

Report of the Deputy Chief Executive

Report to Executive Board

Date: 24th June 2015

Subject: Financial Health Monitoring 2015/16 – Month 2 (May 2015)

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 the Executive Board of the financial health of the authority in respect of the revenue budget, and the Housing Revenue Account.
2. The financial year 2015/16 is the second year covered by the 2013 Spending Review and again presents a significant financial challenge to the Council. The Council to date has managed to achieve considerable savings in the order of £250m over the past 4 years and the budget for 2015/16 will require the Council to deliver further significant savings. It is also now clear that the Government's deficit reduction plans will extend through to 2019/20, with the announced reductions in public expenditure suggesting that further savings will be required.
3. This is the first budget monitoring report of the year, and Executive Board will recall that the 2015/16 general fund revenue budget, as approved by Council provides for a variety of actions to reduce spending by £45m. 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. At this stage of the financial year however an overall overspend of £3.7m is projected.
4. At month 2 the HRA is projecting a small surplus of £0.09m.

Recommendations

5. Executive Board are asked to note the projected financial position of the authority.

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2015/16 at month 2.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget after the first two months of the year and comments on the key issues impacting on the overall achievement of the budget for the current year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund was set at £523.78m, supported by the use of £1.4m of general fund reserves.
- 2.2 Following the closure of the 2014/15 accounts an underspend of £0.7m was achieved after the creation of a number of earmarked reserves. This was in line with the assumptions made when setting the 2015/16 budget.
- 2.3 The balance of general reserves at the end of March 2015 was £22.3m and when taking into account the budgeted use of £1.4m in 2015/16 will leave an anticipated balance at March 2016 of £20.9m.
- 2.4 Financial monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans has been put in place from 2015/16.
- 2.5 In addition, a new Budget Accountability Framework was launched in May 2015 which clearly articulates roles and responsibilities. Every budget has a named Budget Holder, supported by a Budget Monitoring Officer and a Finance Officer, who is responsible for managing, monitoring and forecasting income and expenditure against the approved budget.

3. Main Issues

- 3.1 After two months of the financial year an overspend of £3.7m is projected, as shown in Table 1 below.

Table 1

Summary Position - Financial Year 2015/16
Reporting Period - Month 2

(Under) / Over Spend for the current period					
	Director	Staffing	Total Expenditure	Income	Under /Overspend
		£000	£000	£000	£000
Adult Social Care	Cath Roff	(888)	218	163	381
Children's Services	Nigel Richardson	850	5,747	(2,397)	3,350
City Development	Martin Farrington	(450)	(365)	355	(10)
Environment & Housing	Neil Evans	0	0	0	0
Strategy & Resources	Alan Gay	0	0	0	0
Citizens & Communities	James Rogers	0	0	0	0
Public Health	Dr Ian Cameron	0	411	(411)	0
Civic Enterprise Leeds	Julie Meakin	0	0	0	0
Strategic & Central	Alan Gay	0	851	(831)	20
Total		(488)	6,862	(3,121)	3,741

- 3.2 The major variations are outlined below and further details can be found in the financial dashboards attached to this report.
- 3.2.1 Children's Services – overall the Directorate is forecasting a bottom-line overspend of £3.35m against the £121m net managed budget. This projection recognises a £3m forecast overspend on externally provided residential and fostering placements. In addition, the 2015/16 budget included some £9.5m of transformational budget action plan savings in respect of the Youth Offer (£3.05m), Early Help Services (£2.16m) and a further £3.15m of budgeted savings around service reconfiguration and service re-design. Consultation continues with partners in respect of the potential for joint funding around the deployment of multi-agency teams and Children's Centre services and, overall, these transformational elements are forecast to be in line with the budget.
- 3.2.2 Adult Social Care are forecasting an overall overspend of £0.4m against a net managed budget of £193m. There are some risks associated with this projection, mainly relating to the activity levels within the community care budget and progress over the coming months in delivering key budget action plans. In addition, there may be some additional spending requirements arising from the £5.9m health funding that have not yet been identified.
- 3.2.3 In addition, there are a number of risks within the 2015/16 budget which are highlighted in the attached financial dashboards. These include the range of action plan savings in the budget, the demand-led budgets in Adult Social Care and Children's Services together with the realisation of capital receipts, s278 income and New Homes Bonus grant income in the strategic accounts.

- 3.2.4 As part of his pre-budget speech on the 4th June 2015 the Chancellor announced a potential reduction of £200m nationally to the ring-fenced Public Health grant funding. If this reduction is applied in proportion to the current level of grant to local authorities the effect for Leeds would be a potential £2.9m (7.2%) in-year reduction to the £40.5m grant. This would clearly have a significant impact on the predominantly commissioned public health services across the City.

3.3 Other Financial Performance

3.3.1 Council Tax

The Council Tax in-year collection rate at the end of April is 10.2% and is currently in line with both the performance in 2014/15 and at this early stage is forecast to achieve the 2015/16 target of 95.7%.

3.3.2 Business Rates

Under the new business rates retention scheme, the Council's local share of business rates is exposed to risks from both collection and reductions in rateable values. During 2014/15 two trends became clear; firstly that gradual economic recovery is not resulting in significant volumes of new-builds in Leeds and secondly that growth that does occur is being largely offset by the effect of successful appeals and other reductions to the rating list; either through closure or Valuation Office reviews. Business rates income therefore represents a significant risk, however, as in the case of Council Tax, any losses greater than those assumed in setting the budget will materialise through a collection fund and will not impact in the current year.

