

## Report of the Deputy Chief Executive

### Report to Executive Board

**Date: 19<sup>th</sup> November 2014**

**Subject: Financial Health Monitoring 2014/15 – Half Year**

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 at the half year stage 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 £8.6m is projected, an increase of £2.3m from the figure reported at month 5 which mainly reflects continued pressures in Adults and Children's Social Care and income from the New Homes Bonus Scheme. There is some risk of further increases during the year in the Care services although the overall position will continue to be managed with a view to reducing the projected overspend.
4. In view of the deteriorating position a suite of measures are being implemented across the Council to bring spending plans back into line with the agreed budgets.
5. After six months of the year the HRA is projecting a surplus of £1.1m.

### Recommendations

6. Members of the Executive Board are asked to note the projected financial position of the authority after six months of 2014/15 and the measures being put in place as detailed in paragraph 3.3.4

## 1. Purpose of this report

- 1.1 This report sets out for the Board the Council's projected financial health position for 2014/15 at the half year stage 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 six 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 31<sup>st</sup> March 2014 amount to £26.1m.

## 3. Main Issues

- 3.1 After six months of the financial year an overspend of £8.6m is projected, as shown in the table below.

(Under) / Over Spend for the current period							Previous Month
Directorate	Director	Staffing £000	Other spend £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	Month 5 £000
Adult Social Care	Sandie Keene	1,289	4,079	5,368	(2,743)	2,625	2,119
Children's Services	Nigel Richardson	(142)	6,504	6,362	(1,018)	5,344	4,583
City Development	Martin Farrington	226	1,314	1,540	(1,234)	306	336
Environment & Housing	Neil Evans	(291)	418	127	(227)	(100)	0
Strategy & Resources	Alan Gay	(111)	97	(14)	16	2	(63)
Citizens & Communities	James Rogers	(198)	129	(69)	66	(3)	(3)
Public Health	Dr Ian Cameron	(798)	648	(150)	(109)	(259)	(35)
Civic Enterprise Leeds	Julie Meakin	(414)	(2,935)	(3,349)	3,749	400	400
<b>Total</b>		<b>(439)</b>	<b>10,254</b>	<b>9,815</b>	<b>(1,500)</b>	<b>8,315</b>	<b>7,337</b>

<b>Corporate issues</b>							
Debt Savings						(1,100)	(1,100)
Transfer to Public Health Earmarked Reserve						0	35
New Homes Bonus						1,335	
<b>Total</b>						<b>8,550</b>	<b>6,272</b>

- 3.2 This represents an increase of £2.3m from the position reported at the end of month 5 which reflects continuing pressures within Adult and Children's Social Care and a reduction in the income from the New Homes Bonus based on the net additions to the housing stock between October 2013 and October 2014 – see paragraph 3.3.3 below.

The month on month increase reflects a further increase in the demand led community care packages both within home care and the learning disability pooled budget within Adult Social Care and further 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 as to the assessment of deprivation of liberty. These are more than offset by savings within other directorates.

#### 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 63 hours whilst the budget assumed there would be no increase. There has also been a £0.7m 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, further slippage is anticipated.

#### 3.3.3 New Homes Bonus

The New Homes Bonus (NHB) is a grant paid by central government to local councils for increasing the number of homes and their use.

The New Homes Bonus is paid each year for 6 years. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.

Since the inception of the scheme in 2011 to the end of 2013/14 Leeds has earned over £27m in new homes bonus bringing nearly 7,200 net properties back in use and providing 1,800 affordable homes.

The 2014/15 budget assumed grant based on a net additional 2,800 properties in line with the core strategy. The payment is calculated on performance from October to September and for 2014/15 the figure is a net increase of 1,722 producing a shortfall against the budget of £1.3m. Depending upon the national position, it is possible that any underspends on the New Homes Bonus nationally may be returned to local government, as has happened in previous years, but this will not be known until nearer the year end.

Members are asked to note that there are differences in the calculation of housing growth numbers for New Homes Bonus and the Core Strategy. The main differences relate to: the counting of Council Tax Band D equivalent homes, different monitoring periods and the lag between the construction of homes, their completion (counted by the Core Strategy) and their occupancy (counted by the NHB). This means that Core Strategy completions and forecasts will always tend to be higher than NHB figures. The level of completions for Core Strategy purposes between the 1st October 2013 and 30th September 2014 is 2,626.

