

Report of the Deputy Chief Executive

Report to Executive Board

Date: 25th June 2014

Subject: Financial Performance - Outturn Financial year ended 31st March 2014

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	<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 final outturn for the financial year 2013/14. The pre-audited accounts will be presented to the Corporate Governance and Audit Committee at its meeting on the 10th July.
2. As set out below, the final position on the General Fund shows an underspend of £2.3m after the creation of a number of earmarked reserves. As the 2013/14 budget was supported by the usage of £2.5m of general reserves, this underspend will reduce the required amount to £0.2m.
3. The Housing Revenue Account, was budgeted to break-even, but the outturn position shows a surplus of £3.0m, which will be used to create an earmarked reserve to fund environmental initiatives on housing estates.

Recommendations

4. Members of the Executive Board are asked to:
 - a. Note the outturn position for 2013/14 and to agree to the creation and delegated release of earmarked reserves as detailed in paragraphs 3.8 and 5.5 below and delegate their release to the Deputy Chief Executive.
 - b. Agree a virement in 2014/15 from directorate superannuation budgets to general fund reserves as detailed in paragraph 5.4 below.
 - c. Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the "call in" period.

1. Purpose of this report

- 1.1 This report sets out for the Board the Council's financial outturn position for 2013/14 for both revenue and capital and includes the Housing Revenue Account and spending on schools.
- 1.2 The report also highlights the position regarding other key financial health indicators including Council Tax and NNDR collection statistics, sundry income, reserves and the prompt payment of creditors.
- 1.3 It should be noted that in accordance with proper accounting practice, any significant event which occurs prior to the audit sign - off of the accounts in September 2014, could impact on the Council's final published outturn position and hence the level of reserves. This is known as a post balance sheet event and should such an event occur, it will be reported back to this Board at the earliest opportunity.

2. Main Issues

- 2.1 The 2013/14 outturn revenue position on the General Fund is an in year underspend of £9.5m although this does include significant funding received from the Clinical Commissioning Groups (CCG's) which has increased by £5.3m from the position reported to the Board at period 11. After the creation of a number of earmarked reserves as detailed in paragraph 5.5. the in year underspend is £2.3m.

Table 1 below provides a summary of the outturn position.

Table 1

(Under) / Over Spend for the current period							Previous Reported (Under) / Overspend (pd 11)
Directorate	Director	Staffing	Other spend	Total Expenditure	Income	Total Under /Overspend	
		£000	£000	£000	£000	£000	£000
Adult Social Care	Sandie Keene	(948)	5,263	4,315	(9,463)	(5,148)	(475)
Children's Services	Nigel Richardson	(3,103)	7,411	4,308	(4,349)	(41)	537
City Development	Martin Farrington	282	801	1,083	(134)	949	1,086
Environment & Housing	Neil Evans	(105)	500	395	(1,711)	(1,316)	(1,031)
Strategy & Resources	Alan Gay	(797)	1,343	546	(660)	(114)	(324)
Legal & Democratic Services	Catherine Witharr	(387)	(6)	(393)	99	(294)	(78)
Public Health	Ian Cameron	(40)	(1,139)	(1,179)	232	(947)	(413)
Citizens & Communities	James Rogers	(76)	2,363	2,287	(2,457)	(170)	(58)
Civic Enterprise Leeds	Julie Meakin	687	3,831	4,518	(4,019)	499	565
Total		(4,487)	21,506	17,019	(22,462)	(6,582)	(191)
Corporate issues							
Public Health underspend carried forward						947	413
Debt Savings						(1,996)	(1,700)
Uncommitted Contingency fund						(1,716)	(1,300)
Capitalised interest						(1,100)	(1,100)
Capitalisation redistribution grant						(1,097)	
Adjustment to debtor provision						926	
Other strategic issues						758	
Section 278 shortfall						400	
Total						(9,460)	(3,878)
Proposed transfer to earmarked reserves						7,186	
In Year Underspend						(2,274)	

- 2.2 Full details of the directorate variations for the year can be found in the financial dashboards attached as Appendix 1. The main directorate issues contributing toward the outturn position are as follows:-

Staffing – the 2013/14 budget assumed that 326 ftes would leave the Council, mainly through the Early Leavers scheme. By 31st March 2014, 247 ftes had left under the scheme. The Council maintains a reserve which is earmarked to meet the one off severance costs of the scheme which cannot be met by directorates. In total one off costs of severance of £2.9m have been incurred in 2013/14, but the fund has only been used to assist those directorates that have not been able to meet the pressure from within their own budget, and this totals £2.3m. The 2014/15 budget includes £2.0m for further ELI costs.

Overall, staffing savings amounted to £4.5m, primarily within Children’s Services, reflecting the number of vacant posts across the directorate throughout the year.

- 2.3 Adult Social Care – The demand-led community care budget has been under pressure throughout the financial year, mainly due to increased activity levels within home care for older people. There have also been a small number of unanticipated high cost placements for people with mental health needs and physical impairments. Contingency actions have been identified and implemented during the year to mitigate these pressures.

The Clinical Commissioning Groups (CCG’s) have provided additional resources to support Adult Social Care Services this year, acknowledging the additional health benefits of the increased expenditure on community care packages, including reductions in delayed discharges from hospital. £6.7m of additional health funding has been provided this year for Adult Social Care. This has enabled £5m from the savings made through ASC contingency actions to be transferred to an earmarked reserve for “pump priming” the Better Care Fund in 2014/15 as outlined in the 2014/15 Budget report to Executive Board in February 2014. It has also enabled £0.8m of the Adult Social Care earmarked reserve to support service transformation to be retained for use for that purpose in 2014/15 rather than needing to be used to fund the 2013/14 community care budget pressures.

- 2.4 Children’s Services – the 2013/14 budget strategy recognised the need to reduce the number of children in care. At outturn, significant financial savings have been achieved due to reducing the reliance on externally provided residential and fostering placements and altering the mix of placement provision, including increasing the numbers of special guardianship, kinship care and adoptive placements. However, there has been some slippage on the anticipated reductions in externally provided placements which has resulted in an overspend of £2.7m on the £23.2m budget. In addition, the 2013/14 budget included anticipated savings of £2.8m in relation to the review of home to school transport policy and provision, which following the Executive Board’s decision to phase the implementation over a number of financial years has not been achieved. Within the £4.3m additional income, approximately £1.9m relates to additional health funding acknowledging the demand pressures within the system. Of the remaining £2.4m, there is additional income of £0.9m from the Dedicated Schools Grant funding, and an additional £1m of income from schools in relation to PFI schemes which is partly offset by an adverse variation of £0.3m in respect of Nursery Fee income.

- 2.5 City Development - the main areas of overspend are staffing in Planning and Sustainable Development and the non-achievement of income targets within Sport and Libraries Arts and Heritage. Savings have been made on winter maintenance of £665k. Although the decision not to implement charges for resident parking permits resulted in a shortfall of £0.4m this has been funded during the year from other one off income sources.
- 2.6 Environment and Housing – pressures within the refuse collection service of £0.8m and within waste (strategy and disposal) £0.2m have been offset by additional parking income of £0.9m primarily due to the delays in closure of Quarry Hill and increased occupancy of both on and off street parking including Woodhouse Lane. An underspend of £0.8m within Strategy and Commissioning relates to efficiencies delivered through the Supporting People contracts.
- 2.7 Central and Corporate Services – staffing savings in back office services have been achieved throughout the year. Within the Commercial Services area of Civic Enterprise, whilst there is a shortfall of £0.5m against the budgeted surplus of £9.1m this still represents an increase of £1.5m over 2012/13.
- 2.8 Public Health – The outturn shows an underspend of £947k. Of this £655k will be used to fund spend committed in 2013/14 which did not take place before the year end, leaving a balance of £292k uncommitted grant which represents less than 1% of the total grant for the year. Under the terms of the grant conditions the unspent grant is treated as a receipt in advance i.e. does not form part of reserves.
- 2.9 The main variations within the strategic budget are as follows:
- Debt savings of £1.9m have been achieved from the continuation of low interest rates and slippage in the capital programme.
 - Following finalisation of the capital programme for the year, a £1.1m saving has been identified from the capitalisation of the interest costs of assets under construction.
 - There is a shortfall in the Section 278 income¹ budget of just £400k which is a significant improvement from the 2012/13 shortfall of £2.6m.
 - The Council received notification of the Capitalisation Provision Redistribution Grant 2013-14 on the 2nd April 2014 which represents unallocated government funds which were held back from the 2013/14 grant settlement. For Leeds the redistribution amounted to £1.097m.
 - A reduction of £0.9m to the debtor provision following the settlement of a litigation case.

¹ The Council receives income from developers to fund highways works which are required for new development schemes. These are known as section 278 agreements and the Council's 2013/14 revenue budget provides for income of £5.2m for such schemes.

- All other variations amount to a cost £0.8m which mainly reflects the corporate procurement target which is held centrally but delivered in directorates.

3. Housing Revenue Account (HRA)

- 3.1. Following finalisation of the HRA the outturn for the year is a surplus of £3m against the 2013/14 budget which provided for a break even position.
- 3.2. It should be noted that the outturn position reflects the transfer of the housing management function from the ALMOs back into the Council from 1st October 2013. This has resulted in ALMO reserves of £9.3m being available to fund the Council's housing priorities. It is recommended that these reserves are added to the Major Repairs Reserve (MMR) and earmarked to support the Council House Growth Programme.
- 3.3. Due to slippage in the start of the Little London, Beeston Hill and Holbeck (LLBH&H) PFI project, £5.8m of budgeted income from Government Grant and ALMO contributions has not been received. This has no net impact on the HRA as there has been a corresponding reduction in payments to the contractor and the contribution to the project's sinking fund.
- 3.4. There have been savings of £10m on employee costs and transport (£0.2m) which primarily relate to posts within Housing Leeds being held vacant pending the outcome of the Housing Management Review.
- 3.5. Savings of £0.5m have been realised in relation to premises (rents and utilities), insurance (£0.2m) and office consumables, clothing and equipment (£0.5m). There have been savings of £0.4m in relation to the Council Tax payable on empty homes due to the number of voids being less than budget and improved turnaround times. In addition, unbudgeted income of £0.5m from interest on balances has been received.
- 3.6. There has been an under recovery of £0.3m in relation to Construction Services. This has arisen due to a combination of transferring to a new costing system (Orchard Direct Works) during the year & a deficit on the adaptations contracts held with SSE and WNW areas.
- 3.7. The contribution to provisions is £0.2m less than budget. This is the net impact of an overspend of £0.9m on the contribution to the provision for disrepair due to a high volume of new claims being received following canvassing in the city by two compensation companies. This is largely offset by a saving of £1m in respect of the contribution required to the bad debt provision. The saving on bad debts has arisen due to fewer rent arrears being written off and the impact/delay of the introduction of Welfare Change being less than anticipated.
- 3.8. It is recommended that the surplus of £3m is used to create an earmarked reserve to fund environmental initiatives on housing estates.

