

Report of the Deputy Chief Executive

Report to Executive Board

Date: 16th July 2014

Subject: Financial Health Monitoring 2014/15 – First Quarter report

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 three months of the financial year in respect of the revenue budget, and the Housing Revenue Account.
2. This is the first budget monitoring report of the year, and members will recall that the 2014/15 general fund revenue budget, as approved by council provides for a variety of actions to reduce spending by in excess of £47m. It is clear that 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 however an overall overspend of £3.3m is projected. However, it should be noted that a new very high risk has been identified within Adult Social Care which will very likely increase the projected overspend in the next period.
3. At the end of the quarter the HRA is projecting a small surplus.

Recommendations

4. Members are asked to note the projected financial position of the authority after three months of the financial year 2014/15.

1. Purpose of this report

- 1.1 This report sets out for the Board the Council's projected financial health position for 2014/15 after three 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 the first quarter 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 £565.8m, supported by the use of £3.5m of general fund reserves.
- 2.2 Following the closure of the 2013/14 accounts an underspend of £2.3m was achieved after a transfer of £7.2m to earmarked reserves. As the 2013/14 budget was supported by the usage of £2.5m of general reserves, this underspend reduced the amount needed from reserves to just £0.2m. General Fund Reserves at 31st March 2014 therefore amount to £25.7m.

3. Main Issues

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

Table 1

Directorate	Director	Staffing £000	Projected (Under)/Over Spend			Total Under/ Overspend £000
			Other Spend £000	Total Expenditure £000	Income £000	
Adult Social Care	Sandie Keene	711	1,341	2,052	(1,561)	491
Children's Services	Nigel Richardson	(805)	2,301	1,496	428	1,924
City Development	Martin Farrington	384	609	993	(561)	432
Environment & Housing	Neil Evans	75	90	165	(165)	0
Strategy & Resources	Alan Gay	(346)	70	(276)	276	0
Citizens & Communities	James Rogers	(98)	280	182	(183)	(1)
Public Health	Ian Cameron	(400)	230	(170)	0	(170)
Civic Enterprise Leeds	Julie Meakin	(185)	10	(175)	625	450
Total		(664)	4,930	4,266	(1,141)	3,126

Corporate issues	
Transfer of Public Health to earmarked reserve	170
Total	3,296

- 3.2 The major variations are outlined below and further details can be found in the financial dashboards attached to this report.

3.2.1 Staffing

There is an overall projected underspend on staffing of £0.6m which is due to vacancies, primarily within Children's Services and Public Health, partly offset by

the cost of staffing which is funded by capital or additional income and delays in implementing budget actions within Adult Social Care and City Development.

3.2.2 Other Spend

The main pressures relate to demand led community care budgets within Adult Social Care and Looked After Children placements. Home Care packages have seen a weekly increase of around 90 hours whilst the budget assumed there would be no increase. Externally provided residential placement numbers for children and young people are currently 13 above plan and those with Independent Fostering Agencies are 24 above.

3.2.3 Income

Within Adult Social Care additional health funding for intermediate care beds and information management initiatives is projected and within City Development the trend for Planning and Building fees is above the phased budget. However, within Civic Enterprise Leeds, the decision to decrease the charge to primary schools for school meals results in a pressure on the catering service of £0.25m.

3.2.4 Use of Earmarked reserves

The Adult Social Care projection assumes the use of £1.4m earmarked reserves brought forward from 2013/14 to support service transformation and business change across the Directorate.

3.2.5 Other

On 20th June 2014, the Department for Transport announced the results of a competitive bidding process for a share of a national allocation of £168m dedicated to pothole repair. Leeds has been successful in securing £1.568m which will supplement the capital programme. All repair works are to be completed by the end of March 2015.

3.3 Other Financial Performance

3.3.1 Council Tax and NNDR

The Council Tax target for the in-year collection for 2014/15 is unchanged from the previous years at 95.7%. The position at the end of May was 19.28% compared to 19.3% at the same point in 2013/14 and there are currently no concerns.

