

Report of the Deputy Chief Executive

Report to Executive Board

Date: 15th October 2014

Subject: Financial Health Monitoring 2014/15 – Month 5

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

Summary of main issues

1. The purpose of this report is to inform members of the financial health of the authority after five months of the financial year in respect of the revenue budget and the Housing Revenue Account.
2. Members will recall that the 2014/15 general fund revenue budget, as approved by Council provides for a variety of actions to reduce spending by in excess of £47m. It is clear that action is taking place across all areas of the Council and it is clear that significant savings are being delivered in line with the budget.
3. At this stage of the financial year however an overall overspend of £6.3m is projected, an increase of £0.9m from the figure reported at month 4 which mainly reflects continued pressures in Adults and Children's Social Care. There is some risk of further increases during the year in these areas although the overall position will continue to be managed with a view to reducing the projected overspend.
4. After five months of the year the HRA is projecting a surplus of £0.4m.

Recommendations

5. Members of the Executive Board are asked to note the projected financial position of the authority after five months of 2014/15.

1. Purpose of this report

- 1.1 This report sets out for the Board the Council's projected financial health position for 2014/15 after five months of the financial year.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget after five months and comments on the key issues impacting on the overall achievement of the budget for the current year.

2. Background information

- 2.1 Members will recall that the net budget for the general fund was set at £565.8m, supported by the use of £3.5m of general fund reserves.
- 2.2 Following finalisation of the accounts, General Fund Reserves at 31st March 2014 amount to £26.1m.

3. Main Issues

- 3.1 After five months of the financial year an overspend of £6.3m is projected, as shown in the table below.

(Under) / Over Spend for the current period							Previous Month
Directorate	Director	Staffing £000	Other Spend £001	Total Expenditure £000	Income £000	Total Under /Overspend £000	Mth 4 £000
Adult Social Care	Sandie Keene	1,238	3,234	4,472	(2,353)	2,119	1,996
Children's Services	Nigel Richardson	204	5,015	5,219	(636)	4,583	3,928
City Development	Martin Farrington	124	1,213	1,337	(1,001)	336	185
Environment & Housing	Neil Evans	(89)	398	309	(309)	0	0
Strategy & Resources	Alan Gay	72	96	168	(231)	(63)	(38)
Citizens & Communities	James Rogers	(253)	128	(125)	122	(3)	(5)
Public Health	Ian Cameron	(534)	566	32	(67)	(35)	(170)
Civic Enterprise Leeds	Julie Meakin	(451)	14	(437)	837	400	402
Total		311	10664	10975	(3,638)	7337	6,298
Corporate issues							
Debt Savings						(1,100)	(1,100)
Transfer of Public Health to earmarked reserve						35	170
Total						6,272	5,368

- 3.2 This represents an increase of £0.9m from the position reported at the end of month 4 which reflects continuing pressures within Adult and Children's Social Care. There has been an increase in demand led community care packages within Adult Social Care and slippage on achieving budgeted savings within Looked After Children placements which were aimed at safely reducing placement numbers and changing the mix of placement provision. Whilst the position will continue to be closely monitored and managed with a view to reducing the projected overspend, there is a risk that the projected overspends in these areas could increase further during the year.
- 3.3 The major variations are outlined below and further details can be found in the financial dashboards attached to this report.

3.3.1 Staffing

The major staffing variation is in Adult Social Care, mainly reflecting the cost of additional staff working on capital or income earning projects and the costs associated with the supreme court legal judgement. These are partly offset by savings within other directorates, mainly Public Health and Civic Enterprise Leeds.

3.3.2 Other Spend

As referred to above, the main pressures relate to demand led community care budgets within Adult Social Care and Looked After Children placements. Home Care packages remain over budget with a weekly increase of around 67 hours whilst the budget assumed there would be no increase. There has also been a £0.6m increase in the forecast for externally provided residential and fostering placements for children and young people. Placement numbers are currently above plan and whilst the significant budget action plan savings are largely expected to be achieved, some slippage is anticipated.

3.3.3 Use of Earmarked Reserves

The Environment and Housing projection assumes the use of the following earmarked reserves brought forward from 2013/14:

- Fire Damage Insurance receipt – Temple Newsam Home Farm, £45k
- Homelessness Prevention Fund - £120k

3.4 Other Financial Performance

3.4.1 Council Tax and NNDR

The Council Tax target for the in-year collection for 2014/15 is unchanged from the previous years at 95.7%. The position at the end of August was 45.94% compared to 46.07% at the same point in 2013/14 and there are currently no concerns as to collection levels.

- Overall collection rate for those affected by Council Tax Support scheme - 32.3% (31.3% at this stage last year)
- Collection rate for those previously getting 100% Council Tax benefit – 29.9% (28.3% at this stage last year)

The collection rate for Business Rates at the end of August was 48.12% compared to 50.88% at the same time in 2013/14, a reduction of 2.76%. This appears to be a combination of the move from 10 to 12 monthly instalments, the impact of which will increase each month until March, and the fact that there was a significant reduction in the level of payments received at the end of August this year compared to last but an increase in the amount received in the first few days of September.

There is no significant change in the level of accounts in arrears (£5.44m at end of August 2013 compared to £5.67m in 2014) which would seem to confirm the reduction in the comparative collection rate is largely a matter of timing rather than an increase in non-payment.

4.0 Housing Revenue Account (HRA)

- 4.1 At the end of Period 5 the HRA is projecting a surplus of £0.4m which is a movement of £0.8m from Period 4. This movement is largely due to a £1.2m contribution to capital to fund the Construction Services vehicle replacement programme, netted off by additional savings of £0.4m on employee costs.