3.3.4 In view of the deteriorating position the following measures have been put in place initially for the next three months:

- An embargo on all external recruitment to General Fund Services, An embargo on all overtime;
- No new appointments of agency staff;
- A general embargo on all non-essential non staffing spend, but with particular reference to:
  - Expenditure on external training, seminars, professional updates
  - Building maintenance expenditure with the exception of essential health and safety work

It is recognised that there may be a need for some exceptions to these general rules, but every attempt will be made to minimise them, with all exceptions being subject to the agreement of the Deputy Chief Executive.

All services have also been requested to maximise the number of staff who can leave the organisation under the present ELI scheme by 31<sup>st</sup> December 2014.

In addition, directorates have been requested to consider options for increases in fees and charges which could be implemented from January 2015 where appropriate.

It is clearly crucial that the financial position in the current year is brought back in line with the approved budgets. Failure to do so will result in the call upon reserves being greater than budgeted for, with a resultant impact upon the financial strategy for 2015/16 and 2016/17 as reported to last month's Executive Board. The overall position will continue to be closely monitored and should the combination of these measures deliver sufficient savings these measures could be relaxed in the event that the financial outlook for the year improves sufficiently.

### 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 September was 54.84% compared to 54.90% 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 - 38.5% ( 39.3% at this stage last year)
- Collection rate for those previously getting 100% Council Tax benefit – 35.6% (35.7% at this stage last year)

The collection rate for Business Rates at the end of September was 56.83% compared to 58.7% at the same time in 2013/14, a reduction of 1.87%. This is a significant improvement on the position at the end of August and the difference is primarily due to the move from 10 to 12 monthly instalments, the impact of which will increase each month until the end of February.

There continues to be no significant change in the level of accounts in arrears (£5.84m at end of September 2013 compared to £5.9m 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 6 the HRA is projecting a surplus of £1.1m.

Key variances

4.2 Additional income of £1.0m primarily due to increased dwelling rents as a result of voids (0.7%) being less than budgeted levels of 1.25%.

4.3 In addition savings are projected in relation to Council Tax on empty properties £0.3m, void repairs £0.3m, the budgeted contribution to the Bad Debt Provision £0.5m and capital charges due to low interest rates £0.4m.

4.4 Additional savings of £0.9m 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.

4.5 These variances contribute towards offsetting the additional £1.1 m of costs in relation to Disrepair claims against the council. Additional resources have been provided to address this issue. Two additional surveyors and two legal officers have been engaged and processes put in place to manage the service to improve efficiency and create clearer accountabilities and responsibilities within the teams. The Disrepair service is being proactively managed with regular meetings with internal and external teams including surveyors, legal, asbestos and contractors responsible for completing the works monitoring progress, identifying blockages in the system and amending processes. In addition to this the team is engaging with both the Repairs Teams and Housing Management to introduce measures to stem the growth in caseload.

4.6 In addition, a revenue contribution to capital of £1.2m has been identified to fund a vehicle replacement programme for Construction Services

4.7 Excluding technical arrears, arrears for current tenants are £5.1m compared to £4.6m at the end of 2013/14, an increase of £0.5m. Arrears in connection with under-occupancy are £0.7m. This has not changed since the end of 2013/14.

Collection rates to the end of August were 97.48% for dwelling rents, compared to 97.85% 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 at month 5 showed there was 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

5.6.3 It is clear from the current projections that all of these risks have now happened and as such have been incorporated into the overall projection. There are no new risks identified at month 6.

## 6. Recommendations

6.1 Members of the Executive Board are asked to note the projected financial position of the authority after six months of 2014/15 and the measures being put in place as detailed in paragraph 3.3.4 above.

## 7. Background documents<sup>1</sup>

7.1 None

<sup>1</sup> 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 6 - (September 2014)

### Overall narrative

The directorate is currently projecting an overspend of £1.6m relating to its general activities, with a further £1.0m 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 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 6 shows an increase of £0.6m from period 5. This has been caused by increases on demand-led community care packages, particularly for clients with a learning disability, partly offset by residential rehabilitation and 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 6 across the key expenditure types are as follows:

### Staffing (+1.3m – 1.8%)

Staffing funded by capital or additional income accounts for £0.65m of this variation and the costs associated with the Supreme Court legal judgement are £0.2m. 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 (+£4.3m – 2.9%)

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 63 hours. There are also some significant pressures on the learning disability pooled budget, with the number and average cost of monthly care plan approvals this financial year being higher than last year. There is also some pressure on residential and nursing care placements, mainly those for people with mental health needs. 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 (+£0.4m – 0.9%)

