

Report of the Deputy Chief Executive

Report to Executive Board

Date: 23rd September 2015

Subject: Financial Health Monitoring 2015/16 – Month 4

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 (HRA).
2. The 2015/16 financial year is the second year covered by the 2013 Spending Review and again presents significant financial challenges to the Council. In terms of the medium-term financial strategy, it is clear that the Government's deficit reduction plans will extend through to at least 2019/20, with the announced reductions in public expenditure meaning that further savings will be required.
3. Executive Board will recall that the 2015/16 general fund revenue budget 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 also that significant savings are being delivered in line with the budget. However, after 4 months of the financial year the year-end forecast is for an overall overspend of £4.35m with the key pressures being in the demand-led budgets and those specifically supporting children in care.
4. At the end of month 4 the HRA is projecting a surplus of £0.51m.

Recommendations

5. Members of the Executive Board are asked to note the projected financial position of the Authority for 2015/16.

6. In line with the Budget and Policy framework, Executive Board are also asked to approve the changes to the budget to reflect the potential reduction to the public health grant and proposed savings outlined in Appendix 2, subject to confirmation of the final in-year grant, for implementation by the Director of Public Health in line with the Council's decision-making processes.

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 together with other key financial indicators.
- 1.2 Budget management and monitoring is a continuous process throughout the year, and this report reviews the position of the budget after 4 months of the financial year and also 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 The balance of general reserves at April 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.
- 2.3 Financial monitoring continues to be 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. In 2015/16 we have reinforced this risk-based approach with specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main Issues

- 3.1 At month 4 of the 2015/16 financial year a forecast year-end overspend of £4.35m is projected as shown in the table below.

Summary Position - Financial Year 2015/16

(Month 4)

Directorate	Director	(Under)/over spend for the current period				Previous Month (under)/over Spend
		Staffing	Total Expenditure	Income	Total (under)/overspend	
		£000	£000	£000	£000	£000
Adult Social Care	Cath Roff	(1,548)	221	411	632	389
Children's Services	Nigel Richardson	(2,327)	3,459	(391)	3,068	3,939
City Development	Martin Farrington	(504)	(109)	107	(2)	(1)
Environment & Housing	Neil Evans	(1,137)	(776)	263	(513)	(443)
Strategy & Resources	Alan Gay	(1,347)	(1,251)	1,435	184	0
Citizens & Communities	James Rogers	(80)	145	(145)	0	0
Public Health	Dr Ian Cameron	(280)	(2,814)	2,813	(1)	0
Civic Enterprise Leeds	Julie Meakin	(341)	253	61	314	0
Strategic & Central	Alan Gay	0	(1,359)	2,027	668	117
Total Current Month		(7,564)	(2,231)	6,581	4,350	4,001

3.2 The key issues are outlined below.

3.2.1 **Adult Social Care** – overall, the directorate is forecasting a potential overspend of £0.6m, equivalent to 0.3% of the net managed budget. This forecast has increased by £0.24m against the previous month, mainly reflecting higher costs for community care packages partly offset by unbudgeted grant income for deprivation of liberty safeguarding and delayed transfers of care.

There are some risks associated with this year-end projection, mainly relating to the demand/activity levels within the community care budget and progress over the coming months in delivering key budget action plans.

There is some potential slippage and likely non-achievement of planned savings which has been identified on some of the most challenging budget action plans. Whilst there has been some slippage on specific actions associated with savings of £2.8m within the community care budget this has been largely offset by savings through continued careful management of care plan approvals. Of this, £1m relates to revenue funding for community intermediate care beds from health which is now unlikely in the current year, but contingency plans are being developed and the projection assumes that these will offset this shortfall. The current projection is for a potential shortfall of £1.3m in the budgeted saving from reviewing grants and contracts with third sector providers and also £0.4m on transport-related spend. Slippage of £0.7m on the charging review will occur as any changes will not now take place until April 2016.

The pressures highlighted above are largely offset by forecast underspends on the staffing and grant income budgets further details of which are outlined in the financial dashboard at appendix 1.

3.2.2 **Children's Services** – overall, the directorate is forecasting a potential year-end overspend of £3.07m which is equivalent to 2.5% of the net managed budget. This forecast overspend represents a favourable movement of £872k from the last period following the implementation of contingency plan savings.

Children in Care - at the end of July there were 1,241 children in care which is a reduction of 21 from the previous month. There are now 311 children and young people in externally provided residential and fostering placements (residential 51: fostering 260) which represents a reduction of 3 over the course of the last month. The forecast gross overspend for externally provided placements remains unchanged from the previous month at £3.9m, (residential £1.4m; fostering £2.5m) which assumes a further net reduction of 8 external residential placements (to 43) and of 40 IFA placements (to 220) by the end of the financial year.

The 2015/16 budget includes £3.15m of savings arising from system-wide service transformation across children's services against which the directorate is currently forecasting potential slippage of £0.5m. In terms of transport, the 2015/16 budget includes £0.8m of anticipated savings around demand management, particularly around the transport needs of children with Special Educational Needs. At this stage the demand around SEN transport remains a major concern and £0.5m is anticipated to be at risk.

Each externally provided residential placement, and placement with an independent fostering agency, is being reviewed on a case by case basis. The review is working towards external residential placements being safely reduced to 38 by the year end, and children in the care of independent fostering agencies being safely reduced to 200 by the year end. Further work is also being done on direct payments for complex needs placements which have the potential, as a demand led budget, to offset children looked after savings. The results of these reviews and a wider review of further potential savings from, for example; staffing, training and development, contractors, traded income and consultancy costs will be reported and included in the projections for month 5 that are due to be presented to Executive Board on 21st October 2015.