Key variances

- 4.2 Additional income of £1.1m is projected, of which £1.0m relates to dwelling rents. This is primarily due to the actual level of voids (0.7%) being less than budgeted levels of 1.25%.
- 4.3 Savings of £0.3m are projected in relation to Council Tax on empty properties which is consistent with the reduction in voids. Based on current trends there are projected savings of £0.5m against the budgeted contribution to the Bad Debt Provision, a saving of £0.4m on capital charges due to low interest rates and savings of £0.2m on supplies and services. Additional savings of £0.5m over the £1m assumed in the budget are projected in relation to employees and transport. This is due to vacancies being held whilst revised structures are agreed and implemented as a result of the housing management function coming back in house.
- 4.4 These favourable variances are offset by the unbudgeted cost of internal services of £0.6m and an additional £0.8m of costs in relation to Disrepair claims against the council. The Disrepair Service is being proactively managed to stem the growth in caseload. In addition, a revenue contribution to capital of £1.2m has been identified to fund a vehicle replacement programme for Construction Services
- 4.5 Arrears for current tenants are £6.1m at the end of August compared to £4.8m at the end of 2013/14, an increase of £1.3m. Of this £1.0m is due to in-year timing differences between when the weekly rent is due and when payments are actually received from tenants who pay monthly by standing order and direct debt. Arrears in connection with under-occupancy were £0.7m at the end of July, this has not changed since the end of 2013/14.

Collection rates to the end of July were 97.7% for dwelling rents, compared to 97.9% at the end of 2013/14.

5.0 Corporate Considerations

5.1 Consultation and Engagement

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

5.2 Equality and Diversity / Cohesion and Integration

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

5.3 Council Policies and City Priorities

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

5.4 Resources and Value for Money

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

5.5 Legal Implications, Access to Information and Call In

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

5.6 Risk Management

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

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

Corporate Rating

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

5.6.2 The register shows that after 5 months there is 1 very high risk and 3 high risks:

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

6. Recommendations

- 6.1 Members of the Executive Board are asked to note the projected financial position of the authority after five months of 2014/15.

7. Background documents¹

- 7.1 None

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

**ADULT SOCIAL CARE
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Month 5 - (August 2014)**

Overall narrative

The directorate is currently projecting an overspend of £1.0m relating to its general activities, with a further £1.1m arising from the Supreme Court legal judgement in March 2014 that clarified the meaning of 'deprivation of liberty' in the context of the Mental Capacity Act. The costs relating to this legal judgement were not previously included in the projections pending a more detailed analysis of the likely costs in 2014/15. The Supreme Court legal judgement means that the number of people lacking mental capacity who require a Best Interest Assessment will increase significantly and this is already evident in activity levels. In addition to staffing costs, other costs relate to Court of Protection Orders and independent mental health advocacy. The projection for period 5 shows an increase of £0.1m from period 4. This has been caused by increases on demand-led community care packages, particularly for older people, clients with a learning disability and direct payments, partly offset by Neighbourhood Network costs now funded from Public Health. There are some risks associated with this projection, the main ones being that the level of activity within the home care budget increases during the year and the savings to be delivered in the remainder of the year included within the current projection are not achieved. Significant contingency actions have been identified, including utilising the earmarked reserve for service transformation in full, which restricts the capacity for future transformation. Senior managers are continuing to make every effort to contain overall expenditure within the budget and are working on further actions that can be taken to reduce the potential overspend further.

The main variations at Period 5 across the key expenditure types are as follows:

Staffing (+£1.2m – 1.6%)

Staffing funded by capital or additional income accounts for £0.3m of this variation and the costs associated with the Supreme Court legal judgement are £0.4m. The remainder mainly reflects staffing savings being released in homes for older people more slowly than budgeted for those homes not closing immediately and additional costs in the South Leeds Intermediate Care Centre.

Transport (+£0.8m – 18.0%)

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

Community care packages (+£3.5m – 2.4%)

The main pressure continues to affect the home care budget. The budget assumed that there would be no net weekly increase in the hours of care provided, but currently the weekly increase is around 67 hours. There are also some pressures on the learning disability pooled budget and on residential and nursing care placements. These are partly offset by savings on direct payments as fewer people than budgeted for are currently choosing to receive a cash payment to arrange their own care package.

Other expenditure (+£0.7m – 1.6%)