4. Schools

4.1 The outturn on the Individual Schools Budget for 2013/14 is shown in Table 2 below:

Table 2

Outturn	£m
Latest estimate	407.6
Outturn	405.7
Variation	1.9
Schools Reserves	
Balance Brought Forward	21.0
Net Contribution to Reserves	1.9
Balance Carried Forward	22.9
Extended Services & Partnerships	
Balance Brought Forward	7.1
Net Contribution to Reserves	1.7
Balance Carried Forward	8.8

4.2 As schools are funded from the Dedicated Schools Grant (DSG), their reserves are ring fenced and must be carried forward. Mainstream school reserves stand at £22.9m. In accordance with previous decisions, the development costs of School PFI and BSF funded schemes are initially met by borrowing from the overall level of school reserves which is then repaid over a period of time and at the close of the year, £1.3m was still outstanding. Also borrowed from school reserves was £0.3m to fund school VER costs and £4.0m to fund the 2013/14 departmental budget for Children's Services. After allowing for borrowing on the above, the net mainstream schools reserves position was £17.3m as at 31st March 2014.

4.3 Extended Services & Partnerships reserves amount to £8.8m as at 31st March 2014.

4.4 Any net saving on other DSG funded services (within the Schools Block, Early Years Block and High Needs Block) are also carried forward as a ring fenced reserve and is available to fund DSG activity in future years. At the close of 2013/14, this reserve amounted to £10.4m (£5.8m in 2012/13). In March 2014 the Leeds Schools Forum agreed to earmark £1.2m of the DSG balance to meet the cost of school equal pay claims. Further net savings have been made in-year, due primarily to reduced requirements within the High Needs block and Growth Fund, and on the creation on the provision of places 2-year olds. Schools Forum has made a commitment to utilise £4.0m of the balance brought forward in 2014/15.

5. Reserves

5.1 General Fund reserves at 31st March 2014 are £25.7m as shown in Table 3 below:

Table 3

General reserves		2013/14 Outturn £m
Balance as at 31st March 2013		23.1
<i>Add:</i>	Small business Rate Relief	3.8
<i>Less:</i>	Impact of Levy to Bus Rates pool	-1.0
<i>Less:</i>	net usage in year	-0.2
Balance as at 31st March 2014		25.7

5.2 As previously reported to Executive Board, the Government has continued the small business rates relief scheme. Compensation grant received by the Council amounts to £3.8m - an increase of £0.5m from the initial assessment. This reimbursement was not announced in time to be included in the 13/14 budget and was added to General Fund reserves during the year.

5.3 However as part of the calculation of the Business Rates Levy £1m of this is transferred to the Leeds City Region Business Rates Pool. The regulations governing the calculation of the Levy have not yet been issued, but from DCLG guidance issued in January it is clear that the methodology has been changed. When the 2013/14 budget was prepared Leeds' levy was estimated at £976k, but under the new guidance grant funding for Small Business Rates Relief has to be brought into the calculation as income. As a result, the 2013/14 Levy is now estimated at £1.9m, an increase of £1m from the budget.

5.4 The balance carried forward of £25.7m is £1.5m below the projection of £27.2m reported in the February 2014 Budget report. However the 2014/15 budget provided for an increase in the employers' superannuation rate of 0.5% to 15% based on information provided from the pension fund that overall any increase should be contained within 0.5%. However following finalisation of the level of contributions required to meet current employees' liabilities and an annual lump sum for past employees the combined rate has now been calculated at 14.5%. This will result in a saving on general fund services of £1.43m and it proposed to transfer this to general reserves.

5.5 Earmarked Reserves

5.5.1 Executive Board are requested to approve the creation of earmarked reserves totalling £7.2m. These will help to support the 2014/15 budget by providing additional investment in the following priority areas:

- As detailed in para 2.3 above, it is proposed to earmark £5m of the Adult Social Care underspend to pump prime the Better Care Fund in 2014/15.

- Within Children's Services it is proposed that £1.073m of additional health funding in 2013/14 is earmarked in respect of transitional funding for Child Adolescent and Mental Health Services (CAMHS) and the joint Health Innovation Programme.
- £0.12m within Environment and Housing is to be earmarked to create a Homelessness Prevention Fund which will support struggling mortgagees to meet their housing costs through affordable loans to pay off debt/court costs; an extension to the Reconnections service; and a fund to pay for cleaning up tenancies where the tenant is in danger of losing accommodation due to hoarding etc.
- In addition £0.04m is to be earmarked in respect of the Temple Newsam fire insurance receipt which will cover expected associated costs in 2014/15.
- Within Customer Services it is proposed to earmark £0.1m of the underspend in respect of the extension of the 'liveperson' (webchat) contract at the contact centre
- £0.853m is to be earmarked from the unspent contingency fund; £0.2m for the manager challenge programme in 2014/15 and £0.653m to support the Grand Theatre in respect of both the projected deficit for 2013/14 and other potential losses arising from the reclaiming of alleged misappropriated funds. The Theatre's operating deficit is still subject to finalisation. The company has no unrestricted reserves to fund its deficit and therefore will require the support of the Council to continue to operate. The financial position of the Company is of significant concern and it is proposed that a report on the options for the future operation of the Company is brought forward by the Director of City Development for consideration at July's Board meeting.

5.5.2 Executive Board are also requested to note contributions to two earmarked reserves already approved by the Board in respect of the repair and maintenance fund for the Engine House and Towers of £1.629m and the creation of a social inclusion fund from the proceeds of the large casino licence £0.853m.

5.6 A full statement of all Council reserves can be found at Appendix 1. A summary of them is shown in Table 4 below:

Table 4

Reserves	Balance at 31.3.14 £m
General Fund:	
General reserves	25.7
Earmarked reserves	23.5
Ringfenced reserves - schools	36.6
Ringfenced reserves - other	7.2
Housing Revenue Account:	
General reserve	7.0
Earmarked reserves	78.0

6. Capital programme

6.1 The actual capital expenditure for General Fund and HRA in 2013/14 was £198.0m, an underspend of £7.4m against the February 2014 Capital Programme.

6.2 General Fund

The following table shows the in-year actual General Fund expenditure against estimate split per Directorate:

General Fund	Feb 14 Estimate	May 14 Outturn	Variation	
	£000s	£000s	£000s	%
City Development	68,450.4	69,715.4	1,265	1.85
Children's Services	34,745.4	32,315.4	-2,430.0	-6.99
Environment & Neighbourhoods	18,288.0	17,236.6	-1,051.1	-5.75
Adult Services	5,503.8	2,980.3	-2,523.5	-45.85
Strategic Accounts	14,228.1	14,269.8	41.7	0.29
Central & Corporate Functions	9,043.9	8,374.0	-669.9	-7.41
Central Accounts	311.2	1,005.2	694.0	223.01
Total Spend	150,570.8	145,897.0	-4,673.8	-3.10

6.2.1 Details of the main General Fund schemes which have generated this underspend can be seen in Appendix 3.

6.2.2 The outturn figures for the Strategic accounts includes £8.1m of eligible general capitalised expenditure transferred from department's revenue accounts plus £141k of capitalised PFI development costs.

6.2.3 £1m of interest costs have been capitalised in respect of assets under construction as at 31 March 2014.

6.3 Housing Revenue Account

The following table shows the in-year actual Housing Revenue expenditure against estimate:

HRA	Feb 14 Estimate	May 14 Outturn	Variation	
	£000s	£000s	£000s	%
Strategic Landlord	1,246.3	785.7	-460.6	-36.96
Housing Leeds	53,566.6	51,319.9	-2,246.7	-4.19
Total Spend	54,812.9	52,105.6	-2,707.3	-4.94

6.4 The following table details the overall expenditure and financing position for the Council:

	Feb 2014 Estimate (£m)	May 2014 Outturn (£m)
Net Capital Spend	205.4	198.0
Financed by		
Specific Grants and Contributions	65.4	57.0
Capital Receipts	0.0	10.0
MRA	0.0	0.0
HRA Self-Financing	37.1	35.1
Borrowing	85.4	78.2
Revenue Contributions \ Reserves	17.5	17.7
Total Funding	205.4	198.0

6.4.1 £10m of capital receipts have been utilised in 2013/14 as a funding source for General Fund expenditure. In line with existing accounting policy £12.7m of receipts have been used to fund PFI liabilities.

6.4.2 HRA Strategic Landlord, ALMO's and BITMO have utilised £35.1m of self-financing funding, together with £17.0m of ALMO revenue contributions.

6.4.3 The net debt of the Council as at 31 March 2014 is £1,393m. Further details of this and the debt financing costs will be presented in the annual 2013/14 Treasury Management report to Executive Board in July 2014.

7. Other Financial Performance

7.1 Local Taxation

7.1.1 The performance statistics for the year in respect of the collection of local taxation are as follows:-

	2010/11 Leeds Actual	2011/12 Leeds Actual	2012/13 Leeds Actual	2013/14 Leeds Actual
Council Tax collection	96.7%	96.6%	96.6%	95.7%
Non Domestic Rates	97.9%	97.5%	97.6%	97.1%

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

- Council Tax overall collection rate – 95.7% (96.6% last year). The in-year collection rate target for the current year was 95.5% to reflect the increase in debt which has fallen due in respect of those who previously were in receipt of 100% Council Tax Benefit. Current year performance was also affected by increased charges in respect of empty properties, which during 2012/13 were exempt from council tax. At the end of March however the target of 95.5% set for the in year collection has been exceeded. Although the percentage collected is down on the previous year, £267.5m has been collected in 2013/14, an increase of £13.3m compared to the previous year which reflects the Council Tax support changes and the additional empty properties charges.
- Collection rate for those affected by Council Tax Support scheme – 73.0% (69.9% month 11).
- Collection rate for those previously getting 100% Council Tax benefit – 65.0% (62.4% month 11).

7.1.3 The collection of non-domestic rates for the year is 97.1% of the current net debit of £376.0m. This represents a reduction of 0.55% over 2012/13, although the actual value of cash collected in respect of 2013/14 is an increase of £15.8m on the previous year.

7.2 Sundry Income

7.2.1 In terms of Sundry income, the collection rate of invoices more than 30 days old at the end of March 2013 is 97.2% of the amount due of £112.5m, and exceeds last year's performance by 0.5%.

7.3 Prompt Payment of Creditors

7.3.1 The prompt payment result at the year-end is 93.04% of undisputed invoices processed within 30 days against a target of 92% and an increase of 1% compared to the previous year. During the year 472,400 invoices were paid, of which 35,362 were paid after 30 days. Overall 95.91% of invoices were paid within 40 days and as far as possible 100% of small suppliers are paid within 20 days. The value of purchasing card spend at the year-end is £42.8m.

