

Report of the Deputy Chief Executive

Report to Executive Board

Date: 17th December 2014

Subject: Financial Health Monitoring 2014/15 – Month 7

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 seven 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 an overall overspend of £3.7m is projected, which represents a decrease of £4.8m from the figure reported at month 6.
4. The Initial Budget Proposals for 2015/16 are the subject of a separate report elsewhere on this agenda and proposes a significant use of general fund reserves. Further actions to balance have been identified since last month but it remains imperative that spending plans are brought back in line with agreed budgets in order to maintain the level of reserves carried forward into 2015/16.
5. After seven months of the year the HRA is projecting a surplus of £1.3m.

Recommendations

6. Members of the Executive Board are asked to note the projected financial position of the authority after seven 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 seven 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 seven 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 seven months of the financial year an overspend of £3.7m 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 6 £000
Adult Social Care	Sandie Keene	619	4,534	5,153	(3,088)	2,065	2,625
Children's Services	Nigel Richardson	(184)	6,855	6,671	(3,078)	3,593	5,344
City Development	Martin Farrington	331	1,428	1,759	(1,509)	250	306
Environment & Housing	Neil Evans	(495)	343	(152)	(601)	(753)	(100)
Strategy & Resources	Alan Gay	(23)	(182)	(205)	(346)	(551)	2
Citizens & Communities	James Rogers	(259)	138	(121)	(406)	(527)	(3)
Public Health	Dr Ian Cameron	(133)	(53)	(186)	(109)	(295)	(259)
Civic Enterprise Leeds	Julie Meakin	(413)	(3,323)	(3,736)	3,745	9	400
Total		(557)	9,740	9,183	(5,392)	3,791	8,315

Corporate issues			
Debt Savings		(1,100)	(1,100)
Transfer to Public Health Earmarked Reserve		107	0
New Homes Bonus		1,335	1,335
Terms and Conditions - car allowances		(425)	
Total		3,708	8,550

- 3.2 This represents a decrease of £4.8m from the position reported at the end of month 6. The month on month decrease mainly reflects:

- a reduction in the projected cost associated with the Supreme Court judgement in Adult Social Care of £0.4m
- a £1.8m reduction in Children's Services due to additional capitalisation of schools revenue costs (£0.8m), the recognition of an underspend on the Building Schools for the Future capital programme (£0.8m) and additional Families First income
- a £0.7m reduction in Environment and Housing which mainly reflects increased car parking income
- £0.2m additional court fee income from increased numbers of Council Tax summonses

- a £0.25m saving on Discretionary Housing Payments based on current trends of spend

3.3 Further details can be found in the financial dashboards attached to this report.

3.4 As reported to Members last month the following measures have been put in place to reduce spend in non-essential areas:

- 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

In addition, all services have been requested to maximise the number of staff who can leave the organisation under the present ELI scheme by 31st December 2014.

These measures are now starting to take effect.

In addition, all directorates have been asked to consider increasing fees and charges from January 2015 where appropriate. Additional income from these proposals would further reduce the projected overspend.

3.5 Other Issues

3.5.1 The NJC pay award has now been agreed for 2014/15 and 2015/16. The overall impact in 2014/15, taking account of the non-consolidated lump sum payments, is broadly in line with the budget.

3.5.2 The projection includes a saving of £425k in respect of changes to terms and conditions for casual and essential user car allowances.

3.5.3 It is clear that further actions to balance have been identified since last month including the special measures relating to staffing and non-essential spend. In addition a separate report on this agenda considers options for increases in fees and charges which could be implemented from January 2015. It remains imperative that spending plans are brought back in line with agreed budgets in order to maintain the level of reserves carried forward into 2015/16.

3.6 Other Financial Performance

3.6.1 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 October was 63.87% compared to 63.86% 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 - 44.9% (45.9% at this stage last year)
- Collection rate for those previously getting 100% Council Tax benefit – 41.2% (41.7% at this stage last year)

The collection rate for Business Rates at the end of September was 66.12% compared to 68.24% at the same time in 2013/14, a reduction of 2.12%. 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. This is coupled with the usual volatility of the collection rate due to the majority of the instalments being due at the beginning of the month.