4. Housing Revenue Account (HRA)

- 4.1 At the end of month 2 the HRA is projecting a net surplus of £0.09m against the 2015/16 Budget.
- 4.2 Income from rents is projected to be £35k more than budget. This is due to income now being projected from equity share properties.
- 4.3 The charge for DRM/Corporate Management was advised once the budget had been agreed. The final charge to the HRA was £70k less than the agreed budget and reflected reductions in staffing in central functions.
- 4.4 There is a net increase of £16k projected in relation to internal charges. This is due to additional accommodation costs of £58k offset by savings of £42k generated due to HRA contributions to the capital scheme established to make equal pay payments to HRA staff during 2013/14 being fully funded in 2014/15.

5. 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 2015/16 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 25th February 2015.

5.3 Council Policies and Best Council Plan

- 5.3.1 The 2015/16 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.

6. Recommendations

- 6.1 Members of the Executive Board are asked to note the projected financial position of the authority for 2015/16.

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 2015/16 BUDGET FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR Month 2 (April to May)

Overall narrative

The directorate is currently projecting an overspend of £0.4m, which is 0.2% of the net managed budget. There are some risks associated with this projection, mainly relating to the activity levels within the community care budget and progress over the coming months in delivering key budget action plans. In addition, there may be some additional spending requirements arising from the £5.9m health funding that have not yet been identified.

Some slippage and likely non-achievement of planned savings has been identified on two of the most challenging budget action plans. £1m relates to revenue funding for community intermediate care beds from health which is now unlikely, but contingency plans are being developed and the projection assumes that these will offset the shortfall. The current projection is for a £1m shortfall in the budgeted saving from reviewing grants and contracts with third sector providers and a £0.6m shortfall relating to high cost care package and mental health cases reviews. These pressures are largely offset by projected underspends on staffing, independent sector domiciliary care and in older people's residential care, further details of which are outlined below.

The main variations at Month 2 across the key expenditure types are as follows:

Staffing (-0.9m – 1.2%)

Savings of £0.5m are projected in care management and business support services through delays in recruitment. Within older people's residential care staffing savings of £0.4m reflect the closure of Primrose Hill earlier than was anticipated when the 2015/16 budget was set.

Transport (+0.2m – 3.9%)

Some savings have been identified through the review work that is underway, but the budgeted savings have not yet been identified in full.

Grants and contracts (+1.0m – 7.3%)

Savings of £2m have been budgeted from third sector spend through a combination of reviewing contracts and the small number of grants, and reviewing the scope for some modest charges to be introduced by these organisations. Through a review of these areas savings of £1m have been identified without impacting on the delivery of services by the third sector. Work is continuing to assess the scope for any further savings.

Community care packages (-£0.1m – 0.06%)

There are some forecast pressures on residential and nursing placements arising from the projected shortfall in delivering budget action plans to review high cost packages and mental health cases. These are offset by forecast savings on domiciliary care as the increased hours commissioned each week have reduced in recent months and are currently below the level assumed in the 2015/16 budget.

Income (+£0.2m – 0.3%)

This relates to the closure of Primrose Hill residential home earlier than was expected.

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	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Health Partnerships	257	(197)	60	0	0	0	0	0	0	0	0	0	0	0	0
Access and Care	189,520	(30,829)	158,691	(500)	0	0	0	200	(69)	0	0	0	(369)	0	(369)
Care Reform	1,614	(52)	1,562	0	0	0	0	0	0	0	0	0	0	0	0
Strategic Commissioning	23,993	(30,862)	(6,869)	0	0	0	0	0	1,000	0	0	0	1,000	0	1,000
Resources and Strategy	7,422	(1,382)	6,040	0	0	0	0	0	0	0	0	0	0	0	0
Care Delivery	45,835	(12,570)	33,265	(388)	0	(25)	0	0	0	0	0	0	(413)	163	(250)
Total	268,641	(75,892)	192,749	(888)	0	(25)	0	200	931	0	0	0	218	163	381