7.4 Local Authority Mortgage Scheme

7.4.1 Members will recall that in March 2012, Executive Board agreed to provide an indemnity of £2m through establishing a Local Authority Mortgage scheme for Leeds. Under the scheme the Council provides an indemnity for up to 20% of the deposit for first time buyers purchasing their first house. The indemnity is cash backed by the Council depositing a sum of money with the lender for 5 years on which interest is earned. An agreement was entered into with the Leeds Building Society to provide an initial £1m indemnity for the scheme and £1m was deposited with the Leeds Building Society in September 2012. A second agreement was entered into with the Leeds Building Society in July 2013 for a further £1m (making a total of £2m). As at 31st March 2014, 65 enquiries had progressed to formal applications. Of these, 59 mortgages had completed, 3 had received a mortgage offer (but not yet completed) and 3 were at initial application stage. Of the Council's £2m indemnity, £1,384.7k had been committed with a further £73k estimated to meet initial stage applications. The scheme has gone well so far and is well placed to attract more applications to fully utilise the indemnity provided by the Council. The Government launched its own Help to Buy Scheme in late 2013 working with specific lenders, giving potential buyers further mortgage options. The LAMS scheme will continue to be monitored and there may be a need to market the scheme further should applications start to slow as a result of the Government scheme.

7.5 Local Welfare Support Scheme

7.5.1 From April 2013, the discretionary aspects of the Local Welfare Support Scheme were devolved to Local Authorities to administer. This budget of £2.9m 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 comprised: Direct Awards £1.5m, Initiative Funding £0.5m and £0.5m for Section 17 emergency payments (administered by Children's Services). Initially £250k had been earmarked for additional Discretionary Housing Payments, however in light of the recent award of additional DWP funding for this area, it is intended to carry forward this amount to be used in 2014/15. Also £250k had been allocated for the Discretionary Local Council Tax Scheme but it was not be possible to spend this before 31st March, therefore it is proposed to carry forward £250k into 2014/15 so that it can be appropriately directed to those most in need. In addition, spend against the allocation of £1.5m for 'direct awards' is £1.4m, and it is likewise proposed to carry forward the underspend of £100k into 2014/15.

8. Corporate Considerations

8.1 **Consultation and Engagement** - This is a factual report and is not subject to consultation.

8.1.1 **Equality and Diversity / Cohesion and Integration** - 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.

8.1.2 **Council Policies and City Priorities** - The 2013/14 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget.

8.1.3 **Resources and Value for Money** - This is a financial report and as such all financial implications are detailed in the main body of the report.

8.2 **Legal Implications, Access to Information and Call In**

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.

8.3 **Risk Management**

8.3.1 The Council has prepared and maintained a financial risk register for a number of years. The 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.

8.3.2 At the start of the year, the budget risk register showed there were no very high risks and 5 high risks. The high risks were:

- Health Transformation funding within Adult Social Care and Children's services may not be fully achieved
- The activities of the reablement service, the expansion of telecare and electronic monitoring may not achieve the savings target for domiciliary care within Adults.
- External income within Asset management falls short of the budget.
- Section 278 income – risk that due to the economic climate receipts may fall short of the budget.
- Capital receipts available to pay credit arrangements would be insufficient

All risks have been closely monitored throughout the year and have been managed within the overall resources available to the Council.

9. **Recommendations**

9.1 Members of the Executive Board are asked to:

9.1.1 Note the outturn position and to agree to the creation of earmarked reserves as detailed in paragraphs 3.8 and 5.5 above and delegate their release to the Deputy Chief Executive.

9.1.2 Agree a virement in 2014/15 from directorate superannuation budgets to general fund reserves as detailed in paragraph 5.4 above.

9.1.3 Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the "call in" period.

10. Background Documents²

10.1 There are no background documents relating to this report

² 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 OUTTURN

Overall Narrative

The outturn position for Adult Social Care is an underspend of £0.1m (0.07%), a reduction of £0.8m since Period 12. The main change is due to a realignment of health income between Adult Social Care and Children's Services.

The main variations at Period 12 across the main budget headings are as follows:

Staffing (-£0.9m - 1.1%)

This mainly reflects the contingency actions taken during the year to help to mitigate the impact of the demand pressures on the community care budget.

Transport (+£0.6m - 11%)

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.

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. The impact of significant reductions in the levels of delayed discharges from hospital during 13/14 on this expenditure level has been recognised by our Health Partners, and additional funding has been provided to reflect this. 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. The upward trend in projected spend earlier in the year has now stabilised, but it continues to be higher than budgeted.

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 eight 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 (-£9.5m – 15.2%)

The majority of the increased income reflects additional health funding agreed thus far for 2013/14, which recognises the demand pressures being experienced in Adult Social Care and acknowledges the additional health benefits of this spend.

This also includes additional funding from Public Health for three services within Adult Social Care.

Transfer to Earmarked Reserve (£5.9m)

This mainly reflects the additional health funding outlined above that has enabled £5m of contingency savings achieved during the year to be transferred to an earmarked reserve to "pump-prime" the Better Care Fund in 2014/15 and avoided the Adult Social Care earmarked reserve to support service transformation needing to be used to fund the 2013/14 community care budget pressures.

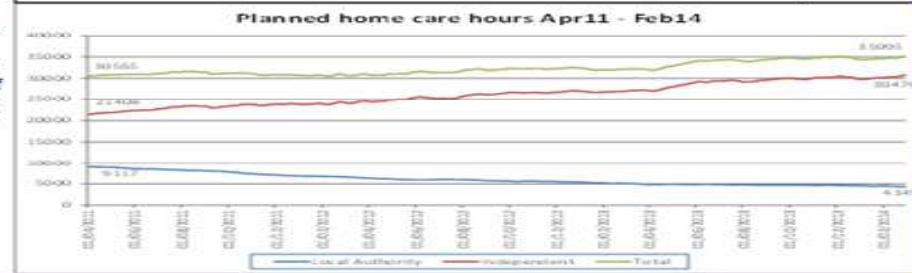
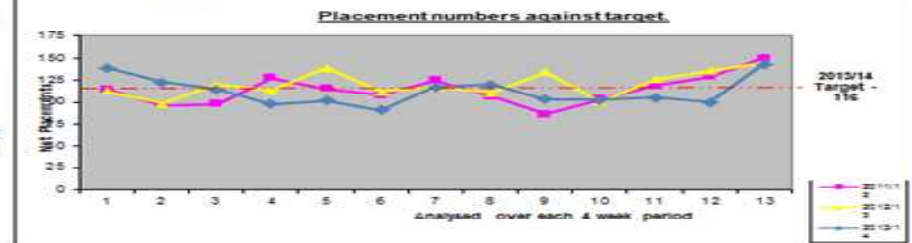
ADULT SOCIAL CARE FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR OUTTURN

Service Graphs

The placement graph opposite shows the number of approved older person residential placements. For monitoring purposes a target line of 116 per 4 week period is a marker against the affordability of growth against the approved budget. The data shows that over the period placements are close to the planned growth, and until the last period have been below target/budget since May

The home care graph opposite shows a steady growth over the last two years. This is due to peoples' choices to be cared for in their own home and demographic factors. A marked increase is noticed in the early part of the current financial year. This has steadied off and been largely a flat-line for the balance of the year.

Service Graphs



Budget Management - net variations against the approved 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) / £'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	405	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)	894	
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)	
Month 10	198,183	(47)	109	(424)	(117)	900	4,092	42	(1,423)	3,132	(3,631)	(499)	
Month 11	199,183	(461)	185	(454)	(184)	914	4,519	925	(2,223)	3,221	(3,695)	(475)	
Month 12	199,183	(589)	199	(570)	(298)	755	4,358	(63)	(1,269)	2,524	(3,403)	(878)	
Outturn	199,537	(948)	262	(414)	(329)	776	3,917	56	5,995	9,314	(9,463)	(149)	
	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	91,291	768	1,329	2,943	2,526	4,095	4,155	4,188	4,405	4,437	4,235	4,921	
Strategic Commissioning	2,070	643	525	(135)	43	88	(68)	(2,211)	(2,160)	(2,012)	(1,734)	(2,068)	
Resources	5,687	93	(1,275)	(1,921)	(1,957)	(2,764)	(2,704)	(1,761)	(1,747)	(1,673)	(1,599)	(464)	
Care Services	100,489	(970)	410	137	380	(524)	(459)	(687)	(997)	(1,227)	(1,781)	(2,538)	
Total	199,537	534	990	1,025	991	894	924	(471)	(499)	(475)	(878)	(149)	

CHILDREN'S SERVICES DIRECTORATE FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR OUTTURN

Overall

The outturn position for the Children's Services Directorate is an **underspend of £41k** against the net managed budget of £135m.

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]. The outturn position is that these significant budget savings have largely been achieved, but with some slippage on the delivery of the savings. In terms of externally provided placement numbers, at the end of March 2014, there were 59 children & young people in externally provided residential placements [+3 compared with the financial model] and 260 children & young people in placements with Independent Fostering Agencies [+52 compared with the financial model]. Overall, these placement numbers translated into a budget overspend of £2.7m. The outturn position recognises the demand pressures around alternatives to care, including adoptions and special guardianship orders [£0.8m] and care leavers [£0.4m].

Staffing

At outturn, the overall staffing budgets underspent by £3.1m across the combined general fund, grant funded and central schools budget functions which recognised the number of vacant posts across the Directorate and also the impact of the predominantly internal recruitment market. The year-end spend on agency staffing was £6.2m and £1.1m on overtime.

Premises & Supplies & Services

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

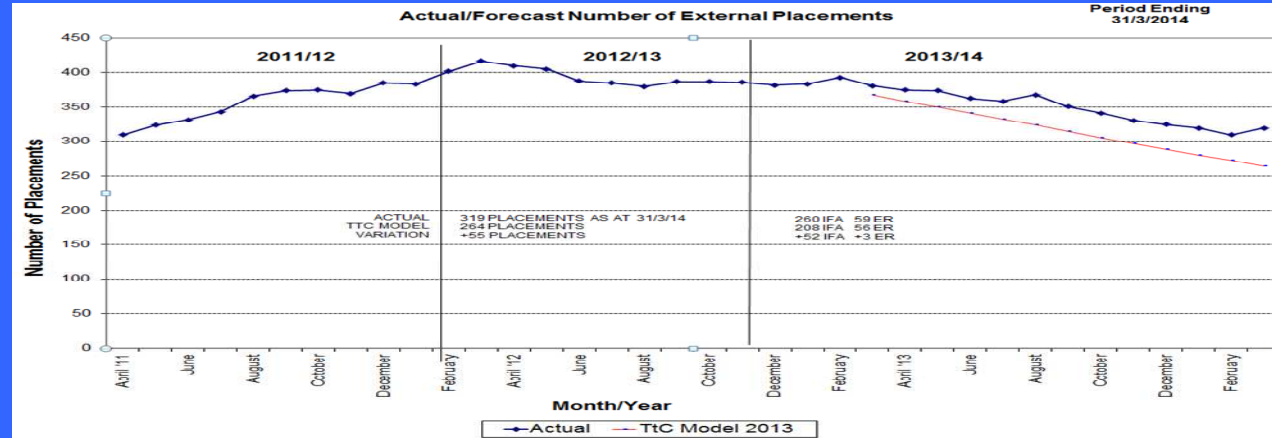
Transport

The 2013/14 budget strategy included anticipated savings of £2.8m [held with in the Strategy, Performance & Commissioning Service] from reviewing the way all aspects of home to school transport were provided. The outturn position reflects 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 were mitigated in part through the implementation of some provision changes in the current year, including £0.6m of savings in respect of transport for Looked after Children.