- Overall collection rate for those affected by Council Tax Support scheme - 14.1%
- Collection rate for those previously getting 100% Council Tax benefit - 13.4%

The collection rate for Business Rates at the end of May was 22.58% compared to 24.05% at the same time in 2013/14, a reduction of 1.47%. This is greater than the usual monthly fluctuations experienced by Business Rates due to the option for ratepayers to elect to pay over 12 rather than 10 instalments. A significant number of large ratepayers have chosen this option which has therefore skewed the payment profile towards the end of the year. It will not be possible to make an

accurate comparison until March 2015, however the situation will continue to be monitored on a monthly basis.

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.

4.0 Housing Revenue Account (HRA)

At the end of the quarter the HRA is projecting a surplus of £0.08m.

Additional income of £0.7m is projected from dwelling rents. This is due to the actual level of voids being less than budgeted. Savings of £0.5m are projected in relation to Council Tax on Void Properties and against the budgeted contribution to the Bad Debt Provision. These projections are both based on prior year trends.

These favourable variances are offset by an additional £0.8m of costs in relation to Disrepair claims against the council and additional costs relating to contract cleaning. There is a further £0.1m of adverse variations against other expenses.

Rent arrears continue to be closely monitored. Overall, arrears for current tenants are £5.8m compared to £4.8m at the end of 2013/14, an increase of £1.0m. Of this approximately £0.9m 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. Arrears in connection with under-occupancy have not changed since the end of 2013/14.

Collection rates to the end of May were 97.3% for dwelling rents, compared to 97.9% at the end of 2013/14. This compares with collection performance in years 2012/13 and 2011/12 which were 98.00% and 97.65% respectively.

5.0 Corporate Considerations

5.1 Consultation and Engagement

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

5.2 Equality and Diversity / Cohesion and Integration

5.2.1 The Council's revenue budget for 2014/15 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 26th February 2014.

5.3 Council Policies and City Priorities

5.3.1 The 2014/15 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget.

5.4 Resources and Value for Money

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

5.5 Legal Implications, Access to Information and Call In

5.5.1 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.

5.6 Risk Management

5.6.1 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

5.6.2 The register shows that at end of the first quarter there is one very high risk and two high risks as follows:

Risk	Key Budget Impacted	P	I	Corporate Rating	Service area
Deprivation of Liberty: Number of Best Interest Assessments expected to increase significantly (see below)	Access and Care	4	5	Very high	Adult Social Care
Community Care packages may exceed the budgeted numbers and/or cost	Access and Care	3	4	High	Adult Social Care
Externally Provided Residential & Fostering Placements exceed the budgeted numbers	Safeguarding, Targeted and Specialist	3	4	High	Children's Services

5.6.3 The current projected overspend of £3.3m does not include any provision for the potential costs associated with a Supreme Court legal judgement in March 2014 brought against Cheshire West and Chester Council which clarified the meaning of 'deprivation of liberty' in the context of the Mental Capacity Act. This means that the number of people lacking mental capacity who require a Best Interest Assessment will increase significantly and this is already evident in activity levels. In addition to staffing costs, other costs relate to Court of Protection Orders and independent mental health advocacy. At this stage the risk has been assessed as very high and work is underway to assess the implications costs in more detail, but based on the information currently available the potential range of likely costs is between £1.5m and £2.2m.

6. Recommendations

6.1 Members of the Executive Board are asked to note the projected financial position of the authority after the first quarter of 2014/15.

7. Background documents¹

7.1 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 - 2014/15 FINANCIAL YEAR
Quarter 1

Overall narrative

The directorate is currently projecting an overspend of £0.5m. There are some risks associated with this projection, the main ones being that the level of activity within the home care budget increases during the year and the savings within the current projection are not delivered.

This projection does not include any provision for the potential costs associated with a Supreme Court legal judgement in March 2014 which clarified the meaning of 'deprivation of liberty' in the context of the Mental Capacity Act. This means that the number of people lacking mental capacity who require a Best Interest Assessment will increase significantly and this is already evident in activity levels. In addition to staffing costs, other costs relate to Court of Protection Orders and independent mental health advocacy. Work is underway to assess the costs in more detail, but based on the information currently available the potential range of likely costs is between £1.5m and £2.2m.