ADULT SOCIAL CARE 2015/16 BUDGET FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR Month 2 (April to May)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	Action Plan Value	RAG	Forecast Variation against Plan/Budget
A. Key Budget Action Plans				£m		£m
1.	Reablement service	L Ward	Targets set for increased referrals that will reduce the demand for community care services	0.3	G	0.0
2.	Impact of telecare	L Ward	Targets for increased telecare installations to reduce the demand for community care services	0.5	G	0.0
3.	Review of high cost mental health care packages	M Naismith	Clear strategy for achieving savings including targeting of high cost providers	0.2	A	0.1
4.	Review of high cost physical disability care packages	J Bootle / M Naismith	Targeting high cost providers. Review capacity required.	0.2	A	0.2
5.	Review of mental health cases (CHC and Section 117)	M Naismith	Target saving considered difficult to achieve, but work ongoing to identify all the actions that can be taken.	0.3	A	0.3
6.	Reduce growth in learning disability pooled budget	J Wright / M Naismith	Delivery is well underway. Actions include reviewing care packages and reviewing the local authority that has responsibility for cases in the light of the Care Act	1.2	G	0.0
7.	Reducing care costs through innovation	J Bootle	Work to deliver underway, including reviews of packages, better use of technology and staff training. Monitoring of savings arising from these actions is quite difficult.	2.0	G	0.0
8.	Transfer of home care packages to independent sector	D Ramskill	Plans in place to deliver through staff turnover and ELI	0.9	G	0.0
9.	Home care Better Care Fund scheme	S Hume	Business case being developed to calculate/evidence contribution from Health. Report then to be produced to enable detailed negotiations with Health	3.0	G	0.0
10.	Health Funding	S Hume	Funding received and the need for additional spend is being assessed.	5.9	G	0.0
11.	Community Intermediate Care beds	S Hume	Original plan for revenue payment from Health re LCC capital to build new units now unlikely to be achieved. Contingency actions being developed.	1.0	R	1.0
12.	Transport	J Suddick	Ongoing review work has identified some savings	0.4	A	0.2
13.	Review of contract/grant arrangements including Supporting People	M Ward	£1m of savings identified with good delivery plans associated with them	2.0	R	1.0
14.	Charging and Income Collection	A Hill	Dependent on the outcome of customer consultation over the summer	0.9	G	0.0
B. Other Significant Variations						
1.	Staffing	Various	Savings relate to care management and business support due to delays in recruitment and the closure of Primrose Hill residential home earlier than budgeted			(0.5)
2.	Domiciliary Care	J Bootle	Additional hours commissioned each week are lower than budgeted			(0.6)
3.	Community Intermediate Care beds - contingency actions	S Hume	Options being explored to address the likely non-achievement of the CIC bed plan, namely a reprioritisation of existing funding plans, and slippage on integration schemes			(1.0)
4.	Older People's residential care	K Maslyn	Savings from the closure of Primrose Hill residential home earlier than assumed in the 2015/16 budget			(0.3)
				Adult Social Care Directorate - Forecast Variation		0.4

CHILDREN'S SERVICES FINANCIAL DASHBOARD

MONTH 2 (MAY 2015)

Children's Services Directorate has an overall net managed budget (NMB) for 2015/16 of £120.73m.

Overall - at this early stage of the financial year the Directorate is highlighting an overall potential year end overspend of circa **£3.35m** which equates to 2.8% of the Directorate's NMB. Children's Services continue to take a Programme Management approach to delivery of the overall savings target and have identified 6 key budget themes/strands. The attached document 'Children's Services Budget 2015/16 - Plan on a Page' sets out these strands.

CLA Obsession - safely and appropriately reducing the need for children to be in care continues to be a key strand of the Directorate's strategy. At this early stage of the financial year, the Directorate faces a big challenge to contain its spend on CLA placements and in particular the pressures on external placements budgets (external residential and independent fostering agency budgets) which together account for a projected year end pressure of circa **£3.00m** - see separate note.

Service Transformation - the 15/16 budget includes circa **£9.50m** of transformational savings including £3.05m reductions in the Youth Service, £2.16m of savings to Early Help Services and £3.15m of savings from service re-design/ reconfiguration. Overall, these transformational elements of the programme are forecast to deliver to budget. Consultation continues with partners re the potential for joint funding around the deployment of multi-agency teams and Children's Centre services.

Transport - the 15/16 strategy includes **£0.83m** of anticipated savings around demand management. At this stage circa £0.25m is anticipated to be at risk as demand around SEN transport remains a concern.

Partnerships/Trading - At this stage, the action plans around rationalising/trading the learning improvement service to schools (**£1.0m**) are projected to be delivered in full.

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	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Partnership, Development & Business Support	19,641	(2,592)	17,049	500	0	0	0	250	0	0	0	0	750	0	750
Learning, Skills & Universal Services	128,915	(115,691)	13,224	350	0	100	0	179	868	0	0	0	1,497	(1,897)	(400)
Safeguarding, Targeted & Specialist Services	127,005	(33,463)	93,542	0	0	0	0	0	3,500	0	0	0	3,500	(500)	3,000
Strategy, Performance & Commissioning	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central Overheads	9,857	(12,938)	(3,081)	0	0	0	0	0	0	0	0	0	0	0	0
Total	285,418	(164,684)	120,734	850	0	100	0	429	4,368	0	0	0	5,747	(2,397)	3,350

CHILDREN'S SERVICES FINANCIAL DASHBOARD

MONTH 2 (MAY 2015)