Income

The £4.3m favourable variation across the income and funding budgets reflects the previous budget adjustment in respect of the central schools budget funding. The position also recognises additional health funding received in 2013/14 of which approximately £1m is intended to be carried-forward to 2014/15 in respect of transitional funding for Child Adolescent and Mental Health [CAMHS] Services and the joint Health Innovation Programme. In addition, there was a variation in respect of nursery fee income [+£0.3m] which was mitigated by an additional £0.5m of payment by results funding in respect of the Families First (Leeds) programme.

CHILDREN'S SERVICES DIRECTORATE FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR OUTTURN



				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	Appropriation £'000	Total Expenditure £'000	Income £'000	
Quarter 1	291,594	(156,423)	135,171	(3,246)	(227)	25	48	67	904	181	0	(2,248)	3,398	1,150
Month 4	291,339	(155,876)	135,463	(3,734)	(603)	(464)	2,192	618	1,226	(212)	0	(977)	2,591	1,614
Month 5	290,243	(155,508)	134,735	(3,308)	(602)	(28)	2,139	833	870	45	0	(51)	2,042	1,991
Month 6	290,560	(155,825)	134,735	(4,035)	(434)	51	2,443	485	717	13	0	(760)	2,900	2,140
Month 7	290,135	(155,400)	134,735	(2,846)	(151)	(8)	2,440	1,961	1,528	(73)	0	2,851	(107)	2,744
Month 8	291,194	(156,482)	134,712	(3,147)	(165)	(4)	2,441	1,811	2,420	(46)	0	3,310	(720)	2,590
Month 9	291,227	(156,515)	134,712	(3,301)	(170)	(93)	2,467	1,826	2,575	(12)	0	3,292	(2,521)	771
Month 10	289,392	(154,679)	134,713	(3,370)	(254)	(175)	2,581	1,268	3,432	50	0	3,532	(3,151)	381
Month 11	290,894	(156,163)	134,731	(3,559)	(306)	(212)	2,655	649	3,635	380	0	3,242	(2,705)	537
Month 12	290,968	(156,237)	134,731	(3,268)	(319)	(286)	2,730	620	3,696	270	(34)	3,409	(2,865)	544
Outturn	293,220	(158,053)	135,167	(3,103)	(487)	(646)	2,784	569	3,368	1,125	698	4,308	(4,349)	(41)
	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	17,441	(7,686)	9,755	(410)	(951)	(814)	(620)	(447)	(383)	(432)	(512)	(646)	(459)	(439)
Learning, Skills & Universal Services	78,529	(60,936)	17,593	(209)	(402)	(634)	(615)	(692)	(641)	(644)	(1,018)	(1,206)	(1,189)	(1,165)
Safeguarding, Targeted & Specialist Services	128,618	(33,141)	95,477	1,299	156	738	303	825	567	(1,220)	(1,155)	(688)	(656)	(839)
Strategy, Performance & Commissioning	68,632	(55,990)	12,642	470	2,811	2,701	3,072	3,058	3,047	3,067	3,066	3,077	2,848	2,402
Total	293,220	(157,753)	135,467	1,150	1,614	1,991	2,140	2,744	2,590	771	381	537	544	(41)

City Development
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Outturn

Overall Narrative

The Directorate overspent by £0.95m which is a reduction of £0.14m on the position reported for Period 11. This reduction in the outturn overspend is as a result of an improvement in the financial position of Planning and Sustainable Development and Highways and Transportation partly offset by a small deterioration in the financial position for Economic Development and Sport. The Directorate has managed to contain the actual overspend to below a £1m. This is despite two planned budget actions not being progressed during the year and further challenging saving targets on procurement and staffing to deliver. The recovery in the economy during the year has had an impact on the Directorate, both in terms of increased activity and income. This was particularly the case in Planning and Sustainable Development and Asset Management and meant that most income targets were exceeded. Highways and Transportation had a number of large capital schemes to deliver along with the annual maintenance programme and this did put pressure on resources. A mild winter meant that savings were made on grit and staff costs during the final quarter and the service also achieved additional income from the issue of licences, fines and penalties to external bodies. All services reviewed spend during the year to reduce the overall overspend. The main areas of overspend were staffing in Planning and Sustainable Development and income targets in Sport and Libraries, Arts and Heritage. Staffing overspent by £0.28m across the Directorate but this should be seen in the context of the budget being reduced by over £1m, recruitment continued to be rigorously managed by City Development Directorate.

Economic Development underspent by £0.03m. This is mostly due to savings on supplies and services offset by additional expenditure on premises costs for Kirkgate Market including energy and maintenance spend. Income for the Markets was also £0.2m below budget. Employment and Skills underspent by £0.3m with savings made on staffing and commissioned contracts. Highways and Transportation underspent by £0.5m. Savings have been made on the winter maintenance budget following the mild winter, on staffing and also by some income targets being exceeded. Additional work led to additional fee income although this has been partly offset by increased expenditure on supplies and services and vehicle costs. The decision not to implement charges for resident parking permits meant a shortfall of £0.4m against the income target included in the budget. This was part funded during the year from one off additional income in Asset Management and also by additional income from licences, fines and penalties from external bodies across Network Management. Regeneration Services has underspent by £0.04m as a result of staff savings partly offset by a reduction in income.

Resources and Strategy overspent by £0.1m. In previous reports some savings were included in Resources and Strategy but were expected to be realised in other services. These savings are now shown in the appropriate services. The overspend is mostly on staffing and relates to an efficiency target for the Directorate which was included in Resources and Strategy. Most of this was achieved during the year but there was a shortfall of approximately £0.2m. Savings have been made against supplies and services budgets.

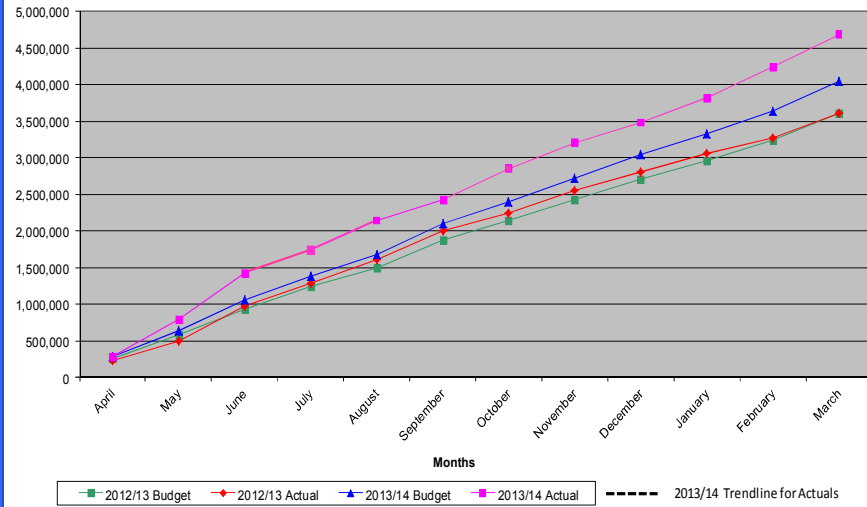
Asset Management overspent by £0.07m. Major variations in the Service included a shortfall against the advertising income target offset by additional income from surveyor and legal fees and also from additional one off rental and other income this year. Contracts for additional advertising hoarding sites are currently being progressed and should result in additional income in 2014/15. The Arena also generated a surplus of £328k with income from the rent and car parking charges exceeding the borrowing and other costs incurred.

Planning and Sustainable Development overspent by £0.4m. This is an improvement of £0.2m on the Period 11 position and is due to an increase in planning fee income in March. Planning and building fees have exceeded the budget by over £0.66m and the amount received during 2013/14 is the highest for a number of years and reflects the increase in planning applications and major planning applications in particular. This has resulted in an increase in workloads and the service was unable to continue to reduce staffing numbers in line with the budget assumptions, during the year it was also agreed that some additional temporary planner posts would be recruited to deal with the increase in applications. As a result staffing overspent by £0.4m and there was an overspend on other expenditure of £0.27m which included one off legal and other costs incurred in relation to the Core Strategy and Bridgewater Place, some of the costs should be recoverable.

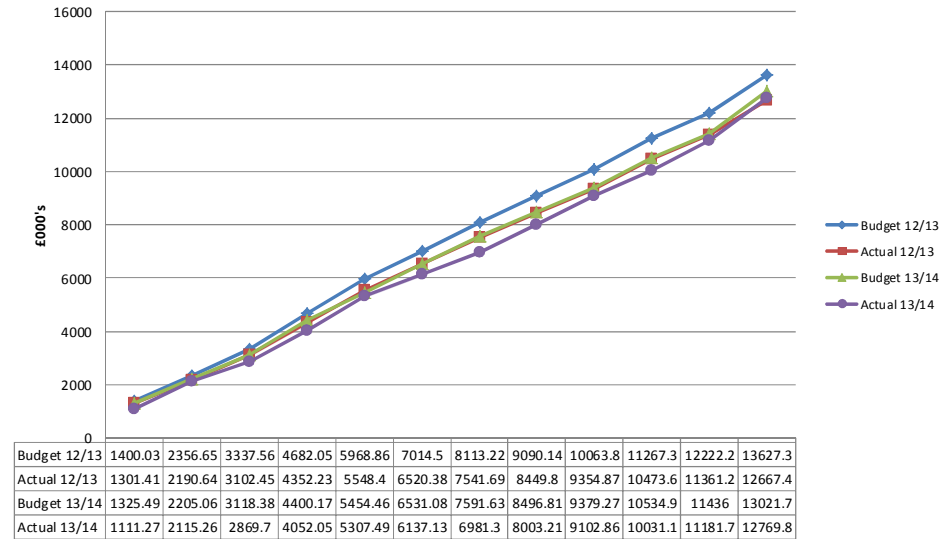
Sport and Active Recreation overspent by £0.9m. The graph below shows cumulative sport income against the phased budget. The budget for Sport Income is just under £13m and the outturn position was a shortfall in external income of £0.8m partly offset by additional internal income of £0.2m and a contribution from Public Health of £0.37m. Key income sources such as bodyline income held up well during the year, the main areas of income shortfall were £0.14m on swimming charges, £0.1m other sporting fees and charges and £0.16m on room and space hire. Staffing overspent by £0.13m mainly as a result of not implementing the budget proposal to reduce some sport centre opening hours following the launch of the Leeds Lets Get Active (LLGA) scheme. The LLGA scheme was successfully launched during the year with take up exceeding expectations. The impact on income has not been as significant as originally expected and this has enabled some of the funding from Public Health to be carried forward. Premises costs overspent by £0.18m mainly due to additional Salix and NNDR costs, these were partly offset by savings on supplies and services expenditure. The Service also received a contribution of £0.37m from Public Health although for the purpose of this presentation this contribution has been excluded from the overall service position and shown against the corporate accounts. Libraries, Arts and Heritage overspent by £0.3m. The majority of this is explained by a combination of overspend on the supplies and premises budgets partly offset by additional income and a shortfall in income from events and venues.

