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Report of the Chief Officer Financial Services

Report to Executive Board

Date: 21st June 2017

Subject: Financial Performance - Outturn Financial year ended 31st March 2017

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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to inform members of the final outturn for the financial year 2016/17. The pre-audited accounts will be presented to the Corporate Governance and Audit Committee at its meeting on the 23rd June 2017.

2. As set out below, the final position on the General Fund shows an underspend of £2.6m after the creation of a number of earmarked reserves. This is an increase in the underspend of £0.6m when compared to the provisional outturn position that was received at Executive Board in April. The budget assumed a use of general reserve at £3.5m, however the final outturn underspend results in an actual use of reserves of only £0.9m

3. The Housing Revenue Account outturn reflects a surplus of £3.6m.

4. As at April 2015 General Reserve were £21.6m. As per table 3 at paragraph 5.2 the amount of General Reserve as at 31st March 2017 is £20.7m

Recommendations

5. Members of the Executive Board are asked to;
 - a. Note the outturn position for 2016/17 and to agree to the creation of earmarked reserves as detailed in paragraphs 3.5 and 5.5 and delegate their release to the Chief Officer Financial Services.

- b. Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

1. Purpose of this report

- 1.1 This report sets out for the Board the Council's financial outturn position for 2016/17 for both revenue and capital and includes the Housing Revenue Account and spending on schools.
- 1.2 The report also highlights the position regarding other key financial health indicators including Council Tax and Business Rates collection statistics, sundry income, reserves and the prompt payment of creditors.
- 1.3 It should be noted that in accordance with proper accounting practice, any significant event which occurs prior to the audit sign-off of the accounts in September 2017, could impact on the Council's final published outturn position and hence the level of reserves. This is known as a post balance sheet event and should such an event occur, it will be reported back to this Board at the earliest opportunity.

2. Main Issues

- 2.1 The 2016/17 general fund revenue outturn position after the creation and transfer of a number of earmarked reserves as detailed in paragraph 5.5 is an underspend of £2.6m.

Table 1 - summary outturn position

Directorate	Director	(Under) / Over spend for the year			
		Staffing	Total Expenditure	Income	Total (under) / overspend
		£000	£000	£000	£000
Adult Social Care	Cath Roff	(1,151)	2,060	(2,060)	0
Children's Services	Steve Walker	707	17,469	(9,484)	7,985
City Development	Martin Farrington	(721)	6,479	(12,929)	(6,450)
Environment & Housing	Neil Evans	(1,833)	8,204	(9,510)	(1,306)
Strategy & Resources	Alan Gay	(1,456)	(1,489)	1,158	(331)
Citizens & Communities	James Rogers	386	1,821	(1,741)	78
Public Health	Dr Ian Cameron	(321)	1,210	(1,262)	(52)
Civic Enterprise Leeds	Julie Meakin	490	997	(1,895)	(898)
Strategic & Central	Alan Gay	(480)	(4,211)	2,548	(1,663)
Total		(4,379)	32,540	(35,175)	(2,637)

2.2 Full details of the directorate variations, budget action plans and risk areas for the year can be found in the financial dashboards attached at Appendix 1. The main directorate issues contributing toward the outturn position are as follows:-

2.3 **Adult Social Care** - the directorate has achieved a balanced position at the financial year-end. Staffing savings across all services have delivered a £1.2m saving. This reflects a reduction in staffing numbers within the Community Support Service and general vacancies, partly offset by slippage relating to the Better Lives programme within older peoples residential and day care services.

Passenger Transport costs overspent by £0.7m where costs for clients have come in higher than budgeted. This is primarily due to increased level of support required for clients (along with an equal pay resolution) rather than increased demand for the service.

Income is slightly higher than budgeted through increased Service User contributions £0.2m and the directorate will be using £1m less of earmarked reserves than was assumed in the original budget.

Other variations across the net £200m budget total (£0.3m)

The cost of community care packages is consistent with the budget despite expenditure on the learning disability pooled budget exceeding the budget provision. Savings in Direct Payments mitigated the position.

2.4 **Children's Services** – at outturn the directorate overspent by £7.98m.

As reported during the year the main budget pressures faced by the directorate were on demand-led budgets, particularly Children Looked After (CLA) and transport. Together these accounted for £5.6m of the overspend after allowing for the release of £2.9m from the demand and demography reserve. The actual release from reserves was £0.4m lower than previously projected and accounts for the increase in the overall directorate overspend from that reported for the provisional outturn position. Lower partner funding than budgeted for accounted for £1.6m of the overspend. There were net other variances of £0.8m on all other budgets with an overspend on staffing accounting for £0.7m.

At outturn there are an additional 34 children looked after in external residential placements and with independent fostering agencies (IFAs) than the 2016/17 budget provided for. This has resulted in a £3.9m variation against the budget after allowing for the release from reserves of £2.3m. Other net variations on the CLA budget were £0.4m, mainly accounted for by an increase in leaving care costs. ER placements reduced during the first half of 2016/17 but steadily increased during the second part of the year. The number of children with IFAs reduced throughout the year but did not reduce to the level assumed in the 2016/17 budget.

The home to school and home to college transport budget overspent by £1.3m, after allowing for the release of reserves of £0.6m, and was a result of 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.

Staff costs were £0.7m over budget. The 2016/17 budget included significant staff savings and these were largely achieved although there was an overspend on agency and overtime costs.

A shortfall in partner funding for family services amounted to £1.6m. This was budgeted income for Children's Centres in 2016/17 but the funding was actually received in 2015/16.

The outturn position also includes the carry forward to 2017/18 of all the £7.3m new DfE Innovations and Partners in Practice funding received in March 2017. This will enable the impact of the additional investment in services to be maximised over the next three years.

It has previously been reported that pressures have emerged during the year on the Dedicated Schools Grant in relation to Social Emotional and Mental Health provision, Funding for Inclusion numbers and the Central Early Years expenditure which totals £4.2m, slightly lower than previously projected. Other variations of £0.5m contribute towards reducing the overall outturn deficit on the DSG to £3.63m. This will be carried forward to 2017/18 and this deficit is included within the total schools reserves shown in Table 3.

2.5 City Development –The overall outturn position for 2016/17 is an under spend of £6.4m. This underspend is mainly due to a number of large one off items which include;

- £2.78m income from the PFI Street Lighting contract share sale;
- £1.79m use of items from the balance sheet to support the General Reserve;
- £930k of accrued income from Bridgewater Place, and
- £991k of additional capitalisation of Highways works.

2.6 Environment & Housing – At outturn the directorate position is an under spend of £1.3m against its £53m net managed budget. Within this overall figure, the waste management budget underspent by £1.0m, of which £0.45m relates to lower business rates costs of the RERF. Recycling processing costs are lower by £0.3m as a result of increases in the market prices of recycled material. Operational running costs of the service were £0.26m under the budget.

In car parking, staffing savings and additional income delivered a saving of £0.4m and in Community Safety there is an underspend of £0.3m due to a combination of staffing savings and additional income from the West Yorkshire Police and Crime Commissioner and the Ministry of Justice.

Environmental Action & Health have a £0.6m underspend mainly attributed to staffing savings and additional pest control income. Housing support also delivered a £0.1m underspend, again due to staffing savings.

Collectively these savings have enabled the directorate to both manage the directorate wide staffing efficiency target (£1m) and offset other net pressures within the directorate £0.1m.

2.7 **Public Health** –The 2016/17 budget reflected the reduction in government grant income of £1.1m and an associated reduction in spend on public health services.

The budget also assumed that public health would need to borrow £1.3m of reserves to fund spend on council led public health services. At outturn due to underspends of £0.8m, the actual amount borrowed was only £0.5m. This underspend and the reduced borrowing requirement net off and have no effect on the public health bottom line variation.