The main variations at Period 2 across the key expenditure types are as follows:

Staffing (+0.7m – 0.9%)

Staffing funded by capital or additional income accounts for £0.3m of this variation. The remainder mainly reflects staffing savings being released in homes for older people more slowly than budgeted for those homes not closing immediately and additional costs in the South Leeds Intermediate Care Centre.

Transport (+£0.5m – 11.4%)

Expenditure on transport is generally reducing year on year, but the budgeted level of savings are not yet being delivered. Plans are in place to achieve these savings and although delivery is currently slower than expected work continues to identify how spend can be brought back into line with the budget by the year end.

Community care packages (+£2.3m – 1.0%)

The main pressure continues to affect the home care budget. The budget assumed that there would be no net weekly increase in the hours of care provided, but currently the weekly increase is around 90 hours. There are also some pressures on the learning disability pooled budget. These are partly offset by savings on direct payments and placements.

Income (-£1.6m – 2.3%)

This mainly relates to additional health funding for intermediate care beds and for information and knowledge management initiatives ongoing from 2013/14.

Use of Earmarked Reserve (-£1.4m)

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.

CHILDREN'S SERVICES
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Quarter 1

Overall

The quarter 1 forecast variation for the Children's Services Directorate is an overspend of £1.9m or 1.5% against the net managed budget of £128m.

Looked After Children

The 2014/15 budget strategy continues to recognise the strategic obsession around reducing the need for children to be in care with further budget action plans totally some £5.8m around safely reducing placement numbers and changing the mix of placement provision. 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 1/6/14, there were 55 children & young people in externally provided residential placements [+13 compared to the financial model] and 249 children & young people in placements with Independent Fostering Agencies [+24 compared with the financial model]. Overall, these placement numbers translate into a potential pressure of £1.2m, although work is continuing around permanency and transitional planning. The quarter 1 projections also recognise some emerging demand pressures unaccompanied asylum seeking children (£0.16m), special guardianship orders [£0.2m] and assisted adoptions [£0.15m].

