

Report of the Chief Officer Financial Services

Report to Executive Board

Date: 19th April 2017

Subject: Financial health monitoring 2016/17 – Provisional Outturn

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 general fund revenue budget, and the Housing Revenue Account.
2. The 2016/17 financial year was the first year covered by the 2015 Spending Review and again presented 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 has required the council to deliver a further £76m of savings.
3. Executive Board will recall that the 2016/17 general fund revenue budget, as approved by council, provided for a variety of actions to reduce net spend by £31.5m delivering some £76m of budget action plans by March 2017.
4. The provisional outturn position is for an overall underspend of £2m which represents an improvement of £2.8m from the previously reported (month 10) position.
5. The 2016/17 budget was supported by the use of £3.45m of general reserves. The forecast £2m underspend will reduce the use of general reserves resulting in forecast general reserves of £20.1m at March 2017.

6. The Housing Revenue Account is projecting a £1.3m surplus.

Recommendations

1. Executive Board are asked to note the provisional outturn position of the authority for the 2016/17 financial year.
2. To approve the creation of an earmarked reserve of £30k to support Armed Forces Day in June 2017.

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the council's provisional outturn position for the 2016/17 financial year.
- 1.2 Budget monitoring and management is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations.
- 1.3 The final outturn position will be reported to the Board in June 2017 together with the proposed appropriations to/from earmarked reserves.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for the 2016/17 financial year was set at £496.4m, supported by the use of £3.45m of general reserves.
- 2.2 Budget monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc.

3. Main Issues

- 3.1 The provisional outturn position is a £2m underspend, as shown in table 1 below.

Table 1 – 2016/17 provisional outturn – budget variations by directorate

(Under) / Over spend for the current period						
Directorate	Director	Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	
Adult Social Care	Cath Roff	(2,055)	915	(915)	0	
Children's Services	Steve Walker	705	17,186	(9,572)	7,614	
City Development	Martin Farrington	(910)	2,034	(2,893)	(859)	
Environment & Housing	Neil Evans	(1,710)	5,207	(6,180)	(973)	
Strategy & Resources	Alan Gay	(1,399)	(1,370)	1,372	2	
Citizens & Communities	James Rogers	(44)	1,421	(1,311)	110	
Public Health	Dr Ian Cameron	(312)	1,606	(1,642)	(36)	
Civic Enterprise Leeds	Alan Gay	205	921	(661)	260	
Strategic & Central	Alan Gay	300	(5,195)	(121)	(5,316)	
Total Current Month		(5,220)	22,725	(21,923)	802	
					Street lighting PFI (net)	(1,780)
					Use of revenue balances	(2,300)
					Creation of an 'Invest to Save' earmarked reserve	1,000
					Equal pay provision (£1.87m in provision - estimated £1.3m needed)	(500)
					Earmark to flooding reserve	700
					Create a budget for Armed Forces Day	30
2016/17 Provisional Outturn					(2,048)	

- 3.1.1 The key variations against the directorate and strategic/central revenue budgets can be found in the financial dashboards at appendix 1. Significant variations including those outside of the reported dashboards are detailed below.
- 3.1.2 The minimum revenue provision (MRP) is an annual revenue charge for the repayment of borrowing and other capital financing liabilities. The forecast position on the strategic and central budget recognises some £9.3m of savings against the MRP budget which reflects the proposal to apply capital receipts and previous overprovision to reduce the charge to the revenue budget.
- 3.1.3 New homes bonus – the forecast outturn for the strategic and central budget recognises the changes to the New Homes Bonus funding which Government announced through the 2017/18 provisional local government finance settlement and confirmed through the final settlement on the 20th February 2017. For Leeds, these changes mean a reduction of funding of £4.5m in the 2016/17 financial year which has been recognised in the forecast for the strategic and central budget.
- 3.1.4 Flexible use of capital receipts – Council, at its meeting in February 2017 approved the strategy for the flexible use of capital receipts. The forecast position on the strategic and central budget recognises the strategy to

flexibly apply capital receipts to fund severance costs in the 2016/17 financial year which releases the £2m earmarked reserve to support the 2017/18 budget and also avoids an in-year budget pressure in 2016/17.

- 3.1.5 As reported to Executive Board previously, Children's Services have received official confirmation that the Department for Education will award £9.6m of innovation funding to Leeds over the next three years of which £7.3m has been received in the 2016/17 financial year. This is the second successful bid for innovation funding and will enable Children's Services to strengthen the resources and support available in local areas to make sure that families get the support they need at the earliest possible time. The total funding will be managed across the 2016/17, 2017/18 and 2018/19 financial years and the provisional outturn assumes that the £7.3m funding received will be earmarked to reserve to carry-forward for use in future years.
- 3.1.6 As mentioned in the previous report, work has been done to review funding which is held on the balance sheet to be matched against potential future liabilities. The aim of the review was to determine whether there are opportunities to release the funding to revenue recognising those longer-term liabilities. This work has now been concluded and £2.3m of funding can appropriately be transferred from the balance sheet in the 2016/17 financial year. The proposal is to use this funding to create a £1m earmarked 'Invest to Save' revenue reserve.
- 3.1.7 The council entered into a PFI contract with Tay Valley Lighting (Leeds) Ltd (TVL) in March 2006 for the provision and maintenance of street lighting and illuminated traffic signage in Leeds. TVL has sub-contracted the majority of its obligations to Scottish and Southern Electric Contracting Limited.

The council has been approached by the owners of TVL, Scottish and Southern Energy plc and Royal Bank Leasing Limited (together SSE), regarding their publicly stated objective of divesting themselves of their shares in the service provider.

Following detailed discussions with TVL and SSE, relevant contract amendments have been agreed to facilitate the related SSE share sale. A related settlement agreement has also been agreed whereby the council has agreed a lump sum receipt of £2.78m. The provisional outturn position recognises this receipt of £2.78m of which £1m is proposed to be earmarked to reserves to support the 2017/18 budget.

- 3.1.8 The council received some £1.2m section 31 grant funding in respect of Storm Eva in order to fund the Council Tax and Business Rates discount schemes and a further £3.4m to fund the Communities and Business Recovery Scheme. Following a detailed reconciliation of the discounts and spend it is proposed to earmark £0.7m to the flooding reserve to either return to government or carry-forward to spend in 2017/18.
- 3.1.9 A review has been completed of the balances held in the equal pay provision compared to the estimated cost of future claims. The conclusion

of this review is £0.5m can be released from the provision and this has been reflected in the provisional outturn.

