

Report of the Deputy Chief Executive

Report to Executive Board

Date 16th November 2016

Subject: Financial Health Monitoring 2016/17 – Half-Year

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to inform the Executive Board of the financial health of the authority in respect of the revenue budget, and the Housing Revenue Account.
2. The 2016/17 financial year is the first year covered by the 2015 Spending Review and again presents significant financial challenges to the Council. The Council to date has managed to achieve considerable savings in the order of £330m since 2010 and the budget for 2016/17 will require the Council to deliver a further £76m of savings.
3. The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions. Whilst the Council continues to make every effort possible to protect the front line delivery of services, it is clear that the position is becoming more difficult to manage and it will be increasingly difficult over the coming years to maintain current levels of service provision without significant changes in the way the Council operates.
4. Executive Board will recall that the 2016/17 general fund revenue budget, as approved by Council provides for a variety of actions to reduce net spend by £31.5m delivering some £76m of budget action plans by March 2017. At the half-year, it is clear that the majority of these actions and savings plans are on track to be delivered. However this report highlights a potential overall overspend/risk of £3.9m.

5. The medium-term financial strategy approved by Executive Board in September 2016 assumes that the 2016/17 budget will be at a balanced position by the year-end. Work is ongoing through Directors and Budget Holders to bring-forward options and proposals across all directorates and services in order to reduce net spend in line with the budget.
6. At the half-year, the Housing Revenue Account is projecting a £0.35m surplus.

Recommendation

7. 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 2016/17 at the half-year.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations after 6 months of the year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2016/17 was set at £496.4m, supported by the use of £3.5m of general reserves.
- 2.2 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.

3. Main Issues

- 3.1 At month 6, an overspend £3.9m is forecast, as shown in table 1 below.

Table 1 – forecast 2016/17 budget variations by directorate

Directorate	Director	(Under) / Over spend for the current period				Month 5 Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adult Social Care	Cath Roff	(2,457)	794	(794)	0	0
Children's Services	Steve Walker	(140)	8,183	(3,927)	4,256	5,254
City Development	Martin Farrington	(702)	1,390	(1,615)	(225)	(225)
Environment & Housing	Neil Evans	(648)	2,267	(2,362)	(95)	(85)
Strategy & Resources	Alan Gay	(953)	(1,166)	1,360	194	274
Citizens & Communities	James Rogers	84	2,278	(1,933)	345	479
Public Health	Dr Ian Cameron	(161)	(73)	1	(72)	(42)
Civic Enterprise Leeds	Alan Gay	1,845	2,465	(2,264)	201	205
Strategic & Central	Alan Gay	674	2,362	(3,076)	(714)	(871)
Total Current Month		(2,458)	18,500	(14,610)	3,890	4,989
Previous month (under)/over spend		(2,150)	17,271	(12,282)	4,989	

3.2 The key variations against the budget are outlined below and more detailed information is included in the financial dashboards at appendix 1.

3.2.1 Adult Social Care - the directorate is currently projecting a balanced position by the financial year-end, an unchanged position from the previous month. The estimated spend on community care packages and general running expenses has reduced, partly offset by a reduction in projected income. A review of all budget action plans has taken place and slippage totalling £3.1m is anticipated, although contingency savings have also been identified to offset the impact. Within this, there is an estimated shortfall of £1.4m in delivering the specific actions within the community care packages budget, and specifically relating to learning disability services. Slippage of £0.9m relates to the budgeted savings around contracts and grants and £0.3m to the Better Lives programme within older people's residential and day care services. Some other budget pressures and savings have been identified, further details of which are outlined in the financial dashboard at appendix 1.

3.2.2 Children's Services - overall at month 6 the directorate is reporting a projected overspend of £4.25m. There are a number of risks and assumptions within the forecast, which if all materialised, could increase the estimated year-end position. The directorate has committed to a number of actions to mitigate against these budget pressures including additional controls on recruitment and a targeted ELI scheme, a review of contracts and a review of spend including restrictions in all areas of non-essential spend. In addition, the directorate is anticipating additional funding through a new innovations bid but this is subject to final approval. In respect of children in care, at period 6 the directorate is looking after an additional 39 looked after children in external residential (ER) placements and with Independent Fostering Agencies (IFAs) than the 2016/17 budget provides for, resulting in a projected £4.9m pressure around CLA demand budgets (£3.5m ER & £1.4m IFA). In the last quarter of 2015/16 numbers increased and continued to increase through to April but there has been a steady reduction in children looked after numbers since May. There are currently 1,226 CLA children (a reduction of 11

from month 5); this includes 50 with ER and 206 with IFA's. There is a £0.9m pressure on in-house fostering but this is partly off-set by additional income on adoption.

The home to school and home to college transport budget is under significant pressure due to a rise in the number of young people with complex needs, a rise in the transport requirements outside the city and an increase in private hire rates. The net pressure on the budget is currently identified at £1.7m after the appropriation of £1m from the specific demand/demography earmarked reserve.

- 3.2.3 Schools Budget/Dedicated Schools Grant (DSG) - within the DSG a number of budget pressures have emerged during 2016/17. These are mainly in the High Needs Block with a projected overspend of £5.3m in 2016/17. Some £1.5m of this is in relation to one-off costs associated with the provision of the new Social Emotional Mental Health academy and includes set up costs of £0.7m and the need to fund the deficit balances of the closing Pupil Referral Units of £0.8m. The other main pressures are an increase in demand on high needs top up payments as a result of Funding For Inclusion £1.9m and increased costs of outside placements £0.9m. There is also a projected overspend of £0.7m on the Early Years Block largely as a result of funding for the Portage service and Special Education Needs workers. Allowing for the surplus of £3.7m brought forward from 2015/16 and the funding of £2.3m approved as a contribution towards A Life Ready for Learning there is an overall projected deficit of £5.1m on the DSG. This position was reported to Schools Forum on the 6th October 2016. Schools Forum noted the projected financial position, including that the deficit could be carried forward into 2017/18, and that a further report would be presented to the next Schools Forum which would outline options for mitigating the budget pressures.
- 3.2.4 City Development – at month 6 the directorate is projecting an underspend of £0.23m against its £43m net managed budget. However it should be noted that the underlying position for the directorate is an overspend of £1.26m against the base budget, however this is being offset this year by the use of Bridgewater Place money estimated at £0.9m and Arena Debt savings and asset income of £0.6m . The projection is based on a number of assumptions and recognises some high level risks within the budget which are explained further in the directorate's financial dashboard. These pressures continue to be managed with the expectation that they will not cross over into the 2017/18 budget.
- 3.2.5 Environment & Housing – at month 6 the directorate is forecasting a marginal underspend of £0.1m against its £53m net managed budget. Within this overall figure, there is a pressure on the waste management budget of £0.1m which is mainly due to increased disposal costs. In car parking, staffing savings and additional income are expected to deliver a saving of £0.3m and in Community Safety there is a forecast underspend of £0.2m due again to staffing savings, one-off income from the WYPCC and additional Ministry of Justice funding.
- 3.2.6 Citizens & Communities - budget action plans have been reviewed with each Chief Officer and at present it is anticipated that most plans will be achieved, though there is a pressure of £0.25m on the Customer Access budget and a net overspend of £0.2m against the Benefits, Welfare and Poverty budget resulting in an overall overspend of £0.35m for the Directorate as a whole.