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	Action Plan Value	RAG	Forecast Variation
A. Key Budget Action plans (BAP's)				£m		£m
1.	Children Looked After (CLA) Placements - reducing the need for children to be in care	Steve Walker	At 31/3/15 the active cohort of CLA stood at 1, 270, down 70 from the position at 31/3/14 (1,340) but 40 greater than assumed within the budget. Main issue continues to be dependency on external residential placements (57) and Independent Fostering Agency placements (257) - see separate note.	7.00	R	3.00
2	Service Transformation/Reconfiguration	Steve Walker	£3.15m savings from service re-design & Early Leavers Initiative (£2.15m) and exploration of joint/co-funding from key partners (£1.00m) to support devolvement of preventative/targeted services to localities. Consultation on-going with partners ELI driving staffing savings through post deletions and service reconfiguration	3.15	R	0.00
3	Reduction/reconfiguration of Youth Services (recommissioning of targeted Information & Advice contract and In-house Youth Services)	Andrea Richardson	£3.05m savings from re-commissioning of the Targeted Information & Advice Contract (£1.35m) and reducing in-house provided Youth Services (£1.70m). Ongoing consultation with partners re potential for joint funding	3.05	A	0.00
4	Reconfiguration of Children's Centres (including Family Support & Parenting Team & Early Help Commissioned Services)	Andrea Richardson	Slippage in plans to re-configure Children's Centres and associated services, on-going consultation with partners re potential for joint funding	2.16	R	0.00
5	Learning Improvement - reconfiguration and/or further trading	Paul Brennan	New "Leeds for Learning" web-site implemented enabling schools to enrol/subscribe for services on-line and services to track demand and inform marketing strategy. Services aiming to deliver through combination of vacancy management and increased trading - no slippage anticipated at this stage.	1.00	G	0.00
6	Transport -savings through reducing demand (Independent Travel Training) and general efficiency savings	Sue Rumbold	Team continue to actively work on Independent Travel Training element of savings (circa £330k) - potential pressure around other 'general' transport savings and demographic pressures re SEN related transport	0.83	A	0.25
7	Seconded Heads	Paul Brennan	Original plans put on hold pending the outcome of on-going consultation with partners	0.25	A	0.25
B. OTHER SIGNIFICANT VARIATIONS						
8	Vine Income	Paul Brennan	Indications are that favourable outturn variation in Vine income for 14/15 will re-materialise in 2015/16	0.00	A	(0.15)
				Children's Services Directorate - 3.35		

CITY DEVELOPMENT 15/16 BUDGET

Month 2 (May 2015)

Overall - The month 2 forecast variation for City Development Directorate is that the Directorate will spend within the £53.9m net managed budget. No significant variations are projected and all services are currently projected to spend within budget. Most of the saving proposals are expected to be delivered. **Staffing** - An underspend of £450k is projected. The budgeted reduction in FTEs has been achieved following over 100 staff leaving the Directorate through the Early Leaver Initiative scheme in the final quarter of 2014/15. Vacancies will continue to be closely managed during the year.

Income - the forecast position is an underachievement of £355k although it is early in the financial year to be able to really assess trends against the 2015/16 budgets.

Planning and Sustainable Development - Planning and Sustainable Development is forecast to spend within budget. Staffing is currently expected to slightly overspend against the budget as the vacancy factor is not quite achieved. The service is still experiencing high volumes of planning applications and a number of posts are currently being recruited to. Income at Period 1 is in line with the budget and is forecast to be in line with the budget for the year.

Economic Development - Economic Development is forecast to spend within budget. Staffing is forecast to underspend by £75k offset by additional spend on premises related expenditure and a projected underachievement in income of £50k. The main risk area is income and spend at Kirkgate Market where the impact of the re-development on the number of traders and customers could be greater than has been budgeted for.

Asset Management and Regeneration - Asset management is forecast to spend within budget. Staffing is projected to underspend by £200k as a result of a number of vacant post. A shortfall in income of £150k is forecast, mainly due to longer lead in times for a number of new income sources including new commercial property acquisitions and advertising income.

Highways and Transportation - Highways and Transportation is forecast to spend within budget with an underspend on staffing offset by reduced income and additional spend on contractors.

Employment and Skills - No major variations are projected.

Libraries, Arts and Heritage - The service is projected to overspend by £10k. An overspend on expenditure as a result of some budget actions unlikely to progress as intended will be largely offset by additional income.

Sport and Active Recreation - The service is expected to spend within budget with a shortfall in income of £180k expected to be offset by expenditure savings.

Resources and Strategy - The service is projected to have a small underspend. A Directorate staff saving target of £300k is currently included in the Resources and Strategy budget together with saving targets for the Better Business Management work stream. These saving targets will be allocated to individual services during the year and overall further savings in staffing are expected across the Directorate but is currently shown as an additional underspend in Resources and Strategy.

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	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Planning and Sustainable Development	9,015	(5,476)	3,539	50		(30)							20	(20)	0
Economic Development	5,067	(3,992)	1,075	(75)	25								(50)	50	0
Asset Management and Regeneration	12,021	(10,718)	1,303	(200)		50							(150)	150	0
Highways and Transportation	56,496	(35,974)	20,522	(150)		75							(75)	75	0
Employment and Skills	5,075	(3,015)	2,060	0	0	0	0	0	0	0	0	0	0	0	0
Libraries, Arts and Heritage	25,019	(7,705)	17,314			90							90	(80)	10
Sport and Active Recreation	24,564	(18,315)	6,249	40	(140)	(70)	(10)						(180)	180	0
Resources and Strategy	1,947	(108)	1,839	(115)		95							(20)		(20)
Total	139,204	(85,303)	53,901	(450)	(115)	210	(10)	0	0	0	0	0	(365)	355	(10)

CITY DEVELOPMENT 15/16 BUDGET

Month 2 (May 2015)