- 3.1.10 Leeds Armed Forces Day 2017 is scheduled to be held on the 24th June 2017. This free event is open to all members of the general public as the city says thank you and celebrates the contribution made by the Armed Forces. The provisional outturn reflects the intention to earmark £30k to recognise the council's support for this important event in the city's calendar.
- 3.1.11 The balance of the council's general reserves at April 2016 was £21.6m with a budgeted use of £3.5m in 2016/17 resulting in an estimated general reserves balance of £18.1m at March 2017. The provisional outturn underspend of £2m will reduce the call on general reserves to £1.6m resulting in an estimated balance of £20.1m at March 2017. This increase in the estimated general reserves is very much in line with the intentions outlined in the medium-term financial strategy and recognises the changing risk profile of council funding going forward.
- 3.1.12 The 2016/17 outturn position will be finalised and brought to the Executive Board in June 2017, together with the appropriate recommendations with regards to appropriations to and from earmarked reserves.

3.2 Other financial performance

- 3.2.1 Council tax – the in-year collection rate at the end of February 2017 was 93.43% which is 0.17% ahead of 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 £303m of council tax income.

3.2.2 Business rates

The business rates collection rate at the end of February 2017 was 94% which is 0.1% 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 £380.9m of income.

3.2.3 Prompt payment of creditor invoices

The current performance for the prompt payment of invoices processed within 30 days is 91.73% which is marginally below the target of 92%.

4. Housing Revenue Account (HRA)

- 4.1 The provisional outturn position for the HRA is a £1.3m surplus. Projected income from rents and service charges are forecast to be below the budget with a £0.2m estimated variation at the year-end. Other income is forecast to be £0.8m more than the budget due in the main to £0.49m of income from the gain share arrangement with Mears which will be appropriated to the HRA capital reserve. There are a number of variations against the expenditure budgets which together total an underspend of £0.7m, including an underspend of £1.1m on the employee budget due in

the main to staffing vacancies, a pressure on the disrepair provision of £0.7m because of new cases and a saving of £0.12m on the supplies and services heading. 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 provisional outturn position of the authority for the 2016/17 financial year.

6.2 To approve the creation of an earmarked reserve of £30k to support Armed Forces Day in June 2017.

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 FINANCIAL YEAR

FINANCIAL DASHBOARD - PROVISIONAL OUTTURN

Overall narrative

The directorate is projecting a balanced position at the financial year-end, as also reported at P10. Projected spend on community care packages has decreased, there is an increase in expected income, though this has been slightly offset by additional staffing costs. It is projected that the directorate will be using £0.5m less of reserves than assumed in the original budget.

A review of budget action plans has taken place and slippage totalling **£1.9m** is projected at the year-end, this is the same as reported at P10. Contingency savings have been identified to offset the impact. There is a projected shortfall of £0.6m in delivering the specific actions within the community care packages budget, with the largest shortfall relating to lower than anticipated reablement figures. Slippage of £0.8m relates to contracts and grants budgeted savings and £0.5m 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 the provisional outturn across the key expenditure types are as follows:

Staffing (-£2.1m – 3.9%)

Savings within Access and Care Delivery total £0.9m; 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 £1.2m are projected in Commissioning Services, Resources and Strategy and Health Partnerships due to ongoing vacancies.

Community care packages (+£2.5m – 1.5%)

Expenditure on the learning disability pooled budget is projected to exceed the budget provision. There is also some pressure on the direct payments budget, though this is considered to be a catching up of fee levels for 2015/16 as opposed to a growth in numbers.

Transport (+£0.6m – 14.0%)

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 e.g. an equal pay resolution.

Income (-£0.9m – 1.4%)

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. Additional Resilience funding of £0.2m has been received.

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	405	(152)	252	(105)	0	75	0	4	282	0	0	(161)	94	(184)	(89)
Access & Care Delivery	246,408	(39,913)	206,495	(875)	(48)	(229)	(117)	741	1,756	312	0	0	1,539	(778)	761
Commissioning Services	12,828	(24,298)	(11,470)	(491)	(11)	(125)	(3)	4	202	0	0	621	198	(497)	(299)
Resources and Strategy	7,486	(1,249)	6,237	(583)	(1)	(165)	(3)	(215)	50	0	0	0	(917)	544	(372)
Total	267,126	(65,612)	201,515	(2,055)	(59)	(444)	(123)	534	2,290	312	0	460	915	(915)	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	0.5
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	0.2
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	G	3.0	0.0
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	G	1.4	0.8
8.	Vacancy management	Various	Mainly non-frontline services	G	0.8	0.0
9.	Fees and charges	A Hill	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			(2.7)
2.	Community care packages	J Bootle / M Naismith	Pressures experienced on residential & nursing placements and the learning disability pooled budget are continuing			1.9
3.	Transport	J Bootle / M Naismith	Mainly increased costs, which are under investigation with Passenger Transport Services			0.6
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			(1.2)
5.	Use of reserves	S Hume	Lower requirement for use of reserves			0.5
6.	Income	Various	Mainly funding for staffing costs through the learning disability pooled budget, service user contributions and Resilience monies			(0.9)
				Adult Social Care Directorate - Forecast Variation		0.0

CHILDREN'S SERVICES 2016/17 FINANCIAL YEAR FINANCIAL DASHBOARD - PROVISIONAL OUTTURN

Overall - at provisional outturn the Directorate is reporting a projected overspend of £7.6m. This is an increase of £1m to the position reported for Period 10, the main change being that it is now proposed to carry forward to 2017/18 all the £7.3m new DfE Innovations funding that has recently been received. This will enable the impact of the additional investment in services to be maximised over the next three years. The Period 10 projection assumed that £1m of this funding would be applied in 2016/17.

CLA Obsession - at the provisional outturn, the directorate is looking after an additional 30 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 £5.6m pressure around CLA demand budgets. This is partially offset by the release of £2.3m from the demand and demography reserve. There are currently 1,246 CLA children (decrease of 9 from P10); this includes 56 with ER and 190 with IFA's. There is a £1m pressure on in-house fostering but this is off-set by £-1.1m additional income on adoption. Overall the CLA budget supports 1,170 placements which includes provision for 36 ER and 181 IFA placements. The current year end projection is based on ER numbers staying constant for the remainder of the financial year at 56 with IFA numbers also remaining at 190.

Staffing - Current assumption is for staffing to overspend by £0.7m, the same as reported at P10. Spend on agency staff and overtime continue to be tightly controlled.

DfE Innovations Funding - There is a pressure of £0.9m within the existing DfE Innovations funding.

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 £1.2m, which is net of the appropriation of £1m from the specific demand & demography earmarked reserve.