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

### Income (-£2.7m – 3.9%)

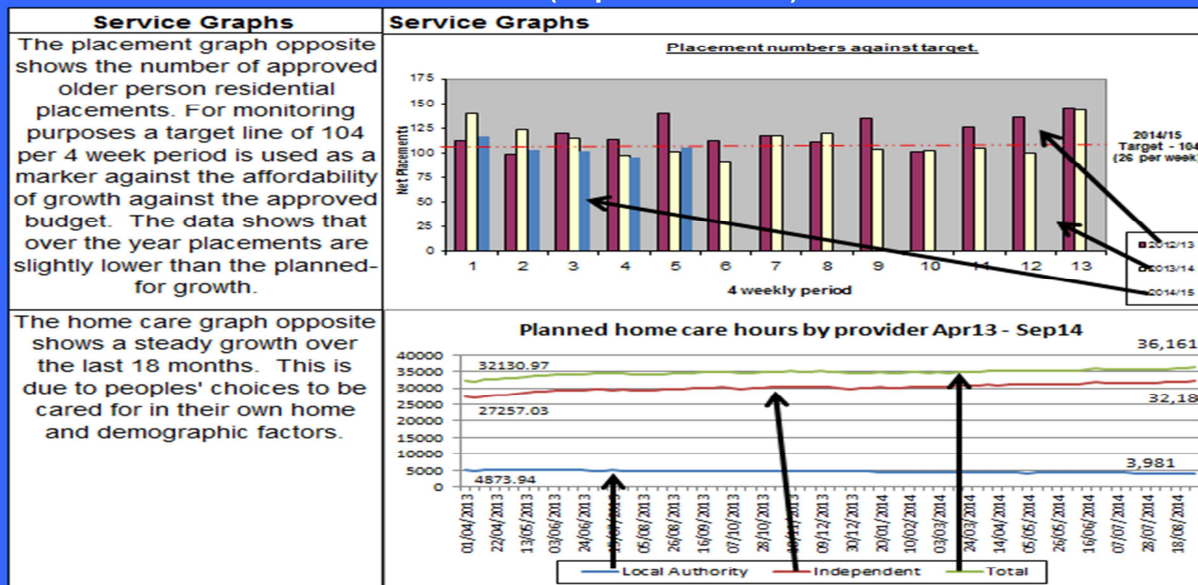
This mainly relates to additional health funding for intermediate care beds and for information and knowledge management initiatives ongoing from 2013/14 and £0.45m Public Health funding for Neighbourhood Networks and residential rehabilitation.

### Use of Earmarked Reserve (-£1.4m)

This is being utilised to support joint working with health partners, including addressing demand led pressures on the community care packages budget.



# ADULT SOCIAL CARE FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR Month 6 - (September 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)	
		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	£'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
	Month 6	195,796	1,289	(128)	(181)	(84)	1,057	6,858	(2,073)	(1,370)	5,368	(2,743)	2,625

	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	17							
Access & Care	150,269	2,275	4,642	4,778	5,512							
Care Reform	1,903	0	0	(2)	(6)							
Strategic Commissioning	(114)	(2,106)	(2,425)	(2,434)	(2,487)							
Resources	7,243	(129)	(238)	(328)	(526)							
Care Delivery	36,442	451	17	104	113							
Total	195,796	490	1,997	2,118	2,623	0	0	0	0	0	0	

**CHILDREN'S SERVICES**  
**FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR**  
**MONTH 6 (APRIL TO SEPTEMBER)**

**Overall**

The month 6 forecast variation for the Children's Services Directorate is an overspend of £5.3m or 4.1% against the net managed budget of £128m. This forecast represents an increase of £0.7m from the month 5 position which is mainly around slippage on the budget action plans around children in care and externally provided residential and fostering placements.

**Looked After Children**

The 2014/15 budget strategy recognised the strategic obsession around reducing the need for children to be in care with 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 there will be some potential slippage against this plan. In terms of placement numbers, at the end of September, there were 50 children & young people in externally provided residential placements [+12 compared to the financial model] and 241 children & young people in placements with Independent Fostering Agencies [+39 compared with the financial model]. Overall, these placement numbers translate into a potential pressure of £3.2m, although work is continuing around permanency and transitional planning. The month 6 projections also recognise some demand pressures around unaccompanied asylum seeking children (£0.2m), special guardianship orders (£0.1m), assisted adoptions (£0.3m), in-house fostering (£0.6m), Leaving Care Services (£0.2m) and children's homes (£0.25m).