- 3.2.7 Public Health – the public health budget and budget savings plans for 2016/17 reflect the continuing reduction to the ring-fenced grant. Overall, the budget plans are on track to be delivered other than the planned savings of £233k as part of the transfer of the TB contract which will not materialise, though work to find compensating savings is now completed and is currently predicted to offset this pressure. Due to overtrading of sexual health services, provision was made for anticipated costs however it is likely that these costs will not materialise in full resulting in savings to compensate for this risk. In addition, pay costs are projected to be £161k underspent on the general staffing budget and work is continuing to identify potential financial pressures particularly in relation to costs associated with the new drugs and alcohol contract and public health activity contracts which are paid based on demand and some on NHS tariff. Recent activity data is showing a reduced level of activity and as a result an underspend of £249k is projected on commissioning budgets.
- 3.2.8 Strategy & Resources – overall, the directorate is highlighting a potential overspend of £0.2m which is due to a potential reduction in external income in the Projects, Programmes and Procurement Unit of £1m offset by forecast staffing savings of £0.7m. The rest of the directorate is expected to deliver on its budget action plans.
- 3.2.9 Civic Enterprise Leeds – the overall projected position at month 6 is an overspend of £0.2m explained by a potential overspend against the catering net budget which is mainly as a result of the marginal impact of the loss of 7 school contracts together with the marginal impact of a shortfall against the adjusted meal numbers.
- 3.2.10 Strategic & Central budgets – at month 6, the strategic and central budgets are anticipated to underspend by £0.7m. The key variations include;
- i. Debt - a net forecast pressure of £0.3m due to the conversion of short-term debt to long-term to take advantage of low long-term interest rates.
 - ii. Section 278 income - a potential £1.2m risk due to lower levels of development activity.
 - iii. Procurement - a £1m variation which reflects that the procurement savings will be managed through directorate budgets.
 - iv. PFI – a £0.9m variation which recognises that these savings will show in directorate/service budgets.
 - v. Early Leaver Initiative - a potential £0.4m additional spend over the £2m earmarked reserve.
 - vi. Savings of £2m from the additional capitalisation of eligible spend in general fund and school budgets.
 - vii. Appropriation of £1.6m of earmarked reserves.
 - viii. A pressure of £0.4m relating to court cost income.
 - ix. Savings of £2m on the levy contribution to the business rates pool.

3.3 Other Financial Performance

3.3.1 Council Tax

The Council Tax in-year collection rate at the end of September was 54.84% which is in line with the performance in 2015/16. At this stage of the year, the forecast is for an in-year collection rate of 95.9% collecting some £301m of council tax income.

3.3.2 Business Rates

The business rates collection rate at the end of September was 57.02% which is 0.66% ahead of the performance at this stage in 2015/16. The forecast is still to achieve the 2016/17 in-year collection target of 97.7% collecting some £383.5m of income.

4. Housing Revenue Account (HRA)

4.1 At month 6 the HRA is projecting a £0.35m surplus at the year-end. Projected income from rents and service charges are forecast to be marginally below the budget with a £0.1m estimated variation at the year-end. There are a number of variations against the expenditure budgets which together total an underspend of £0.47m, including an underspend of £0.8m on the employee budget due in the main to staffing vacancies, a pressure on the disrepair provision of £0.2m because of new cases, an overspend on capital charges of £0.2m due to lower interest receivable and a forecast overspend of £0.2m across the supplies and services budgets. Further detailed information is included in the HRA financial dashboard at appendix 1.

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 2016/17 was subject to equality impact assessments where appropriate and these can be seen in the papers to Council on 24th February 2016.

5.3 Council Policies and Best Council Plan

5.3.1 The 2016/17 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on the financial performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

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 Financial management and monitoring continues to be undertaken on a risk-based approach with key budget risks identified as part of the annual budget-setting

process and specifically monitored through the financial year. Examples include the implementation of budget action plans, those budgets which are volatile and subject to fluctuating demand, key income budgets, etc. The information in the financial dashboards at appendix 1 includes specific information on these risk areas.

6. Recommendations

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

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 2016/17 BUDGET

FINANCIAL DASHBOARD - MONTH 6 (APRIL TO SEPTEMBER)

Overall narrative

The directorate is currently projecting a balanced position by the financial year-end, as also reported at P5. Projected spend on community care packages and general running expenses has reduced, partly offset by a reduction in projected income.

A review of all budget action plans has taken place and slippage totalling **£3.1m** is projected at the year-end, although substantial contingency savings have also been identified to offset the impact. There is a projected shortfall of £1.4m in delivering the specific actions within the community care packages budget, with the largest shortfall relating to learning disability services. Slippage of £0.9m relates to contracts and grants budgeted savings and £0.3m to the Better Lives programme within older people's residential and day care services. Some other budget pressures and savings have been identified, further details of which are outlined below.

The main variations at Month 6 across the key expenditure types are as follows:

Staffing (-£2.5m – 4.7%)

Savings within Access and Care Delivery total £1.4m. This mainly reflects reducing staffing numbers within the Community Support Service since the budget was set and vacancies within the care management and business support services, partly offset by slippage relating to the Better Lives programme within older people's residential and day care services. Savings of £1.1m are projected in commissioning services, resources and strategy and health and wellbeing due to ongoing vacancies.

Community care packages (+£2.6m – 1.4%)

Expenditure on the learning disability pooled budget is currently projected to exceed budget provision mainly due to slippage in delivering the budgeted savings, but work is underway to bring this back on track as far as possible by the year-end. There are also some pressures on residential and nursing care placements reflecting the trend in the last quarter of 2015/16 and a higher number of residents at the start of the current financial year than was assumed when the budget was set. Actions are underway to minimise the impact of these pressures by the year-end.

Transport (+£0.7m – 16.4%)

The most recent projections from Passenger Transport Services indicate higher than budgeted costs. The information available indicates that the majority of the projected overspend relates to costs rather than demand, but further work is needed to understand this more fully. This is being undertaken in conjunction with Passenger Transport Services.

Income (-£0.8m – 1.2%)

Service user contributions are slightly higher than budgeted, mainly due to some slippage in the Better Lives programme within older people's residential and day care services. Funding for staffing costs through the learning disability pooled budget is also higher than budgeted.

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	
Health Partnerships	365	(112)	252	(87)	0	76	0	4	141	0	0	0	134	(225)	(91)
Access & Care Delivery	245,915	(39,420)	206,495	(1,368)	50	(207)	(116)	680	1,939	664	0	0	1,642	(325)	1,317
Commissioning Services	12,828	(24,298)	(11,470)	(514)	0	(177)	(3)	109	537	0	0	0	(48)	(599)	(647)
Resources and Strategy	6,985	(1,008)	5,977	(489)	(1)	(186)	(3)	(315)	60	0	0	0	(934)	354	(579)
Total	266,093	(64,838)	201,254	(2,457)	49	(495)	(122)	478	2,676	664	0	0	794	(794)	0

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
A. Key Budget Action Plans						
1.	Older people's residential and day care	D Ramskill	Full-year effects and ongoing Better Lives programme	A	0.9	0.3
2.	Assessment and care management practice	S McFarlane	Delivering the most cost effective service for new customers based on the strengths based approach and the use of reablement and telecare services	A	1.0	0.4
3.	Review of care packages - mental health	M Ward / M Naismith	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning	A	0.5	0.0
4.	Review of care packages - physical impairment	J Bootle	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning	G	0.5	0.0
5.	Review of care packages - learning disability	J Wright / M Naismith	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning	A	3.0	1.0
6.	Assessment and care management efficiencies	S McFarlane	Review of skills mix and business processes	G	0.5	0.0
7.	Grants and contracts	M Ward	Review of contracts and grants across client groups	A	1.4	0.9
8.	Vacancy management	Various	Mainly non-frontline services	G	0.8	0.0
9.	Fees and charges	J Crowther	Implementation of February 2016 Executive Board decisions	G	1.0	0.0
10.	Health funding	S Hume	Mainly funding received in 2015/16 on a non-recurring basis	G	3.9	0.0
11.	Better Care Fund	S Hume	Exploring opportunities to realign spend between capital and revenue	G	1.8	0.0
B. Other Significant Variations						
1.	Staffing	Various	Ongoing tight vacancy management and reducing staff numbers in the Community Support Service			(2.5)
2.	Community care packages	J Bootle / M Naismith	Pressures experienced in 2015/16 on residential & nursing placements and the learning disability pooled budget are continuing			0.8
3.	Transport	J Bootle / M Naismith	Mainly increased costs, which are under investigation with Passenger Transport Services			0.7
4.	Other expenditure	Various	Savings on general running expenses through careful budget management, including the projected impact of essential spend only for the remainder of the year			(0.8)
5.	Income	Various	Mainly funding for staffing costs through the learning disability pooled budget and service user contributions			(0.8)
					Adult Social Care Directorate - Forecast Variation	
					0.0	

**CHILDREN'S SERVICES 2016/17 FINANCIAL YEAR
FINANCIAL DASHBOARD - MONTH 6 (APRIL TO SEPTEMBER)**

Overall - at period 6 the directorate is reporting a projected overspend of £4.25m. The directorate is still facing a number of budget pressures but has committed to a number of actions to mitigate against these budget pressures including additional controls on recruitment and promoting the ELI scheme in some areas, a review of contracts and a review of spend including restrictions in all areas of non-essential spend. In addition, the directorate is anticipating additional funding through a new innovations bid but this is subject to final approval.

