436)	(2)
Month 8	15,295	93	5	394	27	(52)	0	5,785	(103)	6,149	(6,149)	0
Month 9	15,295	42	4	406	26	(52)	0	5,785	(103)	6,108	(6,108)	0

	Latest Estimate £'000	Quarter 1 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000	Outturn £'000
Locality Leadership	5,518	0	1	0	0	0	0	0				
Customer Access	6,890	0	0	0	0	0	0	0				
Licensing & Registration	188	0	(1)	(1)	(1)	(1)	0	0				
Benefits, Welfare and Poverty	2,699	0	0	1	0	(1)	0	0				
Total	15,295	0	0	0	(1)	(2)	0	0	0	0	0	0

CIVIC ENTERPRISE LEEDS
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Month 9

Overall position

The budget 2013/14 represents an increased surplus of £2.4m compared to last year's outturn position and hence a difficult challenge for Civic Enterprise Leeds to deliver. At month 9 Civic Enterprise Leeds is reporting a pressure of £548k, £587k within Commercial Group offset by £21k additional profit within Facilities Management Print & Signs Unit and £18k savings on staffing within BSC.

Business Support Centre

The service is now reporting an underspend of £18k due to staff savings and additional income from schools. Still assuming £220k corporate funding for consolidation of training activities.

Commercial Services

The budget for 2013/14 is for an increased surplus of £2m against the outturn 12-13; £9.1m surplus against outturn £7.1m surplus. This is also an increase of £0.8m from last year's budget. Even though this contained a number of one off pressures, the target of increasing the surplus to £9.1m in 2013/14 represents a difficult challenge for Commercial Services. Within Commercial Services, Property Maintenance have switched 15 posts from Agency employees onto LCC contracts. Relates to chargeable staff - electricians.

The overall pressure of £587k comprises £346k Cleaning, £60k Property Maintenance and £202k in Education Catering & Welfare, offset by £21k savings in the CEL overhead account..

The 13/14 financial plan for Cleaning assumed £155k savings from delivering a lower cleaning specification for facilities management buildings (£95k) and non-facilities management buildings £60k. Whilst delivery of the facilities management element is on track, engagement around non facilities management buildings has proved more problematical with delivery slipping into 14/15 financial year. A further £40k pressure is due to slippage in the commencement of additional high rise chute cleaning within WNW ALMO. Assumes start date was Jan'13 but will now happen in the Autumn at earliest. Full year savings of £65k assumed in the financial plan. A further staffing pressure of £246k relates to lower numbers of staff leaving under the ELI scheme; pressures on overtime and agency to generate the turnover and profit.

Property Maintenance £60k shortfall due to lower profit in certain trading units, in particular some Service Level Agreements within electrical and planned units.

Education Catering & Welfare provision costs have significantly increased in 2013, £152k, covering fresh / frozen and dried goods. Whilst the budget assumed 72p per meal, current projections are for 75p per meal. All contractors are being challenged around price increases. A further pressure of £50k is around staffing and reflects higher use of agency and overtime to deliver the primary meals service.

	Latest Estimate £'000	Projected Variations										Total (under) / overspend £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Appropriation £'000	Total Expenditure £'000	Income £'000	
Quarter 1	1,485	168	42	159	1	0	0	0	0	370	315	685
Month 4	1,475	255	110	267	(8)	0	0	0	(56)	568	(2)	566
Month 5	1,496	158	111	297	(17)	2	0	0	(56)	494	70	564
Month 6	1,496	91	110	296	(17)	1	0	0	(56)	427	137	564
Month 7	1,515	55	110	375	(18)	0	0	0	(56)	466	76	542
Month 8	1,496	60	86	488	(18)	18	0	0	(56)	578	(30)	548
Month 9	1,496	148	86	498	(17)	17	0	0	(56)	676	(128)	548

	Latest Estimate £'000	Quarter 1 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000	Outturn £'000
Business Support Centre	2,873	213	0	0	0	0	0	(18)				
Commercial Services	(9,127)	472	565	565	564	564	569	587				
Facilities Management	7,769	0	1	(1)	0	(22)	(21)	(21)				
Total	1,515	685	566	564	564	542	548	548	0	0	0	0

1. Quarter 3 2013-14 Procurement report

1.1 This report provides information in relation to the third quarter of the current financial year in respect to procurement.

2. Procurement savings

2.1 The high level actual and forecast savings in relation to the first quarter are detailed below:

December 2013	2013/14 £000's
Savings on contracts secured to date	(5,718)
Forecast savings on contracts to be let (in pipeline)	(733)
Total Anticipated Savings	(6,451)

2.2 It should be appreciated that these savings are against the previous contract rather than against budget and in many areas these savings will be contributing to savings budgeted for. In addition it has been possible to identify areas of cost avoidance or 'non cashable savings', for example whereby having implemented good procurement controls, or contract management, a price increase has been avoided or where the re-procurement of a contract has resulted in 'more for less'. Whilst these are often difficult to definitively prove they do demonstrate the value added by effective procurement intervention and add value to the process.

3 Orders placed

3.1 The following financial information is sourced from an analysis of all orders recorded in the council's main financial system, FMS. On the payments system, each creditor (a body or person to which a payment is made by the council) has an indicator on their record which allocates them to a category. Such categories include private companies, commercial individuals (sole traders), other public sector bodies, and the third sector. The classification of organisations is carried out by colleagues in corporate finance with typically several hundred new creditor organisations allocated to a category each month.