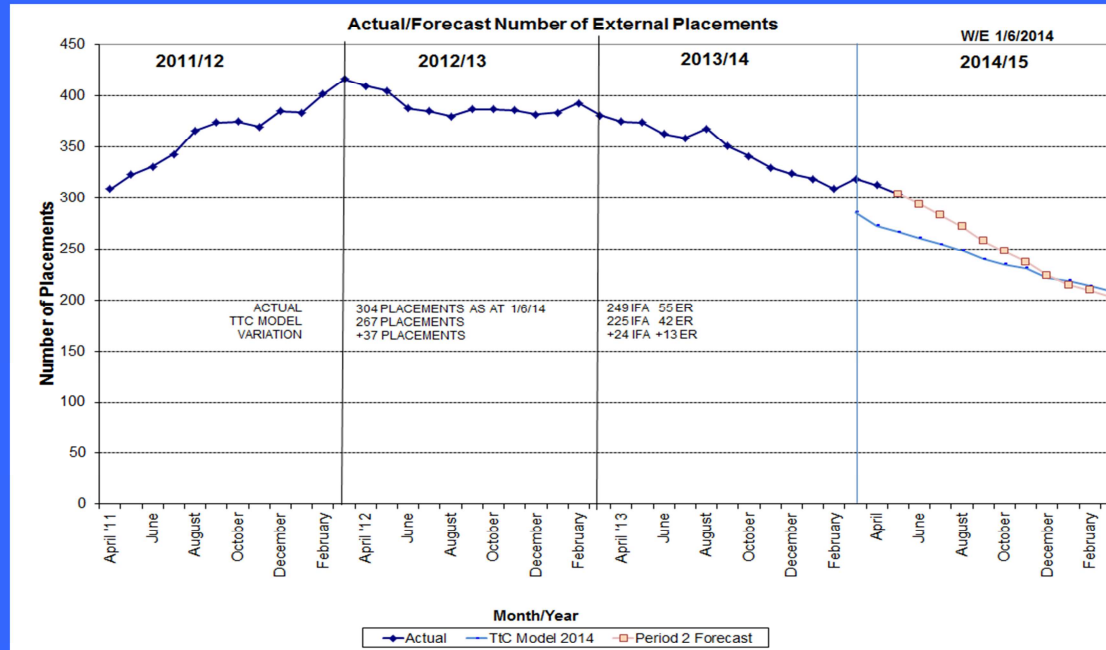
Staffing

Overall, at quarter 1 the staffing budgets are forecast to underspend by £0.8m across the general fund, grant funded and central schools budget functions. These projections recognise the continuing number of vacant posts across the Directorate and also the impact of the predominantly internal recruitment market. The forecast spend on overtime is £1m and the forecast spend on agency staffing is £4.2m.

Income

The forecast £0.4m variation across the income budgets is due in the main to Children's Centre income in respect of nursery fees and also childcare/early education for 2-year olds which is funded via the dedicated schools grant. The projection also recognises the additional transitional implementation grant funding recently announced by Government for Special Educational Needs and Disability implementation.

CHILDREN'S SERVICES FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR Quarter 1



Budget Management - net variations against the approved budget

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	PROJECTED VARIANCES								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	281,087	(153,351)	127,736	(805)	99	253	154	86	1,831	(122)	1,496	428	1,924

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Quarter 1	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Outturn £'000
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Partnership, Development & Business Support	13,920	(6,970)	6,950	(39)										
Learning, Skills & Universal Services	82,916	(65,459)	17,457	649										
Safeguarding, Targeted & Specialist Services	118,153	(24,123)	94,030	1,333										
Strategy, Performance & Commissioning	66,098	(56,799)	9,299	(19)										
Total	281,087	(153,351)	127,736	1,924	0	0	0	0	0	0	0	0	0	0

City Development
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Quarter 1

Overall Narrative

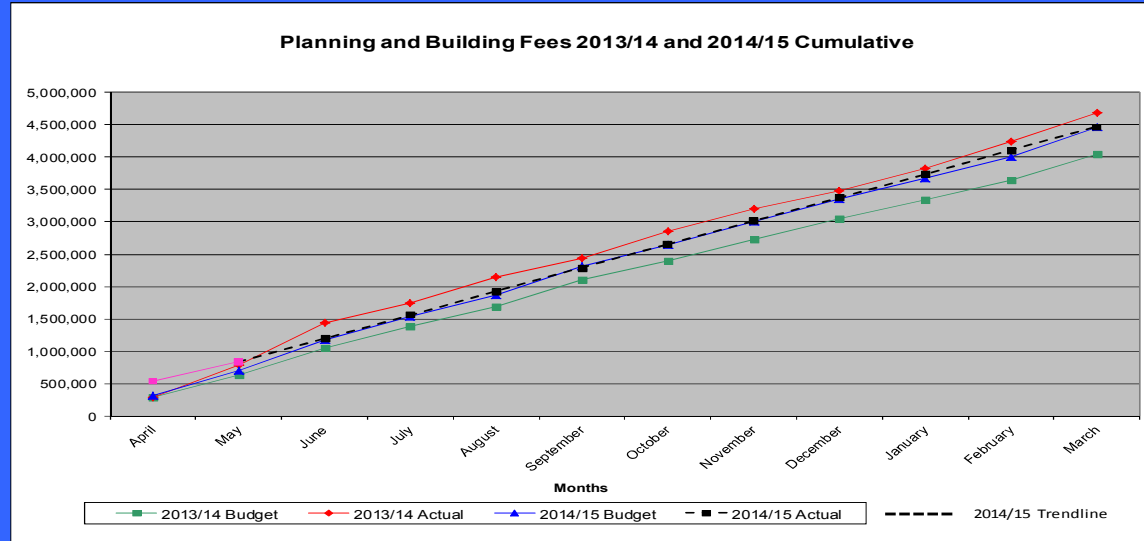
The projected outturn position at Quarter 1 is forecast to be an overspend of £431k. This assumes that the Directorate achieves further savings or additional income of £650k. This is currently shown against Resources and Strategy but as in previous years is likely to be achieved across the Directorate. Most Services are forecast to be in budget. The main area of overspend is on Libraries and Arts and Heritage. The budget included a proposal to review Library opening hours with the aim of achieving a staff saving of approximately £300k. Consultation is now due to take place in the summer so any savings will be relatively small in 2014/15. It is assumed that most income targets will be achieved although there are particular risks around income in Planning and Sustainable Development, Kirkgate Market and Sport.