**Staffing**

Overall, at month 6 the staffing budgets are forecast to underspend by £0.1m 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 year-end forecast spend on overtime is £1m and £4.2m on agency staffing.

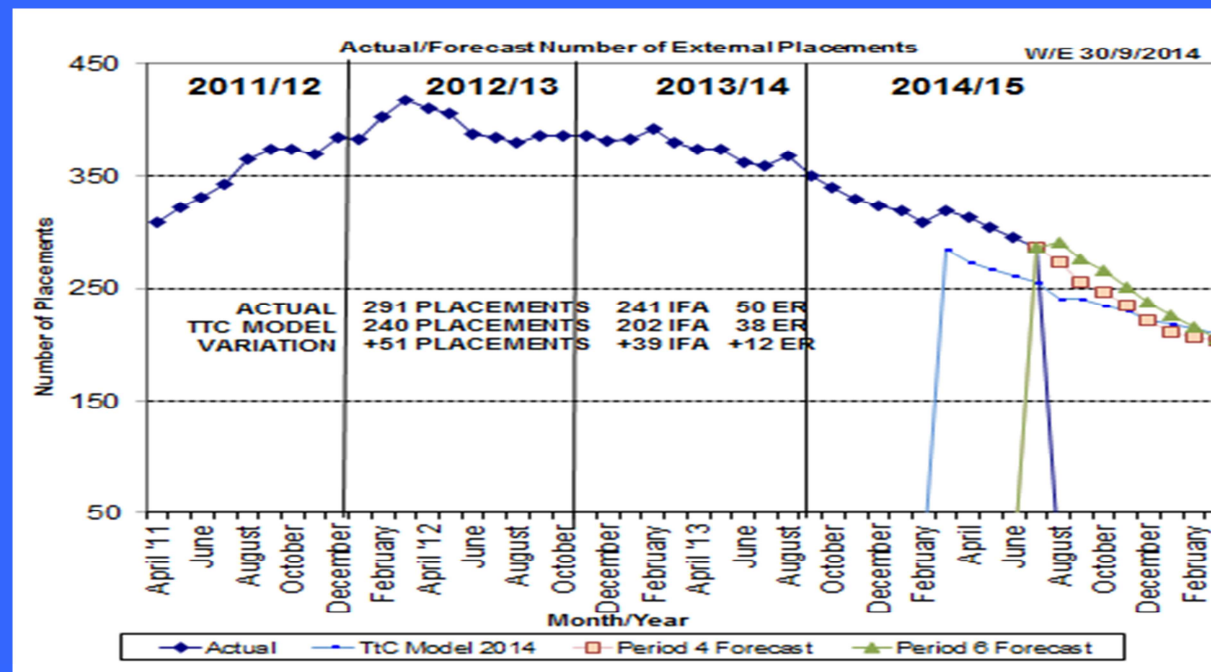
**Transport**

The 2014/15 budget strategy included £4.6m of anticipated savings around policy and provision changes in respect of home to school/college transport. At month 6, the projection is for slippage of around £2.5m, primarily around discretionary post 16 SEN transport.

**Income**

The forecast £1m 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 (£0.5m).

**CHILDREN'S SERVICES**  
**FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR**  
**MONTH 6 (APRIL TO SEPTEMBER)**



**Budget Management - net variations against the approved budget**

	PROJECTED VARIANCES													Total (under) / overspend	
	Expenditure Budget	Income Budget	Latest Estimate	Staffing		Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Appropriation	Total Expenditure		Income
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'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	
Month 6	283,352	(155,730)	127,622	(142)	363	460	1,991	671	3,052	145	(177)	6,363	(1,018)	5,345	

	Expenditure Budget	Income Budget	Latest Estimate	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	£'000	£'000	£'000
Partnership, Development & Business Support	10,441	(3,407)	7,034	(39)	29	15	16							
Learning, Skills & Universal Services	83,800	(66,426)	17,374	649	1,059	1,178	1,116							
Safeguarding, Targeted & Specialist Services	118,585	(26,114)	92,472	1,333	2,424	2,770	3,684							
Strategy, Performance & Commissioning	66,833	(55,962)	10,871	(19)	416	620	529							
Central Overheads	3,693	(3,822)	(129)	0	0	0	0							
Total	283,352	(155,730)	127,622	1,924	3,928	4,583	5,345	0	0	0	0	0	0	

**City Development**  
**FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR**  
**Month 6**

**Overall Narrative**

The projected outturn position at Period 6 is an overspend of £306k a reduction of £30k from the position reported at Period 5. There has been relatively little change during the month in overall service projections. The main change is that there has been an improvement in the position for Asset Management as a result of increased income projections for the year, largely offsetting this has been a downward revision in income from Kirkgate Market as a result of an increase in the number of vacant stalls. The Period 6 position assumes that the Directorate achieves further savings or additional income of just under £600k. This is currently shown against Resources and Strategy but as in previous years is likely to be achieved across the Directorate.