Supporting people services, which operate outside of the public health grant ring-fence, outturned with a small saving of £0.05m.

2.8 **Strategy & Resources** – In total the Directorate underspent by £0.3m. The Projects, Programmes and Procurement Unit overspent by £0.17m which has arisen from the NGT and Health Transformation projects not progressing (£0.7m) although this has been offset by corresponding staff savings. Savings in other support services divisions totalled £0.5m.

2.9 **Citizens & Communities** – The final outturn position is a small overspend of £0.08m against the £29m budget. This overspend is in line with previous forecasts and is mainly attributable to an overspend in Customer Access of £0.38m which is partially offset by savings in Elections of £0.25m. Other minor variations total a saving of £0.05m.

2.10 **Civic Enterprise Leeds (CEL)** – the overall outturn position reflects an underspend of £0.9m and is largely explained by the additional £1.0m saving resulting from vacant posts within Shared Services.

Facilities Management and Commercial Services achieved a balanced position. Within the catering service a variance of £0.2m arose from the impact of the loss of school contracts although this was offset by increased surpluses of (£0.2m) on Cleaning and Fleet.

There was a £0.1m overspend on the Corporate Property Management function due to additional building maintenance expenditure incurred on void properties.

2.11 **Strategic & Central budgets** - overall, the strategic & central budgets underspent by £1.7m. There are a number of key variations within this figure.

- The business rates levy to the Leeds City region pool is £1.2m compared to the budgeted sum of £3m.
- Savings of £2.8m from the additional capitalisation of eligible spend in general fund and school budgets.
- The strategic budget also recognises that the £1.9m corporate procurement savings and PFI contract savings have been achieved through Directorate budgets.
- New Homes Bonus is a funding mechanism rewarding councils that increase the number of occupied homes within their areas. The reward effectively

doubles the amount of Council Tax for every new home built or empty home brought back into use, and was initially payable for six years. The 2016/17 budget assumed some £19.2m in respect of New Homes Bonus, however reforms introduced in the 2017 Spring Budget reduced the number of year's payable and introduced a growth baseline. The outturn position recognises a shortfall of £4.76m, of which £0.26m relates to performance and £4.5m arises as a result of these changes to the scheme.

- Early Leavers Initiative – £2.7m of severance costs have been funded from the flexible use of capital receipts in line with the policy approved at full Council in March 2017.
- There was a reduction in level of section 278 income receivable of approximately £2.3m and this reflected lower development activity than was anticipated.
- Debt – the overspend of £1.1m was due to the conversion of short-term debt to long-term debt in order to take advantage of low long-term interest rates.
- An underspend of £9.3m in the MRP charge to revenue is due to a revision in the calculation of the charge. This review had identified that there was overprovision in previous years.
- Staffing cost variations of £0.1m reflect the a additional cost of implementing Leeds City Council's minimum pay rate on January 1st 2017 and a reduction in unfunded pension costs of £0.5m.
- Creation of £1.2m of new earmarked reserves which are further explained in paragraph 5.5 and the transfer of £1m of the Street Lighting contract share income to the capital reserve to be used to fund the 2017/18 base budget.
- Joint Committees. A £0.1m overspend for the West Yorkshire Coroners' services.
- Other variations amount to £0.2m

3. Housing Revenue Account (HRA)

- 3.1. Following finalisation of the HRA the outturn for the year is a surplus of £3.6m when compared against the 2016/17 budget.
- 3.2. The budget for disrepair was overspent by £0.7m. This was largely as a result of a combination of resolving an increased number of disrepair cases and by taking a more pro-active approach to avoid expensive claims in the future.
- 3.3. An increased level of Right to Buy resulted in lower rental income as stock numbers were lower than budgeted for although this was partially offset by lower void levels. The net variation was £0.2m.
- 3.4. The variations identified above have been offset by the following savings:

- Income other than rents was £1.2m higher than budgeted.
- Additional income of £0.6m was received through the 'Gainshare' arrangements with the Council's external maintenance contractors whereby the Council shares in the benefit of external contract costs being less than the initial target cost.
- An increase in Right To Buy (RTB) sales has generated additional fee income of £0.2m.
- External funding contributions for a number of initiatives such as Biomass, Solar Panel, Telecoms and secondments to external organisations have generated £0.3m more than budgeted.
- Income from miscellaneous streams such as insurance refunds, property income and charges for paralegal costs and additional leasehold income have generated £0.2m variation against budget
- This additional income has offset reduced income realised from the capitalisation of salaries. This was due to the service carrying a number of vacant posts in 2016/17.
- Against a budget of £43.5m expenditure on maintaining and repairing the Council's housing stock was £0.4m underspent.
- Savings of £0.7m on employees arose due to posts being held vacant pending the implementation of new structures.
- Net savings of £0.8m have been realised in relation to Supplies and Services. These include ICT budgets (£0.2m), office equipment (£0.1m), tenant mobility (£0.1m), reduced transaction charges (£0.1m), Changing the Workplace (£0.1m) and a range of other minor variations totalling (£0.2m).
- A reduction in charges for services commissioned from other Council services has resulted in a saving of £0.5m. These include services provided by legal, internal audit, community safety and environmental services.
- Other key savings include a reduction in the contribution to the provision for doubtful debts £0.3m, payments to external organisations £0.1m, transport costs £0.1m along with minor variations on remaining budget headings totalling £0.4m.
- The variation against budget on the Capital Programme of £1.9m expenditure on the Environmental Improvement Programme and Sheltered Housing schemes has been funded through the use of earmarked reserves. This contribution is reflected in the appropriation account.
- The Capital charges overspend of £1.6m is largely due to a revision to the timetable for the capital contribution from the Council to the contractor delivering the PFI contracts in Little London, Beeston Hill and Holbeck. The

£1.6m repayment of the PFI is offset by adjustments within the PFI Unitary Charge.

3.5. The surplus on the Housing Revenue Account is £3.61m. It is recommended that earmarked reserves are created for;

- £0.26m to fund costs of scanning Housing Management paper files. This will facilitate the Housing Service exiting the current Housing offices in order to provide the service from Community Hubs. The hubs will provide accessible and integrated services, bringing together existing one-stop shops, libraries and housing offices thereby realising capital receipts in excess of £2m.
- b) £0.35m to fund anticipated costs of 'Changing the Workplace'. The balance of the in year surplus of £3m will be transferred to the HRA Capital Reserve to fund expenditure on multi-storey dwellings.

4. Schools

4.1 The 2016/17 outturn position for schools is shown in table 2 below;

Table 2

4.2

Outturn	£m
Schools Reserves	
Balance Brought Forward	28.8
Net Contribution from Reserves	(8.2)
Balance Carried Forward	20.6
Extended Services & Partnerships	
Balance Brought Forward	10.2
Net Contribution from Reserves	(1.2)
Balance Carried Forward	9.0
Central Schools Block Dedicated Schools Grant	
Surplus Brought Forward	3.7
Contribution to Life Ready for Learning	(2.3)
2016/17 in year overspend	(5.0)
Deficit Balance Carried Forward	(3.6)

4.3 As schools are funded from the Dedicated Schools Grant (DSG) their reserves are ring fenced and must be carried forward. At 31st March 2017, mainstream school reserves stand at £20.6m.

In accordance with previous decisions, the development costs of School PFI and BSF funded schemes are initially met by borrowing from the overall level of school reserves which is then repaid over a period of time and at the close of the year £0.6m was still outstanding. In addition, there is outstanding borrowing against

school reserves for school VER costs totalling £0.7m together with a further £4.0m to support early intervention and preventative services in Children's Services in 2013/14.