Planning and Sustainable Development is forecast to have a small overspend of £20k. Income from planning and building fees for the period is £838k against the phased budget of £703k. Planning income is £114k above budget and building fee income is £21k above budget. There is a risk that income does not achieve the budget during the year but so far planning application numbers are still buoyant and work loads remain high. Staffing is forecast to be in line with the budget although this assumes that the budgeted vacancy factor will be achieved. Economic Development is forecast to remain within budget. The main risk is that income from Kirkgate Market is lower than budgeted as the redevelopment proposals may have an impact on occupancy levels. Asset Management and Regeneration Services is also forecast to be in budget. The main risk is also on external income with the level of budgeted optimism currently forecast to be achieved. Some new advertising hoarding sites are expected to earn income this year although a shortfall is still expected against the budget due to the length of time required for them to start earning income.

Employment and Skills and Highways and Transportation are also expected to be within budget, this assumes that the efficiency targets are met. Sport and Active Recreation is forecast to be in budget. The main risk is that income levels fall short of the budget although the budget was reduced in 2014/15 reflecting the trends in 2012/13 and 2013/14. So far income levels are holding at a level similar to that in 2013/14.

As mentioned above, Libraries, Arts and Heritage is forecast to be £350k above budget. This is mainly because there will be a delay in achieving staff savings in Libraries as the review of opening hours will take longer to implement than was originally envisaged. A new structure is also due to be implemented in Heritage Services. There is also a risk around achieving income assumptions. Resources and Strategy is forecast to have a small overspend although this includes a Directorate savings target of £600k on staffing and further savings targets with options to achieve this to be discussed and agreed with the other services. There is also a target saving of approximately £100k from the Business Management review and it is assumed that this target will be achieved during the year as this work stream progresses. As in previous years the Directorate will continue to closely manage staffing levels, vacancies, overtime and agency spend to ensure that these savings can be realised.

City Development FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR Quarter 1



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	60,162	384	307	334	(5)	(52)	20	4	992	(561)	431

	Latest Estimate £'000	Projected Variations										Outturn £'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		
Planning and Sustainable Development	3,901	20											
Economic Development	1,412	1											
Asset Management and Regeneration	3,260	0											
Highways and Transportation	20,594	(1)											
Resources and Strategy	1,854	50											
Employment and Skills	2,879	3											
Libraries, Arts and Heritage	19,532	350											
Sport and Active Recreation	6,730	8											
Total	60,162	431	0	0	0	0	0	0	0	0	0	0	0

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Quarter 1 (June 2014)

Overall Position (£0k balanced)

The overall quarter 1 projection is that the service will spend at the budgeted level in 2014/15. However, it should be noted that this projection assumes that a solution will be identified for a number of key service budget actions.

Community Safety (£0k balanced)

An underspend on Signpost staffing is likely, however there will be a corresponding income pressure due to funded posts. The additional income targets for the service that were built into the 14/15 budget are projected to be achieved, although further contracts will have to be secured to hit the overall income target for the service.

Parks & Countryside (£0k balanced)

There are a significant number of efficiency targets that are embedded into the 14/15 budget. Actions to introduce seasonal working and a number of specific cost reductions have been implemented. A possible pressure on Bereavement Services income is being monitored closely but at quarter 1 the service is expected to stay within its overall budget allocation.

Statutory Housing (£0k balanced)

A small underspend is anticipated on Supporting People contracts (£20k). The amounts borrowed from the reserves in 11/12 is now deemed to have been repaid. The current commissioning work on SP contracts is likely to identify savings for 15/16 rather than further significant in year savings.

The restructure of the Sustainable Energy and Climate Change team may give a one-off staffing pressure of £25k in 14/15 due to staff in Managing Workforce Change.

The Strategic Housing £220k staffing efficiency target is expected to be achieved over the year, and it has been projected that all other pressures will be managed within the overall budget provision.