**Planning and Sustainable Development**

Is forecast to have an overspend of £118k. Staffing is forecast to be £86k over budget as the budgeted vacancy factor is unlikely now to be fully met although the service is progressing some ELI business cases. Supplies and services expenditure is forecast to be £36k overspent as a result of anticipated additional spend on the Core Strategy including legal costs. Income from planning and building fees for Period 6 is slightly ahead of the phased budget with actual income of £2,346k against the phased budget of £2,315k. 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 £94k overspent mainly due to a reduction in the projected surplus for Kirkgate Market, one off income of £275k received by Highways and Transportation has been used to offset most of the Markets income shortfall this financial year. The main budget risk for the Service is that income from Kirkgate Market continues to decline.

**Asset Management and Regeneration Services**

Is forecast to spend below budget as a result of additional rental income and other one off income received during the year.

**Employment and Skills and Highways and Transportation**

Are projected to be within budget, this assumes that the efficiency targets are met. 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 6 cumulative income to date is £290k less than the phased budget but this shortfall is expected to be covered in savings elsewhere.

**Libraries, Arts and Heritage**

Is forecast to be £59k 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. Proposals are to be submitted to the October Executive Board. A new structure is also due to be implemented in Heritage Services. These pressures have been mostly offset by an additional £350k in one off income received by Highways and transportation that has been allocated to Libraries.

**Resources and Strategy**

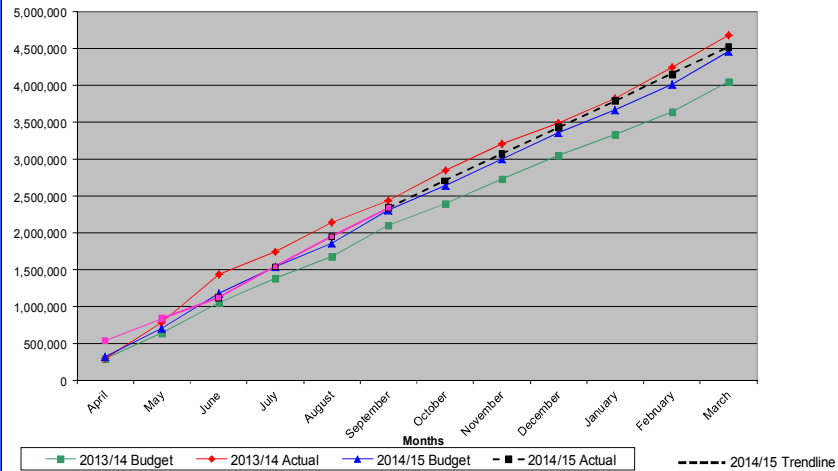
Is forecast to have a small overspend of £126k although this includes Directorate savings target of £600k on staffing and other savings with options to achieve this to be discussed and agreed with the other services. There is also a target saving of approximately £100k from the Business Management review 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

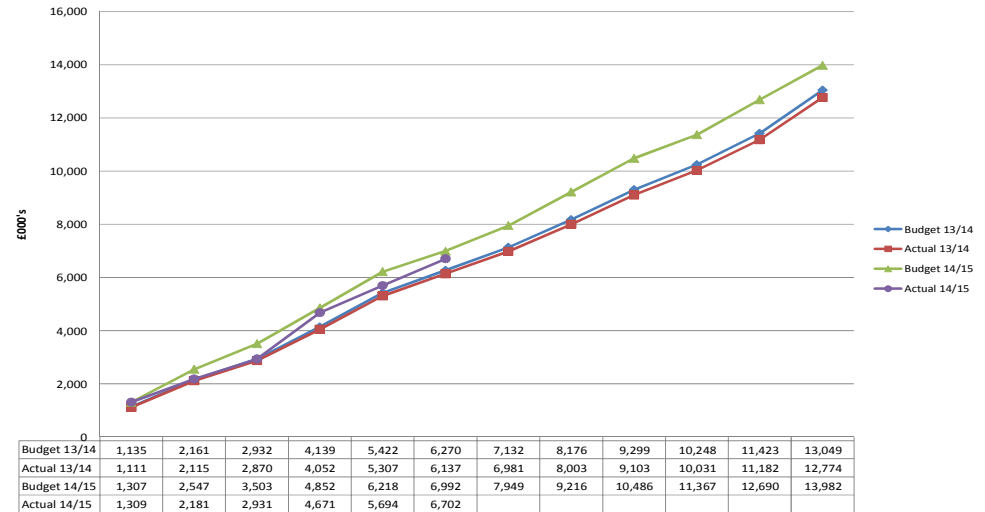
## FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR

## Month 6

### Planning and Building Fees 2013/14 and 2014/15 Cumulative



### Sport Income 2013-14 and 2014-15 Cumulative



Budget 13/14	1,135	2,161	2,932	4,139	5,422	6,270	7,132	8,176	9,299	10,248	11,423	13,049
Actual 13/14	1,111	2,115	2,870	4,052	5,307	6,137	6,981	8,003	9,103	10,031	11,182	12,774
Budget 14/15	1,307	2,547	3,503	4,852	6,218	6,992	7,949	9,216	10,486	11,367	12,690	13,982
Actual 14/15	1,309	2,181	2,931	4,671	5,694	6,702						

**Budget Management - net variations against the approved budget;**

	Latest Estimate £'000	Projected Variations								Total (under) / overspend £'000	
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Total Expenditure £'000		Income £'000
Quarter 1	60,162	384	307	334	(5)	(52)	20	4	992	(561)	431
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	1,372	(1,001)	371
Month 6	60,079	226	272	975	37	110	20	(100)	1,540	(1,234)	306

	Latest Estimate	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	£'000	
Planning and Sustainable Development	3,871	20	96	114	118								
Economic Development	1,329	1	0	104	94								
Asset Management and Regeneration	3,260	0	0	15	(44)								
Highways and Transportation	20,594	(1)	0	0	0								
Resources and Strategy	1,870	50	43	92	126								
Employment and Skills	2,879	3	(8)	(39)	(43)								
Libraries, Arts and Heritage	19,547	350	44	43	59								
Sport and Active Recreation	6,730	8	10	7	(4)								
Total	60,080	431	185	336	306	0	0	0	0	0	0	0	

## ENVIRONMENT & HOUSING DIRECTORATE SUMMARY

### FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR

#### Period 6 (September 2014)

#### Overall Position

The Directorate is currently projecting an underspend of £100k at period 6.

#### Community Safety (£165k underspend)

Staffing is expected to be £203k under budget. This is primarily due to a projected staffing underspend on CCTV/Security (£202k) due to pre-restructure vacancies and Signpost (£102k) and Safeguarding (£38k) offset by a projected £59k pressure against the staffing efficiency target for ASBU and an £80k pressure for partnership/pay award pending. The additional income targets for the service that were built into the 14/15 budget are projected to be achieved, however a £56k pressure has been assumed on other CCTV work contracts. Other net savings total £18k.

#### Strategic Housing and General Fund Support (£135k 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. Strategic Housing staffing is projected to be £99k under budget over the year. This is primarily due to underspends on Housing Options, Leeds Neighbourhoods Approach and Area Renewal. The restructure of the Sustainable Energy and Climate Change team is projected to give a one-off staffing pressure of £12k in 14/15 due to staff in Managing Workforce Change. A £11k overspend on the performance team has been projected. Other pressures total £118k and are primarily due to a £37k pressure from the Cross Green facelift scheme and £54k pressure on income from funded schemes.

#### Parks & Countryside (£0k balanced)

Parks & Countryside is expected to come in on budget although a number of significant pressures have arisen. 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 £27k. Income from golf and sports pitches is expected to be £164k below the budgeted level and a pressure of £326k is expected for Bereavement Services after utilising some one off savings. Staffing savings of £87k are projected, primarily due to savings within the Forestry service. Grounds Maintenance costs are expected to be £82k under budget, workshop spares and sales are projected to be under budget by £157k and Insurance and NNDR savings of £246k are expected. Other net savings total £22k.

#### Car Parking (£512k underspend)

Savings from vacant posts that are in the process of being recruited to will save £77k. However, this is offset by expenditure increases of £111k 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 £434k. After 6 months all sites appear to show good levels of income.

Off street parking up £180k offset by reductions in PCN offences £377k, though BLE income projected to be up by £78k. (Phase 1 down £327k)

Woodhouse Lane - continues to be busy during week days, projected increase of +£133k (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 (£780k 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 £194k overspent. The pay budget remains a challenging area with a projected overspend of £196k 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 £60k and additional income of £90k is forecast.