City Development FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR Outturn

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



Sport Income 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	Appropriation £'000	Total Expenditure £'000	Income £'000	
Quarter 1		751	172	(963)	5	41	27	30	0	63	870	934
Month 4		663	116	(692)	4	(5)	27	1	0	114	1,126	1,240
Month 5		510	176	(494)	2	(100)	27	0	0	122	869	991
Month 6		456	143	(416)	(11)	206	27	0	0	405	664	1,069
Month 7		450	187	(318)	35	244	27	0	0	625	442	1,067
Month 8		422	(180)	454	60	315	27	54	0	1,152	(105)	1,047
Month 9		403	(1)	584	66	(179)	27	53	0	953	184	1,137
Month 10		482	(103)	745	107	(73)	27	53	0	1,238	(149)	1,089
Month 11		171	(321)	521	269	(277)	20	191	0	574	511	1,085
Month 12		82	72	59	316	(90)	20	560	0	1,019	(169)	850
Outturn		282	(121)	221	415	(230)	20	496	1,629	2,712	(1,763)	949

	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	659	668	448	420
Economic Development	1,600	0	0	0	0	(41)	(117)	(182)	(135)	(135)	(118)	(30)
Asset Management	9,329	494	500	250	236	178	116	181	177	113	104	73
Highways and Transportation	20,810	189	189	189	(64)	(65)	(15)	4	(86)	(266)	(488)	(518)
Regeneration	672	0	21	(25)	(25)	(24)	(14)	(38)	(43)	(52)	(61)	(37)
Resources and Strategy	2,152	(848)	(800)	(765)	(511)	(386)	(425)	(349)	(322)	(106)	144	107
Employment and Skills	2,942	52	48	44	(107)	(193)	(208)	(220)	(249)	(269)	(300)	(301)
Libraries, Arts and Heritage	20,939	2	159	156	265	253	275	282	286	327	320	318
Sport and Active Recreation	6,253	500	582	604	749	800	802	804	802	805	801	917
Total	68,411	934	1,240	991	1,069	1,067	1,047	1,138	1,089	1,085	850	949

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR

Outturn

Overall Position -£1,316k

The final outturn for the Directorate was an underspend of £1,316k (1.5%) against the LE budget of £76.7m. The Directorate is seeking approval for 2 earmarked reserves (£160k) from this underspend.

Community Safety (£139k underspend)

A net underspend of £198k arose on staffing, primarily within Leeds Watch and Signpost. There was an income shortfall of £148k due to lower charges to the HRA from ASBU and Signpost. Legal charges are £67k lower than budgeted, PCSOs costs were £40k under budget and other net overspends totalled £18k.

Resources Strategy & Commissioning (£714k underspend)

The underspend of £763k arose due to efficiencies delivered on Supporting People contract payments and receipt of an additional grant. Community Centre budgets have transferred to C&C but an overspend of £111k has been retained within E&H. Other savings totalling £62k have been identified, primarily due to reduced usage of ALMO floating support and energy team charges to the HRA.

The £6.9m of Drugs Commissioning Service contracts and costs were fully funded by Public Health and the Office of the Police and Crime Commissioner.

Statutory Housing (£364k)

Staffing savings of £351k were generated, primarily due to staffing underspends of £240k Housing Options and £129k Area Renewal. The staffing underspend reduced income for the Leeds Neighbourhood Approach team and HRA income by £248k. The net impact of the staffing underspend is £103k. There was an overall underspend of £176k on homelessness prevention as the service was able to manage specific in year demand within allocated resources (after £120k carried forward in reserves). The staffing underspend is offset by additional costs of £30k for furniture storage, £30k shortfall on income relating to bond retrieval, a pressure of £13k for Traveller sites and other net underspends of £38k.

Parks & Countryside (£141k underspend)

An underspend of £156k arose on staffing due to a number of vacant posts at the start of the year. Bereavement Services had a net overspend of £211k. Workshop repairs and equipment sales were £260k better than budgeted due to the programme of replacement of older equipment over recent years. An £83k pressure arose on golf and pitch hire income. Other net over and underspends gave a further £21k pressure and a £40k insurance receipt is requested to be carried forward as a reserve.

Environmental Action (£217k underspend)

In year on-going MWC were £128k, these have been partially offset by other staffing savings in the services of £260k. The additional cost of dog kennelling is £8k. Savings in Pest control £69k and other line by line savings of £24k.

Waste Management (£1,066k overspend)

Refuse Collection overspend by around £829k. The cost of sickness cover above the budget is £200k and the cost of additional management support helping to progress key service projects was around £145k. Vehicle repairs are £290k above the budget. Capital spend on a new IT system of £270k has been financed in year rather than in future years. Other savings of £76k were made, mainly from financing costs of bins.

Within Waste (Strategy & Disposal) there was an overspend of £237k.

£217k relates to electricity from gas generation at Gamblethorpe. Disposal costs were £342k above budget. HWSS staff and vehicles savings amounted to £179k. Savings in procurement costs of around £153k were generated. Other minor variations totalled £10k.

Car Parking (£807k underspend)

Savings from in year vacant posts that are in the process of being recruited to saved £183k. Spend on new software licences and cameras was £116k higher full year NNDR costs of £58k were incurred at Quarry Hill and Queens Hall car parks along with a £66k pressure on Legal, Property and security charges. Other net pressures totalled £19k. Parking income is £883k higher than the budget. This is mainly from the delay in closure of Quarry Hill £492k and the increased occupancy of both on and off street parking including Woodhouse Lane.

**ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Outturn**

Budget Management - net variations against the approved budget;

Summary By Expenditure Type

	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	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)
Month 10	78,252	(186)	(233)	612	(520)	467	(690)	0	303	(247)	(381)	(628)
Month 11	78,252	(149)	(212)	942	(594)	257	(536)	0	318	26	(1,056)	(1,030)
Month 12	78,252	(139)	(196)	1,012	(722)	243	(689)	0	318	(173)	(913)	(1,086)
Outturn	76,671	(105)	(199)	491	(688)	681	22	(38)	391	555	(1,871)	(1,316)

Summary By Service

	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	
Community Safety	3,375	(20)	(51)	(36)	(54)	(96)	(139)	(156)	(144)	(74)	(81)	(139)	Mainly staffing savings
Resources, Strategy & Commissioning	11,450	(19)	51	(401)	(347)	(378)	(390)	(440)	(623)	(627)	(660)	(714)	Underspend on SP contracts
Statutory Housing	2,642	0	0	0	0	0	0	0	0	(5)	0	(364)	Staff savings and other savings/pressures
Parks & Countryside	10,622	(1)	0	(150)	(233)	(233)	(227)	(227)	(266)	(302)	(302)	(141)	Staff savings and other savings/pressures
Waste Strategy and Disposal	19,328	0	72	226	226	153	364	418	514	407	408	311	£560k tonnes & Gamb; (£153k) PFI;
Waste Operations	3,113	0	8	34	36	34	34	47	32	23	21	(73)	Staff and vehicle savings
Refuse Collection	19,167	111	99	362	387	411	544	544	544	490	566	828	Staffing pressures partially offset by vehicle / bin savings
Environmental Action	11,279	44	20	70	98	129	110	125	84	(24)	(35)	(64)	Staffing savings and minor expenditure
Environmental Health	2,759	(9)	12	31	30	80	38	29	(56)	(81)	(88)	(153)	Staffing savings and Pest Control Contract
Car Parking	-7,064	(106)	(211)	(528)	(499)	(460)	(726)	(732)	(714)	(837)	(915)	(807)	Income from delays to closure of Quarry Hill and increased usage of car parks
Total	76,671	0	0	(392)	(356)	(360)	(392)	(392)	(628)	(1,030)	(1,086)	(1,316)	

STRATEGY AND RESOURCES
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Outturn

Overall Position

The final outturn position for Strategy and Resources is an underspend of £114k. All the professional support services have come in under budget and have achieved their targets for reduced staffing as well as taking advantage of income opportunities where possible. The PPPU have continued to support key Council programmes and projects as well as generate a significant amount of external income. However due to a number of projects being provided at no charge or reduced rates, this has meant the budgeted income has not been achieved.

Strategy and Improvement

Overall, the service has underspent by £163k with the main reason being savings in staffing and running costs within the Communications team. In addition, since last month.

In respect of the budget for the 'Changing the Workplace' programme the net revenue cost over and above budget was £63k, considerably less than originally forecast. This amount has been funded corporately.

Finance

Pay savings of £782k 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 resulting in a year end underspend on pay of £161k. ELI costs amounted to £247k.

In terms of running costs, there was an overspend of £192k within the Revenues division mainly relating to system costs and bailiff fees. Council Tax/NNDR Court Fee income (based on the number of summonses issued) came in £280k above budget, mainly due to a significant increase in the number of summonses raised near year.

Human Resources

Against the £500k pay savings in the budget, the year end position was an underspend of £77k. However, there are increased costs in pensions as a result of the early leavers of £63k and supplies and services (mainly care first) of £23k.

Additional income of £45k has been generated, mainly for staff supporting the Tour de France project and a charge to Schools for Convenor duties of £100k has been applied which has been partially offset against the 2013/14 cost of the Manager Challenge Programme (£69k).

Technology

In line with projections in recent months, the service has finished the year with a slight underspend of £68k. Whilst pay underspent by £585k, £400k links directly through to capital income for projects which means is £400k below budget. A number of staff left the service as part of the early leavers initiative and the one off costs in 2013/14 were £169k.

The service have led on several procurement initiatives and have delivered savings of over £200k - with the full year impact in 2014/15 expected to be around £450k.

Procurement

An underspend on staffing and an increase in YPO rebate income has been offset by the cost of additional PPPU resource deployed in relation to the 'transforming procurement' agenda. Even though the Yorbuild income has fallen out, this shortfall has been offset against reduction in supplies and services spend and a slight increase in other income. However, overall the service has come in on-line with budget.

PPPU

The main pressure reflects the key 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 £371k less than budget due to over estimating chargeable work expected by year end. The unit will still make a surplus of £774k (net managed budget). The income projections still assume full charge out rates can be recovered for certain projects, such as the Tour de France.

There is also additional expenditure of £60k in relation to the movement of project staff into St George's House to facilitate the amalgamation of project staff from Business Improvement and ICT into PPPU.