Car Parking (£56k underspend)

Savings from vacant posts that are in the process of being recruited to will save £10k.

Parking income is projected to be £46k higher than the budget. This is mainly as a result of additional income for managing the former Quarry Hill site.

On Street parking up £95k, Off street parking up £111k offset by reductions in PCN's £125k and BLE £80k.

Waste Management (£0k balanced)

The budget assumes the delivery of £2.5m of savings, predominately in waste disposal resulting from the full year effects of last years roll out of Alternate Week Collection (AWC) and the roll out of the service to a further 106,000 households during 14-15.

Within Refuse Collection, the pay budget remains a challenging area, but indications at quarter 1 are that costs can be managed to the overall budget available.

Repairs to vehicles, which were a significant pressure in 13/14 are in line with budget so far this year.

Kirkstall Road waste site is due for redevelopment in 14-15 and the achievement of savings is dependent upon the site closure date remaining in line with the budgeted assumptions.

Environmental Action (£56k overspend)

There are no significant variations to report, although the delayed restructure is projected to not fully achieve the budgeted efficiency

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Quarter 1 (June 2014)

Budget Management - net variations against the approved budget;

Summary By Expenditure Type

	Latest Estimate £'000	Projected Variations							Total Expenditure £'000	Income £'000	Total (under) / overspend £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000			
Quarter 1	73,272	75	137	(58)	(6)	37	(20)	0	165	(165)	

Summary By Service

	Latest Estimate £'000	Quarter 1 £'000									
Community Safety	3,187	0									
Statutory Housing	12,704	0									
General Fund Support Services	473	0									
Parks & Countryside	9,124	0									
Waste Strategy and Disposal	20,402	0									
Waste Operations	2,595	0									
Refuse Collection	17,761	0									
Environmental Action	13,676	56									
Car Parking	(6,650)	(56)									
Total	73,272	0	0	0	0	0	0	0	0	0	0

STRATEGY AND RESOURCES
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Quarter 1

Overall Position

The projected outturn for Strategy and Resources as at quarter 1 is a balanced position.

All the professional support services are projected to be on target, although a challenge still exists to achieve some of savings targets built into budgets.

Strategy and Improvement

Strategy and Improvement are projecting to balance to budget at quarter 1. Based on current staff in post and known changes, pay is £261k over budget, however at this stage in the year it is still assumed that savings will be achieved by year end. Supplies and services show a £29k saving because of slippage implementing the Transactional Web Service project meaning that some costs have moved into 2015/16. Income levels overall remain at budget levels although the split between internal income and external income has changed.

Finance

The main challenge for this service is to meet the current shortfall based on staff in post to date and known recruitment and leavers through to year end. The service is pro-actively pursuing further options to achieve savings of approx £240k so that a balanced position is achieved by year end.

Human Resources

Against the £218k pay savings in the budget, HR have already realised £148k through freezing recruitment and the use of the Early Leavers Initiative. The projection assumes that further savings will be made and that a balanced position will be achieved by year end.

Technology

Technology are projecting to balance to the budget at quarter 1. There are currently 33 posts that are out to advert and up to an additional 10 trainee posts that it is intended to recruit to. Savings are currently forecast on both overtime (£63k) and external contractors (£189k). Additional charges will be incurred from PPPU for a Project Manager to lead on the Managed Print Project - which will be funded from the saving generated from the new printing contract, this investment will bring long term savings to the Council and contribute to the existing savings target for Better Business Management (BBM).

PPPU and Procurement

Certain risks exist around the income assumptions and projections for the year, partly as a result of recently merging in project teams from other sections. In addition, as in 2013/14, it is likely that some work will not be chargeable or charged at reduced rates, thus causing a pressure on income. A review of income is currently in progress and at this stage in the year a balanced position is forecast.

Regional Policy

The expansion of the Leeds City Region role and its associated increase in funding has allowed the group to recruit so that the additional workload can be covered. This has led to the staffing budget overspending by £53k. This is fully recovered by additional income that the service is set to receive.

Legal Services

All on line and expecting to balance to budget.