3.2 These figures do not include orders placed through feeder systems, such as Orchard², purchasing cards, or payment requisitions where BACS or cheque payments are made through FMS without the Business Support Centre processing an invoice and where therefore there is no associated order.

3.3 The table below shows all orders placed in FMS in quarter 3 2013/14 - the final column shows the data from quarter 2 as a comparator.

² Orchard is used by various council functions for dealing with the financial aspects of council owed property, for example to pay contractors for undertaking repairs to the housing stock.

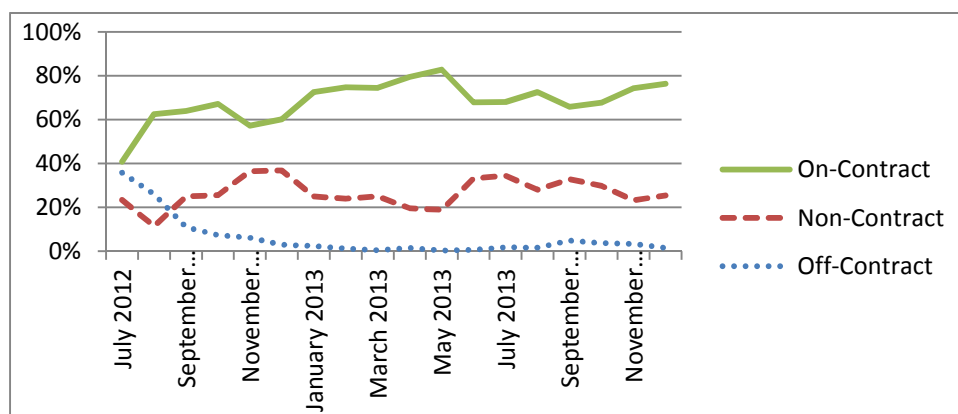
Classification	Total Value Q3	Numbers of Orders Q3	% of Total Value Q3	Quarter 2
On Contract	£32,654,473	4,448	69.84%	59.78%
Non-Contract	£8,895,733	4,541	19.03%	27.30%
On Contract - Quasi	£308,819	552	0.66%	5.00%
On Contract - Waiver	£792,172	86	1.69%	3.42%
Off-Contract	£1,407,461	959	3.01%	2.58%
Non-Contract - One off	£2,695,196	280	5.76%	1.93%
Grand Total	£46,753,853.82	10,866	100.00%	100.00%

3.4 Definitions

- On contract is an order placed with a contracted supplier.
- Non-contract is an order placed where no contract exists for the goods or service.
- Off contract is an order placed where there is a contracted supplier but the order raiser uses a different supplier.
- Waivers are required where the relevant Chief Officer is able to justify a genuine exception to the requirements for competition under Contract Procedure Rules.
- Quasi contracts are virtual contracts put in place to aggregate spend with a view to evaluating the requirements of a contract.

3.5 The Procurement Unit have been monitoring and challenging off contract spend since July 2012 and as a result off contract spend has been reducing each quarter.

3.6 The graph below shows the % of on, off and non-contract orders placed on FMS from July 2012 to December 2013.



4. Local Suppliers

4.1 Orders placed with local suppliers in quarter 3 are detailed below.

Local / Non Local	Total Value Q3	Number of Orders Q3	% by Value Q3	Quarter 2
Local Spend	£17,977,013.85	4984	38.45%	31.36%
Non-Local Spend	£28,776,839.97	5882	61.55%	68.64%
Grand Total	£46,753,853.82	10866	100.00%	100.00%

4.2 Definitions

- a) Suppliers with a Leeds metropolitan area postcode have been included in this data. These are postcodes LS1 to LS29 plus BD3, BD4, BD10, BD11, WF2, WF3, WF10, WF12, WF17.

5. Third sector

5.1 Orders placed with third sector suppliers in quarter 3 are detailed below.

Supplier	Total Value	Number of Orders	% by Value Q3	Quarter 2
Third sector	£5,033,519	1110	10.77%	14.56%
Non Third sector	£41,720,335	9756	89.23%	85.44%
Grand Total	£46,753,854	10866	100.00%	100.00%

5.2 Definitions

- a) The Local Government Association defines this sector as “non-governmental organisations” (NGO’s) that are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives.
- b) Third sector includes charities, community groups, churches and faith groups, sports and recreational clubs, social enterprises and partnerships and trade unions and associations.

6. SMEs

6.1 Orders placed with small and medium enterprises (SMEs) in quarter 3 are detailed below.

Supplier	Total Value	Number of Orders	% by Value Q3	Quarter 2
Not an SME	£25,028,445	£6,814.00	53.53%	51.82%
SME	£21,725,409	£4,052.00	46.47%	48.18%
Grand Total	£46,753,854	£10,866.00	100.00%	100.00%

6.2 Definitions

6.2.1 SMEs are defined as having a turnover of less than £25.9 million and fewer than 250 employees.

6.2.2 This data was collated by using the categorisation selected by the supplier upon registration on Yortender (the council’s electronic tendering site) and then verified where possible against data from the Department of Business Innovation and Skills.