There continues to be no significant change in the level of accounts in arrears 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 7 the HRA is projecting a surplus of £1.3m.

Key variances

- 4.2 Additional income of £1.2m 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, repairs £0.2m, 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 £1.4m 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 implemented as a result of the housing management function coming back in house.
- 4.5 These variances contribute towards offsetting the additional £1.2m 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 The Department for Communities and Local Government (CLG) has recently issued a direction allowing the Council to fund payments to the Council's own tenants under the Discretionary Housing Payments (DHP) scheme. A maximum of £0.25m has been earmarked to fund tenants with severe disabilities living in adapted properties.
- 4.7 In addition, a revenue contribution to capital of £1.2m has been identified to fund a vehicle replacement programme for Construction Services

4.8 Excluding technical arrears, arrears for current tenants are £5.2m compared to £4.6m at the end of 2013/14, an increase of £0.6m. Arrears in connection with under-occupancy are £0.7m. This has not changed since the end of 2013/14.

4.9 Collection rates to the end of September were 97.70% 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. There are no new risks identified at month 7.

6. Recommendations

6.1 Members of the Executive Board are asked to note the projected financial position of the authority after seven 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 7 - (October 2014)

Overall narrative

The directorate is currently projecting an overspend of £1.5m relating to its general activities, with a further £0.6m 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. The projection for period 7 shows a reduction of £0.5m from period 6. This reflects a reduction in the projected costs associated with the Supreme Court judgement in the current year, additional savings in staffing and running expenses through further tightening of controls on spend for the remainder of the year and some additional Neighbourhood Network costs now funded from Public Health. These reductions have been partly offset by further increases on demand-led community care packages, particularly for residential and nursing placements. There are some risks associated with this projection, the main one being that the level of activity and spend within the community care increases 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 expenditure for the remainder of the year will be further restricted where this does not compromise essential care standards for our customers.

The main variations at Period 7 across the key expenditure types are as follows:

Staffing (+0.6m – 0.8%)

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. 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 have been offset by savings across other directorate services through tight controls on recruitment.

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 (+£5.1m – 3.5%)

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.

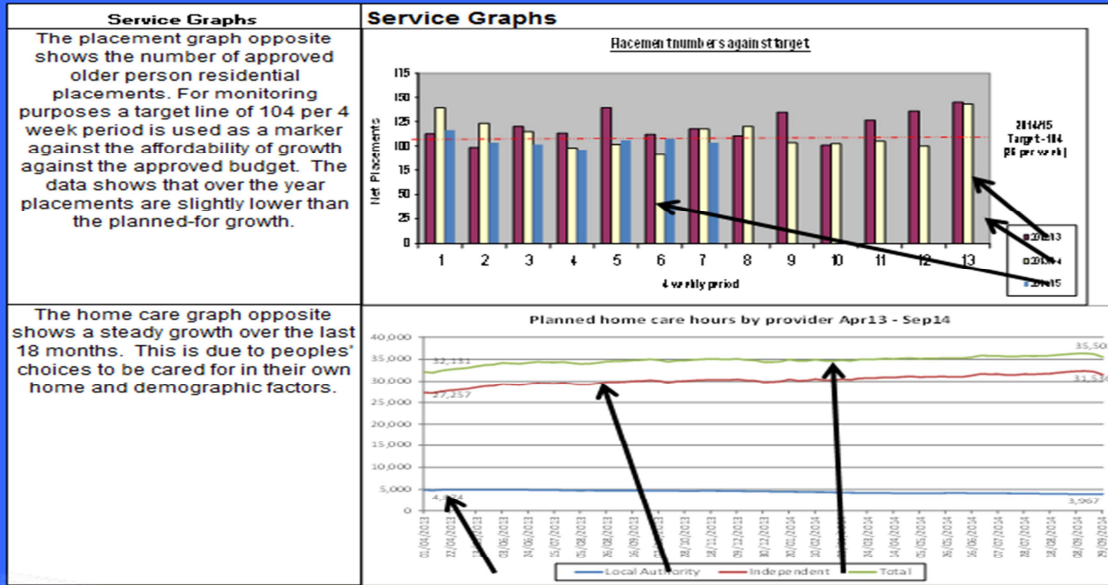
Income (-£2.9m – 4.2%)