After netting the above items from the £20.6m, the net mainstream schools reserves position totalled £15.3m as at 31st March 2017. There is also a further ring-fenced school reserve of £1.8m specifically relating to the carry forward of in year PFI scheme balances, giving overall school reserves of £17.1m as at 31st March 2017.

4.4 Extended Services & Partnerships reserves amount to £9.0m as at 31st March 2017. These include balances held by AIPs and Clusters.

4.5 At the start of 2016/17 the ring fenced DSG reserve totalled £3.7m. Of this Schools Forum agreed to use £2.3m in 2016/17 to fund A Life Ready For Learning in Children and Families. The balance of the reserves have helped reduce the in-year overspend. During 2016/17 there has been an overall overspend on DSG services of £5m, mainly in the High Needs block. This is largely due to increasing numbers of students and the increasing complexity of cases requiring additional top-up payments (£2.5m). In addition, place funding is now required for Wellspring (£1.0m) and there have been additional costs for deficit SILC balance (£0.7m). In total a deficit balance of £3.6m will be carried forward to 2017/18 after allowing for the unspent reserves brought forward from 2015/16. Schools Forum approval to the deficit being carried forward will be sought at the meeting on the 22nd June. Schools Forum have been consulted on options to balance the DSG in 2017/18 and to repay the deficit over the medium term. The Children and Families Directorate has also commenced a review of the High Needs Block which will include looking at options to address the pressures and the deficit DSG balance..

5.0 Reserves

5.1 A full statement of all Council reserves can be found at Appendix 2. A summary of the reserves is shown in table 3 below;

Table 3

Reserves	Balance at 31.3.16 £m	Transfer to/(from) £m	Balance at 31.3.17 £m
General Fund:			
General reserve	21.6	(0.9)	20.7
Earmarked reserves	29.6	(11.6)	18.0
Ring-fenced & grant reserves	6.7	4.3	11.0
Total	57.9	(8.2)	48.7
Schools			
Ring-fenced reserves	38.1	(15.6)	22.5
Housing Revenue Account:			
General reserve	7.3	(0.7)	6.6
Earmarked reserves	62.5	(10.6)	51.9

Total	69.8	(11.3)	58.5
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5.2 General Reserve

5.3 Table 4 below provides an explanation of the movement in the General Reserve;

5.4 *Table 4*

General Fund Reserve	£m
Opening Balance 1st April 2016	21.6
Budgeted usage	(3.5)
In-year underspend	2.6
Closing Balance 31st March 2017	20.7

5.5 Creation of New Earmarked Reserves

- Communities Innovations Fund £80k. This reserve is required to fund work that is committed with the Third Sector, primarily to support activities that seek to deliver financial sustainability within the sector by maximising external funding.
- Adult Social Care safeguarding reserve £94k. To carry forward the balance of partner contributions relating to adults safeguarding.
- Invest to Save Reserve £1m. This proposal is to create an invest to save reserve to enable Directorates to develop projects / schemes which will generate future revenue savings. Details of how the fund will operate are yet to be finalised, but it is intended that some of the savings realised should be recycled to back to the fund so that it is sustainable on an ongoing basis to resource future projects.
- In April 2017 Executive Board agreed to the creation of a reserve for Armed Forces Day £30k.

6. Capital Programme

6.1 The actual capital expenditure for General Fund and HRA in 2016/17 is £392.9m, an underspend of £8.8m or a 1.4% variation against the February 2017 Capital Programme projected outturn

6.2 General Fund

6.3 The following table shows the in-year actual General Fund capital expenditure against the estimated level of capital expenditure:

General Fund	Feb 17	Apr 17	Variation	
	Estimate	Outturn	£m	%
	£m	£m	£m	%
City Development	162,415.5	161,081.7	(1,333.8)	(0.8%)
Children's Services	67,369.9	65,907.9	(1,462.0)	(2.2%)
Environment & Housing	30,546.5	25,047.5	(5,499.0)	(18.0%)
Adult Services	1,866.0	2,092.8	226.8	12.2%
Strategy and Resources	42,228.3	46,182.9	3,954.6	9.4%
Total Spend	304,426.2	300,312.8	(4,113.4)	(1.4%)
Financed by				
General Fund Borrowing	189533.4	180018.0	(9,515.4)	(5.0%)
General Fund Specific Grants and Contributions	114892.8	120294.8	5,402.0	4.7%
Total Funding	304426.2	300312.8	(4,113.4)	(1.4%)

6.4 A full breakdown of the net variations is detailed in Appendix 3. Comments are also provided for schemes that have a material variation of greater than +/-£100k.

6.5 The general fund borrowing variation does not have a material effect on the treasury outturn position. The treasury outturn position is presented as a separate report to this Executive Board.

6.6 The General Fund capital programme delivered £300m of expenditure including major works on our Highways programme, Flood Alleviation, City Cycle Connect, Kirkstall Forge Rail Growth, Kirkgate Market Strategy, Change in the Workplace, Learning Places programme, Strategic Investment Fund, provision of adaptations grants, vehicle replacement programme underpinning the council's emissions reduction programme and essential technology and customer access programmes.

6.7 Housing Revenue Account

6.8 The following table shows the in-year actual Housing Revenue expenditure against estimate:

HRA	Feb 17	Apr 17	Variation	
	Estimate	Outturn	£000s	%
	£000s	£000s	£000s	%
Council Housing Growth Programme	17,614.7	16,030.1	(1,584.6)	(9.0%)
Housing Leeds Council House Programme	77,000.0	73,982.8	(3,017.2)	(3.9%)
BITMO Council House Programme	2,706.3	2,570.1	(136.2)	(5.0%)
Total Spend	97,321.0	92,583.0	(4,738)	(4.9%)
Financed by				
HRA Self-Financing	83273.9	77315.9	(5,958)	(7.2%)
HRA Capital Receipts RTBs	7723.4	9895.8	2,172.4	28.1%
HRA Specific Grants and Contributions	6323.7	5371.3	(952.4)	(15.1%)
Total Funding	97321.0	92583.0	(4,738)	(4.9%)

6.9 Capital Programme Resources

6.10 The following table details the overall capital financing position for the Council:

	Feb 17 Estimate	Apr 17 Outturn	Variation £m	
Net Capital Spend	401.7	392.9	(8.8)	(2.2%)
Financed by				
General Fund Borrowing	189.5	180.0	(9.5)	(5.0%)
General Fund Specific Grants and Contributions	114.9	120.3	5.4	4.7%
General Fund Capital Receipts	0	0	0	0%
HRA Self-Financing	83.3	77.3	(6.0)	(7.2%)
HRA Capital Receipts RTBs	7.7	9.9	2.2	28.6%
HRA Specific Grants and Contributions	6.3	5.4	(0.9)	(14.3%)
Total Funding	401.7	392.9	(8.8)	(2.2%)

6.11 Capital receipts of £3m have been utilised in 2016/17 as a funding source for general fund expenditure, primarily to make use of the new flexibility to treat transformational revenue expenditure as capital expenditure funded by capital receipts. In line with existing accounting policy £2.5m of receipts have been utilised to fund PFI liabilities and £16.3m have been used to repay debt, and borrowing of £2.9m has been undertaken in lieu of section 278 contributions.

6.12 HRA Council Housing Growth Programme, Housing Leeds and BITMO have utilised £77.3m of self-financing funding, £5.4m of external contributions and have utilised £9.9m of Right to Buy receipts.

6.13 The net debt of the Council as at 31st March 2017 is £1,809m. Further details of this and the debt financing costs will be presented in the 2016/17 Outturn Treasury Management report to this Executive Board.