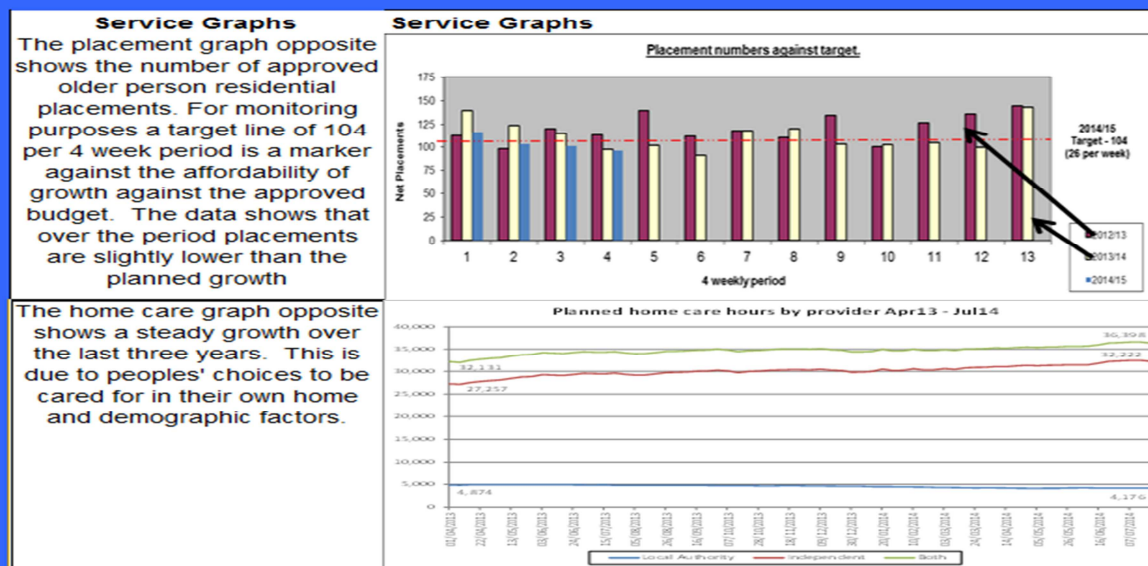
This includes legal and advocacy costs associated with the Supreme Court judgement, partly offset by savings on other budget heads.

Income (-£2.3m – 3%)

This mainly relates to additional health funding for intermediate care beds and for information and knowledge management initiatives ongoing from 2013/14 and £200k contribution to Neighbourhood Netwr.

Use of Earmarked Reserve (-£1.4m)

ADULT SOCIAL CARE FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR Month 5 - (August 2014)



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	194,786	711	(22)	(9)	(84)	500	4,300	(1,974)	(1,370)	2,052	(1,561)	490
	Month 4	194,796	1,045	(21)	(272)	(76)	1,012	5,665	(2,026)	(1,370)	3,957	(1,961)	1,996
Month 5	195,796	1,238	(64)	(149)	(89)	1,032	5,731	(1,857)	(1,370)	4,471	(2,353)	2,118	

	Latest Estimate £'000	Quarter 1 £'001	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
ASC Public Health	52	(0)	1	(0)								
Access & Care	150,269	2,275	4,642	4,778								
Care Reform	1,903	0	0	(2)								
Strategic Commissioning	(114)	(2,106)	(2,425)	(2,434)								
Resources	7,243	(129)	(238)	(328)								
Care Delivery	36,442	451	17	104								
Total	195,796	490	1,997	2,118	0	0	0	0	0	0	0	

CHILDREN'S SERVICES
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
MONTH 5 (APRIL TO AUGUST)

Overall

The month 5 forecast variation for the Children's Services Directorate is an overspend of £4.6m or 3.6% against the net managed budget of £128m. This forecast position represents an increase of £0.6m from the month 4 position which is mainly around slippage on the budget action plan for externally provided residential and fostering placements.

Looked After Children

The 2014/15 budget strategy continues to recognise the strategic obsession around reducing the need for children to be in care with further budget action plans totally some £5.8m around safely reducing placement numbers and changing the mix of placement provision. At this stage in the financial year, the forecast is that these significant budget savings will largely be achieved, but with some potential slippage. In terms of placement numbers, at the end of July, there were 51 children & young people in externally provided residential placements [+10 compared to the financial model] and 244 children & young people in placements with Independent Fostering Agencies [+36 compared with the financial model]. Overall, these placement numbers translate into a potential pressure of £2.4m, although work is continuing around permanency and transitional planning. The month 5 projections also recognise some emerging demand pressures unaccompanied asylum seeking children (£0.2m), special guardianship orders (£0.1m), assisted adoptions (£0.2m), and in-house fostering (£0.3m) and Leaving Care Services (£0.2m).

Staffing

Overall, at month 5 the staffing budgets are forecast to overspend (£0.2m) across the general fund, grant/income funded and central schools budget functions. These projections recognise the continuing number of vacant posts across the Directorate, the impact of the predominantly internal recruitment market and the links to grant funding and income budgets. The forecast spend on overtime is £1m and the forecast spend on agency staffing is £4.6m.