This mainly relates to additional health funding for intermediate care beds and for information and knowledge management initiatives ongoing from 2013/14, capital funding for staff working on IT schemes and 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 7 - (October 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) / 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	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
Month 7	195,853	619	(199)	(299)	(107)	922	7,513	(1,925)	(1,370)	5,153	(3,088)	2,065
	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	(3)						
Access & Care	150,269	2,275	4,642	4,778	5,512	6,372						
Care Reform	1,767	0	0	(2)	(6)	(156)						
Strategic Commissioning	-114	(2,106)	(2,425)	(2,434)	(2,487)	(2,670)						
Resources	7,422	(129)	(238)	(328)	(526)	(1,054)						
Care Delivery	36,457	451	17	104	113	(425)						
Total	195,853	490	1,997	2,118	2,623	2,064	0	0	0	0	0	0

CHILDREN'S SERVICES
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
MONTH 7 (APRIL TO OCTOBER)

Overall

The month 7 forecast variation for the Children's Services Directorate is an overspend of £3.6m or 2.8% against the net managed budget of £128m. This forecast represents a reduction of £1.8m from the month 6 position which is mainly around additional Families First income, additional capitalisation of schools revenue costs [£0.8m] and the recognition of an underspend on the BSF capital programme [£0.8m] offset by increased spend around children in care and in particular 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 slippage against this plan. In terms of placement numbers, at the end of October, there were 51 children & young people in externally provided residential placements [+13 compared to the financial model] and 236 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 £3.3m, although work is continuing around permanency and transitional planning. The month 7 projections also recognise some demand pressures around special guardianship orders [£0.1m], assisted adoptions [£0.3m], in-house fostering (£0.8m) and Leaving Care Services (£0.3m). Other pressures across the Directorate include Children's Centres [£0.8m] and Social Work Teams [£0.6m].

Staffing

Overall, at month 7 the staffing budgets are forecast to underspend by £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 year-end forecast spend on overtime is £0.9m and £4m on agency staffing.

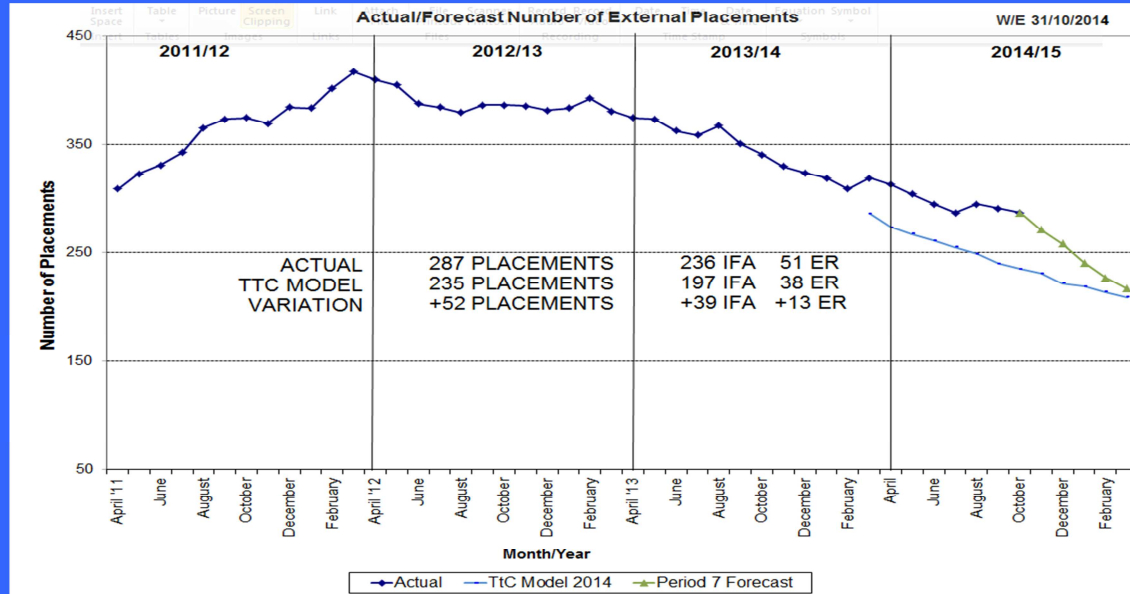
Transport

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 7, the projection is for slippage against these action plans and additional demand totalling some £2.9m.