Youth Offending Team (YOT) – at the end of July 2015 the Youth Justice Board (YJB) wrote to all YOT Management Boards outlining a potential £12m in-year saving requirement from the YJB budget, which whilst other options are being considered, could result in a 14% reduction in the 2015/16 grant allocation to Youth Offending Partnerships, which for Leeds would represent an in-year grant cut of £0.2m. In addition to the obvious impact of managing an in-year cut in funding when budgets and plans are already committed, a significant concern is the potential impact that such a cut in resources would have on the level of non-statutory but critical preventative activity as YOTs are pressured to direct an increasing proportion of their reducing resources to statutory provision and which will potentially result in increased costs in the longer-term.

3.2.3 Environment & Housing – overall the directorate is forecasting a year-end underspend of £0.5m against its £61.5m net managed budget. The main area of underspend relates to car parking where a combination of staffing savings, fee income and additional income from bus lane enforcement are anticipated to generate an underspend of £0.26m. In other areas of the directorate, Waste Management are anticipating a marginal overspend of £0.1m and Community Safety are forecasting a saving of £0.15m, with the latter being due to savings on staffing offset by reduced charges to the Housing Revenue Account and other minor pressures.

3.2.4 Public Health - the allocation of the main ring-fenced Public Health grant funding for 2015/16 was frozen at 2014/15 levels at £40.5m. In addition, the responsibility for the 0-5 years services which include health visiting services and Family Nurse Partnership will transfer to the Council from October 2015 with further funding of £5m. Work is continuing with the current provider of health visiting and Family Nurse Partnership services to ensure a smooth transition to LCC from NHS England.

On the 4th June 2015, Government announced a national £200m in-year reduction in the 2015/16 for the Public Health grant. At the end of July Government issued a 4-week consultation with a closing date of 28th August with a preferred option, based on ease of implementation, of a flat-rate cut across all local authorities, regardless of local needs and circumstances, for Leeds, this would amount to a funding cut of £2.8m. This would equate to a 7% cut of the current public health budget prior to the planned transfer in October 2015 of the commissioning responsibilities for health visiting services.

Whilst the Public Health grant for 2015/16 is already committed, work has been undertaken to identify potential savings and understand the resulting impact.

Managing reductions of this scale at such a late juncture in the financial year will inevitably see reductions in general public health services which are provided through the Council, NHS bodies and the 3rd sector and will impact on services such as health protection, tobacco control, healthy lifestyles, drug & alcohol services, health-checks and specific targeted support for vulnerable children and adults. In addition, there may well be other impacts for the NHS on its resilience through the winter period.

Subject to final confirmation of the amount of grant to be cut Appendix 2 provides details of proposed reductions. Currently the proposals identified total £2.2m, £0.6m short of the potential grant reduction, which would add to the Council's overall projected overspend depending upon final confirmation of the amount of the grant cut.

At this stage there is no firm information that these cuts will be recurrent, however there are suggestions that this will be confirmed through the Comprehensive Spending Review in November 2015.

3.2.5 Strategic & Central budgets - overall, the strategic & central budgets are forecast to overspend by £0.7m, although there are a number of key variations within this figure.

i) The Business Rates Retention Scheme came into effect in April 2013 and significantly changed the system of financing local government. In terms of business rates income, whilst there has been some growth, this has been offset by the impact of successful valuation appeals and other reductions to the rating list, either through closure, Valuation Office reviews or other appeals against the rating list.

As part of the normal process for reviewing the 2014/15 accounts, we have identified a post balance sheet adjustment to the collection fund account and specifically the level of provision for business rate appeals. This adjustment reflects the latest information from the Valuation Office. Whilst the impact of variations in business rates income are managed through the collection fund, and therefore impact in future years, there is a general fund impact in terms of the levy payments to the business rates pool. The Council is no longer required to pay a levy in 2014/15 resulting in an additional saving of £0.9m and this has been added to reserves. In 2015/16, we are anticipating a levy payment of £1.8m which is £1m less than the budget.

ii) An additional £1.3m of savings to the revenue budget are anticipated in 2015/16 through the additional capitalisation of eligible general expenditure (£0.3m) and eligible spend in schools budgets (£1m).

iii) The 2015/16 budget included a £1.2m action plan in respect of reviewing and reducing directorate spend outside of council contracts. Work is on-going to realise these savings however it is anticipated that £0.3m of the savings will slip into future financial years. In addition, the forecast on the strategic budget recognises that £0.5m of the £1m corporate procurement target will be achieved through Directorate budgets.

iv) New Homes Bonus is a funding mechanism rewarding councils that increase the number of occupied homes within their areas. The reward effectively doubles

the amount of Council Tax for every new home built or empty home brought back into use, and is payable for six years. The 2015/16 budget assumes some £18.5m in respect of New Homes Bonus. At month 4, the forecast recognises an anticipated shortfall of £0.4m.

- v) In addition, there is a potential reduction in section 278¹ income of approximately £1.5m which reflects lower development activity than anticipated.

3.2.6 Civic Enterprise Leeds (CEL) – the bottom-line year-end forecast for CEL is to overspend by £0.3m primarily due to an anticipated overspend across school catering services of £0.165m as the result of a shortfall on the expected increase in the number of meals, and also a potential £0.15m overspend on property cleaning due to delays in implementing a reduced cleaning specification and realising the associated savings.

3.2.7 Strategy & Resources – the Directorate is forecasting a potential overspend of £0.18m against its budget which is primarily due to a forecast shortfall of income in the Projects, Programmes and Procurement Unit. Across the remainder of the Directorate, services are on track to deliver against its budget action plans. There is some concern around potential slippage on the delivery of the budget savings from reducing the level of non-contract spend and also savings on the range of Private Finance Initiative contracts however any variations against these budget action plans will manifest in the central and strategic budgets.

3.2.8 City Development - overall City Development are forecasting to balance to the £51.9m net managed budget. Within this balanced position, the Directorate are anticipating additional staffing savings of £0.5m in part due to the numbers of staff leaving via the Early Leaver Initiative in the last quarter of 2014/15. Some slippage on the delivery of the budget action plans around increased advertising income is anticipated (£0.55m) and the forecast recognises that the community asset transfer proposals are unlikely to progress resulting in a potential shortfall of £0.14m.