STRATEGY AND RESOURCES
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Outturn

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	Appropriation £'000	Total Expenditure £'000		Income £'000
Quarter 1	42,148	(133)	(1)	10	(6)	30	0	0	0	(100)	100	0
Month 4	42,041	(219)	0	38	(3)	29	0	0	0	(155)	155	0
Month 5	41,964	(424)	4	141	(8)	34	0	0	0	(253)	253	0
Month 6	37,890	(575)	4	195	(10)	9	0	0	0	(377)	377	0
Month 7	37,925	(672)	(1)	15	(8)	150	0	0	0	(516)	479	(37)
Month 8	37,925	(763)	20	111	(6)	154	0	0	0	(484)	405	(79)
Month 9	37,902	(830)	20	62	(1)	155	0	0	0	(594)	594	0
Month 10	37,898	(898)	21	307	(2)	286	0	0	0	(286)	273	(13)
Month 11	37,880	(919)	23	333	13	299	0	0	0	(251)	(73)	(324)
Month 12	37,880	(531)	62	292	16	458	0	0	0	297	(264)	33
Outturn	37,613	(797)	72	1,157	8	552	0	0	(446)	546	(660)	(114)

	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
Strategy and Improvement	6,838	(1)	1	0	(1)	(1)	0	(3)	(98)	(140)	(163)	(163)
Finance	8,296	(2)	(18)	(78)	(50)	(88)	(188)	(178)	(129)	(281)	(149)	(206)
Human Resources	6,625	24	17	0	(1)	40	57	(20)	(12)	(63)	(35)	(68)
Technology	15,192	0	1	(40)	(58)	(149)	(149)	(211)	(169)	(189)	(53)	(68)
Procurement	1,709	(21)	1	(20)	(20)	(9)	(7)	(7)	5	(1)	5	5
Public Private Partnership Unit	(1,158)	0	(2)	138	130	170	210	419	390	350	412	371
Regional Policy	111	0	0	0	0	0	0	0	0	0	16	15
Total	37,613	0	0	0	0	(37)	(77)	0	(13)	(324)	33	(114)

LEGAL AND DEMOCRATIC SERVICES
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Outturn

Overall Narrative

The Directorate has delivered an overall underspend of £293k in 2013/14 and this reflects the net position for Democratic Services.

Legal Services (balanced position)

The service achieved a £275k saving against the pay budget, mainly due to not filling vacancies whilst carefully managing client caseload. During the year, the locums previously used were ceased and replaced with permanent staff where appropriate. No temporary of agency staff were employed after month 5 (August 2013). Income came in largely on budget which means that the staff achieved a slightly higher average number of chargeable hours than budgeted. With slight overspend on running costs, the overall net 'surplus' was £208k, which was recycled to all clients at year through a credit being given back prorata to the charges raised during the year. At year end therefore the Legal Service shows a balanced position.

Democratic Services (underspend of £293k)

A number of areas of underspend have contributed to the position of £293k less than budget. Savings on staffing amount to £32k and no agency staff were used by the service after month 7 (October 2013). Members Allowances came in under budget by £106k. In terms of income, LEA school appeals income was £15k in excess of the budget and the initiative agreed during the budget process to introduce an appropriate charge in respect of LEA school appeals realised income of around £75k in the current year. Additional one off income for work done on the combined authority has increased income by a further £41k.

	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	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)
Month 10	4,042	(119)	0	38	(2)	0	0	0	(83)	7	(76)
Month 11	4,042	(230)	0	47	(2)	0	0	0	(185)	107	(78)
Month 12	4,042	(339)	0	75	1	13	0	0	(250)	129	(121)
Outturn	4,040	(387)	7	(41)	(14)	53	0	(10)	(392)	99	(293)

	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	
Legal Services	(1,488)	0	0	0	0	0	0	38	38	38	38	0
Democratic Services	5,528	(8)	(4)	(4)	(4)	(29)	(31)	(114)	(114)	(116)	(159)	(293)
Total	4,040	(8)	(4)	(4)	(4)	(29)	(31)	(76)	(76)	(78)	(121)	(293)

PUBLIC HEALTH
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Outturn

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 is 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 into the next year.

At the end of 2013/14, there was an overall in-year underspend of £947k of the ring fenced grant and this amount will be carried forward to 2014/15 in accordance with the grant conditions. Of this amount, £655k will be used to fund expenditure which was committed in 2013/14, but did not take place by the end of the year. This comprises a number of priority projects and initiatives such as LCH Oral Health Promotion and Healthy Schools.

Within the overall spend it has also been possible to fund £781k of existing Council Services, over and above the additional £1.5m budgeted for.

Therefore, the value of uncommitted grant carried forward to 2014/15 is only £292k which represents less than 1% of the ring fenced grant.

Staffing

At the year end, there are 8 vacant Public Health Specialist posts and 3 vacant support posts. These posts are all in the recruitment process and will have start dates over the next couple of months. 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 was completed to transfer budget from commissioned services into pay to cover these costs.

Commissioned and Programmed Services

This is the main area of spend with a 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 outturn 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. 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.

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, resulting in additional costs pressures. A virement was 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.

A wide range of planned activities/initiatives that were due to take place have now been delayed/slipped until the new financial year largely as a result of delays in the tendering process. Specifically, these include Men's Health Needs Assessment (£30K), Website re-design (£40K), National NHS H/C Programme (£100K), Resources for LCH Oral Health Promotion Team (£50K) and delays in appointing to Healthy Schools Posts (£93K).

As part of preparation of the 2014/15 budget, a 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 and also Active Lifestyles (£369k) in City Development.

PUBLIC HEALTH
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Outturn

BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET

	Latest Estimate £'000	Projected Variations								Total (Under) / Overspend £'000	Appropriation £'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
Month 4	0	2	0	10	0	0	(12)	0	0	0	0	0
Month 5	0	(301)	0	10	0	0	(10)	0	(301)	1	(300)	300
Month 6	0	(476)	0	14	0	9	152	0	(301)	1	(300)	300
Month 7	0	(1,131)	8	183	(2)	14	662	0	(266)	0	(266)	266
Month 8	0	(10)	0	(70)	0	9	(75)	0	(146)	(15)	(161)	161
Month 9	0	4	0	(54)	2	9	(179)	0	(218)	(15)	(233)	233
Month 10	0	(6)	0	(55)	3	10	(276)	0	(324)	(15)	(339)	339
Month 11	0	(42)	1	(203)	4	103	(261)	0	(398)	(15)	(413)	413
Month 12	0	(38)	3	(657)	4	(16)	(724)	0	(1,428)	241	(1,187)	1,187
Outturn	0	(40)	2	(635)	4	(43)	(467)	0	(1,179)	232	(947)	947

	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
Public Health grant	(36,855)	0	0	0	0	0	0	0	0	0	0	0
PH staffing and general running costs	4,139	0	0	(300)	(467)	(951)	(21)	(5)	(14)	(59)	(255)	(269)
Commissioned and Programmed Services:												
General Public Health	1,713	0	0	0	(563)	(520)	(270)	(270)	(270)	(270)	(219)	(218)
Health Protection	1,123	0	0	0	0	(200)	(57)	(57)	(107)	(132)	(160)	(164)
Healthy Living and PH Intelligence	1,273	0	0	0	100	137	(17)	(17)	(47)	(69)	(192)	177
Older People and Long Term Conditions	1,675	0	0	0	0	34	0	412	292	292	140	129
Health Improvement and Commissioning	21,847	0	0	0	605	1,209	203	(297)	(127)	(154)	(213)	(273)
Child and Maternal Health	3,875	0	0	0	25	25	0	0	(117)	(72)	(254)	(280)
Mental Wellbeing	813	0	0	0	0	0	0	0	50	50	(13)	(17)
Population Healthcare	397	0	0	0	0	0	1	1	1	1	(21)	(32)
Transfer to reserves	0	0	0	300	300	266	161	233	339	413	1,187	947

CITIZENS AND COMMUNITIES

FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR

Outturn

Overall

The final outturn position for the Directorate is an underspend of £70k against the approved budget.

Locality Leadership

The main well-being budget of £1.8m has almost been fully spent this year, only £20k remains unspent in-year and will be added to the existing amount (£894k) held in reserves from underspends in previous years. Of the £894k held in reserve, £624k of this has been committed by Area Committees to specific projects/schemes and will be spent in 2014/15. In respect of the £250k for 'Investing in Young People' which transferred across in-year, the budget underspent by £121k and will be carried forward to be available in 2014/15. Savings on staffing in Area Management of approx £60k have arisen in year due turnover and similarly approx £30k savings in Communities Team. The rest of the underspend is due to underspends across a number of running cost budgets.

Customer Access

After a period of significant turnover staffing levels had stabilised by year end meaning that current workload is being contained by the existing staff plus 1 person from the 'Slivers of Time' pool and 1 specialist agency member. Contact centre performance did fall slightly below the 90% target during year due to service pressures but this is now back on track and their spend is currently forecast to be under budget by approx £29k, comprising £69k on pay, £40k savings across number of running cost headings and £20k 'surplus' on interpretation and translation work.

An amount of £100k will be carried forward as an earmarked reserve to assist in funding the significant change agenda in 2014/15 with the development of community hubs and changes to the corporate contact centre that will help make significant improvements for citizens as well as providing a basis for making savings through integration and self-service to support delivery of the council's financial strategy in 2015/16 and beyond.

Licensing and Registration

Additional ELI and keeping posts vacant where practical has generated some savings on staffing. This will offset an expected shortfall in income for Registrars due to a drop in numbers for Citizenship Ceremonies. Where possible savings were made in supplies and services. There was a shortfall in Entertainment Licensing income of £54k because of a delay in the review of the Licensing Act 2004, although it is now anticipated that some of the changes anticipated will probably not now be implemented. Savings in salaries (£20k) and charges from Environmental Action Team (£34k) offset this.

The cost settling the first claim against the Council in respect of previous years' property search charges has been settled at a cost of £282k. A second claim will be settled in 2014/15 however it is anticipated that some compensation from the Government will be made to local authorities.

Benefits, Welfare and Poverty

High demand has been experienced due to changes in housing benefits and the introduction of the new council tax scheme and with a number of staff vacancies in the benefits assessment and social fund teams additional costs have been incurred to cover essential vacancies producing a net £36k overspend on staffing related costs.

The service has had to procure a new software update for £114k but this is grant funded. Other costs pressures were the rising costs of postage and printing of £338k which were partly funded by grant. Income in respect of a member of staff seconded to DWP yielded £43k. Further additional income means that this service was on line with budget in terms of operational costs and income.

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 £578k will be able to be recouped, this will benefit the 'collection fund' account rather than Citizens and Communities. There has been an increase in demand for Discretionary Housing Payments so spend of £2.2m is expected. However, most of this is covered by an existing grant from the DWP and the service has been successful in applying for further funding to cover any excess against original predictions. The year end review of the bad debt provision for overpaid housing benefit has benefitted the revenue position by approx £115k and this has produced the overall underspend for the service.

From April 2013, the discretionary aspects of the Local Welfare Support Scheme were devolved to Local Authorities to administer. This budget of £2.9m 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 comprised: Direct Awards £1.3m, Initiative Funding £0.5m and £0.5m for Section 17 emergency payments (administered by Children's Services). Initially £250k had been earmarked for additional Discretionary Housing Payments, however in light of the recent award of additional DWP funding for this area, it is intended to carry forward this amount to be used in 2014/15. So too, £250k had been allocated for the Discretionary Local Council Tax Scheme but it will not be possible to spend this before 31st March, therefore it is intended to carry forward £250k into 2014/15 so that it can be appropriately directed to those most in need. In addition, spend against the allocation of £1.5m for 'direct awards' is £1.4m, so it is proposed to carry forward the underspend of £100k into 2014/15.