CLA Obsession - at period 6, the directorate is looking after an additional 39 looked after children in External Residential (ER) placements and with Independent Fostering Agencies (IFA) than the 2016/17 budget provides for and this has resulted in a projected £4.9m pressure around CLA demand budgets (£3.5m ER & £1.4m IFA). In the last quarter of 2015/16 numbers had increased and continued to increase in April but there has been a steady reduction in children looked after numbers since May. There are currently 1,226 CLA children (reduction of 11 from P5); this includes 50 with ER and 206 with IFA's. There is a £0.9m pressure on in-house fostering but this is partly off-set by additional income on adoption. Overall the CLA budget supports 1,170 placements which includes provision for 36 ER and 181 IFA placements. The current projection assumes that the looked after children numbers will continue to gradually reduce during the remainder of the financial year to 45 ER & 200 IFA.

Staffing - Current assumption is for pay to underspend by £0.2m. There are some risks around this forecast although the directorate has committed to take action to reduce staffing numbers. Staffing levels continue to reduce and have fallen month on month during 2016/17 and the overall monthly spend on pay is gradually reducing. Offsetting the savings in basic pay are increased spend on overtime and agency staff, mitigating some of the savings being delivered from reducing headcount but this is being reviewed with the aim of reducing where possible.

Commissioned Services - A £0.1m saving target around the £10m of commissioned contracts and other spend within the directorate. The target has been reduced from Period 3 by £0.4m but the review currently taking place will generate further savings in 2017/18 to contribute to the directorate's budget strategy.

DfE Innovations Funding - There is a potential pressure of £0.8m with the existing DfE Innovations funding. The current projection assumes that actions will be taken so that overall commitments match the funding available but there is still a significant risk that commitments will exceed the available funding in 16/17.

Transport - The home to school and home to college transport budget is under significant pressure due to a rise in the number of young people with complex needs, a rise in the transport requirements outside the city and an increase in private hire rates. The pressure is currently identified at £1.7m, which is net of the appropriation of £1m from the specific demand & demography earmarked reserve.

Other Income - Additional income from the Innovations & Partners in Practise grant is anticipated (part of a new 3/4 year bid which has not been secured yet). A further £0.3m HRA income to support the FIS and MST Service. Offsetting this is a net £0.6m pressure from a reduced level of funding supporting the Children's Centres.

Dedicated Schools Grant (DSG) Pressure - Pressures have emerged over the past term principally in relation to the Social Emotional and Mental Health provision, Funding for Inclusion numbers and Central Early Years expenditure which total £5.1m. School Forum on the 6th October received a report on the DSG budget which outlined the various pressures and have requested a further update and options to bring spend within budget in 2017/18. School Forum noted the projected

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	£'000
Demand Led Budgets:																	
External Residential Placements	7,002	(2,775)	4,227							3,500				3,500	(115)		3,385
Independent Fostering Agencies	7,813	0	7,813							1,500				1,500			1,500
In House Fostering, Adoption, SGO and RO	22,921	0	22,921							959				959			959
SEN Outside Placements	4,857	(4,857)	0							871				871	(863)		8
Leaving Care	5,052	(1,160)	3,892							379				379	(263)		116
Transport	7,250	0	7,250				2,700						(1,000)	1,700			1,700
Sub total Demand Led Budgets	54,895	(8,792)	46,103	0	0	0	2,700	0	7,209	0	0	0	(1,000)	8,909	(1,241)		7,668
Partner Funding																	
Schools Forum	0	(3,380)	(3,380)										875	875	152		1,027
Partner Funding of Children's Centres	0	(1,600)	(1,600)											0	600		600
Sub total Partner Funding	0	(4,980)	(4,980)	0	0	0	0	0	0	0	0	0	875	875	752		1,627
Other Budgets																	
Partnership, Development & Business Support	12,217	(1,137)	11,080	641		(493)	0	41						189	(185)		4
Learning, Skills & Universal Services	129,277	(113,542)	15,735	(769)		(658)	1	(229)	(1,157)			153	(2,659)	1,566			(1,093)
Safeguarding, Targeted & Specialist Services	73,990	(19,212)	54,778	(12)	1	177	183	(66)	574	12				869	(4,820)		(3,951)
Central Overheads	8,894	(11,838)	(2,944)											0			0
Total	279,273	(159,501)	119,772	(140)	1	(974)	2,884	(254)	6,626	12	0	28	8,183	(3,928)			4,255

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation £m
A. Significant Variations						
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies) partly off			4.90
	Passenger Transport	Sue Rumbold	Increased numbers of children requiring education outside the city, increased complexity of need and an increase in private hire rates. The current projection will be reviewed in October once the latest transport data is available.			1.70
	Income - DSG	Steve Walker	The current projection allows for a £0.75m shortfall against the budgeted income. The other pressures on the DSG could be partly met by exploring options in relation to balances and re-examining eligibility criteria. Options to be presented to School Forum in October.			0.75
	Income - DfE BID	Steve Walker	New BID submitted in 2016/17. Good progress is being made in the discussions with the DfE.			(2.00)
	HRA - funding	Steve Walker	Additional HRA income re signpost and MST service may not be forthcoming. It is subject to agreement with Environments & Housing.			(0.30)
	Savings challenge across department	All	Target savings against running costs and staffing budgets. Proposals are being considered by CSLT. There is a risk that sufficient savings are not identified. The saving target has been reduced as savings have been identified.			(1.00)
B. Key Budget Action plans (BAP's)						
A1	Securing additional income from Schools Forum	CSLT	£3.4m of funding per academic year provisionally agreed subject to delivery of activity and funds being available from DSG. School Forum in October has now approved this funding.	G	2.40	0.00
A2	Additional Funding For Children's Centres	CSLT	Funding options being pursued.	R	1.60	0.60
C1	Reconfigure services to young people at risk of becoming NEET	Andrea Richardson	IAG contract has been extended to July 2016. Some existing provider staff will TUPE.	A	1.20	0.25
E1/E2/E4	Staff savings	Sue Rumbold	Reduction in posts/additional trading opportunities and ELIs. Linked to medium term strategy for the directorate. Further staff reductions are required to meet budget assumptions.	A	1.40	0.00
E5	Reduce net cost of Learning For life managed Children's Centres Childcare.	Andrea Richardson	Ensure childcare income generated is reflected in childcare staffing levels	A	0.50	0.40
A3	Improvement partners	Steve Walker	Maximise income from supporting other LA's. Work underway with a number of LAs. Other expressions of interest from other LA's. Innovations bid ongoing. Decision due late summer.	G	0.50	0.00
A4	Adel Beck	Francis N'Jie	Maximise income from selling to other LA's. Rates revised for 16-17 to recover this additional income subject to occupancy levels being achieved.	G	0.40	(0.10)
E3	Impact of residential review on overtime costs	Steve Walker	Running cost efficiencies following closure of Pinfolds and Bodmin. Linked to the overall pay strategy for the directorate.	G	0.40	0.00
	Various other budget savings (10)	All CO's	Including reconfiguration of Targeted Services, a review of assets, additional trading with schools, additional DfE funding for adoption services; principally inter-agency fee, reviewing non Statutory costs etc.	G	2.29	(0.95)
Children's Services Directorate - Forecast Variation						4.25

**CITY DEVELOPMENT 2016/17 FINANCIAL YEAR
FINANCIAL DASHBOARD - MONTH 6 (APRIL TO SEPTEMBER)**

Overall - At month 6 the reported position is a projected underspend of **£226k**. However it should be noted that there are a number of fluctuations within the directorate that are being managed through additional income receipts and specific actions such as the use of Bridgewater Place money estimated at £916k and Arena Debt savings of £450k. These variances continue to be managed with the expectation that they will not cross over into 2017/18.

There are concerns around Planning Appeals costs this year as the service currently have a number of appeals ongoing from 2015/16 and new ones coming in in 2016/17, this is currently estimated at £200k, and is mostly offset by increased Building Control income and underspends on staffing due to a number of vacant posts.

In Economic Development the large variations on supplies and services and income is reflective of the Flood Alleviation expenditure and grant income. Income receipts at Kirkgate Market are under pressure due to the extension of rent discounts into 2016-17 and later than anticipated new lettings resulting from delays to its redevelopment. The projected effect will be an under recovery of £466k against the income budget.