Democratic Services

The budget for 2014/15 included additional income of £75k in relation to charges for school appeals. Latest information on this is that actual income is expected to be about £23k less. Fortunately, this is offset by savings on staffing as a member of staff has left under the Early Leavers Initiative.

STRATEGY AND RESOURCES
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Quarter 1

BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET													
	Latest Estimate £'000	Projected Variations									Total Expenditure £'000	Income £'000	Total (under) / overspend £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000					
Quarter 1	40,561	(346)	0	(2)	(3)	75	0	0	(276)		276	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	4,896	0											
Finance	9,935	0											
Human Resources	6,493	0											
Technology	14,991	0											
Public Private Partnership Unit & Procurement	271	0											
Regional Policy	116	0											
Legal Services	(1,428)	0											
Democratic Services	5,287	0											
Total	40,561	0	0	0	0	0	0	0	0	0	0	0	

PUBLIC HEALTH
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Quarter 1

Overall

2014/15 is the second year of the Public Health function being carried out by Leeds City Council. The first year allocation of government funding was £36.9m and at the end of 2013/14 there was an overall in year underspend of 947k of the ring fenced grant. This amount has been carried forward to 2014/15 in accordance with the grant conditions. Of this amount, £655k is being used to fund expenditure which was committed in 2013/14, but did not take place by the end of the year. Added to the 2014/15 allocation of £40.5m, the total amount available for the ring fenced Public Health function in 2014/15 is £41.487m. As with last year, funding is ring-fenced to Public Health activities and any underspend would be carried forward into the next year.

For 2014/15 the Supporting People Service, Staff and Drugs Commissioning budgets have transferred to the Public Health directorate.

Staffing

A number of new posts were added to the structure for 2014/15. A further review of the essential new posts has taken place and as a result staffing will be £230k underspent. In addition several posts have become vacant and whilst these posts are being filled there have been some delays. As a result, staffing is currently projected to be £400k underspent and this may increase as the recruitment process is followed.

Commissioned and Programmed Services

This is the main area of spend with a budget of £35.9m. 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 monthly or quarterly basis so there is minimal risk of over (or under) spend. However there are some contracts which are based on payment by activity. There are risks of under or over trading on these contracts and these are being monitored closely to minimise any impact on the budget. This includes:

- * Sexual Health treatment and testing by Leeds Teaching Hospitals Trust and out of area testing for Leeds patients
- * Pharmacy supervised consumption (methadone), nicotine replacement therapy (NRT) and enhanced sexual health services
- * GP NHS Health check, smoking cessation and sexual health services
- * Drug misuse prescribing, dispensing and diagnostic tests

The Public Health ring-fenced grant for 2014/15 is funding other council Public Health activity. In total, nearly £2m has been allocated across a range of Public Health services:- Care and Repair (194k), Luncheon Clubs (185k), Active Lifestyles services (369k), Family Outreach workers/Children's centres (777k), Leeds Directory (132k), Leeds Irish Health and Homes (33k) and Black Health Agency Sexual Health skyline project (289k).

In addition to the increase in grant allocation, there is £947k unused grant from 2013/14 brought forward for use in 2014/15. The majority of this has already been committed to specific projects where the tendering process has already taken place. A further £153k will be used to fund 2013/14 Sexual Health treatment and testing activity due to Leeds Teaching Hospitals Trust reporting incorrect data at year end (2013/14).

£230k has been projected as an over spend on Public Health running costs. At present, LCC is in discussion with the Department of Health regarding inherited balanced from the PCT which could result in a new unfunded burden. In order to ensure the Public Health ring-fenced grant can fund this new unfunded burden (should it be required) this budget at present has been reflected as overspent.

Supporting People

The Supporting People service commissions services to support people in need. An agreed plan is in place to meet the required staffing efficiencies and so a balanced budget position is projected.

Drugs Commissioning

The Police Crime Commissioner has only guaranteed funding for the first 6 months of 2014/15. In order to respond to this, a number of contracts have been issued for 6 months. Should funding be received for the remaining half of the year, these contracts will be extended. These contracts are paid monthly or quarterly and are substantiated by provider returns. At this stage, no variance is projected against this budget.