7. Other Financial Performance.

7.1 The performance statistics for the year in respect of the collection of local taxation are as follows:-

	2010/11 Leeds Actual	2011/12 Leeds Actual	2012/13 Leeds Actual	2013/14 Leeds Actual	2014/15 Leeds Actual	2015/16 Leeds Actual	2016/17 Leeds Actual
Council tax collection	96.7%	96.6%	96.6%	95.7%	95.7%	95.9%	96.1%
Business Rates	97.9%	97.5%	97.6%	97.1%	97.3%	97.8%	97.5%

7.2 Following the introduction of the Council Tax support scheme in 2013/14 a 19% contribution scheme was implemented for working age claimants and this was increased to 26% for 2014/15 but was then set at 25% for 2015/16 and 2016/17. The collection position at the end of March was as follows:

- Council tax in-year collection rate – 96.1% (95.9% last year). The in-year collection rate target for the current year was 95.9%. £303.9m has been collected in respect of 2016/17 bills, an increase of £16.4m compared to the previous year.
- Collection rate for those affected by Council Tax Support scheme – 73.9% (71.7% last year)
- Collection rate for those previously getting 100% Council Tax benefit – 64.3% (63.6% last year)
- The collection of non-domestic rates for the year is 97.54% of the current net debit of £389.8m. This represents a decrease of 0.3% in comparison to 2015/16.
- Discretionary Business Rate Relief Scheme – against a budget of £500k in 2016/17 some £323k of local discounts were approved under the scheme to support the creation of employment and economic growth and to increase the business rates base

8. **Prompt Payment of Creditors**

8.1 The prompt payment result at the year-end was 91.79% of undisputed invoices processed within 30 days. This was against a target of 92%.

9. **Corporate Considerations**

9.1 Consultation and Engagement - This is a factual report and is not subject to consultation.

9.2 Equality and Diversity / Cohesion and Integration - 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

9.3 Council Policies and Best Council Plan - The 2016/17 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget in support of our Best Council ambition to be an efficient and enterprising organisation.

9.4 Resources and Value for Money -

9.5 This is a financial report and all financial implications are detailed in the main body of the report.

9.6 **Legal Implications, Access to Information and Call In**

9.7 There are no legal implications arising from this report.

9.8 **Risk Management**

9.9 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans was put in place for 2016/17.

10. **Recommendations**

10.1 Members of the Executive Board are asked to;

10.2 Note the outturn position for 2016/17 and to agree to the creation of earmarked reserves as detailed in paragraphs 3.5 and 5.5 and delegate their release to the Chief Officer Financial Services.

10.3 Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

11. **Background Documents¹**

11.1 There are no background documents relating to this report

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 - 2016/17 FINANCIAL YEAR

Outturn

Overall narrative:

The directorate's outturn position shows a balanced budget.

Savings on staffing, general running costs and additional income have offset an overspend on client transport and have enabled a reduction in the use of budgeted reserves.

A final review of budget action plans has taken place and 85.1% of the £24.6m target has been delivered. Contingency savings have been identified to offset the impact.

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

Staffing (-£1.2m)

Savings across all services have delivered a £1.2m saving. This reflects reducing staffing numbers within the Community Support Service and general vacancies, partly offset by slippage relating to the Better Lives programme within older people's residential and day care services.

Community care packages (+£0.0m)

Expenditure on the learning disability pooled budget has exceeded the budget provision. However, less than anticipated spend in other areas (principally Direct Payments) has substantially mitigated the position.

Transport (+£0.7m)

Passenger Transport Services costs for clients have come in higher than budgeted. The information available indicates that the majority of the projected overspend relates to costs rather than demand e.g. an equal pay resolution and a greater use of escorts for passengers with more complex support needs.

Income (-£0.2m)

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.

Use of Reserves (£1.0m)

Savings, particularly around staffing required a lower than anticipated level of reserves to balance 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	
Health Partnerships	405	(152)	252	(109)	0	105	1	4	208	0	0	26	234	(178)	56
Access & Care Delivery	246,427	(39,932)	206,495	(212)	(279)	(376)	(159)	881	1,958	(1,243)	0	94	663	(2,067)	(1,404)
Commissioning Services	12,828	(24,298)	(11,470)	(484)	33	(149)	(12)	99	1,273	0	0	918	1,677	(42)	1,635
Resources and Strategy	7,517	(1,588)	5,929	(346)	1	(136)	(7)	(142)	115	0	0	0	(514)	227	(287)
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	267,177	(65,971)	201,206	(1,151)	(245)	(556)	(177)	841	3,554	(1,243)	0	1,037	2,060	(2,060)	0

Appendix 1

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	R	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	R	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
B. Other Significant Variations						
1.	Staffing	Various	Ongoing tight vacancy management and reducing staff numbers in the Community Support Service			(1.6)
2.	Community care packages	J Bootle / M Naismith	General savings against demand budgets, particularly Direct Payments			(0.7)
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			(1.0)
5.	Use of reserves	S Hume	Lower requirement for use of reserves			1.0
6.	Income	Various	Mainly funding for staffing costs through the learning disability pooled budget, service user contributions and Resilience monies			(0.2)
					Adult Social Care Directorate - Variation	
					0.0	

**CHILDREN'S SERVICES 2016/17 FINANCIAL YEAR
FINANCIAL DASHBOARD - OUTTURN (APRIL TO MARCH)**

Overall - At outturn the Directorate is reporting an overspend of £7.98m. This is an increase of £0.33m on the projected outturn position of £7.65m. Overall the outturn position was as expected with the major variances in line with previous reports. The increase in the overspend is because the use of the demand and demography reserve to help offset the pressure on transport costs has been reduced by £0.38m to that assumed in the projected outturn position. This does mean that the £0.38m will be available as a demand and demography reserve in 2017/18. The outturn position also includes the carry forward to 2017/18 of all the £7.3m new DfE Innovations funding that was received in March 2017. This will enable the impact of the additional investment in services to be maximised over the next three years.

CLA Obsession - at outturn, the directorate is looking after an additional 34 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 £6.2m pressure around CLA demand budgets. This is partially offset by the release of £2.3m from the demand and demography reserve. There are currently 1,245 CLA children (decrease of 1 from P11); this includes 56 with ER and 195 with IFA's. There is a £0.7m pressure on in-house fostering but this is off-set by £-1.2m additional income on adoption. Overall the 2016/17 CLA budget supported 1,170 placements which includes provision for 36 ER and 181 IFA placements.

Staffing - Outturn for staffing is an overspend by £0.7m, the same as was projected and reported at P11.

DfE Innovations Funding - There was a pressure of £0.9m within the existing DfE Innovations 16/17 funding.

Transport - The home to school and home to college transport budget has been 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 actual overspend is £1.3m, which is net of the appropriation of £0.6m 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 received in 2016/17 and all this funding is carried forward to 2017/18. There is a net £1.6m pressure from a reduced level of funding supporting Children's Centres.

Dedicated Schools Grant (DSG) Pressure - Pressures emerged during the year in relation to the Social Emotional and Mental Health provision, funding for Inclusion numbers and central early years expenditure which totalled £4.161m; a £0.851m reduction from P11. There is a £0.53m credit on the schools de-delegated budget taking the overall outturn deficit on the Dedicated Schools Grant to £3.631m. This will be carried forward to 2017/18.