The waste disposal budget is £18m, of which kerbside black bin waste accounts for £14.6m. A pressure of around £400k is currently estimated based on the slippage of AWC3 into 2 separate phases and overall waste volumes City wide being higher than budgeted. Additional costs of disposing of recycled waste is expected to cost around £158k.

Delayed closure of Kirkstall Road waste site is projected to cost £53k. Savings of £14k in the remaining waste site budgets help reduce the overall pressure to £39k.

#### Environmental Action (£65k underspend)

Within Environmental Health savings from vacant posts are £178k, however additional staffing spend on front line cleansing and enforcement staffing is projected at £134k.

Other variations amount to a further £21k saving.

**ENVIRONMENT & HOUSING DIRECTORATE SUMMARY**  
**FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR**  
**Period 6 (September 2014)**

**Budget Management - net variations against the approved budget;**

**Summary By Expenditure Type**

Expenditure Type	Latest Estimate	Projected Variations										Total (under/overspend)
		Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Quarter 1	73,272	75	137	(58)	(6)	37	(20)	0	0	165	(165)	0
Month 4	73,272	102	(154)	596	(145)	71	(140)	0	0	330	(330)	0
Month 5	72,272	(89)	(174)	691	(124)	155	(150)	0	0	309	(309)	0
Month 6	72,272	(291)	12	607	(154)	143	(150)	0	(40)	127	(227)	(100)

**Summary By Service**

	Latest Estimate	Quarter 1	Period 4	Period 5	Period 6	
		£'000	£'000	£'000	£'000	
Community Safety	3,187	0	0	(100)	(165)	
Strategic Housing & GFSS	12,177	0	(118)	(105)	(135)	
Parks & Countryside	9,124	0	0	0	0	
Waste Strategy and Disposal	20,402	0	357	462	547	
Waste Operations	2,595	0	53	72	39	
Refuse Collection	17,761	0	114	145	194	
Environmental Action	13,676	56	14	(5)	(68)	
Car Parking	(6,650)	(56)	(420)	(469)	(512)	
<b>Total</b>	<b>72,272</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(100)</b>	



## STRATEGY AND RESOURCES

### FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR

#### Month 6

##### Overall Position

The projected outturn for Strategy and Resources as at month 6 is a largely balanced position compared to the budget available. 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

An overspend of £97k is projected and the reason is the difficulty in meeting the Directorate's savings target for Better Business Management, which is 100% reflected in the S&I budget. Staffing is currently £269k over budget although 4 staff have recently left under ELI generating some savings. Training expenditure has also been reduced by £17k due to a re-examination of requirements and an extra effort to close the pay overspend. Another member of staff has been seconded, which means that income is now being received for their time, giving £33k extra in internal income. Other income is £12k higher as the Regional Economic Intelligence Team have identified further work they can charge for.

##### 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. £83k 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 and the staff working on capital will be charged to the capital programme.

##### 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 £478k to reflect the transfer of former ALMO staff into Human Resources.

##### Technology

ICT are forecasting to underspend by £37k at period 6 due to a reduction in overtime required. ICT are currently operating with a high number of vacancies which they are struggling to recruit to and are relying on external contractors in the short term. 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. Additionally, a one-off capital receipt of £150k will be received from the sale of the existing printer estate to the new supplier (Cannon). One off savings on support and maintenance contracts (McAfee Security and SCC Hardware Support) and these savings are being used to fund one off pressures and initiatives within ICT.

##### 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 grant funding has allowed the group to recruit, so that the additional workload can be covered. This has led to the staffing budget being increased to cover these costs.

##### Legal Services

Staffing costs are projected to be underspent by approx. £130k against the LE budget (£330k under the OE) 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.

##### 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**  
**Month 6**

**BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET**

		Projected Variations									Total (under) / overspend £'000
Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Total Expenditure	Income		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Quarter 1	40,561	(346)	1	(2)	(3)	76	0	0	(276)	276	0
Month 4	40,561	224	2	(205)	5	52	0	0	78	(116)	(38)
Month 5	40,561	72	3	(36)	18	111	0	0	168	(231)	(63)
Month 6		(111)	4	(70)	11	152	0	0	(14)	16	2

	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
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Strategy and Improvement	4,896	0	0	0	97							
Finance	9,935	0	0	0	1							
Human Resources	6,493	0	0	1	1							
Technology	14,991	0	0	0	(36)							
Public Private Partnership Unit & Procurement	271	0	0	(1)	0							
Regional Policy	116	0	0	0	0							
Legal Services	(1,428)	0	0	0	0							
Democratic Services	5,287	0	(38)	(63)	(61)							
<b>Total</b>	<b>40,561</b>	<b>0</b>	<b>(38)</b>	<b>(63)</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## CITIZENS AND COMMUNITIES

### FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR

#### Month 6

#### 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. Proposals around this are being developed for presentation to Executive Board in November.