CITIZENS AND COMMUNITIES
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Outturn

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	Capital £'000	Appropriation £'000	Total Expenditure £'000	Income £'000	
Quarter 1	10,156	(56)	0	146	5	0	0	0	0	0	95	(95)	0
Month 4	10,141	34	0	200	28	0	0	7,108	0	0	7,370	(7,370)	0
Month 5	10,391	36	0	194	34	0	0	6,088	0	0	6,352	(6,352)	0
Month 6	14,446	(32)	3	443	36	(37)	0	6,088	0	(166)	6,335	(6,335)	0
Month 7	14,446	94	5	377	25	(54)	0	6,090	0	(103)	6,434	(6,436)	(2)
Month 8	15,295	93	5	394	27	(52)	0	5,785	0	(103)	6,149	(6,149)	0
Month 9	15,295	42	4	406	26	(52)	0	5,785	0	(103)	6,108	(6,108)	0
Month 10	15,295	56	5	473	27	(52)	0	6,690	0	(178)	7,021	(7,021)	0
Month 11	15,295	(120)	3	653	27	(52)	0	6,935	0	(178)	7,268	(7,326)	(58)
Month 12	15,295	(128)	6	576	31	(39)	0	7,011	0	(178)	7,279	(7,461)	(182)
Outturn	14,631	(76)	(2)	1,864	45	428	33	7,789	49	46	10,176	(10,246)	(70)

	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	5,504	0	1	0	0	0	0	0	0	(58)	(130)	(228)	
Customer Access	6,863	0	0	0	0	0	0	0	0	0	(50)	(29)	
Licensing & Registration	187	0	(1)	(1)	(1)	(1)	0	0	0	0	(1)	302	
Benefits, Welfare and Poverty	2,077	0	0	1	0	(1)	0	0	0	0	(1)	(115)	
Total	14,631	0	0	0	0	(2)	0	0	0	(58)	(182)	(70)	

CIVIC ENTERPRISE LEEDS
FINANCIAL DASHBOARD - 2013/14 FINANCIAL YEAR
Outturn

Overall position

The outturn position for CEL Group was a budget shortfall of £498k, against the previous reported pressure of £565k.

Business Support Centre

The outturn position for BSC was a pressure of £19k against the previous months reported underspend of £87k; movement £106k. In previous months it was assumed that the £220k pressure relating to the centralisation of training would be funded corporately, however at year end it was decided to reflect this pressure within CEL. Offsetting the £220k was £119k further savings and additional income, primarily £60k savings on IT costs for E Bulk and E Recruitment costs and £37k lower advertising and DBS costs.

Facilities Management

Facilities Management came in on target with the reported position at P12. An underspend of £54k against the previous reported figure of £67k.

Commercial Services

The outturn position was a pressure of £534k, a £185k improvement from the reported position at fpg12, £719k. The main variations were a saving on Education Catering of £110k due to lower provision costs and higher income. Primary schools meals were 4.5% up against budget, an extra 206k meals taking the number served up to over 4.7m meals or nearly 25,000 per day. The spend on the plate came in 1p lower than budgeted, equating to a saving of £48k.

The Cleaning & Static Guarding account improved by £44k, with the year-end adverse variance being £304k against the previous reported £348k. This was due to lower usage of cleaning materials £28k and further staff savings £16k.

The Passenger Transport account improved by £10k due to additional income and £20k staff savings from that reported at period 12.

Property Maintenance came in on-target with the reported position at period 12, of a £58k shortfall against the 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	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
Month 10	1,499	192	74	643	21	(29)	0	0	(56)	845	(297)	548
Month 11	1,549	145	124	528	28	(21)	0	0	(56)	748	(183)	565
Month 12	1,549	349	108	654	37	(19)	(135)	0	(56)	939	(374)	565
Outturn	1,751	687	29	3,482	491	(107)	(64)	0	0	4,518	(4,019)	499

	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
Business Support Centre	3,081	213	0	0	0	0	0	(18)	(11)	(27)	(87)	19
Commercial Services	(9,063)	472	565	565	564	564	569	587	589	598	718	534
Facilities Management	7,732	0	1	(1)	0	(22)	(21)	(21)	(30)	(6)	(67)	(54)
Total	1,750	685	566	564	564	542	548	548	548	565	565	499

Reserves Statement 2013/14

	<i>Actual Balance 31st March 2013</i>	<i>Movement in year</i>	<i>Outturn</i>	<i>Reason for the Reserve</i>
	£k	£k	£k	
General Fund	(23,086)	(2,614)	(25,700)	
Earmarked Reserves				
Schools PFI & Building Schools for the Future	(1,175)	1,175	0	} PFI Sinking Funds
Adult Social Care PFI	(151)	151	0	
Tower Works and Engine House Holbeck	0	(1,629)	(1,629)	To fund future repair and maintenance of the Venetian Towers
Highway maintenance reserve	(1,000)	1,000	0	additional highway improvements
Parks Fire Insurance	0	(45)	(45)	Settlement received for the fire damage caused at Temple Newsam Home farm, reserve has been created to cover expected associated costs in 14/15
Mercury Abatement Reserve	(484)	(93)	(577)	Extra surcharge on top of cost of a cremation, to deal with the environmental impact of any release of mercury during a cremation
Homelessness Prevention Fund	0	(120)	(120)	Homelessness prevention
Homeless Grant	(870)	822	(48)	Homelessness prevention
Broom Hill and Belle Isle	(210)	210	0	
Youth Offending Service	(400)	125	(275)	Surpluses of partner contributions used for liabilities such as fixed term employment contracts and accommodation dilapidation costs.
Children's Homes Reconfiguration	(200)	200	0	
Health Innovations	0	(115)	(115)	Monies given by Health Service for a number of joint initiatives around commissioning
Safeguarding (Children's) - LSCB	(105)	(97)	(97)	Independent Safeguarding Board - c/f of partner contributions to fund serious case reviews
Strategy Performance & Commissioning	0	(573)	(573)	Unspent health money for commissioning
CAMH's	0	(500)	(500)	Unspent health money
Health&Social Care Transformation reserve	(2,500)	469	(2,031)	Money received in 11/12 from NHS Leeds to help deliver the Health & Social Care Transformation agenda. Unspent funds have been carried forward to 14/15. Schemes have been developed and will be delivered throughout the year.
Capital contribution from Health for converting Harry Booth House to Care facility.	(67)	49	(18)	Health contns towards the capital costs of converting Harry Booth House into an intermediate Care facility which will incorporate health and social care services.
Health Watch	0	(139)	(139)	To enable Healthwatch to catch up with their service development and to pay for additional pieces of work, in particular for their involvement in developing Leeds' response to the Care Bill.
Better Care Fund	0	(5,000)	(5,000)	Funds have been received in 13/14 from CCGs (Clinical Commissioning Groups) for ASC to contribute towards a Better Care Fund in 14/15. Some of the monies received have been used to fund 13/14 pressures, the rest has been carried forward in general and earmarked reserves.
Information Centre	0	100	100	To fund Customer Services contact centre improvements
Casino License	0	(853)	(853)	As part of the process for the awarding of the large casino license, the applicants were required to bid for the license fee. The winning bid was used to create a social inclusion fund, to be spent in line with the stated objectives.
Members club	(8)	0	(8)	Surplus on the members club.
Mutual Municipal Insurance Reserve	(495)	0	(495)	
Schools fire insurance	(619)	0	(619)	School reserve to fund any related costs as a result of fires not covered by insurance.
General Insurance Reserve	(305)	(860)	(1,165)	To fund claims received after year end relating to incidents in prior years
Lord Mayor	(73)	55	(18)	Unspent mayoral allocation c/wd at year end due to the difference between the financial & mayoral years.
Changing the workplace	(127)	127	0	
Business Transformation Reserve	(81)	0	(81)	£34k suplus carry forward for Economic Intelligence Unit and £47k for Siebel review(system of customer facing, communication etc).
Leeds Learning Network	(595)	383	(212)	Unspent school contributions used to develop learning platforms and maintain the quality and resilience of the network.
Energy efficiency reserve - LCC	(9)	2	(7)	Energy efficiency reserves to fund invest to save energy efficiency initiatives.
Economic, Social and environmental wellbeing fund	(163)	0	(163)	Underspends on the wellbeing area committees.
ELI Reserve	(1,729)	1,729	0	Use of balance sheet items to fund Early Leavers Initiative. Approvals up to P12: £3,995k. Actual leavers up to P12: £2,165k.
Financial Development - VAT claims	(100)	0	(100)	£100k set aside from £8.4m VAT claim refund received in 2010/11 to help fund legal costs for remaining VAT cases. HMRC legal costs to be paid by the end of the year will probably be less than £100k but amount not known yet.
Tour de France Reserve	(2,000)	573	(1,427)	LCC project costs - the total budgeted expenditure for the Leeds part of the event is £3.6m, so £1.6m still needs to be identified
Manager Challenge	0	(200)	(200)	Carry forward of unspent Contingency to fund the Manager Challenge initiative.
Grand Theatre	0	(653)	(653)	Reserve to fund contributions to support the Grand Theatre's financial position.
Capital reserve	(6,568)	171	(6,397)	Directorate contns towards borrowing costs of capital schemes. Contns received over life of asset and released back to revenue to cover debt costs over life of loan. Includes school contributions for Equal Pay.
Total Earmarked Reserves	(20,034)	(3,536)	(23,465)	
Total non-Ring fenced Reserves	(43,120)	(6,150)	(49,165)	

Appendix 2 continued

	Actual Balance 31st March 2013	Movement in year	Outturn	Reason for the Reserve
General Fund Ring fenced Reserves				
Extended schools balances	(7,112)	(1,728)	(8,840)	Surpluses on extended school activities carried forward;
Schools Balances	(17,107)	(162)	(17,269)	Schools Balances net of VER, Children's Services and BSF PFI borrowing.
Central schools block - DSG	(5,800)	(4,671)	(10,471)	Cfwd of ring fenced DSG for centrally managed pupil orientated services Schools Forum is expected to agree to earmark £4,300k of the balance which leaves an un-earmarked balance of £5,400k (as at P10).
Taxi & Private Hire licensing surplus	(340)	54	(286)	Ring fenced reserve for taxi and private hire licensing service.
Energy efficiency reserve - Salix	(9)	3	(6)	Energy efficiency reserves to fund invest to save energy efficiency initiatives.
Revenue grants	(5,181)	(1,741)	(6,922)	Revenue grants carried forward as per IFRS requirements (See note 1)
Total General Fund Ring fenced Reserves	(35,549)	(8,245)	(43,794)	
HRA Ring fenced Reserves				
HRA General Reserve	(7,033)		(7,033)	
Major repairs reserve	(13,245)	(35,582)	(48,827)	
Environmental initiatives		(3,006)	(3,006)	To fund environmental works on housing estates
LLBH&H PFI Sinking fund	0	(10,395)	(10,395)	
Swarcliffe Environmentals	(125)	49	(76)	To fund environmental works in the Swarcliffe PFI area
Workforce Change (Property Management Services)	(335)	146	(189)	Fund to support the Early Leavers' Initiative
Holdsworth Place - land purchase	(64)	0	(64)	To fund the purchase of land at Holdsworth Place
Affordable Social Housing	(178)	178	0	Contribution to fund decanting and demolition costs
Insurance Claims to be incurred	(210)	63	(147)	
Welfare Reform	(3,165)	(138)	(3,303)	
HRA Self financing reserve	(2,031)	2,031	0	To utilise for new build as per Exec Board report July 13
Swarcliffe PFI	(10,722)	(1,294)	(12,016)	PFI Sinking Fund - P6: Opening balance reduced by £2m re post balance sheet event
Swarcliffe Access Refusals	(275)	275	0	Tenants in the Swarcliffe area have the right to refuse contractors access to carry out improvement works. Reserve set up to fund improvement works once these tenants have vacated these properties
Total Other HRA Reserves	(37,383)	(47,673)	(85,056)	
Total Ring fenced Reserves	(72,932)	(55,918)	(128,850)	
Total Reserves	(116,052)	(62,068)	(178,015)	
Note 1				
Revenue Grants - Analysis				
Adult Social Care	0	(56)	(56)	
City Development	(2,323)		(2,803)	The balance includes: £960k Skills Funding Agency grant, £600k re Flood Damage Road Maintenance grant and £375k re NHS Get Healthy grant
		(480)		
Environment & Housing	(9)	(60)	(69)	
Children's Services	(2,840)	(557)	(3,397)	The balance includes £2.8m re the Families First grant
Central & Corporate Functions	(9)	(588)	(597)	
Schools	0	0	0	
Total Revenue Grants	(5,181)	(1,741)	(6,922)	

CAPITAL PROGRAMME - 2013/14 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2014 and the final 13/14 outturn. The variances are based on those programmes/schemes with significant variances both over/under > £100k.