3.2.9 Citizens & Communities – at this stage in the financial year the directorate is expecting to deliver the budgeted level of savings and a balanced budget overall. Many of the required budget action plans have already been implemented and achieved and in all cases work is progressing to achieve the required savings.

3.2.10 Additional information across the range of budget action plans and areas of variation can be found in the financial dashboards at Appendix 1.

3.3 Other Financial Performance

3.3.1 Council Tax

The current Council Tax in-year collection rate stands at 37.28% which is marginally ahead of both the performance in 2013/14 and 2014/15. The year-end forecast is to achieve the 95.7% target collection rate, collecting some £283m of income in the year.

The Council receives income from developers to fund highways works which are required for new development schemes. These are known as section 278 agreements and the Council's 2015/16 revenue budget provides for income of £5.2m for such schemes.

3.3.2 Business Rates

The current Business Rates collection rate stands at 40.17% which is marginally (0.6%) above the performance at this point in 2014/15. The year-end forecast is to achieve the 97.7% target collection rate, collecting some £378m of business rates income. However, whilst collection rates continue to be on target, as mentioned at paragraph 3.2.5, there is a significant issue around the total income to be collected and specifically the high number and backdating of business rates appeals. The financial impact of these will manifest through the collection fund and therefore will impact on the 2016/17 financial strategy rather than in-year in 2015/16.

3.3.3 Prompt payment of Creditors

The current performance for the prompt payment of invoices processed within 30 days is 92.63% which compares favourably against the target of 92%.

3.3.4 Procurement Report

Executive Board has requested a quarterly update on procurement activity. The report attached at Appendix 3 provides information in relation to the first quarter of the current financial year.

4. Housing Revenue Account (HRA)

4.1 After 4 months of the financial year the Housing Revenue Account is forecasting a net surplus of £0.51m against the 2015/16 budget.

4.2 Overall income is projected to be £0.4m more than the budget which is primarily due to additional rent income of £0.3m, along with additional income from service charges and other income.

4.3 Savings of £0.4m are forecast in relation to employees, which is primarily due to vacant posts.

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.

5.6 Risk Management

5.6.1 Budget management and 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 and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans is in place from 2015/16.

6. Recommendations

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

6.2 In line with the Budget and Policy framework, Executive Board are also asked to approve the changes to the budget to reflect the potential reduction to the public health grant and proposed savings outlined in Appendix 2, subject to confirmation of the final in-year grant, for implementation by the Director of Public Health in line with the Council's decision-making processes.

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.

CHILDREN'S SERVICES FINANCIAL DASHBOARD

MONTH 4

Overall - the Directorate is highlighting an overall potential year end overspend of **£3.07m** which equates to 2.5% of the Directorates Net Managed Budget and represents a favourable movement of **£872k** from the last period.

CLA Obsession - At the end of July there were **1,241** CLA - a net reduction of 21 from Period 3. External residential placements have reduced by 2 this period to **51**; IFA placements have reduced by 1 to **260**. The forecast overspend (gross) for external placements remains unchanged at **£3.9m**, (ER £1.4M; IFA £2.5M) which assumes a further net reduction of 8 external residential placements (to 43) and of 40 IFA placements (to 220) by the end of the financial year.

Staffing - Overall the Directorate is projecting a year end underspend across staffing of approximately **£2.3m**. This is primarily due to slippage against the Directorate's recruitment plans for services funded from the Innovations Fund of **£1.6m**, partly offset by £1.1m of appropriations on the basis that the Directorate will maximise a further **£0.5m** of Innovations Funding. Other key staffing variations include a forecast underspend on Children's Centres of **£0.8m** and a forecast overspend on Youth Services of **£0.4m**. The directorate is also aiming to deliver a **£0.5m** underspend on agency staffing of which **£0.3m** relates to implementation of the in-year contingency plan. Staff turnover and an in-year pause on recruitment is forecast to deliver a further **£0.5m** of savings by the end of the financial year.

Service Transformation - the 2015/16 budget includes **£3.15m** of savings from service transformation across Children's Services against which the Directorate is currently forecasting a year-end overspend of approx. **£0.5m**.

Transport - the 2015/16 strategy includes **£0.83m** of anticipated savings around demand management, particularly around the transport needs of children with Special Educational Needs. At this stage **£0.50m** is anticipated to be at risk. Demand around SEN transport remains a major concern and the Transport Action Plan is therefore deemed a key risk.

Partnerships/Trading - At this stage, the action plans around rationalising/trading the learning improvement service 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	21,006	(2,608)	18,398	557	0	(83)	0	500	0	0	0	0	974	264	1,238
Learning, Skills & Universal Services	132,968	(117,606)	15,362	(606)	0	15	0	399	(656)	0	0	0	(848)	65	(783)
Safeguarding, Targeted & Specialist Services	124,850	(31,452)	93,398	(2,278)	0	(84)	0	0	4,151	1,104	0	440	3,333	(720)	2,613
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	288,681	(164,604)	124,077	(2,327)	0	(152)	0	899	3,495	1,104	0	440	3,459	(391)	3,068