In Asset Management the advertising Income pressure has increased to £442k. Although the income target was reduced in the 2016/17 estimates cycle by £200k it is unlikely to achieve its target this year due to the time required to build up the advertising sites portfolio and programme delays around approvals for the advertising sites. It is assumed that this will be offset by Arena debt savings (£450k) and income from two new asset purchases recently approved by Executive Board (£131k).

Highways and Transportation have contracted further work with their strategic partners Mouchel increasing supplies and services spend offset by additional income.

In Libraries, Arts and Heritage there is a projected loss of income from Room Hire at the Art Gallery (closed for roof repairs) £100k, which is offset by the NNDR Rebate and there is increased Town Hall bar and catering income. Overspends in supplies and services are funded by and related to increased events income etc.

Within the Sport Service overspends on supplies and services including catering, resalable and consultancy costs are offset with associated increases in projected income, which also includes an anticipated £40k shortfall of income in relation to the pool closure and refurbishment at John Smeaton and a £60k pressure due to incorrect treatment of VAT on the Fitness and Swim Bodyline Offer.

The Directorate Strategy is to use the proposed £916k Bridge Water Place settlement to part fund these net pressures and contribute the balance to the corporate strategy. In the service analysis below £460k is utilised against

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	8,571	(5,753)	2,818	(94)	0	197	0	17	0	0	0	0	120	(115)	5
Economic Development	4,859	(4,011)	848	74	78	1,263	0	40	0	0	0	0	1,455	(960)	495
Asset Management and Regeneration	11,176	(10,405)	771	(130)	(4)	(61)	(1)	(186)	0	0	26	0	(356)	66	(290)
Highways and Transportation	55,891	(39,687)	16,204	(419)	49	62	109	(26)	0	0	0	0	(225)	(220)	(445)
Libraries, Arts and Heritage	22,417	(7,571)	14,846	(119)	(112)	560	3	7	22	0	0	0	361	(395)	(34)
Sport and Active Recreation	24,560	(18,894)	5,666	(5)	14	32	3	10	(10)	0	0	0	44	9	53
Resources and Strategy	1,720	(95)	1,625	(9)	0	0	0	0	0	0	0	0	(9)	0	(9)
Total	129,194	(86,416)	42,778	(702)	25	2,053	114	(138)	12	0	26	0	1,389	(1,615)	(226)

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£'000	£'000
A. Budget Action Plans		Lead Officer	Additional Comments			
1.	Planning and Sustainable Development	Tim Hill	Reduction in the net cost of service through management restructure, staffing savings and increased income generation	G	550	(195)
2.	Economic Development	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation	G	280	29
3.	Asset Management & Regeneration	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation	G	410	(152)
4.	Highways and Transportation	Gary Bartlett	Reduction in the net cost of service via alternative service delivery, removal of subsidies, staffing savings and additional income	G	440	11
5.	Libraries, Arts and Heritage	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation	G	570	(34)
6.	Arts Grant	Cluny MacPherson	Full Year Effect of new grant allocations will deliver the savings. DDN published 25 March 2015 and implemented 1st April 2015	G	125	0
7.	Sport and Active Recreation	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation	G	440	53
8.	Resources and Strategy	Ed Mylan	Reduction in the net cost of service via efficiency and staffing savings	G	30	(9)
9.	Directorate	All Chief Officers	Directorate-wide additional income target	G	460	0
B. Other Significant Variations						
1.	Asset Management	Tom Bridges	Reduced borrowing costs at Leeds Arena (£450k) income from new assets (£131k) offsetting reduced income from Advertising (£442)			(139)
2.	Highways	Gary Bartlett	Additional Highways Income			0
3.	Planning Appeals	Tim Hill	Uncertainty at this stage around the costs of planning appeals			200
4.	Kirkgate Market	Tom Bridges	Extension of rent discounts and other rent reductions resulting from the delay in the Kirkgate redevelopment.			466
5.	Bridgewater Place	Martin Farrington	As per the Directorate Strategy, use of balance of Bridgewater Place settlement to mitigate pressures			(456)
City Development Directorate - Forecast Variation						(226)

**ENVIRONMENT & HOUSING 2016/17 FINANCIAL YEAR
FINANCIAL DASHBOARD - MONTH 6 (APRIL TO SEPTEMBER)**

Overall Position (£95k under budget)

Community Safety (£172k under budget)

The service is projecting an underspend on staffing of £214k (offset by reduced charges to HRA of £79k). One off income in year has been received from West Yorkshire Police & Crime Commissioner (£85k) for contributions to LASBT (Leeds Anti social behaviour team) and additional Ministry of Justice funds (£89k) have been utilised. CCTV income is projected to be lower than budgeted by £77k. Other variances total £60k

Parks & Countryside (£0k Nil variance)

The service is projecting lower level of turnover at attractions (including cafe/retail) due to no Easter and good weather in August/September affecting Tropical World attendances, giving an overall variance of +£47k. A projected reduction in Golf income of £99k is offset by projected workshop savings (£74k) and fuel (29k). Other net savings across the service total £43k.

Environmental Action & Health (£212k under budget)

Env Action - Projected staffing savings of (£342k) are offset by loss of Wellbeing funding £36k and £110k additional transport costs in respect of GPS system for gully tankers and additional vehicles. Other variations total +£19k. Env Health - projected staffing savings of (£67k) + other minor costs +£32k which is mainly additional legal costs.

Car Parking (£312k under budget)

Ongoing vacant attendant posts (£158k) partially offset by additional expenditure of £53k (mainly for P&D machine maintenance and the upgrades required to facilitate the new £1 coin coming into circulation in 2017). Overall Income is projected to be increased by (£207k). This includes: Woodhouse Lane (£121k) of which (£90k) is for the 50p increase (in June); other variations being off street parking (£131k), On street £159k, PCN/BLE (£87k) and other income (£27k).

Housing Support/Partnerships/SECC/SP Contracts (£45k under budget)

Housing staffing underspends (£453k) due to vacant posts are partially offset by a reduction of £232k corresponding income, mainly charged to HRA. Variations in SP are £47k. Other variations across all areas are projected to be £174k.

General Fund SS (+£559k over budget)

Of the £970k Directorate wide staffing efficiency target, £798k savings have been included within the projected position of individual services and therefore remains a pressure within GFSS. (It is assumed that the remaining £172k will be found across the directorate in year). Offsetting the £798k are staffing savings in Intelligence & Improvements (£132k) and assumed directorate line by line savings of (£117k).

Leeds Building Services (£0k Nil variance)

Additional turnover is being generated through Housing Leeds repairs and work for capital schemes. This results in additional sub contractor spend which is partially offset by reductions in internal costs. Overall a nil variance is

Waste Management +£87k over budget

Refuse (£0k nil variance)

Additional staffing costs relating to additional back up routes and sickness levels being above target are anticipated to be offset by the identification of other staffing savings. No overall variance is projected.

HWSS & Infrastructure (£7k under budget)

Additional staffing costs of £95k are forecast, reflecting additional operatives at HWSS required to deal with higher than anticipated waste volumes and increased sickness levels. Additional Trade contract income is projected to offset these costs.

Waste Strategy & Disposal (+£94k over budget)

Lower than anticipated tonnage volumes and an additional share of electricity income at the RERF have resulted in a projected underspend of (£212k). In addition, the reduction in gate fees experienced in recent months has resulted in a projected underspend of (£96k) in respect of SORT disposal costs. Offsetting these projected underspends are higher than anticipated tonnages at Household Waste Sorting Sites. Excluding additional Trade contract waste disposal costs of £90k (which is offset by additional income within HWSS & Infrastructure) and taking into account a contribution of (£100k) from Housing Leeds to reflect increased volumes, these are projected to cost an additional £469k. All other variations and assumed actions to address the pressures are anticipated to reduce the overall overspend by (£157k).