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	Action Plan Value £'000	RAG	Forecast Variation against Plan/Budget £'000
A. Budget Action Plans						
1.	Efficient and enterprising Council - Reduction in asset running costs	Ben Middleton	Mostly savings on Merrion rent and on schedule to be delivered	560	G	0
2.	Dimming/switching off street lights	Cary Bartlett	Report on delivery options being produced. Local decision expected in spring with a possibility that Exec Board report may be required. Proposals may need to include invest to save initiative.	300	A	0
3.	Staff savings through ELLs and vacancies	Ed Mylan	ELI reductions managed across directorate. Business cases agreed. FTE reductions achieved following a number of ELI leavers at the end of March.	680	G	0
4.	Joint working with WYCA and City Region efficiencies	Tom Bridges	Leeds and Partners now wound up and new arrangements put in place which will deliver the budgeted savings. Need to ensure that the budgeted £250k contribution from L&P reserves is received.	950	G	0
5.	New income in Asset Management including increased income from advertising from 2 new advertising towers, new commercial property acquisitions and income from establishing a temporary car park on the LIP site	Chris Gomersall/Ben Middleton	JC Decaux expected to submit planning app in early May. Determination period a min of 8 weeks, construction 4-6 mths. Earliest 'go live' date estimated end Oct. Max potential income 15/16 is £113k therefore £157k shortfall. Harper St car park purchased and an additional acquisition being progressed. New car park expected to open in June 2015.	700	R	300
6.	Increased income Planning and Building Control	Tim Hill	Pre-application planning charges have been implemented and there is an increased income target for building control. Additional income is also assumed from the Community Infrastructure Levy to fund administration costs.	300	G	0
7.	Other additional income from fees and charges/VAT exemption and changes in volumes	Various CO's	Proposed price increases have been implemented. Some risks in terms of the increases in volumes but this will be monitored during the year.	810	A	0
8.	Arts grant reduction - new funding arrangements	Cluny MacPherson	New grant allocations will deliver the savings. DDN published 25 March and implemented 1st April	500	G	0
9.	Other Culture savings. Including savings on the events budget, Breeze and CAT proposals for Pudsey Civic Hall and Yeadon Tarn Sailing Centre and other running cost savings	Cluny MacPherson	Most saving proposals being implemented. The CAT proposals are unlikely to be progressed so alternative savings will be brought forward in the service.	820	A	140
10.	Savings in Sport and Active Recreation including reduction in operating hours and realignment of sports development unit	Cluny MacPherson	Detailed proposals being worked up. Any changes will require consultation therefore implementation not possible by 1 April and could impact on savings target	200	A	0
11.	Reduction in highways maintenance budgets	Gary Bartlett	Budget reduced	360	G	0
B. Other Significant Variations						
1.	Other Staff savings	Ed Mylan				(450)
2.	Other expenditure savings	Ed Mylan				
3.	Other Income	Ed Mylan				
City Development Directorate - Forecast Variation						(10)

**ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR
Month 2 (May 2015)**

Overall Position
The Directorate is not currently anticipating any variation from its 2015-16 approved budget and good progress is being made towards the delivery of budgeted assumptions.

The Directorate is not currently anticipating any variation from its 2015-16 approved budget and good progress is being made towards the delivery of budgeted assumptions.

Budget Management - net variations against the approved budget;

Summary By Expenditure Type

[illegible]

Summary By Service

[illegible]

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 2 (May 2015)

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	Action Plan Value	RAG	Forecast Variation against Plan/Budget
				£m		£m
A. Key Budget Action Plans						
1.	Dealing Effectively with the City's waste	Susan Upton	AWC4 roll out w/c 25/5; PFI grant of £1.9m (Nov) is on target & new contracts for disposal now in place; Temp contracts in 14/15 all ended.	1.6	G	0.0
2.	HWSS Strategic Review and Permit scheme	Susan Upton	Permit scheme implemented in April 15; Strategic review underway	0.3	A	0.0
3.	Parks and Countryside additional income	Sean Flesher	New charges implemented and working with taxation team to support VAT exemptions	0.4	G	0.0
4.	Integration of Property Maintenance and Construction Services	Simon Costigan	Review of rates to be charged in progress;	1.4	A	0.0
5.	Woodhouse Lane Car Park	Helen Freeman	Price rise implemented Jan 15.	0.3	G	0.0
6.	WYP & CC grant use	Sam Millar	£743k funding secured; £57k from ASBU; £60k costs won't be incurred; £143k to find	1.0	G	0.0
7.	Savings in Housing related support programme	Neil Evans	Half of savings from Foundation Housing who have been made aware contract will reduce; Other contracts to be reviewed / renegotiated	0.8	G	0.0
8.	Directorate wide staffing reductions	Neil Evans	Only £155k remains to be identified but given current level of vacant posts, this will be achieved	1.5	G	0.0
9.	Contract / Procurement Savings / Line by Line		Savings from insurance, fuel, pest control contracts;	1.0	G	0.0
10.	All Other action plan items			0.0	G	0.0
Sub Total				8.3		
B. Other Significant Variations						
1.	Waste Disposal Costs	Susan Upton	Net budget £16.8m for 324.8k tonnes of waste;			0.0
2.	Refuse Collection staffing costs	Susan Upton	£12m pay budget in service; Continue to monitor weekly numbers			0.0
3.	Refuse Collection vehicle costs	Susan Upton	Repairs budget has been under pressure for a few years; additional provision made + 17 new vehicles and reduction in landfill; Fuel costs £1.5m			0.0
4.	Car Parking Fee Income BLE / PCN income	Helen Freeman	BLE £1.4m in total . Phase 3 to start mid year. PCN's £2.4m			0.0
5.	Car Parking Fee Income Fee Income	Helen Freeman	£7.6m budget. Additional £250k on 'On street' above trend. P1 too early to base any variation in trend.			0.0
6.	Environmental Action staffing	Helen Freeman	New structure being implemented			0.0
7.	Parks & Countryside - Tropical World income	Sean Flesher	Income rec'd in April above budgeted level - trend to be monitored throughout the year			0.0
8.	Parks & Countryside - Bereavement Services	Sean Flesher	£385k pressure in 14/15 - trend to be monitored throughout the year			0.0
9.	Property Maintenance	Simon Costigan				0.0
10.	Community Safety - CCTV/Security restructure	Sam Millar	Restructure proposals now agreed and implementation commenced			0.0
11.	Strategic Housing Partnerships	John Statham	Staffing efficiencies to be delivered through holding posts vacant and grant fallout managed			0.0
12.	Strategic Housing Support	Liz Cook	Staffing efficiencies to be delivered through holding posts vacant and grant fallout managed			0.0
Environment & Housing - Forecast Variation						0.0