Appropriation - The position reflects the carry-forward of £9.9m of income; including £7.3m DfE Partners in Practise income for Re-imagining Child Welfare Services for the 21st century; £1.268m Health Innovations income and £0.2m 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 & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure		Income
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Demand Led Budgets:															
External and other Residential Placements	7,002	(2,835)	4,167						4,791			(2,293)	2,498	(34)	2,464
Independent Fostering Agencies	7,613	0	7,613						1,372				1,372		1,372
In House Fostering, Adoption, SGO and RO	21,539	(75)	21,464						710				710	(1,203)	(493)
SEN Outside Placements	4,857	(4,857)	0						660				660	(660)	0
Leaving Care	5,052	(1,160)	3,892						1,403				1,403	(479)	924
Transport	5,210	0	5,210				1,192	748				(620)	1,320		1,320
Sub total Demand Led Budgets	51,273	(8,927)	42,346	0	0	0	1,192	748	8,936	0	0	(2,913)	7,963	(2,376)	5,587
Partner Funding															
Schools Forum(A Life Ready For Learning)	0	(3,380)	(3,380)									1,033	1,033		1,033
Partner Funding of Family Services		(1,600)	(1,600)										0	1,600	1,600
Sub total Partner Funding	0	(4,980)	(4,980)	0	0	0	0	0	0	0	0	1,033	1,033	1,600	2,633
Other Budgets															
Partnership, Development & Business Support	14,509	(1,661)	12,848	1,115	10	(87)	(7)	32	(94)	2		1,323	2,294	(1,695)	599
Learning, Skills & Universal Services	130,445	(113,201)	17,244	(365)	(319)	(116)	49	17	(2,358)	942		436	(1,714)	1,671	(43)
Safeguarding, Targeted & Specialist Services	75,618	(20,623)	54,995	218	(31)	559	243	66	(401)	(212)		7,489	7,931	(8,663)	(732)
Central Overheads	8,809	(11,753)	(2,944)	(261)				21				202	(38)	(21)	(59)
Sub total Other Budgets	229,381	(147,238)	82,143	707	(340)	356	285	136	(2,853)	732	0	9,450	8,473	(8,708)	(235)
Total	280,654	(161,145)	119,509	707	(340)	356	1,477	884	6,083	732	0	7,570	17,469	(9,484)	7,985

Appendix 1

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	Action Plan Value	Forecast Variation
A. Significant Variations				RAG	£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.	R	3.80
	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 £0.6m from the demand and demography reserve.	R	1.30
	Income - DSG	Steve Walker	The outturn position includes a £0.75m shortfall against the budgeted income.	R	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
A2	Additional Funding For Children's Centres	CSLT	The additional funding originally budgeted for has not been received in 2016/17.	R	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
E1/E2/E4	Staff savings	Sue Rumbold	Reduction in posts/additional trading opportunities and ELIs. Not all the staff savings assumed in the budget were achieved.	A	1.40
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
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
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
E3	Impact of residential review on overtime costs	Steve Walker	Running cost efficiencies following closure of Pirfolds and Bodmin. Linked to the overall pay strategy for the directorate.	G	0.40
	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
Children's Services Directorate - Forecast Variation					7.98

**CITY DEVELOPMENT 16/17 BUDGET - OUTTURN
FINANCIAL DASHBOARD**

Overall -

The 2016/17 outturn position is an underspend of (£6,450k). This underspend is due to a number of one off items which include £2.78m income from the PFI Street Lighting contract share sale, £1.79m use of balances to support the General Reserve, £930k of accrued income from Bridgewater Place, and £991k of additional capitalisation of Highways works.

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 £800k, 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 a £239k overspend on Planning Appeals costs.

Kirkgate Market income remains the main pressure in Economic Development, a shortfall of £750k. 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 £896k of additional income, which offsets the shortfall in advertising income of £328k 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 (£179k).

Highways and Transportation have contracted further work with their strategic partners Mouchel increasing external spend, offset by savings on Winter Maintenance which has resulted in a real position of an £80k underspend, however the one off income items detailed above are held here.

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	8,647	(5,789)	2,858	(246)	25	363	(8)	259	0	0	0	0	393	(807)	(414)
Economic Development	5,145	(4,263)	882	50	151	2,463	3	28	0	(550)	0	0	2,145	(1,459)	686
Asset Management and Regeneration	11,195	(10,412)	783	(201)	539	(203)	(4)	1,077	0	(122)	0	0	1,086	(1,685)	(599)
Highways and Transportation	56,590	(40,688)	15,902	(391)	2,220	(553)	797	(1)	0	(40)	0	0	2,032	(8,232)	(6,200)
Arts and Heritage	17,004	(7,126)	9,878	39	(33)	(88)	75	43	22	402	57	0	517	(511)	6
Sport and Active Recreation	24,415	(18,693)	5,722	82	101	296	1	(89)	(85)	29	0	111	446	(241)	205
Resources and Strategy	1,855	(1,162)	693	(54)	(5)	(36)	(1)	(44)	0	0	0	0	(140)	6	(134)
Total	124,851	(88,133)	36,718	(721)	2,998	2,242	863	1,273	(63)	(281)	57	111	6,479	(12,929)	(6,450)

Appendix 1

<u>Key Budget Action Plans and Budget Variations:</u>						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	(653)		
2.	Economic Development	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation.	A	280	260		
3.	Asset Management & Regeneration	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation.	G	410	(29)		
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	(80)		
5.	Arts and Heritage	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation.	G	570	6		
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	205		
8.	Resources and Strategy	Ed Mylan	Reduction in the net cost of service via efficiencies and staffing savings.	G	30	(134)		
9.	Directorate	All Chief Officers	Directorate-wide additional income target.	G	371	0		
B. Other Significant Variations								
1.	Asset Management	Tom Bridges	Reduced borrowing costs at Leeds Arena (£179k) income from new assets (£896k) offsetting reduced income from Advertising £328k and dilapidation claims £177k.			(570)		
2.	Planning Appeals	Tim Hill	Increased planning appeal costs.			239		
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)		
5.	Street Lighting	Gary Bartlett	PFI Street Lighting Contract Share Sale			(2,780)		
6.	Highways	Gary Bartlett	Additional Capitalisation			(991)		
7.	Balances	Martin Farrington	Use of releasable balances to support the the General Reserve			(1,790)		
City Development Directorate - Forecast Variation						(6,450)		

**ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR
Outturn**

<p>Overall Position (£1,306k under budget)</p> <p>Community Safety (£254k under budget) The overall staffing underspend was £229k (offset by reduced charges to HRA of £77k). One off income in year has been received from West Yorkshire Police & Crime Commissioner (£219k) for contributions to LASBT (Leeds Anti social behaviour team), additional Ministry of Justice funds (£85k). There was a shortfall of CCTV income of £234k. Other variances total (£32k).</p> <p>Parks & Countryside (£158k under budget) The service has generated additional income, mainly due to the strong performance across all Cafes (£314k). Staffing savings and additional income has contributed to a net surplus of (£126k) within Bereavement Services. These savings have been partially offset by a reduction in Golf income £63k, additional bonfire expenditure of £73k and other variations in expenditure of £146k.</p> <p>Environmental Action & Health (£578k under budget) Env Action - Staffing savings of (£875k) have been offset by reduced income from HRA of £167k, loss of Wellbeing funding of £36k and additional transport costs of £261k in respect of additional hired vehicles and GPS system for gully tankers. Other variations total £69k. Env Health - staffing savings of (£206k) and additional pest control income (£39k) have been partially offset by increased legal costs £32k and other variations of (£23k).</p>	<p>Car Parking (£427k under budget) In year vacant attendant posts (£351k) and reduced expenditure variations of (£160k) have been partially offset by the reduction in overall income of £84k. Income variations include: Woodhouse Lane (£130k), of which (£90k) is for the 50p increase (in June); other off street parking of (£198k); a shortfall in on-street income of £383k and a shortfall in PCN income (including BLE) of £132k. Other income variations total (£103k).</p> <p>Housing Support/Partnerships/SECC/SP Contracts (£121k under budget) Housing staffing underspends (£458k), due to vacant posts, are partially offset by a reduction of £178k corresponding income charged to HRA. Variations in SP are £17k and SECC (£42k). Other variations across all areas are £184k, which includes additional Travellers costs £51k and £40k St Georges Crypt contribution.</p> <p>General Fund SS (+£948k over budget) A £1m staffing savings target was included in the 2016/17 budget as a centralised directorate wide target to give greater flexibility in-year over which services would achieve the savings. These savings have been delivered in full but the incidence is within individual services. This has had the impact of increasing the staffing underspend within services but presenting an overspend against the centrally held savings target.</p> <p>Leeds Building Services (+£339k over budget) Additional turnover has been generated through Housing Leeds repairs and work for capital schemes which has resulted in additional sub contractor spend, partially offset by reductions in internal costs. Vacancies early in the financial year within the service have resulted in an under-recovery of income. Investment of £140k has been incurred in respect of the integration of Construction Services and Property Maintenance which should generate significant efficiencies in 2017/18.</p>	<p>Waste Management (£1057k under budget)</p> <p>Refuse (£105k under budget) Additional staffing costs have been incurred in respect of back up routes, sickness cover, christmas cover and union support for the redesign of collection routes efficiency programme. These have been largely offset by other staffing and expenditure savings, with an underspend of £155k in respect of vehicle repairs.</p> <p>HWSS & Infrastructure (£156k under budget) Additional staffing costs of £146k have been incurred, reflecting additional operatives at HWSS dealing with the higher than anticipated waste volumes and also cover for increased sickness levels. These costs, together with other minor variations, have been offset by additional income (£319k) at the Council's weighbridges reflecting the increased volumes.</p> <p>Waste Strategy & Disposal (£797k under budget) Following the determination of the rateable value of the RERF, there has been a saving of (£450k) in respect of business rates from the budgeted amount of £1.07m. In addition, lower than anticipated tonnage volumes and a share of electricity/penalty income have resulted in a further underspend of (£115k) at the RERF. The reduction in SORT disposal costs experienced in recent months has resulted in a year end underspend of (£302k). There has been additional disposal costs associated with the increased volumes at Household Waste Sorting Sites (+£355k), partially offset by other variations of (£285k) which includes staffing savings of (£73k) and additional recycling income of (£203k).</p>
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Budget Management - net variations against the approved budget;

Summary By Service	OUTTURN 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	8,808	(8,847)	2,159	(215)	11	(181)	10	(193)	(58)		13		(591)	337	(264)	
Strategic Housing, SECC, Contracts	18,555	(9,564)	8,991	(820)	(10)	431	43	98	15				(43)	(78)	(121)	
General Fund Support	(333)	(430)	(772)	800		153	(2)	(3)					948	0	948	
Leeds Building Services	45,309	(51,378)	(6,067)	(352)	107	8,283	(243)					1,600	9,385	(8,055)	340	
Corporate Property Maintenance	907	0	907	6			(2)						4		4	
Parks & Countryside	29,349	(22,420)	6,929	(205)	(233)	1,892	(87)	342					1,717	(1,978)	(159)	
Waste Strategy and Disposal	20,372	(5,749)	14,623	(73)	(50)	(483)	(8)						(594)	(204)	(798)	
Household Waste Sites & Infrastructure	4,578	(574)	4,002	146	12	53	(48)	(2)					163	(319)	(156)	
Refuse Collection	18,890	(389)	18,301	114	(14)	(9)	(131)	(43)					(83)	(22)	(105)	
Environmental Action	15,556	(4,537)	11,019	(878)	77	140	258	(30)			19		(421)	79	(842)	
Environmental Health	3,145	(794)	2,351	(208)	(8)	(3)	(5)	43					(177)	(58)	(235)	
Car Parking	5,003	(12,670)	(7,667)	(352)	9	(145)	24	(48)					(512)	84	(428)	
Total	167,936	(116,169)	62,776	(1,833)	(97)	10,171	(189)	156	(41)	0	40	1,600	9,806	(11,112)	(1,306)	

Appendix 1

Key Budget Action Plans and Budget Variations:				RAG	Action Plan Value	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments		£m	£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)	(0.5)
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)	0.9
9.	Contract / Procurement Savings / Line by Line		Contract savings target (£358k). Savings identified to offset.	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; -£200k variation			(0.2)
2.	Refuse Collection staffing costs	Tom Smith	£12.2m pay budget in service; +£114k variation			0.1
3.	Refuse Collection vehicle costs	Tom Smith	Repairs £0.7m; Fuel £1.2m. Fuel +£8k variance, repairs £155k under			(0.1)
4.	Car Parking BLE / PCN Income	Helen Freeman	BLE £1.4m ; PCN's £2.3m. Outturn income overall £132k below budget			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)			(0.0)
6.	Environmental Action staffing	Helen Freeman	£13.5m pay budget in service			(0.9)
7.	Property Maintenance	Simon Costigan	Budgeted surplus of £5.2m, £339k variation at outturn.			0.3
8.	Parks and Countryside - Attractions	Sean Flesher	£2.1m Income budget (incl. TWorld £1.3 m budget)			(0.0)
9.	Parks and Countryside - Bereavement Services	Sean Flesher	£3.5m net budget. Variance at outturn (£126k)			(0.1)
10.	All other variations		Mainly staffing			(1.0)
Environment & Housing - Forecast Variation					(1.306)	

STRATEGY AND RESOURCES
FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR
OUTTURN

Overall

Final outturn position for Strategy and Resources is an overall underspend of £330k.

Strategy & Improvement

Strategy and Improvement report an underspend of £35k at outturn, not significantly different from the £47k projected underspend at period 12.

Total staffing savings amount to £213k. This arises from staff leaving via ELI and vacant posts not yet filled or not being filled.

Running costs including supplies and services and transport savings totalling £92k which, together with the staff savings offset the £168k income shortfall.

Finance

An overspend of £128k caused predominately by a £58k overspend on staffing (overall saving in direct pay costs which has been more than offset by an overspend on pension costs within Financial Management), £48k overspend on internal charges (mainly charges from Legal) and a £31k overspend on supplies and services.

Human Resources

HR met the £371k efficiency savings incorporated in the budget, through freezing recruitment and the use of the early leavers initiative and delivered further savings to achieve an overall underspend of £105k mainly through staff savings of £157k and some small running cost savings partially offset by income from Schools being less than budgeted.

Information Technology

Savings target of £650k implemented during the budget setting process has been achieved and an overall underspend at outturn of £83k has been achieved.

Staffing - Overspend on staffing is offset against increased income for rechargeable work.

Supplies - £106k overspend mainly as a result of increased contract costs.

Income - £282k surplus as a result of increase in income on small project work recharged out, partially offset by staff overspends for income funded posts.

PPPU

The service has come close to managing an in year budget pressure of £700k together with achieving £600k worth of savings within the 2016/17 budget. The £700k in year pressure arose due to the NGT and Health Transformation projects not progressing. The service fell slightly short of achieving a total of £1.3m savings by £175k. This position has been achieved through a combination of significant staff savings and securing alternative external work.

Legal Services

The service has achieved a £182k surplus for the financial year. The £252k shortfall in income is more than offset by the £272k savings against the staffing budget combined with overall running cost savings.

Democratic Services

The Governance, Scrutiny, Civic and Ceremonial and Members' Allowances budgets have come under budget by £228k for 2016/17. However on-going, year on year pressures remain within Members' Support which necessitated other opportunities to be explored to achieve a balanced budget across the Democratic Services division. These included 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 generated further savings of £35k and one-off savings on Members Allowances has generated savings of £90k. Additional savings have also arisen on Supplies and Services (£42k) Transport (£5k), Internal Charges (£16k) and Civic Allowances (Outgoing Lord Mayor - £6k) which give an overall underspend of £228k.