Other Income - The new Innovations & Partners in Practise bid has now been approved and will provide additional funding of £9.6m to be spent over three years. A total of £7.3m has been now been received in 2016/17 and it is proposed that all this funding is carried forward to 2017/18. There 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 during the year in relation to the Social Emotional and Mental Health provision, Funding for Inclusion numbers and Central Early Years expenditure which total £5.012m; a £0.632m reduction from P10. School Forum on the 1st December received a report on the DSG budget which outlined the various pressures faced. There is a £0.4m credit on the schools de-delegated budget taking the overall pressure to £4.6m.

Appropriation - The position reflects the carry-forward of £8.7m of income; £7.3m DfE Partners In Practise income for Re-imagining Child Welfare Services for the 21st century; £1.268m Health Innovations income and £0.13m DfE High Needs Strategic Planning fund.

Budget Management - net variations against the approved budget

	Expenditure Budget	Income Budget	Latest Estimate	PROJECTED VARIANCES											Total (under) / overspend	
				Staffing	Premises	Supplies & Transport Services	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income			
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000
Demand Led Budgets:																
External and other Residential Placements	7,002	(2,835)	4,167						4,405				(2,293)	2,112	40	2,152
Independent Fostering Agencies	7,613	0	7,613						1,218					1,218		1,218
In House Fostering, Adoption, SGO and RO	21,560	(2,755)	18,805						963					963	(1,153)	(190)
SEN Outside Placements	4,857	(4,857)	0						863					863	(863)	0
Leaving Care	5,052	(1,160)	3,892						1,202					1,202	(453)	749
Transport	5,210	0	5,210				2,200						(1,000)	1,200		1,200
Sub total Demand Led Budgets	51,294	(11,607)	39,687	0	0	0	2,200	0	8,651	0	0	0	(3,293)	7,558	(2,429)	5,129
Partner Funding																
Schools Forum(A Life Ready For Learning)	0	(3,380)	(3,380)										875	875	152	1,027
Partner Funding of Family Services		(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	14,457	(1,371)	13,086	600	204	(296)	2	99	(100)	49		1,268	1,826	(1,374)	452	
Learning, Skills & Universal Services	129,723	(112,488)	17,235	7	200	(327)	0	(146)	(1,390)	0		143	(1,513)	3,107	1,594	
Safeguarding, Targeted & Specialist Services	75,377	(17,722)	57,655	156	(51)	256	138	144	799	(162)		7,218	8,498	(9,684)	(1,186)	
Central Overheads	8,809	(11,753)	(2,944)	(58)									(58)	56	(2)	
Sub total Other Budgets	228,366	(143,334)	85,032	705	353	(367)	140	97	(691)	(113)	0	8,629	8,753	(7,895)	858	
Total	279,660	(159,921)	119,739	705	353	(367)	2,340	97	7,960	(113)	0	6,211	17,186	(9,572)	7,614	

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments		Action Plan Value	Forecast Variation
A. Significant Variations				RAG	£m	£m
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies) partly offset by additional income from adoption. This is net of £2.3m from the demand and demography reserve.			3.30
	Passenger Transport	Sue Rumbold	Increased numbers of children requiring education outside the city, increased complexity of need and an increase in private hire rates, net of £1m from the demand and demography reserve.			1.20
	Income - DSG	Steve Walker	The current projection allows for a £0.75m shortfall against the budgeted income.			0.75
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	Additional Funding unlikely to be received.	R	1.60	1.60
C1	Reconfigure services to young people at risk of becoming NEET	Andrea Richardson	IAG contract was extended to July 2016. Some existing provider staff subject to 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	0.70
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, however, there will be a £0.4m shortfall against the budget.	G	0.50	0.40
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	(0.89)
Children's Services Directorate - Forecast Variation						7.61

CITY DEVELOPMENT 16/17 BUDGET FINANCIAL DASHBOARD -PROVISIONAL OUTTURN (APRIL TO FEBRUARY)

Overall -

The Provisional outturn position is a notably increased underspend of (£859k). This projected (£443k) improvement has been recognised due, in the main, to new and additional rental income from new asset purchases (Century Way, Sovereign Street and Blenheim Court) and from Highways the release of savings on winter maintenance due to the continued mild winter conditions. There remain a number of one-off pressures that are being managed through additional income receipts and specific actions such as the use of Bridgewater Place money estimated at £930k, and revised Arena debt savings of £217k. These pressures continue to be managed with the expectation that they will not cross over into 2017/18.

The Planning and Sustainable Development Service has seen continued growth in activity across the service throughout 2016/17 resulting in exceeding income targets by over £400k, whilst still delivering staffing savings of over £200k through careful vacancy management. This has facilitated funding other activities and pressures within supplies and services, including the £200k increase in Planning Appeals costs.

Kirkgate Market income remains the main pressure in Economic Development, a shortfall of £604k. This pressure is due in the main to the in year extension of rent discounts for both indoor and outdoor tenants, later than anticipated new lettings resulting from delays to the market redevelopment plus additional demands on maintenance and promotional expenditure.

Asset Management and Regeneration has been very successful in the acquisition of new income generating assets delivering a net £1.1m of additional income, which offsets the projected shortfall in advertising income of £506k from delays in the development and operation of new sites. An additional provision of £177K has been made in respect of a number of dilapidation claims made against the authority for premises formerly leased in, which is offset by the revised Arena debt savings of (£217k).

Highways and Transportation have contracted further work with their strategic partners Mouchel increasing external spend, offset by savings on Winter Maintenance and additional income mainly from the Bridgewater Place settlement.

In 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 a NNDR Rebate and increased Town Hall bar and catering income. Increased spend in supplies and services are generally funded by and relate to the increase in income from events.

Sport and Active Recreation increased expenditure on catering, resalable items and consultancy costs are offset by additional income. Pressures on income include £40k relating to the pool closure and refurbishment at John Smeaton and a £60k due to a VAT error on the Fitness and Swim Bodyline Offer. The service is also experiencing a downturn in Bodyline income due to the number of budget gyms that have opened across the city within the last 18 months.

The Directorate Strategy is to use the proposed £930k Bridge Water Place settlement to part fund these net pressures and contribute the balance to the corporate strategy. In the service analysis below £371k is utilised against specific services and £559k in Highways & Transportation.