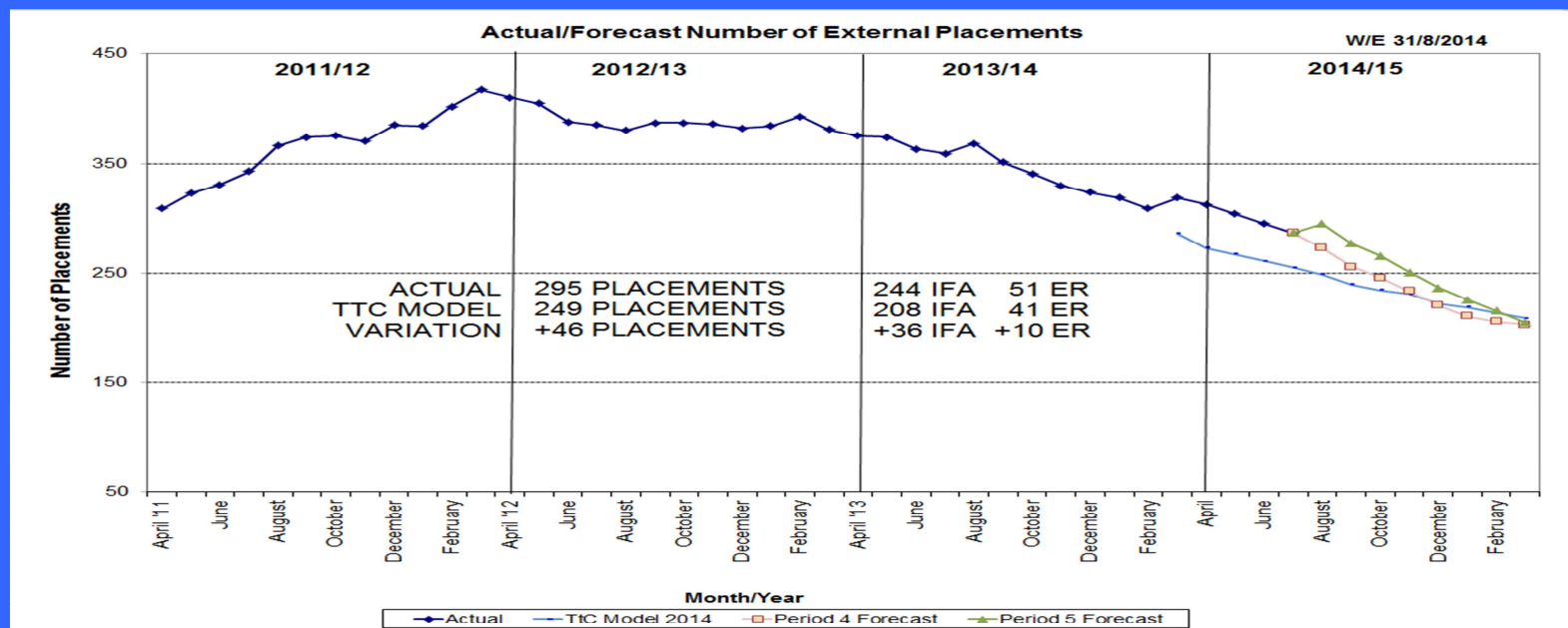
Transport

The 2014/15 budget strategy included £4.6m of budget action plan savings around policy and provision changes in respect of home to school/college transport. At month 5, the projection is for slippage of around £2.5m, primarily around discretionary post 16 SEN transport.

Income

The forecast £0.6m variation across the income budgets recognises the utilisation of the additional capital receipts to fund the schools capital spend and also forecast slippage on the creation of early education/childcare places across the children's centres and private, voluntary and independent sector providers which are funded via the dedicated schools grant. The projection also takes into account the additional transitional implementation grant funding for the implementation of the Children and Families Act in respect of children and young people with Special Educational Needs and Disabilities.

CHILDREN'S SERVICES
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
MONTH 5 (APRIL TO AUGUST)



Budget Management - net variations against the approved budget

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	PROJECTED VARIANCES										Total (under) / overspend £'000
				Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Appropriation £'000	Total Expenditure £'000	Income £'000	
Quarter 1	281,087	(153,351)	127,736	(805)	99	253	154	86	1,831	(122)	0	1,496	428	1,924
Month 4	282,319	(154,696)	127,623	209	355	320	2,008	791	832	299	(368)	4,446	(518)	3,928
Month 5	282,598	(154,976)	127,622	204	146	296	1,992	735	1,915	144	(213)	5,219	(636)	4,583

	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	10,446	(3,366)	7,080	(39)	29	15								
Learning, Skills & Universal Services	83,166	(65,822)	17,344	649	1,059	1,178								
Safeguarding, Targeted & Specialist Services	118,475	(26,003)	92,472	1,333	2,424	2,770								
Strategy, Performance & Commissioning	66,818	(55,963)	10,855	(19)	416	620								
Total	278,905	(151,154)	127,751	1,924	3,928	4,583	0	0	0	0	0	0	0	0

City Development
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Month 5

Overall Narrative The projected outturn position at Period 5 is an overspend of £336k an increase of £151k from the position reported at Period 4 This is mainly due to a downward revision of advertising income of £80k and Kirkgate Market deteriorating by £128k as a result of decreasing income and a £39k back dated rates bill. The Period 5 position assumes that the Directorate achieves further savings or additional income of £600k. This is currently shown against Resources and Strategy but as in previous years is likely to be achieved across the Directorate. The Directorate has recently received additional one off income following the conclusion of a mediation process to reimburse the Council for costs it incurred to rectify damage caused to the Council's property. It is proposed to use this income to offset pressures in specific services as detailed below.

Planning and Sustainable Development is forecast to have an overspend of £114k. Staffing is forecast to be £104k over budget as the budgeted vacancy factor is unlikely now to be fully met although the service is currently considering some ELI business cases. Expenditure is forecast to be £25k overspent as a result of anticipated additional spend on the Core Strategy including legal costs. Income from planning and building fees for Period 5 is slightly ahead of the phased budget with actual income of £1,951k against the phased budget of £1,866k. There is a risk that income does not achieve the budget during the year however the projection assumes that external income will be on budget for the year .

Economic Development is forecast to be £104k overspent mainly due to deteriorating income and the receipt of a £39k back dated rates bill . The main budget risk for the Service is that income from Kirkgate Market continues to decline.

Asset Management and Regeneration Services is forecast to almost be within budget.