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR MONTH 4

Key Budget Action Plans and Budget Variations:				Action Plan Value	RAG	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments	£m		£m
A. Key Budget Action Plans						
1.	Dealing Effectively with the City's waste	Susan Upton	AWC4 roll out complete; 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; Report expected July.	0.3	A	0.1
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	G	0.0
5.	Woodhouse Lane Car Park	Helen Freeman	Price rise implemented Jan 15. Income on line as at end of May	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	Contracts reviewed / renegotiated and savings expected to be delivered	0.8	G	0.0
8.	Directorate wide staffing reductions	Neil Evans	£100k 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		0.1
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			0.2
5.	Car Parking Fee Income Fee Income	Helen Freeman	£7.6m budget. P - On street income approx. £0.35m above budget			(0.3)
6.	Car Parking Staffing	Helen Freeman	Vacant posts in service			(0.2)
6.	Environmental Action staffing	Helen Freeman	New structure being implemented - in year variation from slippage			(0.3)
7.	Parks & Countryside - Tropical World income	Sean Flesher	Income rec'd in April/May above budgeted level - trend to be monitored throughout the year			(0.2)
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			(0.2)
11.	Strategic Housing Partnerships	John Statham	Staffing efficiencies delivered through holding posts vacant and grant fallout managed			0.0
12.	Strategic Housing Support	Liz Cook	Staffing efficiencies delivered through holding posts vacant and grant fallout managed			0.0
13.	All Other variations	All CO's	Balance of all other budget variations across all divisions			0.4
Sub Total						(0.6)
Environment & Housing - Forecast Variation						(0.5)

CITIZENS AND COMMUNITIES

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

MONTH 4

Key Budget Action Plans and Budget Variations:				Action Plan Value	RAG	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments	£m		£m
A. Key Budget Action Plans						
1	Review of Communities running costs	Shaid Mahmood	Budget reduced	0.10	B	0.00
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	0.00
3	Reduce property visits in Council Tax Service	Steve Carey	Use more efficient ways of identifying properties that may be occupied	0.08	G	0.00
4	Increase in fees in Licensing and Registration services and Translation and Interpretation	John Mulcahy	Actioned	0.06	B	0.00
5	Housing Benefits overpayments	Steve Carey	Assumes we continue our improved performance in this area	0.15	G	0.00
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	0.00
7	Use Social Inclusion Fund to support financial inclusion work	Steve Carey	Actioned	0.20	B	0.00
8	10% reduction in Well Being budget	Shaid Mahmood	Budget reduced - to be managed by Area Committees	0.15	B	0.00
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. Any proposals for closure will require Executive Board decision.	0.13	A	0.18
10	Reduce Advice Agency Grant by 10%	Steve Carey	Actioned	0.13	B	0.00
11	Reduce opening hours of contact centres 9am-5pm	Lee Hemsworth	Opening hours reduced as planned on 1st April.	0.13	B	0.00
12	Delivery of transactional web services	Lee Hemsworth	Some technical 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	0.00
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	0.00
14	Reduce innovation fund by 25%	Shaid Mahmood	Budget reduced	0.05	B	0.00
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	0.00
A. Other Significant Budgets						
1	Housing Benefit Payments, Subsidy and Overpayment Income	Steve Carey	Gross expenditure budget of £295m. Monitored monthly throughout the year. No variance to budgets currently anticipated.		G	0.00
2	All other budget headings		Savings to be identified to fund the overspend on Community Centres		G	-0.18
Citizens and Communities Directorate - Forecast Variation						0.00

PUBLIC HEALTH

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR MONTH 4

Overall

The allocation of ring fenced Public Health grant for 2015/16 had 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 had been expected 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.

The Government announced on the 4th June a national £200m reduction in 2015-16 for the Public Health Grant provided to local authorities. A consultation with local authorities on implementation was issued on 31st July with a closing date of 28th August. However, the consultation states that the Department of Health's preferred option is to reduce each local authority's allocation by 6.2%, which would mean a reduction of £2,823k for Leeds City Council. At this stage there is no firm information that these cuts will be recurrent, however there are suggestions that this will be the case following the comprehensive spending review. As the Public Health grant for 2015-16 is already committed work is underway to identify potential savings, critical decisions will need to be made in order to meet this significant challenge.

Detailed Analysis

New contracts for integrated sexual health services and drugs and alcohol services commence on 1st July. Work is ongoing to identify any potential financial pressures particularly in relation to Shared Care activity, medical costs, testing and prescribing and dispensing costs for drugs and alcohol treatment and recovery.

There is currently an underspend on the staffing budget due to posts going through the recruitment process, any underspend achieved will be considered as part of any current pressures and the challenge to

Budget Management - net variations against the approved budget

	Expenditure Budget	Income Budget	Latest Estimate	PROJECTED VARIANCES											Total (under) / overspend	
				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
Public Health Grant		(45,533)	(45,533)	0	0	0	0	0	0	0	0	0	0	0	2,823	2,823
Staffing and General Running Costs	5,463	(31)	5,432	(280)	0	0	0	0	0	0	0	0	0	(280)	0	(280)
Commissioned and Programmed Services:																
- General Public Health	230		230	0	0	0	0	0	30	0	0	0	0	30	0	30
- Population Healthcare	489		489	0	0	0	0	0	0	0	0	0	0	0	0	0
- Healthy Living and Health Improvement	15,948		15,948	0	0	0	0	0	502	0	0	0	0	502	0	502
- Older People and Long Term Conditions	3,051	(36)	3,015	0	0	0	0	0	1	0	0	0	0	1	0	1
- Child and Maternal Health	11,196		11,196	0	0	0	0	0	(542)	0	0	0	0	(542)	0	(542)
- Mental Wellbeing and Sexual Health	9,200		9,200	0	0	0	0	0	11	0	0	0	0	11	0	11
- Health Protection	1,234		1,234	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer From Reserves		(1,211)	(1,211)	0	0	0	0	0	0	0	0	0	0	0	0	0
Savings to be identified										(2,545)				(2,545)		(2,545)
Supporting People	936	(637)	299	0	0	(2)	0	0	0	0	0	0	0	(2)	1	(1)
Drugs Commissioning	2,923	(2,992)	(69)	0	0	11	0	0	0	0	0	0	0	11	(11)	0
Total	50,670	(50,440)	230	(280)	0	9	0	0	(2,543)	0	0	0	(2,814)	2,813	(1)	