Income

The forecast £3.1m additional income recognises the utilisation of the additional capital receipts to fund the schools capital spend [£2m], an underspend of £0.8m on the BSF ICT programme, additional Families First income [£0.4m], additional health income for placements [£0.35m] and also 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 7 (APRIL TO OCTOBER)



Budget Management - net variations against the approved budget

			PROJECTED VARIANCES											Total (under) / overspend £'000
	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	280,582	(152,959)	127,623	(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
Month 7	283,312	(155,648)	127,664	(184)	102	(206)	2,374	609	3,915	336	(275)	6,671	(3,078)	3,593

	Expenditure Budget	Income Budget	Latest Estimate	PROJECTED VARIANCES												Outturn £'000
	£'000	£'000	£'000	Quarter 1	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Partnership, Development & Business Support	10,483	(1,205)	9,278	(39)	29	15	16	(785)								
Learning, Skills & Universal Services	83,805	(61,247)	22,558	649	1,059	1,178	1,116	1,013								
Safeguarding, Targeted & Specialist Services	118,895	(24,807)	94,088	1,333	2,424	2,770	3,684	3,202								
Strategy, Performance & Commissioning	66,436	(54,143)	12,293	(19)	416	620	529	163								
Central Overheads	3,693	(14,246)	(10,553)	0	0	0	0	0								
Total	283,312	(155,648)	127,664	1,924	3,928	4,583	5,345	3,593	0	0	0	0	0	0		

City Development
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Month 7

Overall Narrative

The projected outturn position at Period 7 is an overspend of £250k, a reduction of £56k from the position reported at Period 6. The main change is that there has been a continued improvement in the projected position for Asset Management as a result of expected increased income for the year and additional savings forecast in Employment and Skills, Libraries, Arts and Heritage and Economic Development. Additional savings of £250k are projected in these services. This is partly offset by an increase in the projected overspend for Resources and Strategy following a reduction in the Directorate saving target for the rest of the year from £600k to £400k.

Planning and Sustainable Development is forecast to have an overspend of £107k. Staffing is forecast to be £87k over budget. Supplies and services expenditure is forecast to be £19k overspent as a result of anticipated additional spend on the Core Strategy including legal costs. Income from planning and building fees for Period 7 is slightly ahead of the phased budget with actual income of £2,717k against the phased budget of £2,649k. 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 £96k 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 is forecast to spend below budget by £129k with staff savings and an underspend on various commissioned contracts contributing to this position.

Highways and Transportation is 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

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 7 cumulative income to date is £444k less than the phased budget but this shortfall is expected to be covered by savings elsewhere.

Libraries, Arts and Heritage is forecast to spend just £4k above budget. An overspend on staffing has been mostly funded by an additional £350k in one off income received by Highways and transportation that has been allocated to Libraries. There are still some risks around income for the year.

Resources and Strategy is forecast to overspend by £217K. The projected overspend is mainly on staffing as a Directorate staff saving target of £600k was included in the Resources and Strategy budget and not all this saving will be achieved. The projection also includes a Directorate savings target of £400k on staffing and other savings. This has been reduced from the £600k included at Period 6 as other Services are now projecting £200k of additional savings. The Directorate will continue to closely manage staffing levels, vacancies, overtime and agency spend and other non-essential spend to ensure that these savings can be realised and will aim to further reduce the projected overspend over the coming months.

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Period 7 (October 2014)

Overall Position

The Directorate is currently projecting an underspend of £753k at period 7.

Community Safety (£236k underspend)

Staffing is expected to be £308k under budget. This is primarily due to a projected staffing underspend on CCTV/Security (£213k) due to pre-restructure vacancies and Signpost (£96k). The additional income targets for the service that were built into the 14/15 budget are projected to be achieved, however a £64k pressure has been assumed on other CCTV work contracts. Other net pressures total £8k.