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	(211)	(15)	397	(3)	14	0	0	0	0	182	(408)	(226)
Economic Development	5,110	(4,241)	869	56	117	170	(10)	17	0	0	0	0	350	220	570
Asset Management and Regeneration	11,181	(10,410)	771	(182)	1,046	(21)	0	699	0	0	16	0	1,558	(2,129)	(571)
Highways and Transportation	56,590	(40,407)	16,183	(514)	202	(242)	376	12	0	0	0	0	(166)	(504)	(670)
Arts and Heritage	16,983	(7,243)	9,740	(3)	(130)	241	10	76	22	2	0	0	218	(215)	3
Sport and Active Recreation	24,405	(18,739)	5,666	8	71	51	0	(20)	(60)	0	0	0	50	118	168
Resources and Strategy	1,720	(581)	1,139	(64)	(6)	(46)	1	(43)	0	0	0	0	(158)	25	(133)
Total	124,560	(87,374)	37,186	(910)	1,285	550	374	755	(38)	2	16	0	2,034	(2,893)	(859)

Key Budget Action Plans and Budget Variations:				RAG	Action Plan Value	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments		£'000	£'000
A. Budget Action Plans						
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	(426)
2.	Economic Development	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation.	A	280	144
3.	Asset Management & Regeneration	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation.	G	410	46
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	(111)
5.	Arts and Heritage	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation.	G	570	3
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.	A	440	168
8.	Resources and Strategy	Ed Mylan	Reduction in the net cost of service via efficiencies and staffing savings.	G	30	(133)
9.	Directorate	All Chief Officers	Directorate-wide additional income target.	G	387	0
B. Other Significant Variations						
1.	Asset Management	Tom Bridges	Reduced borrowing costs at Leeds Arena (£217k) income from new assets (£1,083k) offsetting reduced income from Advertising £506k and dilapidation claims £177k.			(617)
2.	Planning Appeals	Tim Hill	Increased planning appeal costs.			200
3.	Kirkgate Market	Tom Bridges	Extension of rent discounts and other rent reductions resulting from the delay in the Kirkgate redevelopment.			426
4.	Bridgewater Place	Martin Farrington	As per the Directorate Strategy, use of balance of Bridgewater Place settlement to mitigate pressures and contribute to delivering an underspend to support the Council Financial Strategy.			(559)
City Development Directorate - Forecast Variation						(859)

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR
PROVISIONAL OUTTURN - February 2017

Overall Position (£973k under budget)

Community Safety (£116k under budget)

The service is projecting an underspend on staffing of £196k (offset by reduced charges to HRA of £77k). One off income in year has been received from West Yorkshire Police & Crime Commissioner (£89k) for contributions to LASBT (Leeds Anti social behaviour team), (£40k) for Domestic Violence and additional Ministry of Justice funds (£85k) have been utilised. CCTV income is projected to be lower than budgeted by £200k. Other variances total £17k.

Parks & Countryside (£10k under budget)

The service is projecting an overall variance at Cafe /Retail and Attractions of (£157k), including the reduced income at Tropical World due to partial closure during refurbishment. A projected reduction in income from both Bereavement £150k and Golf £61k is partially offset by other variations in staffing and income (£64k).

Environmental Action & Health (£484k under budget)

Env Action - Projected staffing savings of (£834k) are offset by reduced income from HRA of £167k, loss of Wellbeing funding £36k, reduced FPN income of £52k and additional transport costs of £116k in respect of GPS system for gully tankers and additional vehicles. Other variations total £136k.
 Env Health - projected staffing savings of (£198k), partially offset by increased legal costs £44k and other variations of (£3k).

Car Parking (£456k under budget)

Ongoing vacant attendant posts (£245k) are partially offset by minor expenditure variations of £6k. Overall, additional income of (£217k) is projected which includes: Woodhouse Lane (£163k), of which (£90k) is for the 50p increase (in June); other off street parking of (£232k); and additional PCN income of (£245k); partly offset by a projected shortfall in on-street income of £258k and a shortfall in BLE income of £188k based on latest trends.

Housing Support/Partnerships/SECC/SP Contracts (£129k under budget)

Housing staffing underspends (£465k) due to vacant posts are partially offset by a reduction of £174k corresponding income, mainly charged to HRA. Variations in SP are £13k and SECC (£26k). Other variations across all areas are projected to be £175k, which includes additional Travellers costs £58k and £40k St Georges Crypt contribution.

General Fund SS (+£968k over budget)

This pressure mainly relates to the Directorate wide staffing efficiency target, with corresponding staffing savings having now been achieved within individual services.

Leeds Building Services (£100k over budget)

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. The service has a WIP of £10.1m. Additional expenditure of £100k is anticipated in respect of upfront costs associated with transformational work around the integration of Construction Services and Property Maintenance which will generate significant efficiencies in 2017/18.

Waste Management (£846k under budget)

Refuse (£72k under budget)

The service is projecting an underspend on vehicle repairs of £90k. In addition there are staffing savings relating to the vacant Head of Service post following the recruitment of the new Waste Management Chief Officer. These savings are partially offset by additional staffing costs relating to Christmas cover and the cost of union support to the redesign of collection routes which is key to delivering the 2017/18 efficiency savings. Other staffing costs relating to back up routes and sickness levels are projected to be contained within the overall staffing budget.

HWSS & Infrastructure (+£30k over budget)

Additional staffing costs of £109k are forecast, which reflects additional operatives at HWSS required to deal with higher than anticipated waste volumes and increased sickness levels. In addition, vehicle repair costs of £29k are projected. Additional Trade contract income is projected to largely offset the expenditure variations, leaving a projected overspend of £30k.

Waste Strategy & Disposal (£804k under budget)

The rateable value of the RERF is close to finalisation and it is anticipated that there will be savings on business rates of £400k from the budgeted amount of £1.07m. In addition, lower than anticipated tonnage volumes and a share of electricity and penalty income have resulted in a further projected underspend of (£182k) at the RERF. The reduction in gate fees experienced in recent months has continued and has resulted in a projected underspend of (£303k) in respect of SORT disposal costs. Offsetting these projected underspends are higher than anticipated tonnages at Household Waste Sorting Sites of a net £301k. All other variations are anticipated to reduce the overall position by a further (£320k).

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	8,800	(6,608)	2,192	(190)	0	(280)	5	(169)					(634)	518	(116)
Strategic Housing, SECC, Contracts	18,524	(9,440)	9,084	(597)	13	309	17	83	27				(148)	19	(129)
General Fund Support	(363)	(409)	(772)	810		158	0						968	0	968
Leeds Building Services	45,305	(51,376)	(6,071)	(419)	148	6,140	(160)						5,709	(5,609)	100
Parks & Countryside	29,338	(21,885)	7,453	(152)	(230)	1,113	(70)	232					893	(903)	(10)
Waste Strategy and Disposal	20,428	(5,749)	14,679	(10)	(439)	(273)	0						(722)	(82)	(804)
Household Waste Sites & Infrastructure	4,502	(487)	4,015	110	16	37	21						184	(154)	30
Refuse Collection	16,678	(375)	16,303	15	(12)	4	(79)	2					(70)	(2)	(72)
Environmental Action	15,429	(4,369)	11,060	(834)	29	127	129	(16)					(565)	238	(327)
Environmental Health	3,129	(769)	2,360	(198)	(2)	(7)	6	44					(157)	0	(157)
Car Parking	5,003	(12,629)	(7,626)	(245)	18	(60)	18	18					(251)	(205)	(456)
Total	166,773	(114,096)	52,677	(1,710)	(459)	7,268	(113)	194	27	0	0	0	5,207	(6,180)	(973)