PUBLIC HEALTH

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR MONTH 4

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					
2.	Ian Cameron	Increase in ring fenced grant 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.	Ian Cameron	Reduction in staff costs Following a review of essential posts, savings have been identified.	0.25	G	0.00
4.	Ian Cameron	PCT legacy balance not required 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.	Ian Cameron	PPPU reviews completed during 2014/15 Work on new contracts is complete and no further charges are expected for this service.	0.16	G	0.00
6.	Ian Cameron	Reduction in social marketing costs Reduction in social marketing activity.	0.05	G	0.00
7.	Ian Cameron	NHS Healthcheck - estimated reduction in demand Based on current levels of activity, the demand for this service has reduced resulting in an estimated saving.	0.15	G	0.00
8.	Ian Cameron	Reduction in small projects A number of projects carried out in 2014/15 are no longer required.	0.26	G	0.00
9.	Ian Cameron	Adult Weight Management Responsibility has passed to the CCG's for this service with no requirement to transfer funding.	0.11	G	0.00
10.	Ian Cameron	Underspend brought forward from 2014/15 Grant conditions allow for underspends in one year to be used in the following year.	0.80	G	0.00
11.	Ian Cameron	Charge to HRA from Supporting People Team 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.	0.270	G	0.00
B. Other Significant Variations					
1.	Ian Cameron	Staffing budget Delays in recruitment have resulted in a projected underspend			(0.28)
2.	Ian Cameron	Grant reduction Anticipated reduction in grant			2.82
3.	Ian Cameron	External Providers Savings to be identified to fund reduction in grant			(2.54)
Public Health (Ringfenced) - Forecast Variation					0.00

CIVIC ENTERPRISE LEEDS

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

MONTH 4

Overall

The overall projected position at period 4 for CEL is an overspend of £314k which is primarily accounted for by a £165k overspend against the Catering net budget and a £150k overspend on Property Cleaning. The Catering overspend is a result of an income shortfall against the increased budgeted number of meals whereas the Property overspend arises from not meeting efficiencies included within the base budget.

Business Support Centre

A balanced position is projected, savings on staffing budgets due to delays in recruitment are offset by a shortfall against the income budgets. In order to create Shared Services, budgets for Mailroom, Document Management and Services Agency (Print and Signs) have transferred to BSC (from Facilities). The income shortfall arises from where schools switch to academies and no longer use some of the BSC's services (£31k) and a shortfall against the purchasing card rebate of £38k. The BBM virement has not been completed for period 4.

Commercial Services

The Commercial Services overspend of £313k is, as explained above, accounted for by a shortfall against an increase in the budgeted number of meals on Catering (£350k full year effect for Universal Free School Meals assumed in the 2015/16 budget) to Period 4; the projection assumes that the budgeted number of meals will be achieved for the remainder of the financial year. Due to delays in implementing the £200k budgeted savings by implementing a lower cleaning specification, Property Cleaning are forecasting an overspend of £150k.

Whilst there is no financial risk to Commercial Services, Passenger Services are reporting a £574k pressure for Childrens Services around private hire costs. The service is working closely with Childrens Services in an attempt to contain this pressure.

The projection assumes that the transfer of budgets for ASC catering and cleaning staff will be cost neutral.

Facilities

A balanced period 4 position is projected. There's a £56k pressure on the staffing savings as a result of non delivery of closure savings assumed in the 2015/16 Asset Rationalisation programme for community centres. This pressure is recharged to Citizens and Communities.

Corporate Property Management

A balanced position is projected with the projected overspend against staffing to be managed by a combination of additional income and savings against running costs.

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	
Business Support Centre	9,836	(5,048)	4,788	(169)	11	(13)	0	9	0	0	0	0	(162)	162	0
Commercial Services	55,692	(54,911)	781	(304)	71	(74)	503	1	0	0	0	0	197	116	313
Facilities Management	9,724	(3,503)	6,221	56	69	1	5	0	0	0	0	0	131	(130)	1
Corporate Property Management	6,336	(85)	6,251	76	0	11	0	0	0	0	0	0	87	(87)	0
Total	81,588	(63,547)	18,041	(341)	151	(75)	508	10	0	0	0	0	253	61	314

CIVIC ENTERPRISE LEEDS

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

MONTH 4

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	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	Virements for centralising Core Admin & Exec Support into BSC are being progressed and hopefully finalised by month 4	0.21	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	Mandy Snaith	Relates to the transfer of Catering & Cleaning staff from ASC to Cel Group. DDN now signed.	0.08	G	0.0
6	Other savings: insurance, JNC review, legal charges, TU convenors	Julie Meakin	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; extension of vehicle maintenance 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	Richard Jackson	Savings proposals being actioned but impact needs to be monitored	0.20	R	0.1
B. Other Significant Variations						
1	Net effect of all other variations					0.2

Civic Enterprise Leeds - Forecast Variation

0.3

STRATEGIC & CENTRAL ACCOUNTS 2015/16 BUDGET

Month 4

Overall :

The Strategic budget forecast for period 4 is for an overspend of £0.3m.

External debt costs and Minimum Revenue Provision (MRP)

The budget for MRP includes £14.8m of savings targets - £10.5m from the use of capital receipts and £4.3m for the realignment of MRP on pre-2007/08 debt to an asset lives based approach. To support the achievement of these savings we are closely monitoring the levels of capital receipts both in 2015/16 and across the medium-term and also working with the Council's valuers around the reasonable determination of asset lives.

Corporate targets

The Strategic budget includes targets for general capitalisation of £4.9m, capitalisation of spend in schools revenue budgets of £2.5m and in line with the 2014/15 outturn, the latest 2015/16 projections anticipate additional savings from capitalising eligible costs. In addition the strategic budget includes savings of £1m around procurement [£0.5m forecast variation at month 4] together with a PFI contract/monitoring target of £0.9m [which will be allocated to service budgets following confirmation of where the reductions in spend will actually be achieved]. The month 4 projection also recognises a potential shortfall in achieving the £1.2m Directorate Procurement target which is currently held across Directorate budgets.