#### 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. At the stage, it is expected that the budget will come in on-line.

#### Licensing and Registration

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 6. Vacancies on the section as a result of turnover have created a staffing saving of £-68k. This underspend has reduced since last month as some appointments have started earlier than anticipated. There has been an increase in overtime due to work on data matching, though this has been offset by additional DWP grant. In addition, 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 £132k as 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. Grant income budgets are £-57k better than anticipated due to extra funding being received from DWP for the data matching exercise. Other income is £-22k better than expected due to income received from MacMillan for work undertaken by the Welfare Rights Service. 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:

	Latest Estimate £'000	Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Projected Variations Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Total Expenditure £'000	Income £'000	Total (under) / overspend £'000
Quarter 1	19,235	(98)	0	255	25	0	0	0	182	(183)	(1)
Month 4	19,432	(125)	2	34	30	(14)	0	0	(73)	68	(5)
Month 5	19,432	(253)	3	107	30	(14)	0	2	(125)	122	(3)
Month 6	19,432	(198)	3	108	30	(14)	0	2	(69)	66	(3)

	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
Communities	5,876	(1)	(4)	(2)	(2)							
Customer Access	11,326	0	(2)	(2)	(2)							
Licensing & Registration	630	0	1	1	1							
Benefits, Welfare and Poverty	1,600	0	0	0	0							
<b>Total</b>	<b>19,432</b>	<b>(1)</b>	<b>(5)</b>	<b>(3)</b>	<b>(3)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## PUBLIC HEALTH

### FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR

#### Month 6

#### **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 £-798k as a result of further posts becoming vacant and a review of the posts now needed to ensure the council can fulfil its Public Health responsibilities. This process has been delayed and has resulted in delays in projected recruitment and so the underspend has increased. 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 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), Neighbourhood Networks (£300k) and residential rehab (£150k).

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).

£141k 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. This has been partly offset by additional secondment income and a refund from St Martin's. 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, though due to increased staff turnover, this efficiency has been exceeded and an underspend of £-20k is now projected on pay costs. Within this underspend, 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**  
**Month 6**

**BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET**

	Latest Estimate £'000	Projected Variations										Total
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Total Expenditure £'000	Income £'000	Appropriation £'000	
Quarter 1	490	(400)	0	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
Month 6	490	(798)	2	28	(2)	132	488	0	(150)	(109)	0	(259)

	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	(41,487)	0	0	0	0							
PH staffing and general running costs	5,622	(400)	(330)	(395)	(728)							
Commissioned and Programmed Services:												
General Public Health	509	200	0	0	(14)							
Health Protection & Population Healthcare	1,813	0	0	0	0							
Healthy Living and PH Intelligence	16,214	30	30	30	146							
Older People and Long Term Conditions	2,350	0	0	200	251							
Child and Maternal Health	5,635	0	2	2	2							
Mental Wellbeing	9,344	0	128	128	108							
Transfer to reserves	0	170	170	35	235							
Supporting People	558	0	1	0	(25)							
Drugs Commissioning	(68)	0	0	0	1							

**CIVIC ENTERPRISE LEEDS**  
**FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR**  
**Month 6**

**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**

£50k underspend on pay is now expected mainly as a result of several early leavers within the service..

**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 £100k has been reflected in the year end projection.

**Corporate Property Management**

On target

		Projected Variations										Total (under) / overspend £'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	12,834	(185)	35	(30)	0	5	0	0	0	(175)		625
	Month 4	12,834	(370)	8	(2,895)	9	1	0	0	0	(3,247)		3,649
Month 5	12,834	(451)	11	(2,886)	10	2	0	0	(9)	(3,323)	3,723		
Month 6	12,834	(414)	(17)	(2,913)	2	2	0	0	(9)	(3,349)	3,749		

	Latest Estimate £'000	Quarter 1 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000	Outturn £'000
Business Support Centre	3,847	0	0	(3)	(49)							
Commercial Services	(4,760)	450	401	402	449							
Facilities Management	7,462	0	1	1	0							
Corporate Property Management	6,285	0	0	0	0							
Total	12,834	450	402	400	400	0	0	0	0	0	0	0