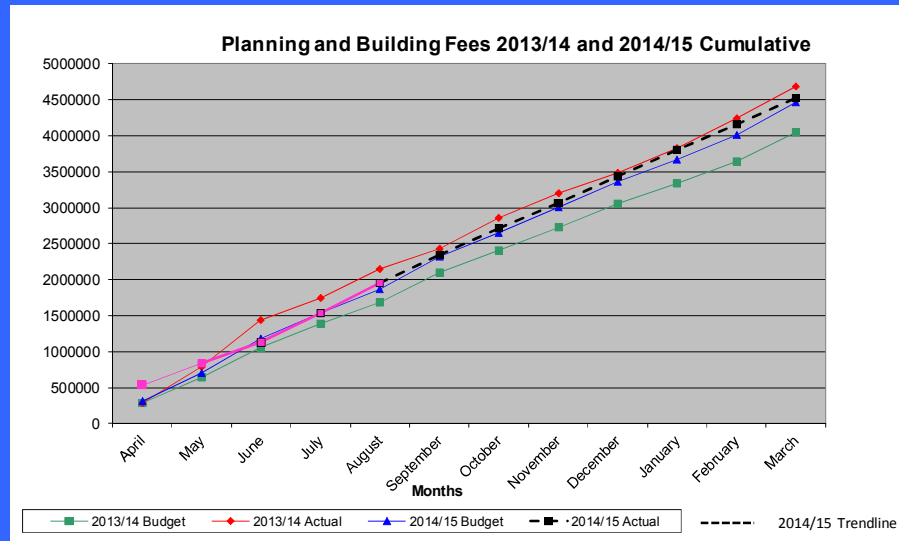
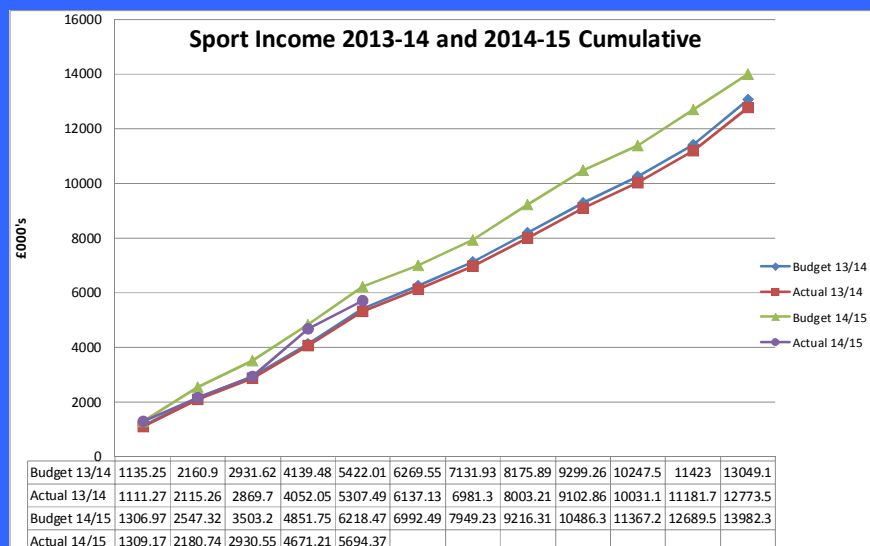
Employment and Skills and Highways and Transportation are projected to be within budget, this assumes that the efficiency targets are met. In Highways and Transportation there has been a need to progress work around masterplanning for the South Bank and related work around HS2. The costs of this are estimated at £250k in 2014/15. It is proposed that these costs are funded by a release from reserves. The Service is also projected to have additional expenditure on supplies and services which will be offset by additional income. This is as a result of more work being awarded externally than was originally budgeted for.

Sport and Active Recreation is also forecast to be within budget. The main risk is that income levels fall short of the budget although the budget was reduced in 2014/15 reflecting the trends in 2012/13 and 2013/14. At Period 5 cumulative income to date is less than the phased budget but the shortfall is expected to be covered in savings elsewhere.

Libraries, Arts and Heritage is forecast to be £43k above budget. This is mainly because there will be a delay in achieving staff savings in Libraries as the review of opening hours will take longer to implement than was originally envisaged. A new structure is also due to be implemented in Heritage Services. These pressures have been mostly offset by an additional £350k in off income that has been allocated to Libraries.

Resources and Strategy is forecast to have a small overspend of £92k although this includes a Directorate savings target of £600k on staffing and other savings with options to achieve this to be discussed and agreed with the other services. There is also a target saving of approximately £100k from the Business Management review and it is assumed that this target will be achieved during the year as this work stream progresses. As in previous years the Directorate will continue to closely manage staffing levels, vacancies, overtime and agency spend to ensure that these savings can be realised.

City Development FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR



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	60,162	384	307	334	(5)	(52)	20	4		992	(561)	431
Month 4	60,191	536	317	949	31	8	20	(40)		1,821	(1,636)	185
Month 5	60,079	124	354	799	36	39	20	0	(35)	1,337	(1,001)	336

	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	3,901	20	96	114								
Economic Development	1,412	1	0	104								
Asset Management and Regeneration	3,260	0	0	15								
Highways and Transportation	20,594	(1)	0	0								
Resources and Strategy	1,854	50	43	92								
Employment and Skills	2,879	3	(8)	(39)								
Libraries, Arts and Heritage	19,532	350	44	43								
Sport and Active Recreation	6,730	8	10	7								
Total	60,162	431	185	336	0	0	0	0	0	0	0	0

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR

Period 5 (August 2014)

Overall Position

The Directorate is currently projecting a balanced position at period 5.

Community Safety (£100k underspend)

Staffing is expected to be £177k under budget. This is primarily due to a projected staffing underspend on CCTV/Security (£235k) due to pre-restructure vacancies and Signpost (£19k) offset by a projected £90k pressure against the staffing efficiency target for ASBU. The additional income targets for the service that were built into the 14/15 budget are projected to be achieved, however a £60k pressure has been assumed on other work contracts and other net pressures total £4k.