MONTH 2 (MAY 2015)

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STRATEGY AND RESOURCES

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

MONTH 2 (MAY 2015)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	Action Plan Value £m	RAG	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1.	Finance	Doug Meeson	Definite actions now in place for £484k of the savings.	0.8	G	0.0
2.	HR	Lorraine Hallam	Definite actions now in place for c£500k	0.6	G	0.0
3.	ICT	Dylan Roberts	Actions underway for delivery of £425k of savings. Plans in place for delivery of residue	0.7	G	0.0
4.	Legal and Democratic Services	Catherine Witham	Savings delivered: £100k Scrutiny, £105k reduction in Members' Superannuation. £91k intended to be delivered from the Members Support budget, implementation partially dependent upon assistance from Members	0.5	G	0.0
5	Strategy and Improvement	Mariana Pexton	Required level of savings have now been achieved through staff movements, leavers and ELI	0.3	G	0.0
6	Business improvement - print savings	Dylan Roberts	Implemented and savings being delivered on target	0.2	G	0.0
7	Income - court fees	Doug Meson	Fees to be monitored in year	0.2	G	0.0
8	PFI Contract Management	David Outram	Initial analysis of PFI contracts has identified potential annual savings (cashable and cost avoidance) of £1m. Further detailed work underway between PPPU and Directorates to test rationale, develop delivery plan and implement. Biggest savings in CS and CD	0.9	A	0.0
9	Review of non-contract spend	David Outram	£917k of potential savings in 15/16 identified through analysis of non-contract spend. Delivering these savings requires close collaborative working between PPPU and directorates. Total shortfall on savings target currently c£200k	1.2	A	0.0
B. Other Significant Variations						
1.	PPPU income	David Outram	Following the outturn 2014/15 a key risk area is PPPU income, specifically the level of non-chargeable or reduced rate work. New monitoring arrangement in place.		G	
Strategy and Resources Directorate - Forecast Variation						0.0

CITIZENS AND COMMUNITIES

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

MONTH 2 (MAY 2015)

At this stage in the year the Directorate is expecting to achieve the budgeted level of savings. Many of the actions have already been achieved and in all cases work is progressing to deliver the savings. There is a slight delay in fully implementing transactional web services and this could mean the full £250k savings (all staffing) may not be achieved in 2015/16.

In terms of other volatile budget areas, trends in housing benefits overpayments can significantly impact on the budget position however it is too early in the year to confidently predict the outcome and nothing at the moment suggests that the budget in this area will not be achieved.

Budget Management - net variations against the approved budget

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CITIZENS AND COMMUNITIES

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

MONTH 2 (MAY 2015)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	Action Plan Value £m	RAG	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1	Review of Communities running costs	Shaid Mahmood	Budget reduced	0.10	G	0.0
2	Further integration of Contact Centre with Council Tax	Lee Hemsworth/Steve Carey	Low risk and ELI based. Depends on finding more efficient ways of working together	0.10	G	0.0
3	Reduce property visits in Council Tax Service	Steve Carey	Use more efficient ways of identifying properties that may be occupied	0.08	G	0.0
4	Increase in fees in Licensing and Registration services and Translation and Interpretation	John Mulcahy	Actioned	0.06	G	0.0
5	Housing Benefits overpayments	Steve Carey	Assumes we continue our improved performance in this area	0.15	G	0.0
6	Fraud and error reduction incentive scheme	Steve Carey	Govt grant. Level of payment depends on how effective we are at reducing fraud	0.25	G	0.0
7	Use Social Inclusion Fund to support financial inclusion work	Steve Carey	Actioned	0.20	G	0.0
8	10% reduction in Well Being budget	Shaid Mahmood	Budget reduced - to be managed by Area Committees	0.15	G	0.0
9	Review of community centres	Shaid Mahmood	Consultation process started. Once complete a delivery plan will be developed including: general efficiencies in facility management; CAT or other community management arrangements and closure options. Delivery plan expected in May/June. Any proposals for closure will require EB decision.	0.13	G	0.0
10	Reduce Advice Agency Grant by 10%	Steve Carey	Actioned	0.13	G	0.0
11	Reduce opening hours of contact centres 9am-5pm	Lee Hemsworth	Opening hours reduced as planned on 1st April.	0.13	G	0.0
12	Delivery of transactional web services	Lee Hemsworth	Some tech issues with new system meant that it was only part implemented on 1st April (employee portal only) in the areas of environmental services and highways. Customer portal will go live in May. This may result in lower overall savings being achieved.	0.25	A	0.0
13	EClaim for Benefits	Steve Carey	Introduce online claim form for HB and CTB. May be delayed after April which may mean slightly reduced saving	0.10	G	0.0
14	Reduce innovation fund by 25%	Shaid Mahmood	Budget reduced	0.05	G	0.0
15	Community based assets -reduction in relevant costs from participating services as Community Hubs formed	Lee Hemsworth	Budgets (£2.5m) transferred to C&C on 1st April. New management arrangements will be introduced during the year and there is a high level of confidence that full savings will be delivered.	0.10	G	0.0
Citizens and Communities Directorate - Forecast Variation						0.0