Budget Management - net variations against the approved budget;

Summary By Service

				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	
Community Safety	8,723	(6,530)	2,193	(214)		(198)		(154)					(566)	394	(172)
Strategic Housing, SECC, Contracts	18,610	(9,429)	9,181	(540)	(9)	95	1	0	143				(310)	264	(46)
General Fund Support	(429)	(408)	(837)	664		(105)							559	0	559
Leeds Building Services	45,305	(51,376)	(6,071)	(65)	172	2,053	(190)						1,970	(1,970)	0
Parks & Countryside	29,328	(21,309)	8,019	8	(20)	734	(91)	112					743	(743)	0
Waste Strategy and Disposal	20,429	(5,749)	14,680	(28)		123							95		95
Household Waste Sites & Infrastructure	4,502	(480)	4,022	96	10	12	3						121	(127)	(6)
Refuse Collection	16,747	(375)	16,372	(3)				3					0		0
Environmental Action	15,346	(4,343)	11,003	(341)	38	27	108	(39)					(207)	30	(177)
Environmental Health	3,164	(765)	2,399	(67)		(6)	8	32					(33)	(3)	(36)
Car Parking	5,003	(12,614)	(7,611)	(158)	2	41	10						(105)	(207)	(312)
Total	166,728	(113,378)	53,350	(648)	193	2,776	(151)	(46)	143	0	0	0	2,267	(2,362)	(95)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1.	Dealing Effectively with the City's waste	Andrew Lingham	FYE of Waste Strategy and assumes PFI at £53.3 for B1 tonnes; £0.3m for additional recycling performance	G	(4.5)	0.0
2.	HWSS Strategic Review	Andrew Lingham	Service still reviewing options but likely to be 2017/18. Other savings to be identified.	G	(0.1)	0.0
3.	Parks and Countryside additional income	Sean Flesher	Implement price rises, plus additional income at various attractions	G	(0.6)	0.0
4.	Leeds Building Services	Simon Costigan	Identification of savings to fund PPPU costs	A	(0.2)	0.0
5.	Car Parking	Helen Freeman	Review of Price tariffs and additional income target. Delay in implementation (DDN being drafted)	G	(0.2)	0.0
6.	WYP & CC grant use	Sam Millar	£713k funding budgeted but not confirmed therefore remains a risk	A	(0.7)	0.0
7.	Savings in Housing related support programme	Neil Evans	FYE of 15/16 plus recommissioning of more SP contracts	G	(0.3)	0.1
8.	Directorate wide staffing reductions	Neil Evans	£0.9m unallocated in Support accounts, current level reduced to £0.4m + £0.3k of other staffing targets	G	(1.2)	0.0
9.	Contract / Procurement Savings / Line by Line		Target for contract savings in the base. (not shown as a variance as reported corp in 15/16)	A	(0.3)	0.0
10.	All Other action plan items			G	(0.1)	0.0
B. Other Significant Variations						
1.	Waste Disposal Costs	Andrew Lingham	Net budget £15.7m for 329.2k tonnes of waste; £122k variation at P6			0.1
2.	Refuse Collection staffing costs	Tom Smith	£12.2m pay budget in service; £0k variation anticipated at P6			0.0
3.	Refuse Collection vehicle costs	Tom Smith	Repairs £0.7m; Fuel £1.2m. Nil variance at P5 (Service pursuing Transport recharges)			0.0
4.	Car Parking BLE / PCN income	Helen Freeman	BLE £1.4m ; PCN's £2.3m - (£87k) variance projected at P6			(0.1)
5.	Car Parking Fee Income	Helen Freeman	£8.4m budget increase of £810k from 15/16.(Introduced new WHLCP increased by 50p June 2016)			(0.1)
6.	Environmental Action staffing	Helen Freeman	£13.5m pay budget in service			(0.3)
7.	Property Maintenance	Simon Costigan	Budgeted surplus of £5.2m required to be delivered. Service currently operating with £14.2m WIP			0.0
8.	Parks and Countryside - Attractions	Sean Flesher	£1.7m Income budget (incl: TWorld £1.3 m budget)			0.0
9.	Parks and Countryside - Bereavement Services	Sean Flesher	£6.3 m budget			0.0
10.	All other variations					0.3
					Environment & Housing - Forecast Variation (0.1)	

CITIZENS AND COMMUNITIES FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR MONTH 6

Overall

Budget action plans have been reviewed with each Chief Officer in April and at present it is anticipated that most plans will be achieved, though there is a pressure of £250k on Customer Access staffing costs and a net overspend of £239k in Benefits, Welfare and Poverty. A projected underspend of £144k in Elections, Licensing and Registration brings an overall overspend of £345k for the Directorate as a whole.

Communities

The latest figures for Community Centres indicate a potential overspend of £50k, although this assumes no savings in utility costs (last year this was £50k) which could balance the overall position. We have also assumed a drop in income as Leeds City College will be moving out of St Barts/Strawberry Lane and generated £30k per year. Savings on Well Being, Youth Activities, and the Innovation Fund have been delivered. The full saving of 3rd Sector Infrastructure Grant will not be delivered in year but this will be offset by savings elsewhere within the service. The variances recorded below all relate to Migration Services and reflect some savings on staffing cost due to delayed recruitment and transfer of income in year to reserve. Overall the service will balance to resources in year.

Customer Access

Savings targets built in to the budget for 2016/17 are challenging and there is a significant amount of work involved in developing the Community Hubs.

The budget for 2015/16 had a saving of £100k built in for Community Hubs and there is a further £100k saving for 2016/17. Demands on staffing are significant and development of the Hub approach as well as integration of the Branch Library Service has resulted in some additional cost. It is unlikely that the saving will be delivered in year as we are currently forecasting the staffing pressure could result in an overspend of approx £250k. Some of the additional staffing costs relates to project resource required to deliver the outcomes of an Executive Board Report approving £4.6m of capital spend to develop the retained assets that are becoming the hub sites to allow both service integration and release of surplus assets.

The Transactional Web savings of £200k relate to staffing costs in the Contact Centre and these are currently on line to be delivered.

Elections, Licensing & Registration

Staffing costs at Period 6 are projected to be £41k over budget. This arises due to additional staffing requirements in Taxi and Private Hire Licensing totalling £45k. It is anticipated these costs will be covered by additional income. The collection of income continues to do well with income looking on target and a likelihood budgets will be exceeded. A total of £130k of projected income in excess of the budget has been identified at this stage in the year, this arises across three areas: Local Land Charges £60k, Registrars £45k and Entertainment Licensing £30k.

Benefits, Welfare and Poverty

Staff - of the vacancies held in Benefits some recruitment will take place later on this financial year. These vacancies have accumulated over a number of financial years. Overtime, in comparison to last year, is down but without a budget in place for it the costs are all at overspend (£206k). However, overall staffing and overtime costs are below the staffing budget. There have been a number of windfall grants notified to us all of which have been reflected in the projection, ie Pension Assessed Income, Temporary Absence, Family Premium which relate to the DWP New Burdens. In addition the FERIS and Single Fraud grants have been used to fund the increased cost of additional off-site processing work.

The LWSS scheme is projecting to save the key budget action plan of £300k - with some aspects of the spend on a 5 month delay, the underspend could be even higher.

Housing benefit projected spend for 16/17 is at £276.3M, lower than the outturn in 2015/16 which was £287.8M. Arising Housing Benefit overpayments are projecting net income of £7.9m against a budget of £9m, a £1.1m shortfall.

The reasons for the reduction in payments are:

- Ongoing decrease in Benefit caseload due to economic upturn, single persons now claiming Universal Credit where previously they would have claimed Housing Benefit
- Government imposed 1% rent reduction on the social sector affecting 35k Council Tenants & 11k Housing Associations

Overpayments have reduced as payments have reduced, so too has the average value of each overpayment. In addition the number and value of overpayments generated through data matching with DWP and HMRC have reduced significantly despite the number of referrals being received by the LA remaining at a similar level to previous years. Further work is being considered that may generate additional overpayment income to the LA and therefore bring the reported overspend down.

This year's initiative to identify further cases where Single Person Discount has been incorrectly claimed is proving successful and the projected additional income by year end is £500k against the £200k reflected in the budget.