Budget Management - net variations against the approved budget

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	PROJECTED VARIANCES										Total (under) / overspend £'000		
				Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total			
													Expenditure £'000		Income £'000	
Strategic Accounts	(11,480)	(32,488)	(43,968)			(500)							200	(300)	1,900	1,600
Debt	47,052	(1,075)	45,977								97			97		97
Govt Grants	2,828	(27,830)	(25,002)							(1,029)				(1,029)		(1,029)
Joint Committees	37,697	0	37,697											0		0
Miscellaneous	2,317	(1,172)	1,145											0		0
Insurance	10,227	(10,227)	0			1,593		(97)					(1,623)	(127)	127	0
Total	88,641	(72,792)	15,849	0	0	1,093	0	(97)	0	(1,029)	97	(1,423)	(1,359)	2,027	668	

STRATEGIC & CENTRAL ACCOUNTS 2015/16 BUDGET

Month 4

Key Budget Action Plans and Budget Variations:

				Budget	RAG	Forecast Variation against Budget
				£'000		
		Lead Officer	Additional Comments			
A. Major Budget Issues						
1.	Debt Costs and Extenal Income	Doug Meeson	No major changes to date.	16,208	G	97
2.	Minimum Revenue Provision	Doug Meeson	Potential £8m reduction in MRP from asset life method (budgeted £4.3)	29,769	G	0
3.	New Homes Bonus	Doug Meeson	Activity across the City increasing, however marginal shortfall in anticipated grant income forecast for 2015/16	(18,446)	G	400
4.	Business Rates (S31 Grants, Levy & EZ)	Doug Meeson	No material variations anticipated at this stage	(9,171)	G	0
5.	S278 Contributions	Doug Meeson	Forecast from Capital team is £3m, potential risk of £2.2m	(5,200)	R	1,500
6.	General capitalisation target	Doug Meeson	Potential additional capitalisation of eligible costs held across Directorate revenue budgets	(4,982)	A	(300)
7.	Schools capitalisation target	Doug Meeson	Potential additional capitalisation of eligible costs held across school revenue budgets	(2,500)	A	(1,000)
8.	Corporate Procurement Target	Doug Meeson	Centrally-held budget savings target. Actual savings will be shown in Directorate budgets.	(1,000)	A	500
9.	PFI Contract Monitoring Target	David Outram	Budget held in the strategic accounts pending confirmation of where the reductions in expenditure will be achieved	(860)	A	0
10.	Early Leaver Initiative	Doug Meeson	£2m earmarked reserve established to fund the severance costs in 2015/16. Latest information on approved business cases together with staffing plans from Directorates indicate a potential £2.2m spend in the year to March 2016	0	A	200
11.	Directorate Procurement Target	David Outram	Work is progressing around reducing the level of non-contract spend across the Council. The latest information is that £0.9m of savings will be achievable in 2015/16 with £0.3m of savings slipping into 2016/17.	(1,200)	A	300
B. Other Significant Budgets						
1.	Insurance	Doug Meeson	Potential additional costs in-year which will be managed through the Insurance Reserve	0	R	0
2.	Business Rates Levy	Doug Meeson	Potential saving on the levy payment to the Business Rates Pool reflecting the level of Business Rates Growth and revaluation appeals	2,828	A	(1,029)
3.	Prudential Borrowing Recharges	Doug Meeson	Contra budgets in directorates/service accounts. No material variation at this stage	(9,908)	R	0
Strategic & Central Accounts - Forecast Variation						668

Housing Revenue Account - Month 4 Financial Dashboard - 2015/16 Financial Year

Summary of projected over / under spends (Housing Revenue Account)

Directorate	Current Budget	Projected Year End Spend	Variance to budget	Comments	Previous Month (Under) / Over Spend
	£000	£000	£000		£000
Income					
Rents	(221,128)	(221,459)	(331)	Void numbers lower than budget.	(198)
Service Charges	(6,588)	(6,627)	(39)	Reduction in sheltered accommodation income £30k, offset by furniture income £ (69)k.	(39)
Other Income	(27,695)	(27,764)	(69)	Loss of £90k in telecomms income (renegotiated leases) offset by savings in DR&M £(71)k, LLBH&H PCT costs £(50)k & increased capitalisation £(38)k.	(49)
Total Income	(255,411)	(255,850)	(439)		(286)
Expenditure					
Disrepair Provision	1,500	1,500	-		-
Repairs to Dwellings	42,753	42,753	-		-
Employees	26,294	25,923	(371)	Vacant posts £(566)k less severance costs £140k and agency £55k.	(353)
Premises	7,205	7,173	(32)	Increase in Navigation House rent in line with lease agreement £58k, Little London Bus Stop works £10k, both offset by Utilities savings £(100)k.	58
Supplies & Services	5,782	5,882	100	Link Officers £144k, LLBH PFI PTC £50k and tenant furniture £50k, offset by Swarcliffe Insurance Refund £(68)k, Swarcliffe UC due to RTB £(25)k and savings on EPCs £(50)k.	99
Capital Programme	69,984	69,984	-		-
Appropriations	(17,941)	(17,868)	73	Swarcliffe PFI transfer to reserves £183k, Energy Portfolio Projects from PPPU £(110)k	183
Unitary Charge PFI	31,971	31,885	(86)	Savings on Swarcliffe PFI.	(86)
Capital Charges	43,318	43,402	84	Capital charges as per the latest estimated from the Treasury Management team	84
Other Expenditure	44,545	44,709	164	Energy portfolio work from PPPU £110k, additional HR charge £116k, increased Regeneration time spent on HRA projects £108k, additional accommodation £58k and additional payment to BITMO £10k, offset by savings on ASBU £(130)k , Housing Options £(66)k , Equal Pay £(42)k.	49
Total Expenditure	255,411	255,344	(67)		34
Total Current Month	-	(506)	(506)		(252)