Directorate	Service	Programme/ Scheme	2013/14 Actual £000s	Under (-)/ Overspend £000s	Reason for variance
Adults Services	Services for Older People	Fulfilling Lives Programme	467.60	(508.70)	The Rothwell FLC scheme has been delayed by 4 weeks from Feb to March 14 leading to an underspend in 2013/14.
	ASC Information Technology	Adults Social Care system	948.00	(1,790.10)	External and Internal costs were paid from additional revenue funding. Slippage as a result of additional higher priority work required on the Children's system (using the same technical staff) and other general slippage in areas such as Electronic Document Management led to the profiled underspend.
	Other Over and unders	Other Over and unders	1,564.70	(224.70)	All other remaining Adult Services schemes resulted in no other material variances.
			2,980.30	(2,523.50)	
Strategy/Central & Corporate	Capitalisations	General Capitalisation	5,914.40	1,514.40	Year end exercise to assess capital and revenue expenditure resulting in increased capitalisations but a reduction in revenue spend in Highways, Corporate Property Management and Libraries.
	NGT	NGT	3,903.40	(1,078.60)	Actual development costs have been lower than forecast in the year and the remaining development work moved into future years.
	Customer Access & Performance	Transactional Web Service system	467.40	(441.80)	A full EU procurement is now applicable which has delayed the project. Due to go live in August 2014 when the spend will take place.
		Central Accounts	1,005.20	694.00	Capitalisation of interest costs for assets under construction
	Other over and unders	Other over and unders	12,358.60	(622.10)	All other remaining Strategy and Resources schemes resulted in no other material variances.
			23,649.00	65.90	
City Development	Asset Mgt	Sovereign Square Greenscape	168.30	(111.80)	Finalising the detailed design later than scheduled has led to delays in the tender process and the underspend on projections at capital programme setting.
	Asset Mgt	Property Services	8,242.20	5,109.50	Brought forward purchase of the ATC buildings 9-25 Eastgate
	Asset Mgt	Corporate Property Management	4,294.80	(411.30)	Of the 75 schemes worked on in 2013/14 some schemes were brought forward and some will now complete in 2014/15. The Holt Park Leisure Centre demolition required additional spend due to asbestos works and late handover of the site.
	Economic Development	Chapeltown Enterprise Investment - Local Enterprise Growth Initiative	150.00	(120.00)	The start on site date was six weeks later than anticipated has resulted in the payment conditions for the grant not being met until after the closure of 2013/14.
	Regeneration Services	Regeneration Services	540.30	(770.10)	Retention still outstanding for the combined heat and power plant at Yarn Street, the Townscape Heritage initiative schemes in Armley and Chapeltown have been extended and are now due to complete in 2014/15. Purchase of 126 Chapeltown Rd still to complete.
	Highways	Urban Traffic Control Unit enhancement and relocation.	727.00	(128.40)	The Urban Traffic Management and control unit enhancement and relocation scheme encountered unexpected contractual and technical issues problems which delayed planned spend in 2013/14.
	Highways	Flood alleviation	1,897.90	379.40	Anticipated delays Flood Alleviation works at Woodlesford did not materialise.
	Highways	Section 278 & Section 106 programmes	5,084.20	(205.60)	Reginald Terrace / Street Junct Scheme - planned junction improvement work, Manston Lane / Austhorpe Ave Junct Scheme - planned Urban Traffic Control signals work both delayed to 2014/15 due to unexpected required work agreement issues in Feb / March 2014. Calverley Lane North - Spend in Feb and March 2014 was less than estimated due to additional retention withheld and due some unexpected onsite work variances / issues.
	Highways	Highways Transport Package	6,779.70	(618.90)	The Chapel Allerton to Leeds Cycle route encountered some operational and technical issues on site in March delaying expected spend, Urban Traffic Control encountered unexpected contractor supply and delivery problems. These were partly offset by bringing forward spend on the Horsforth Roundabout signalisation scheme. The other schemes have no material variances and will complete in 2014/15.
	Highways	Highways Bridges and Structures	6,230.60	(268.30)	No material variances on 82 of the Bridges scheme's worked on. The Inner Ring Road Tunnel was slightly down on projected spend at capital programme (£300k) with no major issues to report at this stage.
	Highways	Highways Local Transport Plan Maintenance	2,699.20	(593.20)	Of the 25 schemes in this programme the variance is due to encountering some technical issue on site and contractor supply and delivery issues.
	Highways	Highways Identified Maintenance	9,868.60	618.60	The LCC funded Highways maintenance scheme carried out significant additional works than estimated as the capital programme setting in Feb 2014, this was due to the favourable weather conditions in Feb/March.
Highways	Vehicle Programm	553.80	(576.60)	Delivery of new Highways replacement vehicles in Feb / March 2014 was slower than anticipated due to contractor supply delays re specialist Highways vehicles.	
Other City Development over and unders	Other over and unders	22,478.80	(1,038.30)	All other remaining City Development schemes resulted in no other material variances.	
			69,715.40	1,265.00	

Appendix 3 continued

CAPITAL PROGRAMME - 2013/14 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2014 and the final 13/14 outturn. The variances are based on those programmes/schemes with significant variances both over/under > £100k.

Directorate	Service	Programme/ Scheme	2013/14 Actual £000s	Under (-)/ Overspend £000s	Reason for variance
Children's Services	Basic Need Programme	Basic Need Programme	11,491.60	(607.60)	The main areas of variance are 1) Nightingale Academy groundwork issues on site has led to some delays.2) Rufford Park delays in awarding the contract and start on site resulted in no valuation being paid in 2013/14. 3) Asquith PS scheme delayed to allow further public consultation and resolve some affordability issues. 4) Beeston PS delays in phase 2 starting on sight and cashflow estimate provided by NPS at Feb Cap Programme was not accurate at the time. These variances were partly offset 5) Morley Newlands ahead of schedule due to rephasing of works which has accelerated the programme.
		Building Schools for the future	3,615.40	164.80	An interim payment was made for the Farnley Park scheme which, at the time of Feb Executive Board, was assumed would be included as part of the final account settlement to be paid in next financial year.
	Children's ICT	Children's Services Care System	2,210.70	(283.80)	A number of staff who have been working on the project from Adult Social Care were not charged resulting in savings on the scheme. In addition to this, the finance implementation was delayed from January to April and therefore the associated costs with this will now happen in 2014/15.
	Equipment/ ICT/ Vehicles	Infobase Replacement	294.50	139.50	A date was set to have the replacement Leeds Education Hub in and operational by 31st March 2014. Originally the work had been planned for 2014/15 but the work to move the applications onto supported platforms had to be moved forward due to Novell decommissioning which led to the majority of work taking place in 2013/14.
	Youth Justice	Eastmoor Secure Unit	5,996.70	(1,139.40)	The scheme has been subjected to a six week delay due to inclement weather and ground water issues. This has delayed the construction of the admin block which houses major elements of mechanical/electrical systems. Some external works have been postponed until the new financial year. Site handover is now expected to be mid October 2014.
	Refurbishment Works	Leeds Schools Refit Programme	2.00	(498.00)	The Salix schools programme has been delayed in implementation from changes in the scope of schools to be included within the programme due to conflicting priorities and consequential delays to the delivery of works. This programme involves the Council claiming external grant funding which is applied directly to schools.
	Other over and unders	Other over and unders	8,704.50	(205.50)	All other remaining Children's Services schemes resulted in no other material variances.
			32,315.40	(2,430.00)	
Environment & Housing General Fund	Travellers	Cottingley Traveller Site - Modernisation of existing site	997.20	(118.80)	The Cuttingly Springs modernisation scheme achieved savings on expected borrowing in 2013/14. This borrowing will now be utilised for the expansion to twelve pitches if the secretary of state has approved the scheme.
	Environmental Health	Environmental Health	8,019.10	(249.20)	CPOs not finalised in year has delayed spend. The equity loan scheme to help vulnerable households didn't match the projected estimates and this has now been re-cashflowed over the next 4 years. Other savings were achieved on the Localities team capitalisation in year due to vacant posts.
	Parks and Countryside	Parks and Countryside	3,215.00	(487.40)	Temple Newsam fire reinstatement delayed start on site. Parks equipment not delivered in year. There were no material variances on the remaining 32 schemes.
	Other over and unders	Other over and unders	5,005.30	(195.70)	All other remaining Environment and Housing schemes resulted in no other material variances.
			17,236.60	(1,051.10)	
Total General Fund Variances			145,896.70	(4,673.70)	The variances at outturn on General Fund schemes represent a (3.6%) underspend on projections at the setting of the Feb Capital Programme.

Appendix 3 continued

CAPITAL PROGRAMME - 2013/14 HRA, HOUSING LEEDS OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2014 and the final 2013/14 outturn
The variances are based on those programmes/schemes with significant variances both over/under > £100k.

Environment & Housing HRA/ Housing Leeds	HRA	Various	785.70	(460.60)	Savings on the Sanctuary scheme, retentions expected but not invoiced on council housing for the over 55s, expected fees on the newbuild programme didn't materialise.
	Housing Leeds	Various	51,319.90	(2,246.70)	Belle Isle Tenant mgt organisation slipped £858k to 2014/15 estimates came in late February. Housing Leeds estimated the outturn at 3% above the actual projections in February, these residual schemes which are unspent will form part of the 2014/15 Housing Leeds programme.
			52,105.60	(2,707.30)	
Total HRA Variances			52,105.60	(2,707.30)	The variances at outturn on the HRA represent a (4.9%) underspend on projections at the setting of the Feb Capital Programme.
Total Capital Program Variances Cap Prog to Outturn			198,002.30	(7,381.00)	