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	
Communities	12,452	(6,900)	5,552	(107)	50	102	0	(13)	0	0	0	73	105	(105)	0
Customer Access	16,930	(1,568)	15,362	250	0	0	0	0	0	0	0	0	250	0	250
Elections, Licensing & Registration	7,476	(6,749)	727	41	86	50	(3)	59	0	0	0	0	233	(377)	(144)
Benefits, Welfare and Poverty	287,302	(284,390)	2,912	(100)	8	42	(10)	100	0	1,650	0	0	1,690	(1,451)	239
Total	324,160	(299,607)	24,553	84	144	194	(13)	146	0	1,650	0	73	2,278	(1,933)	345

Key Budget Action Plans and Budget Variations:

	Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans					
Community hubs	Shaïd Mahmood	Efficiencies from bringing services together, linked to Phase 1 and 2 of the capital investment in the service	R	0.1	0.3
Running costs	Shaïd Mahmood	Main savings in Communities	G	0.3	0.0
Transactional web	Lee Hemsworth	Further savings from the implementation of transactional web, mainly staffing	G	0.2	0.0
Registrars	John Mulcahy	Review of costs and income	G	0.1	0.0
Asset savings	Shaïd Mahmood/Lee Hemsworth	Savings in line with the asset management plan for closure of buildings and move of some HRA functions into the Community Hubs	G	0.1	0.0
Other	All CO's	£64k from PPE, printing and mail	G	0.1	0.0
Third sector infrastructure grant	Shaïd Mahmood	Grant reduction	G	0.1	0.0
Reduction in wellbeing and youth activities	Shaïd Mahmood	Reduction in budget	G	0.2	0.0
Innovation Fund	Shaïd Mahmood	Budget reduction	G	0.1	0.0
Housing benefits overpayments	Steve Carey	Level of overpayments down compared to last year. Projections still assume that the trend will pick up and the budget will be met, although this is a significant risk area.	R	0.4	0.3
Council Tax Single Person Discount	Steve Carey	£500k now projected - incidence in the Collection Fund	G	0.0	0.0
Advice consortium and welfare rights	Steve Carey	HRA contribution relating to under occupancy and rent arrears	G	0.2	0.0
Local Welfare Support Scheme	Steve Carey	HRA contribution in respect of support of Council tenants	G	0.1	0.0
B. Other Significant Budgets					
Net effect of all other variations					-0.2
Citizens and Communities Directorate - Forecast Variation					0.3

PUBLIC HEALTH - 2016/17 FINANCIAL YEAR
FINANCIAL DASHBOARD - MONTH 6 (APRIL TO SEPTEMBER)

Overall - the allocation of the ring fenced Public Health grant for 2016-17 is £46,630k which reflects the additional £5m of funding for the full year effect for the 0-5 years services (Health Visiting and Family Nurse Partnership) which transferred to LCC in October 2015 less the impact of the continuing and significant reduction to the ring-fenced grant allocation.

The 2016/17 budget and budget savings plans reflected the reduction in the grant and work has been done to identify options for savings and critical decisions to meet this significant challenge. Savings have been enabled through successful consultation and negotiation with our partners and providers including 3rd Sector and NHS providers, this has identified £1.1m of savings. In addition savings have been made from the Public Health funding which is provided across directorates to support joint commissioning and commissioning of services resulting in £355k of savings. Savings of £955k have been found from Public Health programme budgets, vacant posts, support services and running costs.

The planned saving of £233k as part of the transfer of the TB contract will not materialise, though work to find compensating savings is now completed and is currently predicted to slightly over-achieve. Due to overtrading of sexual health services, provision was made for anticipated costs however it is likely that these costs will not materialise in full therefore resulting in savings to compensate for this risk.

Due to staff turnover and vacant posts on hold as a result of a review to prioritise critical posts that need to be filled, pay costs are projected to be £161k underspent on the general staffing budget, though some staff are now working on income funded projects. Work is continuing to identify potential financial pressures particularly in relation to costs associated with the new drugs and alcohol contract and Public Health activity contracts which are paid based on demand and some on NHS tariff. Recent activity data is showing a reduced level of activity and as a result, an underspend of £249k is projected on commissioning budgets.

In Supporting People there are a number of vacancies and recruitment delays which has resulted in a projected underspend of £72k.

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			
Public Health Grant		(46,630)	(46,630)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staffing and General Running Costs	5,023		5,023	(161)	0	7	0	0	0	0	0	0	(154)	0			(154)
Commissioned and Programmed Services:																	
- General Public Health	208		208	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Population Healthcare	283		283	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Healthy Living and Health Improvement	15,329	(140)	15,189	0	0	(3)	0	0	(123)	0	0	0	(126)	0			(126)
- Older People and Long Term Conditions	2,361	(47)	2,314	3	0	0	0	1	(4)	0	0	0	0	0	0	0	0
- Child and Maternal Health	14,059		14,059	0	0	0	0	(4)	(30)	0	0	0	(34)	0			(34)
- Mental Wellbeing and Sexual Health	9,248		9,248	73	0	0	0	9	(325)	0	0	0	(243)	0			(243)
- Health Protection	806		806	0	0	0	0	0	233	0	0	0	233	0			233
Transfer From Reserves		(500)	(500)									324	324				324
Supporting People	964	(637)	327	(76)	1	2	0	0	0	0	0	0	(73)	1			(72)
Drugs Commissioning	1,260	(1,260)	0	0	0	24	0	0	(24)	0	0	0	0	0			0
Total	49,541	(49,214)	327	(161)	1	30	0	6	(273)	0	0	324	(73)	1			(72)

Key Budget Action Plans and Budget Variations:					
	Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
				£m	£m
A. Key Budget Action Plans					
Efficiencies					
- General efficiencies on contracted services	Ian Cameron	A combination of reductions in demand, expiry of contracts, ending one-off contributions and activities now funded by other contracts or organisations	G	0.80	0.00
- Staff savings	Ian Cameron	Reduction in staffing pay budget through vacant posts on hold and vacancy management throughout 2016/17	G	0.42	0.00
Review of commissioned services					
- Savings on contracts due to expire	Ian Cameron	5% saving on 22 contracts due to expire. Areas covered community development, food and nutrition, vulnerable groups, older people, sexual health, domestic violence, mental health, cancer screening, children's physical activity, obesity and breast feeding. All affected 3rd Sector providers have confirmed their acceptance of the 5% saving, public health contract managers continue to provide support to all providers.	G	0.16	0.00
- Drugs and alcohol services	Ian Cameron	Initial consultation with provider has taken place, further discussions are planned.	G	0.20	0.00
- Drug Intervention Programme and Integrated Offender Management	Ian Cameron	Consultation with partners and providers have begun in order to realise savings.	G	0.38	0.00
- Savings on existing contracts	Ian Cameron	Contracts affected include Health Visiting, School Nursing, Healthy Lifestyles, Smoking Cessation, Weight Management, Infection Control. Consultation with NHS provider has started, further discussions planned.	G	0.29	0.00
- Transfer of TB service to NHS provider	Ian Cameron	Following consultation with NHS Partners this saving will not be realised	R	0.23	0.23
Leeds City Council services	Ian Cameron	In response to this proposed reduction in public health funding in 16/17 to council provided services, £1.3m of non-recurrent earmarked reserves will be used to maintain services to March 17. LCC directorates and heads of finance have confirmed savings have been achieved and implemented either by absorbing the saving or in consultation with relevant provider.	G	1.75	0.00
Programmed budgets	Ian Cameron	Programme budgets removed for area health priorities across ENE, S&E and WNW. Adult public health programmes including drugs and alcohol, mental health, sexual health, infection control and fuel poverty. Children's public health programmes including obesity, breastfeeding, alcohol, drugs infant mortality and oral health.	G	0.60	0.00
B. Other Variations					
Projected underspend on staffing costs					(0.16)
Net effect of all other variations					(0.14)
Public Health - Forecast Variation					(0.07)

CIVIC ENTERPRISE LEEDS - 2016/17 FINANCIAL YEAR
FINANCIAL DASHBOARD - MONTH 6 (APRIL TO SEPTEMBER)

Overall

The overall projected position at period 6 is an overspend of £201k explained by a £200k overspend against the Catering net budget. The Catering overspend is mainly as a result of the marginal impact of the 7 schools which have been lost to the service plus the marginal impact of a shortfall against the adjusted meal numbers.

Business Support Centre

BSC are forecast to be on track to meet their 2016/17 savings target of £400k which is to be achieved through the freezing of posts and ELIs.

Commercial Services

The Commercial Services overspend of £201k is, as explained above, accounted for by the marginal impact of the 7 schools which were lost from the Catering service plus the marginal impact of a shortfall against the adjusted meal numbers. The projected overspend on staffing is mainly within the Cleaning Service and is offset by additional income. Work will be done with the Head of Service to identify the permanent resources requirement and income so that a virement can be done to ensure an accurate expenditure and income budget moving forward for Cleaning Services. Once this budgetary realignment is done, this will show that following the implementation of day time cleaning in civic buildings (thus avoiding premium staffing payments) and reduced cleaning frequencies and using the ELI initiative, the service is on track to meet the £200k savings from a lower cleaning specification included in the 2015/16 base budget and should provide a platform for savings in the following financial year.