Strategic Housing and General Fund Support (£137k 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 £87k under budget over the year. This is primarily due to underspends on Housing Options, Leeds Neighbourhoods Approach and Area Renewal that will cover the efficiency targets contained within the budget. Other pressures include a £37k pressure from the Cross Green facelift scheme and £46k pressure on income from funded schemes and £21k of other net pressures.

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 £25k. An £80k pressure is expected from income from the Landscape team. Income from golf and sports pitches is expected to be £165k below the budgeted level and a credit of £276k is expected for Bereavement Services after utilising some one off savings and closing the mercury abatement reserve. Staffing savings of £106k are projected, primarily due to savings within the Forestry service. Grounds Maintenance costs are expected to be £79k under budget, workshop spares, fuel and sales are projected to be under budget by £207k and Insurance and NNDR savings of £246k are expected. Other net savings total £88k. A further saving of £75k may be possible through price increases in January, however this has not yet been reflected in the figures.

Car Parking (£868k underspend)

Savings from vacant posts that are in the process of being recruited to will save £119k. However, this is offset by expenditure increases of £111k associated with additional charges for Cash collection and credit card /bank charges. Savings in other expenditure are (£45k)

Parking income is projected to be £735k higher than the budget.

On Street income is projected to generate additional income £519k. After 7 months all sites appear to show good levels of income.

Off street parking up £255k offset by reductions in PCN offences (£376k), though BLE income projected to be up by £79k. (Phase 1 down £352k)

Woodhouse Lane - continues to be busy during week days, projected increase of +£196k (incl Sept price increase to £5.50).

Currently managing the former Quarry Hill site for a monthly fee. Projection assumes 7 months £59k. Other income +£83k

Waste Management (£670k 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 £290k overspent. The pay budget remains a challenging area with a projected overspend of £200k 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 £146k in year. Fuel costs are estimated to save around £195k, offset by other vehicle costs of around £230k. 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 £340k 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 £95K, reduced from the previous month (£158k) due to recent procurements on recycled waste.

A review of the running costs of Household waste sites is expected to deliver a small saving of £24k and other underspends total £32k.

Environmental Action (£182k underspend)

Within Environmental Health savings from vacant posts are £196k, however additional staffing spend on front line cleansing and enforcement staffing is projected at £69k.

Other variations amount to a further £55k saving.

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Period 7 (October 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)
Month 7	72,272	(495)	(4)	456	(125)	201	(150)	5	(40)	(152)	(601)	(753)

Summary By Service

	Latest Estimate £'000	Quarter 1	Period 4	Period 5	Period 6	Period 7	
		£'000	£'000	£'000	£'000	£'000	
Community Safety	3,187	0	0	(100)	(165)	(236)	
Strategic Housing & GFSS	12,177	0	(118)	(105)	(135)	(137)	
Parks & Countryside	9,124	0	0	0	0	0	
Waste Strategy and Disposal	20,402	0	357	462	547	404	
Waste Operations	2,595	0	53	72	39	(24)	
Refuse Collection	17,761	0	114	145	194	290	
Environmental Action	13,676	56	14	(5)	(68)	(182)	
Car Parking	(6,650)	(56)	(420)	(469)	(512)	(868)	
Total	72,272	0	0	0	(100)	(753)	

STRATEGY AND RESOURCES

FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR

Month 7

Overall Position

The projected outturn for Strategy and Resources as at month 7 is an underspend of £551k. This is largely due to savings identified following the measures introduced in October to reduce the projected overspend for Leeds City Council as a whole.

An underspend is now projected on professional support services, although a challenge still exists to achieve some of savings targets built into budgets.

Strategy and Improvement

An overspend of £140k 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 (virement pending to allocate the target out across services - as agreed at SRLT 16.10.14). Excluding the BBM savings, staffing is £106k over budget although there have been a number of leavers and staff leaving under ELI generating some savings. Savings on supplies and services have increase by £-15k as a result of the moratorium on non essential spend. In total (excluding BBM), there is a £42k overspend in the service which it is believed can be bridged by the year end through new savings to be identified.

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. £97k so that a balanced position is achieved by year end. In addition, a virement is in progress to input a budget of £537k to reflect the transfer of former ALMO staff into Finance and the staff working on capital will be charged to the capital programme.

Due to an increase in the number of summonses raised for Council Tax debt, an increase in 'court fee' income is now projected totalling £200k.