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	(470)	4,361	(213)	29	(86)	(6)	11	0	0	0	62	(203)	168	(35)
Finance	15,851	(6,901)	8,950	58	(3)	31	(22)	48	0	0	0	0	112	16	128
Human Resources	8,305	(1,915)	6,390	(157)	3	(15)	(19)	(1)	0	0	0	0	(189)	84	(105)
Information Technology	19,428	(6,074)	13,354	54	7	106	5	27	0	0	0	0	199	(282)	(83)
Projects, Programmes & Procurement	7,658	(6,085)	1,573	(801)	0	22	(4)	3	0	0	0	0	(780)	955	175
Legal Services	4,817	(6,995)	(2,178)	(272)	2	8	(14)	(158)	0	0	0	0	(434)	252	(182)
Democratic Services	4,959	(41)	4,918	(125)	1	(42)	(5)	(16)	0	(6)	0	0	(193)	(35)	(228)
Total	65,849	(28,481)	37,368	(1,456)	39	24	(65)	(86)	0	(6)	0	62	(1,488)	1,158	(330)

Key Budget Action Plans and Budget Variations:						
	Lead Officer	Additional Comments	RAG	Action Plan Value Em	Forecast Variation against Plan/Budget Em	
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						-0.44
Strategy and Resources Directorate - Forecast Variation						(0.33)

CITIZENS AND COMMUNITIES

FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR

Outturn

Overall

The outturn position is a small overspend of £81k, mainly reflecting an overspend within Customer Access, partially offset by net savings within Elections, Licensing & Registration and Benefits, Welfare & Poverty.

Communities

Overall the service has slightly overspent by £7k. Expenditure variations of £65k in Communities and £60k in Migration Services have been offset by additional grant income. All other expenditure variations, including expenditure in respect of Well Being, have been offset by the use of reserves and staffing savings of £80k.

Customer Access

Overall, the service has overspent by £384k. Savings targets built in to the budget for 2016/17 were challenging, with a significant amount of work involved in developing the Community Hubs. The net overspend mainly reflects staffing of £505k, although this has been partly offset by a £170k transfer from the earmarked reserve leaving a net overspend of £335k. Other pressures arising in year include £40k utility costs for branch Libraries; £38k static guard costs at Compton Centre; £100k migration of call centre lines to Virgin Media (partly offset by savings). Additional income of £100k was achieved by the Interpreting and Translation team as they have picked work from the Health Service.

Elections, Licensing & Registration

Overall the service has underspent by £250k at outturn. This is mainly due to staffing savings of £90k, with Registrars at £37k under and Licensing at £55k under, and greater than estimated income levels of £200k. The additional income has been generated across two main areas: Registrars £95k and Entertainment Licensing £81k. 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 exceeded the grant funding available by £100k, which has been funded by the council, although a request for additional funding has been submitted to the Cabinet Office. Furthermore, there was a shortfall of £21k in funding for the 2015 General Election. These overspends have been offset in part by additional income of £54k received in relation to the 2014 European Elections, with the remaining overspend being offset by other savings. Approximately £83k of Individual Electoral Registration grant funding will be carried forward into 17/18.

Benefits, Welfare and Poverty

Overall, the service has underspent by £60k in 2016/17. The main pressure during the year was the Housing Benefit overpayments income. Overpayments, before providing for a level of bad debts, stood at £11.2m, compared to the budget of £9m. After providing for the bad debts provision of £2.8m, there has been a £0.63m shortfall which is in line with previous forecasts.

The overspend has been offset by a £296k saving in respect of the Local Welfare Support Scheme and additional Government grants including FERIS and Single Fraud grants, bulk data matching and new burdens funding.

Within staffing, a number of vacancies were held in order to achieve the 17/18 budget. Overtime was overspent by £160k, because although it has reduced in comparison to last year, there was no budgetary provision. Overtime ceased after P9, with only critical unforeseen work being allowed.

The Social Inclusion Fund team are fully funded by the Social Inclusion Fund and with the Casino now open, £84k of income has been received in 16/17, thereby reducing the call on the reserve.

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	11,487	(6,897)	4,590	(80)	(44)	387	7	80	10	0	10	(60)	310	(303)	7
Customer Access	24,148	(3,679)	20,469	505	71	13	36	(30)	0	(89)	0	0	506	(122)	384
Elections, Licensing & Registration	7,779	(7,072)	707	(107)	14	70	(7)	(140)	0	0	0	192	22	(272)	(250)
Benefits, Welfare and Poverty	287,302	(284,390)	2,912	70	(2)	3,672	(15)	74	0	(2,719)	0	(96)	984	(1,044)	(60)
Total	330,716	(302,038)	28,678	388	39	4,142	21	(16)	10	(2,808)	10	36	1,822	(1,741)	80

Appendix 1

Key Budget Action Plans and Budget Variations:				RAG	Action Plan Value	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments		£m	£m
A. Key Budget Action Plans						
Efficiencies						
	Community hubs	Lee Hemsworth	Efficiencies from bringing services together, linked to Phase 1 and 2 of the capital investment in the service	R	0.10	0.33
	Running costs	Shaïd Mahmood	Main savings in Communities	G	0.29	0.00
	Transactional web	Lee Hemsworth	Further savings from the implementation of transactional web, mainly staffing	G	0.20	0.00
	Registrars	John Mulcahy	Review of costs and income	G	0.07	0.00
	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	0.12	0.00
	Staffing Savings (Libraries)	Lee Hemsworth	Staffing efficiency target	G	0.02	0.00
	Other	All CO's	£64k from PPE, printing and mail	G	0.10	0.00
Changes to service						
	Third sector infrastructure grant	Shaïd Mahmood	Grant reduction	B	0.07	0.00
	Reduction in wellbeing and youth activities	Shaïd Mahmood	Reduction in budget	B	0.20	0.00
	Innovation Fund	Shaïd Mahmood	Budget reduction	B	0.05	0.00
	Service Reductions	Lee Hemsworth	Book Fund	B	0.10	0.00
	Service Reductions	Lee Hemsworth	In year Savings	B	0.10	0.00
Additional income - traded services, partner and other income						
	Housing benefits overpayments	Steve Carey	Level of overpayments down compared to last year. Projections subject to year end assessment.	R	0.35	0.63
	Council Tax Single Person Discount	Steve Carey	£500k now projected - incidence in the Collection Fund	B	0.00	0.00
	Advice consortium and welfare rights	Steve Carey	HRA contribution relating to under occupancy and rent arrears	B	0.20	0.00
	Local Welfare Support Scheme	Steve Carey	HRA contribution in respect of support of Council tenants	B	0.10	-0.30
					2.07	
B. Other Significant Budgets						
Net effect of all other variations						-0.58
Citizens and Communities Directorate - Forecast Variation						0.08

PUBLIC HEALTH FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR 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 did not materialise, though work to find compensating savings has slightly over-achieved the necessary recovery. Due to overtrading of sexual health services, provision was made for anticipated costs. However these costs did not materialise in full therefore resulting in savings to compensate for this risk.

Due to a number of vacant posts being held as a result of a review to prioritise critical posts that needed to be filled and further staff turnover and delays in recruitment meant that pay costs are £198k underspent on the general staffing budget.

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. The actual spend for 2016/17 is £385k, which means that £115k less was required from the reserve. In addition to this, a further £1m was received during the year and will be added to the reserve. This means that the earmarked reserve is now £3,615k.

Overall, this means that the grant funded budgets have underspent by £818k. This underspend has been allocated out to LCC projects and therefore used to reduce the £1,326k required from reserves to fund the budget shortfall, meaning that the funding required from reserves is £508k.

