

## Report of the Head of Scrutiny and Member Development

### Report to Safer and Stronger Communities Scrutiny Board

Date: 8<sup>th</sup> December 2014

Subject: Financial Health Monitoring 2014/15

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 type="checkbox"/> Yes	<input checked="" 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

### Purpose of this report

1. Next month the Safer and Stronger Communities Scrutiny Board will have the opportunity to consider and provide any comment on the initial 2015/16 budget proposals relevant to the Board's portfolio. However, the Chair has requested an update for today's meeting in relation to the current financial health of the Environment and Housing and Citizens and Communities directorates in line with the Board's portfolio.
2. Budget Monitoring is a continuous process throughout the year for the Council's Executive Board. At its meeting on 19<sup>th</sup> November 2014, the Executive Board received a report setting out the Council's projected financial health position for 2014/15 at the half year stage of the financial year, including individual financial dashboards for each of the directorates.
3. The financial dashboards relating to the Environment and Housing and Citizens and Communities directorates for period 6 of the current financial year have been appended to this report for Members' information.

### Recommendation

4. Members are asked to note the current financial health of the Environment and Housing and Citizens and Communities directorates in line with the Scrutiny Board's portfolio.

### Background papers<sup>1</sup>

5. None used

<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.

**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**

	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	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 £'000	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>	

**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	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	19,235	(98)	0	255	25	0	0	0	0	182	(183)	(1)
Month 4	19,432	(125)	2	34	30	(14)	0	0	0	(73)	68	(5)
Month 5	19,432	(253)	3	107	30	(14)	0	2	0	(125)	122	(3)
Month 6	19,432	(198)	3	108	30	(14)	0	2	0	(69)	66	(3)

  

	Latest Estimate £'000	Projected Variations												Outturn £'000
		Quarter 1 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000			
Communities	5,876	(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>	<b>0</b>	<b>0</b>