Strategic Housing and General Fund Support (£105k underspend)

An underspend is anticipated on Supporting People contracts (£154k) after achieving efficiencies of £1,254 between 13/14 and 14/15. The underspend is primarily due to additional Police and Crime Commissioner funding that can be applied to alcohol related contracts. The amounts borrowed from the reserves in 11/12 is now deemed to have been repaid. The restructure of the Sustainable Energy and Climate Change team is projected to give a one-off staffing pressure of £8k in 14/15 due to staff in Managing Workforce Change. A £12k overspend on the performance team has been projected along with a £29k staffing overspend on General Fund Support Services.

The Strategic Housing £220k staffing efficiency target is expected to be achieved over the year, and it has been projected that the £30k pressure from Bond Retrieval and £37k pressure from the Cross Green facelift scheme will be managed within the overall budget provision.

Parks & Countryside (£0k balanced)

Parks & Countryside is expected to come in on budget. The recent judicial review ruling on allotments is expected to create a pressure of £104k (£50k reduced income and £54k of legal costs) which can be partially offset by other horticultural service savings of £29k. Income from golf and sports pitches is expected to be £133k below the budgeted level and a pressure of £147k is expected for Bereavement Services. Staffing savings in Forestry are the primary reason for a projected underspend of £66k. Estates, including cafe and retail are expected to be £25k under budget. Grounds Maintenance costs are expected to be £82k under budget and workshop spares are projected to be under budget by £100k and NNDR savings of £31k are expected. Other net savings total £33k.

Car Parking (£469k underspend)

Savings from vacant posts that are in the process of being recruited to will save £71k. However, this is offset by expenditure increases of £108k associated with additional charges for Cash collection and credit card /bank charges. Parking income is projected to be £546k higher than the budget. On Street income is projected to generate additional income £274k. After 5 months all sites appear to show good levels of income. Off street parking up £181k offset by reductions in PCN offences £305k, though BLE income projected up £136k. (Phase 1 down £285k) Woodhouse Lane - continues to be busy during week days, projected increase of +£106k (incl Sept price increase to £5.50). Currently managing the former Quarry Hill site for a monthly fee. Projection assumes 6 months (£47k). Other income +£68k

Waste Management (£679k over)

The budget assumes the delivery of £2.5m of savings, predominately in waste disposal resulting from the full year effects of last years roll out of Alternate Week Collection (AWC) and the roll out of the service to a further 106,000 households during 14-15. Refuse Collection is forecast to be £145k overspent. The pay budget remains a challenging area with a projected overspend of £180k arising from the use of back up and additional cost of sickness. There is a strong focus in the service with regard to tackling attendance issues to improve on the 13/14 position. The delay to AWC will impact on route changes which will cost circa £148k in year. Other transport costs, mainly fuel, are projected to save £95k and additional income of £90k is forecast. Delayed implementation of AWC results in disposal savings of £302k not being realised. Other disposal costs are forecast to rise by around £120k mainly due to increased recycling costs. Reduced gas levels at Gamblethorpe has resulted in the current engine being decommissioned as it is no longer cost effective. This will result in a £66k shortfall in income, however, other savings of £25k can help mitigate.

Delayed closure of Kirkstall Road waste site is projected to cost £53k and other HWSS variations are £19k

Environmental Action (£5k underspend)

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

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Period 5 (August 2014)

Budget Management - net variations against the approved budget;

Summary By Expenditure Type

Latest Estimate	Projected Variations									Total (under/overspend) £'000	
	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Total Expenditure	Income		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
	73,272	75	137	(58)	(6)	37	(20)	0	165		(165)
	73,272	102	(154)	596	(145)	71	(140)	0	330		(330)
72,272	(89)	(174)	691	(124)	155	(150)	0	309	(309)		

Summary By Service

Latest Estimate	Quarter1	Period 4	Period 5	
£'000	£'000	£'000	£'000	
Community Safety	3,187	0	0	(100)
Strategic Housing & GFSS	12,177	0	(118)	(105)
Parks & Countryside	9,124	0	0	0
Waste Strategy and Disposal	20,402	0	357	462
Waste Operations	2,595	0	53	72
Refuse Collection	17,761	0	114	145
Environmental Action	13,676	56	14	(5)
Car Parking	(6,650)	(56)	(420)	(469)
Total	72,272	0	0	0

STRATEGY AND RESOURCES

FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR

Period 5

Overall Position

The projected outturn for Strategy and Resources as at month 5 is a modest underspend of £63k. All the professional support services are projected to be on target, although a challenge still exists to achieve some of savings targets built into budgets.

Strategy and Improvement

Strategy and Improvement are projecting to balance to budget at Period 5. Staffing is £157k over budget as current staffing levels mean the service are not fully achieving the vacancy factor allocated. This is partly being covered by £6k of savings on training budgets and £121k Supplies and services savings. Slippage in implementing the Transactional Web Service project means some costs will now be incurred in 2015/16. This has also had an impact on prudential borrowing, saving £25k in charges. Income is expected to be £-52k better than budget due to income received by Relationship Management for activities they are involved in and TDF secondments. The overall split between internal and external income has altered from initial budgets as Regional Economic Intelligence Unit undertake more external work for City Regions.

Finance

The main challenge for this service is to meet the current shortfall based on staff in post to date and known recruitment and leavers through to year end. The service is pro-actively pursuing further options to achieve savings of approx. £166k so that a balanced position is achieved by year end. In addition, a virement is in progress to input a budget of £551k to reflect the transfer of former ALMO staff into Finance.