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	Projected underspend reflects savings on Business Rates at the RERF	G	(4.5)	(0.4)
2.	HWSS Strategic Review	Andrew Lingham	Service still reviewing options. Other savings identified in 16/17.	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	G	(0.2)	0.0
5.	Car Parking	Helen Freeman	Review of Price tariffs and additional income target.	G	(0.2)	0.0
6.	WYP & CC grant use	Sam Millar	£713k funding budgeted - share of £1m for WY districts now agreed.	G	(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)	0.0
8.	Directorate wide staffing reductions	Neil Evans	Pressure of £0.98m offset by staffing savings in services (see 6 and 10 below)	G	(1.2)	1.0
9.	Contract / Procurement Savings / Line by Line		Contract savings target (£358k). Paper/card recycling savings identified (£50k), further savings identified to offset remainder.	G	(0.3)	0.0
10.	All Other action plan items			G	(0.1)	0.0
				Sub Total	(8.4)	
B. Other Significant Variations						
1.	Waste Disposal Costs	Andrew Lingham	Net budget £15.7m for 329.2k tonnes of waste; -£353k variation at P11			(0.4)
2.	Refuse Collection staffing costs	Tom Smith	£12.2m pay budget in service; £7k variation anticipated at P11			0.0
3.	Refuse Collection vehicle costs	Tom Smith	Repairs £0.7m; Fuel £1.2m. Fuel +£22k variance at P11, repairs £90k under			(0.1)
4.	Car Parking BLE / PCN income	Helen Freeman	BLE £1.4m ; PCN's £2.3m. (£57k) variance projected at P11			(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)			(0.2)
6.	Environmental Action staffing	Helen Freeman	£13.5m pay budget in service			(0.9)
7.	Property Maintenance	Simon Costigan	Budgeted surplus of £5.2m required to be delivered. Service currently operating with £10.1m WIP			0.1
8.	Parks and Countryside - Attractions	Sean Flesher	£1.7m Income budget (incl: TWorld £1.3 m budget)			(0.2)
9.	Parks and Countryside - Bereavement Services	Sean Flesher	£6.3 m budget (variance at P11 £150k)			0.2
10.	All other variations		Mainly staffing			(0.2)
					Environment & Housing - Forecast Variation (1.0)	

STRATEGY AND RESOURCES

FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR

PROVISIONAL OUTTURN

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 balanced position.

Strategy & Improvement

An underspend of £60k is projected in respect of the budget actions for the service. However, an income budget of £180k relating to staff who previously charged their time to capital who are now working on key revenue change programmes remains, resulting in an overall overspend of £120k. This income budget has been removed in the 2017/18 as part of the Support Services review.

Finance

Largely due to early leavers, pay is now slightly under budget. Spend on running costs in the Revenues Division, mainly postage charges, is in excess of budget resulting in an overall projected overspend of £75k.

Human Resources

HR plan on meeting the £371k efficiency savings incorporated in the budget, through freezing recruitment and the use of the early leavers initiative. The position is now projected to be an underspend of £98k.

Information Technology

Saving target of £650k implemented during the budget setting process is expected to be achieved.

PPPU

Based on current projections, the Unit will be £185k overspent at year end. Even though there is an underspend on pay of £791k and a freeze on posts is in place, income is projected £871k 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. PPPU's Increased income had improved the projection from previous months, but this remains a significant risk area for the Directorate.

Legal Services

Legal are currently under budget on staffing by £160k and all expenditure budgets are online. There is a risk that internal income will be below budget, principally because of reductions in the Legal establishment. An action plan is, however, 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 come under budget 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 (generating £35k income), redesigning work packages, working arrangements and leadership responsibilities to enable vacated posts to be not filled has generated further savings of £35k and one off savings on Members Allowances has generated savings of £90k.

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	4,834	(472)	4,362	(97)	2	(29)	(7)	15	0	0	0	0	(117)	237	120
Finance	15,162	(6,775)	8,387	(24)	1	147	(16)	21	0	0	0	0	129	(54)	75
Human Resources	8,305	(1,915)	6,390	(214)	2	(29)	(21)	(29)	0	0	0	0	(291)	193	(98)
Information Technology	19,428	(6,074)	13,354	12	0	(97)	(7)	11	0	0	0	0	(81)	0	(81)
Projects, Programmes & Procurement	7,658	(6,085)	1,573	(791)	0	33	(4)	76	0	0	0	0	(686)	871	185
Legal Services	4,736	(6,915)	(2,179)	(160)	0	0	0	0	0	0	0	0	(160)	160	0
Democratic Services	4,944	(26)	4,918	(125)	0	(40)	0	0	0	0	0	0	(165)	(35)	(200)
Total	65,067	(28,262)	36,805	(1,399)	5	(15)	(55)	94	0	0	0	0	(1,371)	1,372	1

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	Further changes to way services provided, self service, less internal audit, centralisation.	G	0.76	0.08
2	HR	Lorraine Hallam	On-line advice, less HR input into low level cases, ELI and vacancy management	G	0.37	0.00
3	ICT staffing	Dylan Roberts		G	0.12	0.00
4	ICT Print Smart	Dylan Roberts	Further efficiencies on top of those delivered in 2015/16	G	0.10	0.00
5	Legal Services	Catherine Witham		G	0.05	0.00
6	Corporate Communications and intelligence	Mariana Pexton	Staffing and efficiency savings, mainly within the Communications Team	G	0.38	-0.03
7	Democratic services	Catherine Witham	Staffing and efficiency savings. Member pension saving	G	0.12	-0.13
8	ICT procurement savings	Dylan Roberts	Modernisation of telephony	G	0.33	0.00
9	PPPU	David Outram	Significant reduction in Procurement particularly low value procurements. Additional external income	R	0.66	0.19
	Additional income - traded services, partner and other income					
10	ICT	Dylan Roberts	Provision of managed service to WY Joint Services	G	0.15	0.00
B. Other Significant Variations						
	Net effect of all other variations					-0.11

Strategy and Resources Directorate - Forecast Variation 0.00

CITIZENS AND COMMUNITIES

FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR PROVISIONAL OUTTURN

Overall

Budget action plans have been reviewed with each Chief Officer and at present it is anticipated that although most plans will be achieved, overall there will be an overspend of £110k at year end.