PUBLIC HEALTH
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Quarter 1

BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET

	Latest Estimate £'000	Projected Variations									Income £'000	Appropriation £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Total Expenditure £'000			
Quarter 1	817	(400)	0	0	0	0	230	0	(170)	0	170	

	Latest Estimate £'000	Quarter 1	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Outturn £'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Public Health grant	(41,487)	0										
PH staffing and general running costs	5,622	(400)										
Commissioned and Programmed Services:												
General Public Health	509	200										
Health Protection & Population Healthcare	1,813	0										
Healthy Living and PH Intelligence	16,214	30										
Older People and Long Term Conditions	2,350	0										
Child and Maternal Health	5,635	0										
Mental Wellbeing	9,344	0										
Transfer to reserves	0	170										
Supporting People	888	0										
Drugs Commissioning	(71)	0										

CITIZENS AND COMMUNITIES
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Quarter 1

Overall

The directorate is projected to achieve a balanced budget by the end of the year, though within this, there are a number of variations.

Communities

The Community Centres budgets have a savings target of £-110k. Currently it is expected that they will achieve £-30k of this through savings on Facilities Management charges (£-10k) and income (£-20k). This leaves a shortfall of £80k which will need to be achieved by a combination of rationalisation of existing centres and further efficiencies in Facilities Management charges.

Customer Access

There is a one off investment required as part of the Community Hub developments. £100k was set aside from savings delivered in the 2013/14 budget and these will be used to fund the additional spend in 2014/15.

Licensing and Registration

The main problems in 2013/14 were in relation to legal costs in Entertainment Licensing and it is expected that this was a one off. There will be close monitoring of income to ensure that any potential shortfall is covered from savings in other areas if necessary.

Benefits, Welfare and Poverty

Benefits, Welfare and Poverty is reporting a balanced position at quarter 1. Vacancies on the section as a result of turnover have created a staffing saving of £-97k. In particular the service is expecting the Investigation Unit to transfer to the DWP from January 2015 saving £-119k. Supplies and services budgets are expected to overspend by £255k as high spend is projected on print and postage costs and work has been outsourced to Liberata and Capital. A lot of these costs relate to work associated with welfare reform changes. The DWP has issued extra funding to assist with costs and grants income is £-166k better than budget due to additional funding received. Income budgets are £-16k better than anticipated due to a range so small sources, but mainly McMillan providing income to support work in the Welfare Rights section.

BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET:

	Latest Estimate £'000	Projected Variations								Total Expenditure £'000	Income £'000	Total (under) / overspend £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000				
Quarter 1	19,235	(98)	0	255	25	0	0	0	182	(183)	(1)	

	Latest Estimate £'000	Projected Variations										Outturn £'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	
Communities	5,761	(1)										
Customer Access	11,326	0										
Licensing & Registration	630	0										
Benefits, Welfare and Poverty	1,518	0										
Total	19,235	(1)	0	0	0	0	0	0	0	0	0	0

CIVIC ENTERPRISE LEEDS
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Quarter 1

Overall position

The CEL budget includes savings and efficiencies amounting to £1.4m. Given the early stage in the financial year, it is assumed that all areas are on track apart from two specific pressures within Commercial Trading which amount to £450k.

Business Support Centre

Currently on target.

Facilities Management

No significant risk areas identified to date and the projection assumes that any pressures will be managed throughout the year.

Commercial Services

There are 2 budget pressures to report; firstly the decision to decrease the charge to primary schools for meals from the budget assumption of £2.50 per KS2 meal to £2.30 on commercial grounds, results in a financial pressure for Catering of £250k.

Secondly, for Property Maintenance a budget assumption was that the service would deliver £2m turnover, generating £200k profit. It is now very unlikely that the necessary turnover will be achieved.

Corporate Property Management

On target

	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	12,834	(185)	35	(30)	0	5	0	0	(175)	625	450	
	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	3,847	0										
Commercial Services	(4,760)	450										
Facilities Management	7,462	0										
Corporate Property Management	6,285	0										
Total	12,834	450	0	0	0	0	0	0	0	0	0	0