Facilities Management

A balanced position is projected at month 6 although there are risks around accruals for services charges for the two joint service centres going back to 2013/14. The payment of these charges is being dealt with by Legal Services. There is also a potential risk on savings assumed in the Asset Rationalisation programme for Merrion House NNDR where, following advice, an accrual of £430k has been provided in 2015/16.

Corporate Property Management

A balanced position is projected at month 6 which assumes budgeted savings of £150k staffing and £450k on building maintenance 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	
Business Support Centre	15,189	(5,510)	9,679	100	8	(74)	0	0	0	0	0	0	34	(34)	0
Commercial Services	59,532	(56,897)	2,635	1,847	16	723	(21)	(20)	0	1	0	0	2,546	(2,345)	201
Facilities Management	10,087	(4,123)	5,964	(135)	13	7	0	0	0	0	0	0	(115)	115	0
Corporate Property Management	5,959	(587)	5,372	33	(40)	0	0	7	0	0	0	0	0	0	0
Total	90,767	(67,117)	23,650	1,845	(3)	656	(21)	(13)	0	1	0	0	2,465	(2,264)	201

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1	Asset rationalisation	Sarah Martin	Savings from: 1&3 Reginald Terr £29k, Belgrave Hse £60k, Deacon Hse £30k, South Pudsey Centre £25k, Tribeca £110k	G	0.29	0.0
2	Maintenance of council buildings	Sarah Martin	Reduce responsive maintenance	G	0.60	0.0
3	Catering Savings	Mandy Snaith	Agency staff	G	0.05	0.0
4	Energy	Sarah Martin	Impact of energy efficiency measures	G	0.05	0.0
5	BBM - admin, mail and print	Helena Phillips	Significant changes in respect of business processes required to deliver these savings across 4 contract areas.	G	0.37	0.0
6	Vehicle Fleet	Terry Pycroft	Extend life of light commercial vehicles	G	0.20	0.0
7	Recover cost of living wage	Richard Jackson	Recover from Property Cleaning.	G	0.20	0.0
8	Catering additional income.	Mandy Snaith	Increased income/efficiencies.	G	0.05	0.0
9	Additional MOT income.	Terry Pycroft	Increase number of MOTs undertaken.	G	0.03	0.0
10	Recovery of cleaning charges.	Les Reed	Recovery of charges from clients.	G	0.07	0.0
B. Other Significant Variations						
1	Net effect of all other variations			R		0.2
Civic Enterprise Leeds - Forecast Variation						0.2

STRATEGY AND RESOURCES - 2016/17 FINANCIAL YEAR FINANCIAL DASHBOARD - MONTH 6 (APRIL TO SEPTEMBER)

Overall - action plans are generally on line to deliver the budgeted savings. The only area currently expected to create a pressure is income within the PPPU which means that Strategy & Resources is currently reporting a net overspend of £193k.

Strategy & Improvement - total staffing savings amount to £38k - this arises from staff leaving via ELI and vacant posts not yet filled or not being filled. Overall the service is projected to be on line as there is a shortfall in income.

Financial Services - the current pay projection shows the Finance budget approx £34k overspent at year end. Further leavers are expected though and it is anticipated that a balanced position for the Finance service will be achieved by year end.

Human Resources - staffing is now projected to be underspent due to the freezing of posts. These savings offset some pressure on supplied and services and a shortfall in income from schools.

Information Technology - savings on staffing costs due to vacant posts are expected to be offset by reduced income as these posts are income generating. In addition, there is an £80k saving on Microsoft licences which was initially funded by transfers from directorate budgets.

PPPU - based on current projections, the Unit will be £578k overspent at year end. Even though there is an underspend on pay of £714k and a freeze on posts is in place, income is projected £1,292k less than budget. The main reasons for the shortfall in income are the fall out of NGT (£619k), Health Transformation (£81k) and various capital schemes (£559k). PPPU's Senior Management Team are reviewing workload and income streams and the reported variance assumes that an extra £278k of income can be realised by year end. Obviously this is a significant risk area for the Directorate.

Legal Services - legal are currently under budget on staffing by £32K and all expenditure budgets are online. There is a risk that internal income will be significantly below budget, principally because of reductions in the Legal establishment. However an action plan is in place and the position is being closely monitored.

Democratic Services - the Governance, Scrutiny, Civic and Ceremonial and Members' Allowances budgets are on target to deliver a slight underspend of £27k for 2016/17. However on-going, year on year pressures remain within Members' Support which has necessitated other opportunities to be explored to achieve a balanced budget across the Democratic Services division. These include the on-going secondment of a member of staff to WYCA, redesigning work packages, working arrangements and leadership responsibilities to enable vacated posts to be not filled and other in-year one off savings to be accrued.

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	
Strategy & Improvement	4,831	(471)	4,360	(38)	0	(15)	0	0	0	0	0	0	(53)	54	1
Finance	15,843	(7,004)	8,839	34	0	(16)	0	0	0	0	0	0	18	(18)	0
Human Resources	8,294	(1,903)	6,391	(85)	0	14	4	(40)	0	0	0	0	(107)	107	0
Information Technology	19,428	(6,074)	13,354	(15)	0	(160)	0	0	0	0	0	0	(175)	95	(80)
Projects, Programmes & Procurement	7,658	(6,085)	1,573	(714)	0	1	(1)	0	0	0	0	0	(714)	1,014	300
Legal Services	4,736	(6,915)	(2,179)	(108)	0	0	0	0	0	0	0	0	(108)	108	0
Democratic Services	4,944	(26)	4,918	(27)	0	0	0	0	0	0	0	0	(27)	0	(27)
Total	65,734	(28,478)	37,256	(953)	0	(176)	3	(40)	0	0	0	0	(1,166)	1,360	194

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
Efficiencies						
1	Financial services	Doug Meeson	On track to deliver budgeted savings, mainly due to reductions in staffing	G	0.8	0.0
2	HR	Lorraine Hallam	On-line advice, less HR input into low level cases, ELI and vacancy management	G	0.4	0.0
3	ICT staffing	Dylan Roberts		G	0.1	0.0
4	ICT Print Smart	Dylan Roberts	Further efficiencies on top of those delivered in 2015/16	G	0.1	0.0
5	Legal Services	Catherine Witham		G	0.1	0.0
6	Corporate Communications and intelligence	Mariana Pexton	Staffing and efficiency savings, mainly within the Communications Team	G	0.4	0.0
7	Democratic services	Catherine Witham	Staffing and efficiency savings. Member pension saving	G	0.1	0.0
8	ICT procurement savings	Dylan Roberts	Modernisation of telephony	G	0.3	0.0
9	PPPU	David Outram	Significant reduction in Procurement particularly low value procurements. Additional external income	R	0.7	0.3
Additional income - traded services, partner ai						
10	ICT	Dylan Roberts	Provision of managed service to WY Joint Services	G	0.2	0.0
B. Other Significant Variations						
	Net effect of all other variations					-0.1
Strategy and Resources Directorate - Forecast Variation						0.2

STRATEGIC & CENTRAL ACCOUNTS - 2016/17 FINANCIAL YEAR

FINANCIAL DASHBOARD - MONTH 6 (APRIL TO SEPTEMBER)

At month 6, the strategic & central budgets are anticipated to underspend by £0.7m.