Communities

The latest figures for Community Centres indicate a potential overspend of £20k, this assumes some savings in utility costs but doesn't take account of any potential Community Asset Transfers which could potentially be £30k. 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. Budget 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 essential migration of call centre lines to Virgin will deliver annual savings of £100k, the overall cost of the work needed to be undertaken and is likely to be approx £140k. This includes the upgrading some aged equipment, so an element of the cost can be capitalised.

Elections, Licensing & Registration

Staffing costs at Period 11 continue to be underspent, this is projected to be £83k. Additional staffing requirements previously identified in Vehicle Licensing have been delayed, resulting in a saving on staffing of £41k. Staffing savings also arise in Registrars and Entertainment Licensing which are £37k and £18k underspent respectively. Elections is slightly overspent by £14k. The collection of income continues to do well and is reflected in the projections for 16/17. A total of £229k of projected income in excess of the budget has been identified at this stage in the year, this arises across three areas: Registrars £120k, Local Land Charges £60k and Entertainment Licensing £48k. A clearer picture of the grant funding due in relation to last year's General Election and this year's PCC Election and EU Referendum has now been ascertained. EU referendum costs have exceeded grant funding available by £100k, this will have to be funded by the council. Furthermore, a shortfall of £21k in funding for the 2015 General Election has been identified. This is offset in part by additional income of £54k received in relation to the 2014 European Elections. It is anticipated the remaining overspend can be covered by savings in the base budget. It is anticipated approx £100k of IER grant funding will be carried forward into 17/18.

Benefits, Welfare and Poverty

The main pressure is still Housing Benefit overpayment income although the situation is improving due to the intervention caseload currently being worked - this month shows a £650k shortfall against budget. This pressure is largely offset by additional Government grant, mainly 'FERIS' combined with an underspend of £299k on the Local Welfare Support Service.

Benefits have started to feel the effects of the initial changes from the introduction of Universal Credit (commenced Feb 2016). Only one benefit has been taken out of LCC control for new cases but there may well be a noticed change to case load. Of the vacancies held in Benefits, 7 of those are seeking recruitment this financial year, however this is looking less likely as we progress into Month 12. 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, measures have been taken to reduce the level of overtime. There have been a couple of windfall grants notified which have been declared. The FERIS and Single Fraud grants have been reflected and match the cost of additional off-site processing work. The Social Inclusion Fund (SIF) team will be fully funded by the Casino Reserve and with the Casino now open a small amount of additional income from the profits of the casino should be available to support any SIF project spend. With the newly procured suppliers for postages LCC should see the reductions in costs materialising which should mean meeting the supplies and services efficiencies.

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	(75)	50	93	(5)	37	(8)	0	0	58	150	(151)	(1)
Customer Access	23,230	(2,761)	20,469	261	0	141	0	(3)	0	0	0	0	399	(105)	294
Elections, Licensing & Registration	7,777	(7,051)	726	(83)	51	45	(6)	(72)	0	0	0	0	(65)	(178)	(243)
Benefits, Welfare and Poverty	287,302	(284,390)	2,912	(147)	(2)	359	(17)	75	668	1	0	0	937	(877)	60
Total	330,761	(301,102)	29,659	(44)	99	638	(28)	37	660	1	0	58	1,421	(1,311)	110

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					
	Community hubs	Lee Hemsworth	R	0.10	0.25
	Running costs	Shaid Mahmood	G	0.29	0.00
	Transactional web	Lee Hemsworth	G	0.20	0.00
	Registrars	John Mulcahy	G	0.07	0.00
	Asset savings	Shaid Mahmood/Lee Hemsworth	G	0.12	0.00
	Staffing Savings (Libraries)	Lee Hemsworth	G	0.02	0.00
	Other	All CO's	G	0.10	0.00
Changes to service					
	Third sector infrastructure grant	Shaid Mahmood	B	0.07	0.00
	Reduction in wellbeing and youth activities	Shaid Mahmood	B	0.20	0.00
	Innovation Fund	Shaid Mahmood	B	0.05	0.00
	Service Reductions	Lee Hemsworth	B	0.10	0.00
	Service Reductions	Lee Hemsworth	B	0.10	0.00
Additional income - traded services, partner and other income					
	Housing benefits overpayments	Steve Carey	R	0.35	0.65
	Council Tax Single Person Discount	Steve Carey	B	0.00	0.00
	Advice consortium and welfare rights	Steve Carey	B	0.20	0.00
	Local Welfare Support Scheme	Steve Carey	B	0.10	0.00
				2.07	
B. Other Significant Budgets					
	Net effect of all other variations				-0.79

Citizens and Communities Directorate - Forecast Variation

0.11

PUBLIC HEALTH

FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR

PROVISIONAL OUTTURN

Overall

The allocation of the ring fenced Public Health grant for 2016-17 is £46,630k, this includes an additional £4,993k 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 continuing and significant reduction to the ring-fenced grant allocation.

The 2016/17 budget reflects savings of £1.1m from successful consultation and negotiation with our partners and providers including 3rd Sector and NHS providers. In addition savings have been made from the Public Health funding which is provided across Council directorates to support joint commissioning and commissioning of Council run services resulting in £355k of savings. Savings of £955k have been found from Public Health programme budgets, vacant posts, support services and running costs.

Detailed Analysis

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.

There are a number of vacant posts on hold as a result of a review to prioritise critical posts that need to be filled and further staff turnover and delays in recruitment mean that pay costs are projected to be £212k 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. Activity data for quarter 2 was less than anticipated, though the data available quarter 3 has shown an increase in activity. Leeds Community Healthcare Trust has also confirmed that a contract due to expire in March has ended early which has resulted in extra savings in 2016/17.

During 2015/16, £3m was received from South and East CCG to set up a Health Inequalities Fund. Of this, £500k was budgeted to be spent in 2016/17. Based on January projections, the actual spend for 2016/17 is now estimated to be £385k, which means that £115k less is required from the reserve. In addition to this, a further £1m has been received during the year and will be added to the reserve. This means that this earmarked reserve is expected to be £3,615k by the end of the year.

Overall, this means that the grant funded budgets are projected to be £742k underspent. This underspend will be used to reduce the £1,326k required from reserves to fund the budget shortfall, meaning that the funding required from reserves is now expected to be £584k.

In Supporting People there are a number of vacancies and recruitment delays which has resulted in a projected underspend of £103k on pay, though this is partly offset by a slight increase in running costs and a corresponding reduction in income of £66k to give an overall underspend of £36k.