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 £-247k at period 7. This is a significant increase from period 6 following the moratorium on non essential spend. The savings accrue from a detailed review of recruitment plans, focussing on posts funded purely from LCC General Fund. Savings from the new mobile phone contract and a change to fully fund the laptop refresh programme from ESP capital (previously funded 50/50 from capital and revenue). One-off in year savings have also recently been made from re-negotiating the McAfee support contract and the SCC hardware maintenance contract. These are being used to fund one-off in year initiatives within ICT. In addition, a one off receipt of £150k will be generated from the sale of the existing printing estate by the new supplier (Canon).

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 due to leavers under the Early Leavers Initiative, including a further leaver identified in Scrutiny this month. 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 7

BUDGET MANAGEMENT - NET VARIATIONS AGAINST THE APPROVED BUDGET

	Latest Estimate £'000	Projected Variations								Total Expenditure £'000	Income £'000	Total (under) / overspend £'000
		Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000				
Quarter 1	40,561	(346)	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	40,561	(111)	4	(70)	11	152	0	0	(14)	16	2	
Month 7	40,438	(23)	1	(241)	3	55	0	0	(205)	(346)	(551)	

	Latest Estimate £'000	Quarter 1 £'000	Month 4 £'000	Month 5 £'000	Month 6 £'000	Month 7 £'000	Month 8 £'000	Month 9 £'000	Month 10 £'000	Month 11 £'000	Month 12 £'000	Outturn £'000
Strategy and Improvement	4,981	0	0	0	97	140						
Finance	9,912	0	0	0	1	(201)						
Human Resources	6,478	0	0	1	1	2						
Technology	14,821	0	0	0	(36)	(397)						
Public Private Partnership Unit & Procurement	271	0	0	(1)	0	3						
Regional Policy	116	0	0	0	0	0						
Legal Services	(1,428)	0	0	0	0	0						
Democratic Services	5,287	0	(38)	(63)	(61)	(98)						
Total	40,438	0	(38)	(63)	2	(551)	0	0	0	0	0	0

PUBLIC HEALTH
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Month 7

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

During October, a virement was completed to move budget from staffing to fund known increased in commissioned services. As a result, the projected staffing underspend is now £-109k, though a review of the posts is now needed to ensure the council can fulfil its Public Health responsibilities. This process has been delayed and the 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 current budget of £36.4m. Public Health commissions and funds services directly and with other parts of the authority. Almost all the contracts are fixed price with payments made on a monthly or quarterly basis so there is minimal risk of over (or under) spend. However there are some contracts which are based on payment by activity. There are risks of under or over trading on these contracts and these are being monitored closely to minimise any impact on the budget. This includes:

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

The Public Health ring-fenced grant for 2014/15 is funding other council Public Health activity. In total, nearly £3m 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 (£450k) 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).

As part of the overall virement, budget has now been transferred to fund 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 £-24k 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. In addition, following the recent moratorium on non essential spend, a minor underspend has been identified on running costs.

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. In addition, following the recent moratorium on non essential spend, a minor underspend has been identified on running costs.

PUBLIC HEALTH
FINANCIAL DASHBOARD - 2014/15 FINANCIAL YEAR
Month 7

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	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)
Month 7	490	(133)	3	(90)	(1)	0	35	0	(186)	(109)	107	(188)

	Latest Estimate £'000	Quarter 1	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Outturn £'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Public Health grant	(41,487)	0	0	0	0	0						
PH staffing and general running costs	5,086	(400)	(330)	(395)	(728)	(205)						
Commissioned and Programmed Services:												
General Public Health	539	200	0	0	(14)	0						
Health Protection & Population Healthcare	1,813	0	0	0	0	(35)						
Healthy Living and PH Intelligence	16,373	30	30	30	146	50						
Older People and Long Term Conditions	2,650	0	0	200	251	0						
Child and Maternal Health	5,637	0	2	2	2	(90)						
Mental Wellbeing	9,389	0	128	128	108	23						
Transfer to reserves	0	170	170	35	235	257						
Supporting People	558	0	1	0	(25)	(36)						
Drugs Commissioning	(68)	0	0	0	1	(2)						