PUBLIC HEALTH

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

MONTH 2 (MAY 2015)

The allocation of ring fenced Public Health grant for 2015/16 has been frozen at 2014/15 levels of £40.5m. However, in addition the responsibility for the 0 - 5 years services (health visiting services and Family Nurse Partnership) transfers to LCC in October and further funding of £5m will be provided. Work is ongoing with the current provider of health visiting and Family Nurse Partnership services to ensure a smooth transition to LCC from NHS England.

During 2014/15 there was an underspend of £1,211k of the ring fenced grant which has been brought forward for use in 2015/16 in line with grant conditions. Of this amount, £800k has been used to fund the base budget for 2015/16 and the remaining £411k has been allocated to services committed to during 2014/15 but which have not yet taken place.

New contracts in relation to sexual health and drugs services commence on 1st July. Work is ongoing to ensure that transition to these new contracts is successful.

At this stage in the year, no significant variations to budget are anticipated, therefore the month 2 projection is for a balanced budget.

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	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Public Health Grant		(45,533)	(45,533)	0	0	0	0	0	0	0	0	0	0	0	0
Staffing and General Running Costs	5,516	(31)	5,485	0	0	0	0	0	0	0	0	0	0	0	0
Commissioned and Programmed Services:															
- General Public Health	120		120	0	0	0	0	0	78	0	0	0	0	0	0
- Population Healthcare	479		479	0	0	0	0	0	10	0	0	0	0	0	0
- Healthy Living and Health Improvement	15,935		15,935	0	0	0	0	0	13	0	0	0	0	0	0
- Older People and Long Term Conditions	2,927	(36)	2,891	0	0	0	0	0	118	0	0	0	0	0	0
- Child and Maternal Health	10,989		10,989	0	0	0	0	0	192	0	0	0	0	0	0
- Mental Wellbeing and Sexual Health	9,200		9,200	0	0	0	0	0	0	0	0	0	0	0	0
- Health Protection	1,234		1,234	0	0	0	0	0	0	0	0	0	0	0	0
Transfer From Reserves		(800)	(800)	0	0	0	0	0	0	0	0	(411)	0	0	0
Supporting People	936	(637)	299	0	0	0	0	0	0	0	0	0	0	0	0
Drugs Commissioning	2,939	(3,007)	(68)	0	0	0	0	0	0	0	0	0	0	0	0
Total	50,275	(50,044)	231	0	0	0	0	0	411	0	0	(411)	0	0	0

PUBLIC HEALTH

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

MONTH 2 (MAY 2015)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	Action Plan Value £m	RAG	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1.	Charge to HRA from Supporting People Team	Ian Cameron	A proportion of staff time is spent supporting HRA contracts. An analysis of the time spent on this has resulted in a recharge to HRA.	0.27	G	0.00
2.	Increase in ring fenced grant	Ian Cameron	From October 2015 funding and contract responsibility for 0-5 years public health services transfers to the council. This responsibility is funded by an increase in ring fenced grant.	4.99	G	0.00
3.	Reduction in staff costs	Ian Cameron	Following a review of essential posts, savings have been identified.	0.25	G	0.00
4.	PCT legacy balance not required	Ian Cameron	The DoH notified the council of a PCT legacy balance outstanding. Provision was made in 2014/15 for this and so is not required in 2015/16.	0.28	G	0.00
5.	PPPU reviews completed during 2014/15	Ian Cameron	Work on new contracts is complete and no further charges are expected for this service.	0.16	G	0.00
6.	Reduction in social marketing costs	Ian Cameron	Reduction in social marketing activity.	0.05	G	0.00
7.	NHS Healthcheck - estimated reduction in demand	Ian Cameron	Based on current levels of activity, the demand for this service has reduced resulting in an estimated saving.	0.15	G	0.00
8.	Reduction in small projects	Ian Cameron	A number of projects carried out in 2014/15 are no longer required.	0.26	G	0.00
9.	Adult Weight Management	Ian Cameron	Responsibility has passed to the CCG's for this service with no requirement to transfer funding.	0.11	G	0.00
10.	Underspend brought forward from 2014/15	Ian Cameron	Grant conditions allow for underspends in one year to be used in the following year.	0.80	G	0.00
B. Other Significant Variations						
1.	Increase in unused grant in 2014/15	Ian Cameron	Further underspends during 2014/15 increased the grant carried forward to £1,211k.			(0.41)
2.	Allocation of unused 2014/15 grant	Ian Cameron	Cost of services committed to during 2014/15 which will take place during 2015/16.			0.41
Public Health Directorate - Forecast Variation						0.00