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		(46,630)	(46,630)	0	0	0	0	0	0	0	0	0	0	0	0	0
Staffing and General Running Costs	5,030		5,030	(212)	(1)	50	(10)	32	0	0	0	0	0	(141)	(39)	(180)
Commissioned and Programmed Services:																
- General Public Health	208		208	0	0	0	0	0	(91)	0	0	0	0	(91)	0	(91)
- Population Healthcare	278		278	0	0	2	0	0	0	0	0	0	2	0	0	2
- Healthy Living and Health Improvement	15,326	(140)	15,186	0	0	(2)	0	33	(77)	0	0	0	0	(46)	(160)	(206)
- Older People and Long Term Conditions	2,683	(369)	2,314	3	1	110	0	(2)	(189)	0	0	0	0	(77)	(68)	(145)
- Child and Maternal Health	14,085	(26)	14,059	0	0	1	0	(4)	(166)	0	0	0	0	(169)	7	(162)
- Mental Wellbeing and Sexual Health	9,301	(52)	9,249	0	3	(29)	(1)	(1)	149	0	0	0	121	(1,423)	(1,302)	
- Health Protection	906	(100)	806	0	0	0	0	0	251	0	0	0	251	(25)	226	
Transfer From Reserves		(500)	(500)									1,858	1,858		1,858	
Supporting People	964	(637)	327	(103)	1	0	0	0	0	0	0	0	0	(102)	66	(36)
Drugs Commissioning	1,260	(1,260)	0	0	0	9	0	0	(9)	0	0	0	0	0	0	0
Total	50,041	(49,714)	327	(312)	4	141	(11)	58	(132)	0	0	1,858	1,606	(1,642)	(36)	

Key Budget Action Plans and Budget Variations:					
	Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
A. Key Budget Action Plans				£m	£m
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	B	0.80	0.00
- Staff savings	Ian Cameron	Reduction in staffing pay budget through vacant posts on hold and vacancy management throughout 2016/17	B	0.42	0.00
Review of commissioned services					
Third Sector					
- 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.	B	0.16	0.00
- Drugs and alcohol services	Ian Cameron	Initial consultation with provider has taken place, further discussions are planned.	B	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.	B	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.	B	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.	B	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.	B	0.60	0.00
B. Other Variations					
Projected underspend on staffing costs					(0.23)
Net effect of all other variations					(0.04)
Public Health - Forecast Variation					(0.04)

CIVIC ENTERPRISE LEEDS
FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR
PROVISIONAL OUTTURN

Overall

The overall projected provisional outturn is an overspend of £260k mainly explained by a £450k overspend against the Catering net budget plus a £320k overspend against the CPM budget. This shortfall is offset by a significant saving in the Business Support Centre of £450k and £150k in Facilities Management.

Business Support Centre

BSC are forecast to underspend by £450k due to savings in pay and running costs .

Commercial Services

The Commercial Services overspend of £540k is mainly due to 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. Although there is a £200k shortfall against the budgeted return, the traded part of Catering is projecting an overall return of £1.2m. 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

An underspend of £150k is the forecast provisional outturn position 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

An overspend of £320k is the forecast provisional outturn after which assuming budgeted savings of £150k staffing and £450k on building maintenance have been achieved. The overspend is a result of building maintenance expenditure incurred on void properties.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
Business Support Centre	15,269	(5,590)	9,679	(467)	(34)	(123)	(6)	(43)	0	0	0	0	(673)	223	(450)
Commercial Services	59,532	(56,996)	2,536	895	(51)	323	458	(4)	0	0	0	0	1,621	(1,081)	540
Facilities Management	10,088	(4,123)	5,965	(223)	(43)	(93)	15	(3)	0	0	0	0	(347)	197	(150)
Corporate Property Management	5,959	(587)	5,372	0	320	0	0	0	0	0	0	0	320	0	320
Total	90,848	(67,296)	23,552	205	192	107	467	(50)	0	0	0	0	921	(661)	260

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, Tribecca £110k	G	0.29	0.00
2	Maintenance of council buildings	Sarah Martin	Reduce responsive maintenance	G	0.60	0.00
3	Catering Savings	Mandy Snaith	Agency staff	G	0.05	0.00
4	Energy	Sarah Martin	Impact of energy efficiency measures	G	0.05	0.00
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	0.00
6	Vehicle Fleet	Terry Pycroft	Extend life of light commercial vehicles	G	0.20	0.00
7	Recover cost of living wage	Richard Jackson	Recover from Property Cleaning.	G	0.20	0.00
8	Catering additional income.	Mandy Snaith	Increased income/efficiencies.	R	0.05	0.45
9	Additional MOT income.	Terry Pycroft	Increase number of MOTs undertaken.	G	0.03	0.00
10	Recovery of cleaning charges.	Les Reed	Recovery of charges from clients.	G	0.07	0.00
B. Other Significant Variations						
1	Net effect of all other variations			R		-0.19
Civic Enterprise Leeds - Forecast Variation						0.26

STRATEGIC & CENTRAL ACCOUNTS - 2016/17 FINANCIAL YEAR
FINANCIAL DASHBOARD - PROVISIONAL OUTTURN (APRIL TO FEBRUARY)

At the provisional outturn the strategic & central budgets are anticipated to underspend by £5.3m as identified below:-

- Debt - a forecast pressure of £1.1m 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).
- An underspend of £9.3m in the MRP charge to revenue, due to updating asset lives used in the calculation, resulting in an overprovision from previous years
- Staffing cost pressure of £0.3m, being the anticipated cost of the new Leeds City Council minimum pay rate effective from January 1st.
- Section 278 income - a potential £1.8m risk due to lower levels of development activity.
- £430k forecast shortfall in income from court cost and £400k costs to support the CTW programme.
- Procurement - a £1.9m variation which reflects that the procurement and PFI savings will be managed through directorate budgets.
- Savings of £2.65m from the additional capitalisation of eligible spend in general fund and school budgets.
- Appropriation of £0.8m 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

	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)	(44,422)	300		1,860		400				(2,650)	(844)	(934)	480	(454)
Debt	24,380	(1,103)	23,277			270						(7,937)		(7,667)	(530)	(8,197)
Govt Grants	3,015	(26,434)	(23,419)											0	3,240	3,240
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			3,582		(114)					(156)	3,311	(3,311)	0
Total	65,607	(71,167)	(6,014)	300	0	5,807	0	286	0	0	(10,587)	(1,000)	(5,195)	(121)	(5,316)	

STRATEGIC & CENTRAL ACCOUNTS - 2016/17 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:

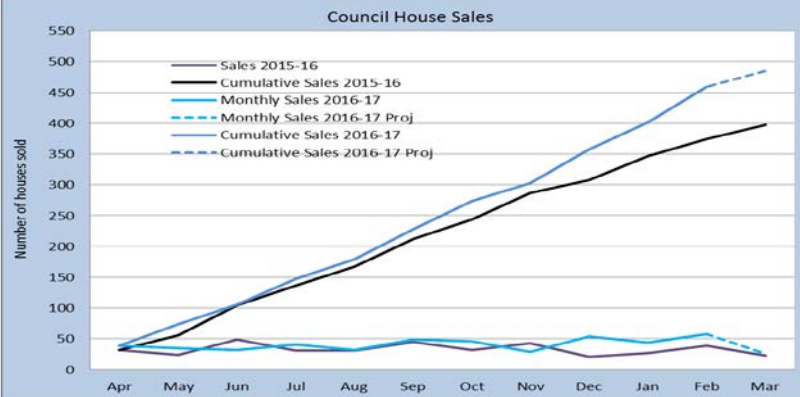
				RAG	Budget	Variation against Budget	Forecast Budget
					£m		£m
		Lead Officer	Additional Comments				
A. Major Budget Issues							
1.	Debt Costs and External Income	Doug Meeson	Latest projection of increased debt costs due to new long term borrowing (net)	A	13.0		1.1
2.	Minimum Revenue Provision	Doug Meeson	An underspend of £9.3m due to the updating of asset lives used in the MRP calculation, which results in an overprovision from previous years.	A	10.3	(9.3)	
3.	New Homes Bonus	Doug Meeson	Expected shortfall £4,760k based upon 2017/18 revised settlement	R	(19.2)		4.8
4.	Business Rates (S31 Grants, Tariff adjustment & EZ)	Doug Meeson	Tariff adjustment £480k; no longer keeping £370k EZ reliefs, but expecting extra £150k retained EZ share	A	(7.1)		0.3
5.	S278 Contributions	Doug Meeson	Potential risk of £1.8m depending on development activity to the year-end	A	(5.2)		1.8
6.	General capitalisation target	Doug Meeson	Capitalisation of eligible spend in directorate/service revenue budgets.	A	(3.0)	(1.7)	
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)		1.4
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	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 capital reserve	G	0.0	(0.8)	
5	Income	Doug Meeson	Reduced income from Court fees £400k; Increased income from review of LBScharges	A	0.0	(1.2)	
6	Living Wage	Doug Meeson	Estimated impact of Jan rise to £8.25/ hour	A	0.0		0.3
Strategic & Central Accounts - Forecast Variation							(5.3)

Housing Revenue Account - PROVISIONAL OUTTURN (February 2017) 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)	(218,196)	179	Projected rent lower than budget due to stock numbers being less than anticipated during budget setting.	158
Service Charges	(6,443)	(6,405)	38	Reduction in income from heatlease and sheltered accommodation.	34
Other Income	(29,305)	(30,143)	(838)	Mears Gainshare (£490k), PFI PTC (£125k), increase in RTB sales fee income (£137k), Funding contributions for biomass project (£87k) and tenant income for project via Switch2 (£57k). Telecomms income (£41k) and Paralegal (for court costs) (£40k). Staff secondment to NHS (£16k) and funding of LCC Fire Safety Officers (£28k). Insurance refund (£22k) and other small variances to income streams (£15k). Reduced income on capitalised salaries due to vacant posts £171k and reduction in tenant insurance £50k.	(523)
Total Income	(254,123)	(254,745)	(622)		(331)
Expenditure					
Disrepair Provision	1,000	1,690	690	Projection due to increase in new cases which is anticipated to continue.	620
Repairs to Dwellings	43,548	43,315	(233)	Projected spend lower than budget.	(250)
Council Tax on Voids	663	725	62	Current charges indicate overspend.	62
Employees	27,792	26,714	(1,078)	Vacant posts (£1,306k) and training saving (£116k) offsetting agency staff (includes disrepair) £264k and severance costs £94k. Other savings following review of budgets (£14k)	(971)
Premises	7,028	6,981	(47)	Increase in cleaning charges £77k, Site maintenance costs at Navigation House £31k, and Biomass pellets £69k. Offset by savings on Dilapidations and NNDR at former offices (£40k), Utilities (£156k) and Commercial stock repairs (£39k). Misc variances following review of budgets £11k.	(62)
Supplies & Services	5,493	5,369	(124)	Savings on ICT budgets (£80k), LLBH PFI consultants (£12k), Tenant Mobility saving (£75k), Reduced transaction charges (£51k) and other minor variations (£8k). Part-offset by Housing Mgmt eFiles project £102k.	107
Internal Services	38,473	38,168	(306)	Increase in charges for RTB work £196k and PPPU recharges for PFI £92k. Offset by a reduction in E&H GF recharges to the HRA (£507k), Regeneration team recharge (£69k) and other recharges (£18k)	(256)
Capital Programme	73,041	73,041	-		-
Appropriations	(7,364)	(6,931)	433	Use of ELI reserve in year (£96k), PFI appropriation adjustment £39k, Mears Gainshare to Capital Reserve £490k.	184
Unitary Charge PFI	8,101	8,107	6	PFI scheme adjustments: UC £52k; PTC £179k; RTB (£65k); Access Refusals (£101k); Benchmarking (£58k)	6
Capital Charges	49,159	49,200	41	Interest receivable lower than budgeted	16
Other Expenditure	7,189	7,042	(147)	Leeds Tenant Federation - in line with 2016/17 negotiations (£50k), Transport cost reforecast (£97k).	(141)
Total Expenditure	254,123	253,420	(703)		(684)
Total Current Month	0	(1,325)	(1,325)		(1,016)

Housing Revenue Account - PROVISIONAL OUTTURN (February 2017) Financial Dashboard - 2016/17 Financial Year



Change in Stock	Budget	Projection
Right to Buy sales*	380	485
New Build (PFI)	(93)	(93)
New Build (Council House Growth)	(142)	(142)
Total	145	250

* actual sales as at the end of Period 11 - 459

Right to Buy Receipts	2015/16 Actual	2016/17 Projection
Total Value of sales (£000s)	18,057	24,422
Average Selling Price per unit (£000s)	45	50
Number of Sales*	397	485
Number of Live Applications	892	1,051

		2015/16	2016/17	Variance
		£000	£000	£000
Arrears				
(Dwelling rents & charges) Week 48				
Current Tenants		6,715	6,637	(78)
Former Tenants		3,527	4,164	637
		10,242	10,801	559
Under occupation Week 44				
Volume of Accounts		5,078	4,717	(361)
Volume in Arrears		2,628	2,325	(303)
% in Arrears		52%	49%	-2%
Value of Arrears		825	659	(166)
Collection Rates Week 44				
Dwelling rents		97.24%	96.98%	-0.26%
Target		98.06%	97.50%	
Variance to Target		-0.82%	-0.52%	-0.26%