Appendix 2

Savings identified from the Public Health grant cuts

Savings: Improving health of children & young people

	£000
Oral health (including Brushing for Life)	32
Weight Management	49
Alcohol	20
Healthy schools (including school nursing, health & well-being activity)	324
Early years (including infant mortality, infant mental health, Best Start programme)	66
	490

Savings: Tackling avoidable mortality

Winter well-being services (including advice, communications, interventions e.g. boiler repairs, small-scale insulation)	92
Tobacco Control (including smoking cessation services, pharmacy services, smoke-free homes, schools programme)	127
Cardiovascular diseases (including NHS Health-check with GP's, pharmacists, peer group, homeless)	162
Drugs & alcohol (including campaigns, club drugs, prescribing)	103
Suicide prevention/crisis (including training programme for staff e.g. Police, stigma & discrimination, resources for practitioners)	63
Cancer prevention (including breast cancer screening targeted work for people with learning disabilities)	40
Physical activity, nutrition, weight management (including weight management services, cookery courses, Leeds Let's Change, cycling, leisure services, active travel)	140
Others (including area budgets, migrant access to public health resources, training for staff across Leeds)	100
	827

Savings: Health protection: infectious diseases and untoward incidents

Sexually transmitted infections (including resources for front line workers, condom provision, work with pharmacists)	25
Tuberculosis (including supporting TB outbreaks)	5
Hepatitis (including treatment costs)	25
Seasonal flu (including flu immunisation campaign)	5
Infection Prevention Control (including surveillance and investigation into C.diff community cases, other community based activity, microbiology testing)	71
LCC Emergency planning (including training programmes)	30
	161

Savings on Partnership working

£000

Various (including Smart Cities, Academia, Well North)	112
--	-----

Savings on the Public Health function and running costs

Various (including staff posts, procurement, overheads, training, supplies)	527
---	-----

Other savings

Holt Park Contribution	92
------------------------	----

TOTAL	2,209
--------------	--------------

Appendix 3

1. 2015-16 Procurement Report

- 1.1 The Chief Officer for the Projects Programmes and Procurement Unit is required to provide statistical procurement information to Executive Board every quarter. This report provides information in relation to the first quarter of the 2015/16 financial year.

2. Procurement Savings

- 2.1 The procurement category teams work closely with directorate colleagues to seek to secure procurement and contract efficiencies and to reduce off-contract and non-contract spend. Agreeing and 'capturing' procurement savings, in discussion with directorates, enables budget holders to make informed choices and, where possible, translate identified saving opportunities into 'cashable' savings. The high level forecast savings are detailed below:

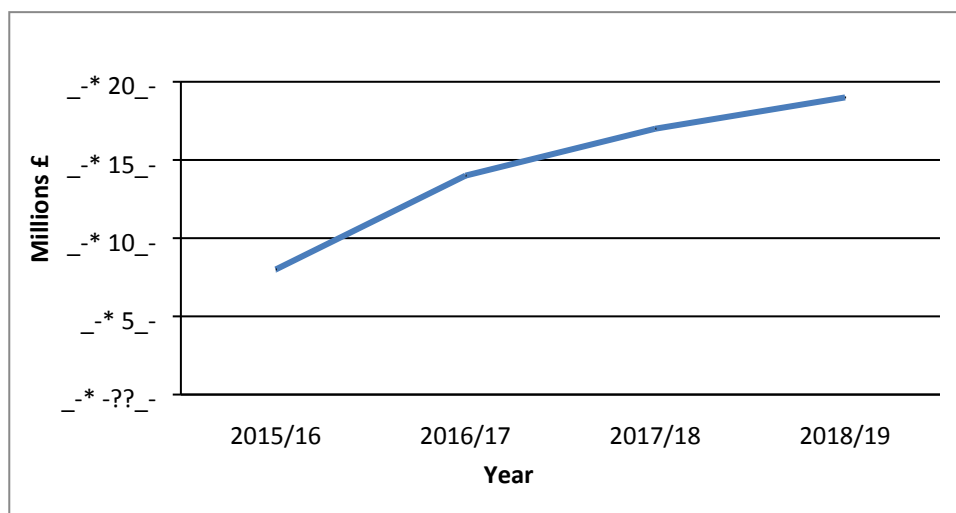
Updated June 2015	Prior Years £000's	2015/16 £000's	Future Years £000's	Projected Whole Life Saving £000's
Savings already deducted from previous year's and future budgets	* (13,867)	* (4,981)	* (8,271)	* (27,119)
Additional Projected savings against the 2015/16 budget	-	(2,376)	-	(2,376)
Total Forecast Savings on Current contracts	(13,867)	(7,357)	(8,271)	(29,495)
* Savings reflect the whole life of the contract and are reflected in the budget for the year the contract is awarded				

Projected savings for future years reflect the whole life of the contract. Anticipated savings on new procurements for contracts awarded as at **30 June 2015** are **£2.376m**.

Forecast savings are based on predicted contract usage and will be updated on a quarterly basis to reflect this.

- 2.2 Further savings are anticipated in the remainder of the year; however as market conditions dictate the final tender value savings will only be estimated once the final tender values are known.
- 2.3 In addition to the cashable savings identified above the savings report also identifies cost avoidance or 'non cashable savings', for example whereby having implemented good procurement controls, or contract management, a price increase has been avoided or where the re-procurement of a contract has resulted in 'more for less'. By definition it is difficult to prove these savings as they are not usually quantifiable from a budget perspective. Nevertheless they do demonstrate the value added by effective procurement intervention and add value to the process.