CIVIC ENTERPRISE LEEDS

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

MONTH 2 (MAY 2015)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	Action Plan Value	RAG	Forecast Variation against Plan/Budget
A. Key Budget Action Plans				£m		£m
1	Asset rationalisation	Julie Meakin	Primarily reduction in utility bills/bus rates on Merrion and other vacated buildings. Merrion vacated March 2015	0.87	G	0.0
2	Better business management: admin/intel/mail & print/prog & project management	Jo Miklo	Now includes the BBM admin targets originally included within Strategy and Resources (£340k transferred)	0.54	G	0.0
3	Fleet services vehicle replacement savings and efficiencies	Terry Pycroft	Half way through fleet replacement programme. New vehicles are more efficient, require less maintenance and are covered by warranty	0.10	G	0.0
4	Fleet services pay as you go tyre contract	Terry Pycroft	New contract in place since Oct 14. Currently £10k pm cheaper than old fixed price contract.	0.10	G	0.0
5	Transfer of ASC properties to Facilities Management	Helena Phillips		0.08	G	0.0
6	Other savings: insurance, JNC review, legal charges, TU convenors	J Miklo	Expected to achieve	0.06	G	0.0
7	Procurement off contract spend	Dave Outram/Julie Meakin	See comments in S&R tab against Procurement non-contract spend	TBC	G	0.0
8	Extension of catering in Civic Hall	Mandy Snaith	Savings proposals being actioned but impact needs to be monitored	0.05	G	0.0
9	Increased trading with public by Fleet Services, servicing etc	Terry Pycroft	New trading now taking place includes: MoT testing; ext of veh maint contract with Uni of Leeds; and safety training courses.	0.05	G	0.0
10	Efficiencies from lower cleaning spec to building and selling services to others	Helena Phillips	Savings proposals being actioned but impact needs to be monitored	0.20	G	0.0
Civic Enterprise Leeds - Forecast Variation						0.0

STRATEGIC & CENTRAL ACCOUNTS 2015/16 BUDGET

Month 2 (MAY 2015)

Overall:

The Strategic budget forecast is a balanced budget at month 2. There is a potential risk of £2.8m in respect of the level of s278 contributions which can be brought into the revenue accounts.

External debt costs and MRP:

The budget for MRP includes £14.8m of savings targets - £10.5m for the use of capital receipts and £4.2m for the realignment of MRP on pre 2007/08 debt to an asset lives based approach.

There is a risk of £1.7m that available capital receipts will fall short of the budget but it is anticipated that the savings from adopting the asset life method should more than outweigh this.

Corporate targets:

The Strategic budget includes targets for general capitalisation of £4.9m, capitalisation of spend in schools revenue budgets of £2.5m. In addition the strategic budget includes corporate savings of £1m around procurement and a PFI contract monitoring target of £0.9m both of which will be allocated to service budgets following confirmation of where the reductions in spend will be achieved.

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	Capital	Appropriation	Total Expenditure		Income
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000
Strategic Accounts	(11,480)	(32,488)	(43,968)										0		0
Debt	47,052	(1,075)	45,977								206		206		206
Govt Grants	2,828	(27,830)	(25,002)										0		0
Joint Committees	37,697	0	37,697										0		0
Miscellaneous	2,317	(1,172)	1,145										0		0
Insurance	10,227	(10,227)	0			599		46					645	(831)	(186)
Total	88,641	(72,792)	15,849	0	0	599	0	46	0	0	206	0	851	(831)	20

STRATEGIC & CENTRAL ACCOUNTS 2015/16 BUDGET

Month 2 (MAY 2015)

Key Budget Action Plans and Budget Variations:

				Budget	RAG	Forecast Variation against Budget
						£'000
A. Major Budget Issues						
		Lead Officer	Additional Comments			
1.	Debt Costs and External Income	Doug Meeson	No major changes to date.	16,208	G	206
2.	Minimum Revenue Provision	Doug Meeson	Potential £8m reduction in MRP from asset life method (budgeted £4.3) less risk of £1.7m shortfall on capital receipts available.	29,769	G	0
3.	New Homes Bonus	Doug Meeson	No material variation anticipated at this stage in the year	(18,446)	G	0
4.	Business Rates (S31 Grants, Levy & Enterprize Zone)	Doug Meeson	No material variation anticipated at this stage in the year	(9,171)	G	0
5.	S278 Contributions	Doug Meeson	Forecast from Capital team is £2.4m, potential risk of £2.8m	(5,200)	A	0
6.	General capitalisation	Doug Meeson	Capitalisation of eligible spend in directorate/service revenue budgets. No variation anticipated at this stage.	(4,982)	A	0
7.	Schools capitalisation	Doug Meeson	Capitalisation of eligible spend in school revenue budgets.	(2,500)	A	0
8.	Corporate Procurement	Doug Meeson	Centrally-held budget savings target. Actual savings will be shown in Directorate budgets.	(1,000)	A	0
9.	PFI Contract Monitoring Target	Doug Meeson	Budget held in strategic accounts pending confirmation of where the reductions in expenditure will be achieved.	(860)	A	0
10	ELI costs	Doug Meeson	Earmarked reserve to fund the in-year cost of severances.	2,000	A	0
B. Other Significant Budgets						
1.	Insurance	Doug Meeson	Anticipated savings on in-year insurance costs	0	G	(186)
2.	Business Rates Levy	Doug Meeson	No material variation anticipated at this stage.	2,828	G	0
3.	Prudential Borrowing Recharges	Doug Meeson	Contra budgets in directorate/service accounts. No material variation at this stage.	(9,908)	G	0
				Strategic & Central Accounts - Forecast Variation		20