The key variations are;

- Debt - a forecast pressure of £0.3m due to the conversion of short-term debt to long-term to take advantage of low long-term interest rates (net of additional prudential borrowing re strategic fund investment acquisitions)
- Section 278 income - a potential £1.2m risk due to lower levels of development activity.
- £430k forecast shortfall in income from court costs
- Procurement - a £1.9m variation which reflects that the procurement and PFI savings will be managed through directorate budgets.
- Early Leaver Initiative - a potential £0.4m additional spend over the £2m earmarked reserve.
- Savings of £2m from the additional capitalisation of eligible spend in general fund and school budgets.
- Appropriation of £2.0m of earmarked reserves.
- Savings of £2.0m on the levy contribution to the business rates.
- Joint Committee - £0.1m anticipated overspend for the Coroners' services.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES										Total (under) / overspend £'000	
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'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)	(44,422)	674		1,860					(2,000)	(1,616)	(1,082)	1,830	748
Debt	24,380	(1,103)	23,277								1,495		1,495	(1,162)	333
Govt Grants	3,015	(26,434)	(23,419)										0	(1,890)	(1,890)
Joint Committees	37,411	0	37,411			95							95		95
Miscellaneous	2,450	(1,311)	1,139										0		0
Insurance	9,831	(9,831)	0			2,247		(9)				(384)	1,854	(1,854)	0
Total	65,607	(71,167)	(6,014)	674	0	4,202	0	(9)	0	0	(505)	(2,000)	2,362	(3,076)	(714)

Key Budget Action Plans and Budget Variations:

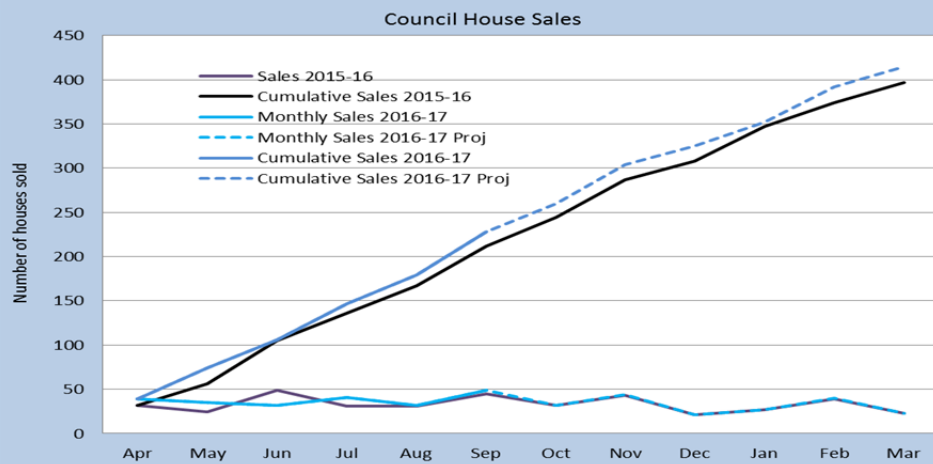
			RAG	Budget	Forecast Variation against Budget
				£m	£m
A. Major Budget Issues					
	Lead Officer	Additional Comments			
1.	Debt Costs and External Income	Doug Meeson Latest projection of increased debt costs due to new long term borrowing (net)	A	13.0	0.3
2.	Minimum Revenue Provision	Doug Meeson The budget assumes the use of £23.4m capital receipts to repay debt. There is a risk that capital receipts available to fund this may fall short by up to £1.8m.	A	10.3	0.0
3.	New Homes Bonus	Doug Meeson No material variation anticipated at this stage in the year	G	(19.2)	0.2
4.	Business Rates (S31 Grants, Tariff adjustment & EZ)	Doug Meeson Tariff adjustment £480k and Enterprise zone reliefs £370k	A	(7.1)	0.1
5.	S278 Contributions	Doug Meeson Projection from Capital team is £4m, therefore potential risk of £1.2m depending on development activity to the year-end	A	(5.2)	1.2
6.	General capitalisation target	Doug Meeson Capitalisation of eligible spend in directorate/service revenue budgets.	A	(3.0)	(1.0)
7.	Schools capitalisation target	Doug Meeson Capitalisation of eligible spend in school revenue budgets.	A	(2.5)	(1.0)
8.	Corporate Savings Target	Doug Meeson Centrally-held budget savings target. Actual savings will be shown in Directorate budgets.	A	(1.0)	1.0
9.	PFI Contract Monitoring Target	David Outram Budget held in the strategic accounts pending confirmation of where the reductions in expenditure will be achieved	A	(0.9)	0.9
10.	Early Leaver Initiative	Doug Meeson £2m earmarked reserve established to fund the severance costs in 2016/17.	A	0.0	0.4
11.	Joint Committee - Coroners Services	Doug Meeson £95k over spend projected at mth 6 due to dilapidations claim at Symons House and a large interpreter fees, partially offset by staffing cost savings	G	0.0	0.1
B. Other Significant Budgets					
1.	Insurance	Doug Meeson Potential additional costs in-year which will be managed through the Insurance Reserve	A	0.0	0.0
2.	Business Rates Levy	Doug Meeson Savings anticipated from levy	G	3.0	(2.0)
3.	Prudential Borrowing Recharges	Doug Meeson Contra budgets in directorate/service accounts.	G	(11.9)	0.0
4.	Earmarked Reserves	Doug Meeson Use of demography reserve and capital reserve	G	0.0	(1.6)
5.	Bridgwater Place	Doug Meeson Compensation to be received from the developer.	G	0.0	0.0
6.	Income	Doug Meeson Income from Court fees	A	0.0	0.4
7.	Leeds Living Wage	Doug Meeson Estimated impact of Jan rise to £8.25/ hour	A	0.0	0.3
Strategic & Central Accounts - Forecast Variation					(0.7)

Housing Revenue Account - Month 6 (September 2016)

Financial Dashboard - 2016/17 Financial Year

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

Directorate	Current Budget	Projected Year End Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
Income					
Rents	(218,375)	(218,313)	62	Projected rent lower than budget due to stock numbers being less than anticipated during budget setting.	51
Service Charges	(6,443)	(6,427)	16	Reduction in income from sheltered accommodation.	9
Other Income	(29,306)	(29,263)	43	PFI PTC (£100k), increase in RTB sales fee income (£46k) offsetting reduction in capitalised salaries due to vacant posts £170k and other small variances £18k.	69
Total Income	(254,124)	(254,003)	121		129
Expenditure					
Disrepair Provision	1,000	1,200	200	Projection due to increase in new cases which is anticipated to continue.	200
Repairs to Dwellings	43,548	43,548	-		-
Council Tax on Voids	663	725	62	Current charges indicate overspend.	62
Employees	27,792	26,991	(801)	Vacant posts (£973k) and training saving (£59k) offsetting agency staff (includes disrepair) £188k and severance costs £43k.	(585)
Premises	7,013	7,101	88	Increase in cleaning charges £77k, Site maintenance costs at Navigation House £11k	80
Supplies & Services	5,259	5,437	178	Large insurance claims £249k, LLBH PFI Japanese Knotweed consultants £15k. Offset by Tenant Mobility saving (£75k) and minor variations (£11k).	187
Internal Services	38,473	38,441	(32)	Increase in surveyor RTB valuation work £160k, PPPU recharges for PFI £92k . Offset by reduction in the GF recharges to the HRA (£228k) and Regeneration team recharge (£52k). Other small variance (£4k).	60
Capital Programme Appropriations	(7,115)	(7,492)	(377)	Large insurance claims (£249k), PFI appropriation adjustment (£128k).	(342)
Unitary Charge PFI	8,101	8,226	125	PFI scheme adjustments: UC £73k; PTC £106k; RTB (£54k).	90
Capital Charges	49,159	49,356	197	Interest receivable lower than budgeted	197
Other Expenditure	7,190	7,079	(111)	Leeds Tenant Federation - in line with 2016/17 negotiations (£50k). Transport cost reforecast (£61k).	(106)
Total Expenditure	254,124	253,653	(471)		(157)
Total Current Month	-	(350)	(350)		(28)



Change in Stock	Budget	Projection
Right to Buy sales*	380	415
New Build (PFI)	(93)	(93)
New Build (Council House Growth)	(142)	(142)
Total	145	180

* actual sales as at the end of Period 6 - 228

Right to Buy Receipts	2015/16 Actual	2016/17 Projection
Total Value of sales (£000s)	18,057	20,707
Average Selling Price per unit (£000s)	45	50
Number of Sales*	397	415
Number of Live Applications	892	1,029

	2015/16	2016/17	Variance
	£000	£000	£000
Arrears (Dwelling rents & charges) - Week 26			
Current Tenants	6,838	5,978	(860)
Former Tenants	3,175	3,831	656
	10,013	9,809	(204)
Under occupation - Week 18			
Volume of Accounts	5,078	4,835	(243)
Volume in Arrears	2,628	2,416	(212)
% in Arrears	52%	50%	-2%
Value of Arrears	825	667	(158)
Collection Rates - Week 18			
Dwelling rents	97.24%	96.73%	-0.51%
Target	98.06%	97.50%	
Variance to Target	-0.82%	-0.77%	-0.51%