2.4 Graph of Cumulative Procurement savings 2015/16 to 2018/19



3. Orders Placed on the Financial Management System (FMS)

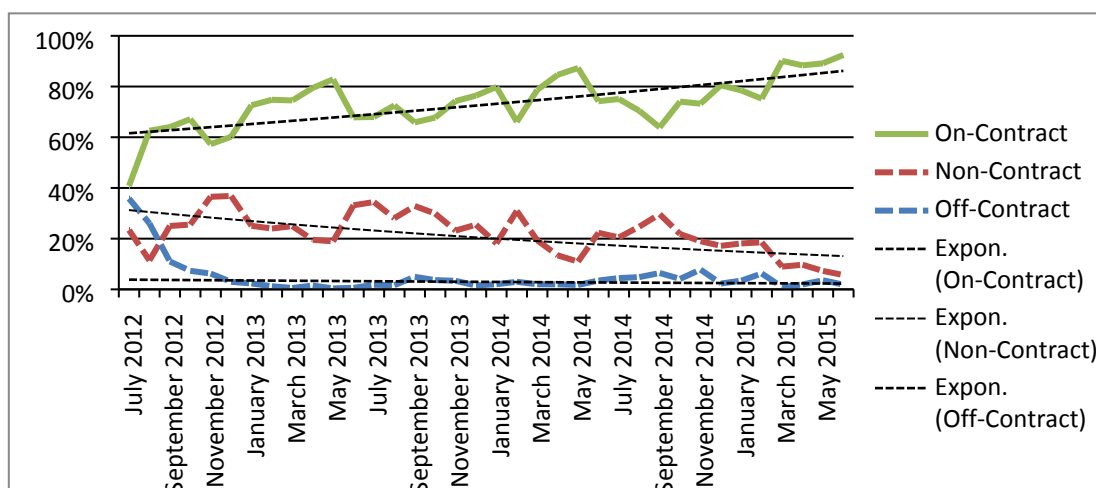
- 3.1 The following financial information is sourced from an analysis of all orders recorded in the Council's main financial system, FMS. On the payments system, each creditor (a body or person to which a payment is made by the council) has an indicator on their record which allocates them to a category. Such categories include private companies, commercial individuals (sole traders), other public sector bodies, and the third sector. The classification of organisations is carried out by colleagues in Corporate Financial Management with typically several hundred new creditor organisations allocated to a category each month.
- 3.2 These figures do not include orders placed through feeder systems such as Orchard², purchasing cards, or payment requisitions where BACS or cheque payments are made through FMS without the Business Support Centre processing an invoice and where there is no associated order.
- 3.3 The table below shows all orders placed in FMS during the first quarter 2015/16 - column two shows the data from the first quarter 2014/15 as a comparator.

Classification	Q1 Value 2014/15	Q1 Value 2015/16	Numbers of Orders	% of Total
On Contract	73.91%	£121,136,173	4,984	75.80%
Non-Contract	18.09%	£9,386,785	1,731	5.87%
On Contract - Quasi	2.60%	£23,932,624	1,562	14.98%
On Contract - Waiver	1.63%	£247,283	20	0.15%
Off-Contract	1.72%	£4,051,661	930	2.54%
Non-Contract - One off or non-influenceable	2.06%	£1,056,451	56	0.66%
Grand Total	100.00%	£159,810,977	9,283	100.00%

3.4 On, off and non-contract orders placed on FMS

² Orchard is used by various council functions for dealing with the financial aspects of council owned property, for example to pay contractors for undertaking repairs to the housing stock.

- a) The graph below shows the percentage of on, off and non-contract orders placed on FMS from July 2012 to June 2015. In June 2015 92% of FMS orders placed were on-contract and a strong upwards trend continues.



4. Local Suppliers

- 4.1 Orders placed with local suppliers in the first quarter 2015/16 are detailed below. Column two shows the data from first quarter 2014/15 as a comparator.

Local / Non Local	Q1 Value 2014/15	Q1 Value 2015/16	Numbers of Orders	% of Total
Local Spend	39.59%	£61,576,208	3,999	38.53%
Non-Local Spend	60.41%	£98,234,769	5,284	61.47%
Grand Total	100.00%	£159,810,977	9,283	100.00%

Suppliers with a Leeds metropolitan area postcode have been included in the above data. These are postcodes LS1 to LS29 plus BD3, BD4, BD10, BD11, WF2, WF3, WF10, WF12, WF17.

5. Third sector

- 5.1 Orders placed with third sector suppliers in the first quarter 2015/16 are detailed below. Column two shows the data from the first quarter 2014/15 as a comparator

Supplier	Q1 Value 2014/15	Q1 Value 2015/16	Numbers of Orders	% of Total
Third Sector	17.76%	£40,483,233	1,268	25.33%
Non Third Sector	82.24%	£119,327,744	8,015	74.67%
Grand Total	100.00%	£159,810,977	9,283	100.00%

6. Small and Medium Enterprises (SMEs)

6.1 Orders placed with SMEs in the first quarter 2015/16 are detailed below. Column two shows the data from the first quarter 2014/15 as a comparator.

Supplier	Q1 Value 2014/15	Q1 Value 2015/16	Numbers of Orders	% of Total
Not an SME	57.94%	£95,884,001	4,278	60.00%
SME	42.06%	£63,926,976	5,005	40.00%
Grand Total	100.00%	£159,810,977	9,283	100.00%

7. Glossary

7.1 **On contract** is an order placed with a contracted supplier.

7.2 **Non-contract** is an order placed where no contract exists for the goods or service.

7.3 **Off contract** is an order placed where there is a contracted supplier but the order raiser uses a different supplier.

7.4 **Waivers** are required where the relevant Chief Officer is able to justify a genuine exception to the requirements for competition under Contract Procedure Rules.

7.5 **Quasi** contracts are virtual contracts put in place to aggregate spend with a view to evaluating the requirements of a contract.

7.6 The Local Government Association defines the third sector as “non-governmental organisations” (NGOs) that are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives.

7.7 **Third sector** includes charities, community groups, churches and faith groups, sports and recreational clubs, social enterprises and partnerships and trade unions and associations.

7.8 **SMEs** are defined as having a turnover of less than £25.9 million and fewer than 250 employees.

7.9 This data was collated by using the categorisation selected by the supplier upon registration on Yortender (the council’s electronic tendering site) and then verified where possible against data from the Department of Business Innovation and Skills.