Human Resources

HR are expecting to meet the £236k pay savings incorporated into the budget, through freezing recruitment and the use of the Early Leavers Initiative. The projection assumes that further savings will be made and that a balanced position will be achieved by year end. Costs associated with Manager Challenge are expected to be offset by additional income. In addition, a virement is in progress to input a budget of £492k to reflect the transfer of former ALMO staff into Human Resources.

Technology

ICT are projecting to balance to the budget at Period 5. ICT are currently operating with a high number of vacancies and are seeking to recruit to these over the coming months. Additional spending is being incurred on external contractors, though these are being funded by charges to the capital programme. Additional charges will be incurred from PPPU for a Project Manager to lead on the Managed Print Project - which will be funded from the saving generated from the new printing contract. This investment will bring long term savings to the council in the region of £200k. One off in year savings have been made on support and maintenance contracts (McAfee Security and SCC Hardware Support) and these savings are being used to fund one off pressures and initiatives.

PPPU and Procurement

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

Regional Policy

The expansion of the Leeds City Region role and its associated increase in funding has allowed the group to recruit, so that the additional workload can be covered. This has led to the staffing budget overspending by £213k. This is fully recovered by additional income that the service is set to receive.

Legal Services

Staffing costs are projected to be underspent by approx £330k against the OE budget and this reflects vacant posts, both on the professional side and also office support. The reduced expenditure will largely be offset by a reduction in income, with the incidence of the 'real' saving being in the legal budgets in other directorates. It is proposed to make suitable budget adjustments to capture these savings. The office support savings can contribute towards the Directorate's BBM savings target.

Democratic Services

The budget for 2014/15 included additional income of £75k in relation to charges for school appeals. Latest information on this is that actual income is expected to be about £23k less. Fortunately, this is offset by savings on staffing as a member of staff has left under the Early Leavers Initiative. Additional savings are arising through changes in conditions for elected members who are no longer allowed to join the LGPS.

STRATEGY AND RESOURCES
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Period 5

Budget Management - net variations against the approved budget;

Summary By Expenditure Type

	Projected Variations									
Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Total Expenditure	Income	Total (under) overspend
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
40,561	(346)	1	(2)	(3)	76	0	0	(276)	276	0
40,561	224	2	(205)	5	52	0	0	78	(116)	(38)
40,561	72	3	(36)	18	111	0	0	168	(231)	(63)

Summary By Service

Latest Estimate	Quarter1	Period 4	Period 5	Outturn
£'000	£'000	£'000	£'000	£'000
Strategy and Improvement	4,896	0	0	0
Finance	9,935	0	0	0
Human Resources	6,493	0	0	1
Technology	14,991	0	0	0
PPPU & Procurement	271	0	0	(1)
Regional Policy	116	0	0	0
Legal Services	(1,428)	0	0	0
Democratic Services	5,287	0	(38)	(63)
Total	40,561	0	(38)	(63)

PUBLIC HEALTH FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR Period 5

Overall

2014/15 is the second year of the Public Health function being carried out by Leeds City Council. The first year allocation of government funding was £36.9m and at the end of 2013/14 there was an overall in year underspend of 947k of the ring fenced grant. This amount has been carried forward to 2014/15 in accordance with the grant conditions. Of this amount, £655k is being used to fund expenditure which was committed in 2013/14, but did not take place by the end of the year. Added to the 2014/15 allocation of £40.5m, the total amount available for the ring fenced Public Health function in 2014/15 is £41.49m. As with last year, funding is ring-fenced to Public Health activities and any underspend would be carried forward into the next year. For 2014/15 the Supporting People Service, Staff and Drugs Commissioning budgets have transferred to the Public Health directorate.

Staffing

The projected staffing underspend has increased to £-534k as a result of posts becoming vacant and a review of the posts now needed to ensure the council can fulfil its Public Health responsibilities. This underspend is likely to increase further as the recruitment process is followed. Discussions are being held with finance colleagues in the context of the Council's overall financial position.

Commissioned and Programmed Services

This is the main area of spend with a budget of £35.9m. Public Health commissions and funds services directly and with other parts of the authority. Almost all the contracts are fixed price with payments made on a monthly or quarterly basis so there is minimal risk of over (or under) spend. However there are some contracts which are based on payment by activity. There are risks of under or over trading on these contracts and these are being monitored closely to minimise any impact on the budget. This includes:

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

The Public Health ring-fenced grant for 2014/15 is funding other council Public Health activity. In total, over £2m of additional funding has been allocated across a range of Public Health services:- Care and Repair (£194k), Luncheon Clubs (£185k), Active Lifestyles services (£369k), Family Outreach workers/Children's centres (£777k), Leeds Directory (£132k), Leeds Irish Health and Homes (£33k), Black Health Agency Sexual Health skyline project (£289k) and Neighbourhood Networks (£200k).

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

£160k has been projected as an over spend on Public Health running costs, which is in the main the Public Health contribution towards the corporate and democratic costs incurred by the Council. At present, LCC is in discussion with the Department of Health regarding inherited balanced from the PCT which could result in a new unfunded burden. In order to ensure the Public Health ring-fenced grant can fund this new unfunded burden (should it be required) this budget at present has been reflected as committed.

Supporting People

The Supporting People service commissions services to support people in need. An agreed plan is in place to meet the required staffing efficiencies and so a balanced budget position is projected. Following a re-grading process, there are increased staffing costs of £8k, which is funded by income.

Drugs Commissioning

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

Contribution to the cost of the 'Corporate and Democratic Core'

A charge of £120k is now reflected in Public Health and this is a contribution to the corporate and democratic costs incurred by the Council, for example member and committee services.

**PUBLIC HEALTH
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Period 5**

Budget Management - net variations against the approved budget;

Summary By Expenditure Type

Expenditure Type	Latest Estimate	Projected Variations										
		Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Total Expenditure	Income	Appropriation	Total (Under) Overspend
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Quarter 1	490	(400)	0	0	0	230	0	(170)	0	170	0	
Month 4	490	(462)	0	72	0	171	117	0	(102)	(68)	170	0
Month 5	490	(534)	0	76	0	172	318	0	32	(67)	35	0

Summary By Service

	Latest Estimate	Quarter1	Period 4	Period 5	Outturn
	£'000	£'000	£'000	£'000	£'000
Public Health Grant	(41,487)	0	0	0	
PH staffing and general running costs	5,622	(400)	(330)	(395)	
Commissioned and Programmed Services:					
General Public Health	509	200	0	0	
Health Protection & Population Healthcare	1,813	0	0	0	
Healthy Living & PH Intelligence	16,214	30	30	30	
Older People and Long Term Conditions	2,350	0	0	200	
Child and Maternal Health	5,635	0	2	2	
Mental Wellbeing	9,344	0	128	128	
Transfer to Reserves	0	170	170	35	
Supporting People	558	0	1	0	
Drugs Commissioning	(68)	0	0	0	

CITIZENS AND COMMUNITIES

FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR

Period 5

Overall

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

Communities

The Community Centres budgets have a savings target of £-110k. Currently it is expected that they will achieve £-30k of this through savings on Facilities Management charges (£-10k) and income (£-20k). This leaves a shortfall of £80k which will need to be achieved by a combination of rationalisation of existing centres and further efficiencies in Facilities Management charges. Small amounts of additional income have been received resulting in an overall projected underspend of £-4k.

Customer Access

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

Licensing and Registration

The main problems in 2013/14 were in relation to legal costs in Entertainment Licensing and it is expected that this was a one off. The entertainment licensing income budget was increased in 2013/14 in expectation of legislative changes that have still not materialised. As a result of this there is a risk of shortfall in income of potentially £100k which should be offset by £80k savings in staffing cost and £20k savings in running costs. There is also an expected shortfall in income for the Registrars Service (£56k) and this is expected to be met through savings on staffing and running costs.

Benefits, Welfare and Poverty

Benefits Welfare and Poverty is reporting a balanced position at period 5. Vacancies on the section as a result of turnover have created a staffing saving of £-122k. In particular the service is expecting the Investigations Unit to transfer to the DWP from January 2015 saving £-119k. Supplies and Services budgets are expected to overspend by £131k as high spend is projected on print and postage costs and work has been outsourced to Liberata and Capita and new technology is being investigated for E claims, though this is mostly funded by staff savings. Income budgets are £-22k better than anticipated due to a range of small sources, but mainly MacMillan providing income to support work in the Welfare Rights section. In respect of Discretionary Housing Payments and Local Welfare Support, trends of spend to date indicate that budget provision, including the amounts carried forward from 2013/14, will be sufficient to meet demand.

Budget Management - net variations against the approved budget;

Summary By Expenditure Type

Latest Estimate	Projected Variations								Income	Total (under) / overspend £'000
	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Total Expenditure		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Quarter 1	19,349	(98)	0	255	25	0	0	182	(183)	(1)
Month 4	19,432	(125)	2	34	30	(14)	0	(73)	68	(5)
Month 5	19,432	(253)	3	107	30	(14)	0	(125)	122	(3)

Summary By Service

Latest Estimate	Quarter1	Period 4	Period 5	Outturn
£'000	£'000	£'000	£'000	
Communities	5,876	(1)	(4)	(2)
Customer Access	11,326	0	(2)	(2)
Licensing & Registration	630	0	1	1
Benefits, Welfare and Poverty	1,600	0	0	0
Total	19,432	(1)	(5)	(3)

CIVIC ENTERPRISE LEEDS
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Period 5

Overall position

The CEL budget includes savings and efficiencies amounting to £1.4m. Given the early stage in the financial year, it is assumed that all areas are on track apart from two specific pressures within Commercial Trading which amount to £400k.

Business Support Centre

Currently on target.

Facilities Management

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

Commercial Services

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

Secondly, for Property Maintenance a budget assumption was that the service would deliver £2m turnover, generating £200k profit. It is now very unlikely that the necessary turnover will be achieved. An additional £100k pressure for Lift installation schemes. Service will no longer deliver this type of work due to the majority being sub-contracted. Reflects lost profit.

To counter the above, whilst it is still relatively early in the year, demand for work in other areas in Property Maintenance is strong, so an estimate of additional surplus of £150k has been reflected in the year end projection.

Corporate Property Management

On target

Budget Management - net variations against the approved budget;

Summary By Expenditure Type

	Latest Estimate £'000	Projected Variations								Income £'000	Total (under) / overspend £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Total Expenditure £'000		
Quarter 1	12,834	(185)	35	(30)	0	5	0	0	(2,240)	2,690	450
Month 4	12,834	(370)	8	(2,895)	9	1	0	0	(3,247)	3,649	402
Month 5	12,834	(451)	11	(2,886)	10	2	0	0	(3,323)	3,723	400

Summary By Service

	Latest Estimate £'000	Quarter1 £'000	Period 4 £'000	Period 5 £'000	Outturn £'000
Business Support Centre	3,847	0	0	(3)	
Commercial Services	(4,760)	450	401	402	
Facilities Management	7,462	0	1	1	
Corporate Property Management	6,285	0	0	0	
Total	12,834	450	402	400	0