In Supporting People there were a number of vacancies and recruitment delays which has resulted in an underspend of £73k on pay, though this has been partly offset by a slight increase in running costs and a corresponding reduction in income of £26k to give an overall underspend of £52k.

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	5,046		5,046	(213)	(1)	54	(11)	86	0	0	0	0	(85)	(39)			(124)
Commissioned and Programmed Services:																	
- General Public Health	208		208	0	0	0	0	0	(92)	0	0	0	(92)	0			(92)
- Population Healthcare	278		278	0	0	(1)	0	0	0	0	0	0	(1)	0			(1)
- Healthy Living and Health Improvement	15,326	(140)	15,186	0	0	0	0	3	(200)	0	0	0	(197)	72			(125)
- Older People and Long Term Conditions	2,683	(369)	2,314	1	3	1	1	(1)	(46)	0	0	0	(41)	114			73
- Child and Maternal Health	14,085	(26)	14,059	0	0	4	0	(4)	166	0	0	0	166	0			166
- Mental Wellbeing and Sexual Health	9,301	(52)	9,249	3	3	(31)	0	(3)	232	0	0	0	204	(1,450)			(1,246)
- Health Protection	906	(100)	806	0	0	0	0	0	259	0	0	0	259	(25)			234
Transfer From Reserves		(500)	(500)	0	0	0	0	0	0	0	0	1,115	1,115	0			1,115
Supporting People	1,004	(677)	327	(112)	0	(4)	(1)	0	0	0	0	0	(117)	66			(51)
Drugs Commissioning	1,260	(1,260)	0	0	0	26	0	45	(72)	0	0	0	(1)	0			(1)
Total	50,097	(49,754)	343	(321)	5	49	(11)	126	247	0	0	1,115	1,210	(1,262)			(52)

Appendix 1

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	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						
Underspend on staffing costs						(0.32)
Net effect of all other variations						0.04
Public Health - Variation						(0.05)

CIVIC ENTERPRISE LEEDS

FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR

OUTTURN

Overall

The overall outturn position is an underspend of £898k explained mainly by an underspend of £1,040k in Shared Services, an underspend of £115k within Facilities and Fleet (after taking into account the CPM overspend), partially offset by a £247k overspend against the Catering budget.

Business Support Centre

In addition to meeting their 2016/17 savings target of £400k, BSC have delivered savings of £1,040k against the budget consisting mainly of staffing and running cost savings plus additional income of £381k accounted for by the Print Unit exceeding it's budgeted income. The £133k supplies and services savings are due to savings on other hired and contracted services caused by the delay in system improvements which were scheduled to be completed in 2016/17.

Commercial Services

Commercial Services achieved a small overspend of £36k, this reflects a £247k overspend against the Catering budget partially offset by savings on Cleaning and Fleet of £221k. The overspend on staffing is mainly within the Cleaning Service and is offset by additional income.

Facilities Management

The service has achieved a balanced position, savings against the staffing and running cost budgets are offset by a shortfall against the budgeted income.

Corporate Property Management

The service overspent by £106k, almost achieving all of the £450k budgeted savings on building maintenance . The overspend is mainly a result of building maintenance expenditure incurred on void properties.

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	£'000	£'000	£'000
Business Support Centre	15,654	(5,975)	9,679	(455)	(28)	(133)	0	(43)	0	0	0	0	0	(659)	(381)	(1,040)
Commercial Services	59,860	(57,311)	2,549	1,044	23	549	211	54	(6)	0	0	0	0	1,875	(1,839)	36
Facilities Management	10,118	(4,154)	5,964	(161)	(297)	45	24	16	0	0	3	0	0	(370)	370	0
Corporate Property Management	5,052	(587)	4,465	62	180	8	(11)	(88)	0	0	0	0	0	151	(45)	106
Total	90,684	(68,027)	22,657	490	(122)	469	224	(61)	(6)	0	3	0	997	(1,895)	(898)	

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
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	0.00
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	0.40
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			G		-1.30
Civic Enterprise Leeds - Forecast Variation						-0.90

STRATEGIC & CENTRAL ACCOUNTS - 2016/17 FINANCIAL YEAR
FINANCIAL DASHBOARD - OUTTURN

The outturn position for the strategic & central budgets is an underspend of £1.7m as identified below:-

- Debt - an overspend 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 £0.1m, being the anticipated cost of the new Leeds City Council minimum pay rate effective from January 1st.
- Section 278 income - a shortfall of £2.3m due to lower levels of development activity.
- A £4.8m shortfall in income from the New Homes Bonus grant as a result of government changes to the scheme
- Procurement - a £1.9m variation which reflects that the procurement and PFI savings have been managed through directorate budgets.
- Savings of £2.8m from the additional capitalisation of eligible spend in general fund and school budgets.
- Appropriation of £3.3m to earmarked reserves, including an additional £1.4m of prudential borrowing charges to fund ongoing debt costs, £1m for Street Lighting PFI negotiated income and a £1m Invest to Save reserve
- Savings of £1.8m on the levy contribution to the business rates.
- Joint Committee - £0.1m overspend for the West Yorkshire 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	(8,368)	(34,378)	(42,746)	104		(950)		132				3,398	2,684	442	3,126
Debt	24,960	(1,103)	23,857			273							(7,968)	(251)	(8,219)
Govt Grants	3,015	(26,434)	(23,419)							(1,809)			(1,809)	5,570	3,761
Joint Committees	37,411	0	37,411						126				126	0	126
Miscellaneous	6,708	(1,212)	5,496	(584)		(49)			(36)				(669)	212	(457)
Insurance	9,831	(9,831)	0			2,665		(109)				869	3,425	(3,425)	0
Total	73,557	(72,958)	599	(480)	0	1,939	0	23	90	(1,809)	(8,241)	4,267	(4,211)	2,548	(1,663)

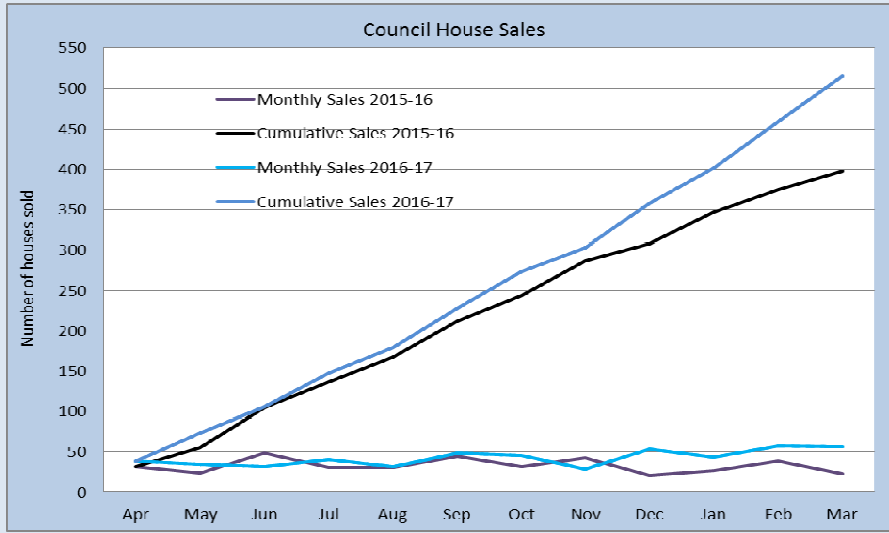
Appendix 1

STRATEGIC & CENTRAL ACCOUNTS - 2016/17 FINANCIAL YEAR						
Key Budget Action Plans and Budget Variations:						
		RAG	Budget	Forecast Variation against Budget		
				£m		
		Lead Officer	Additional Comments			
A. Major Budget Issues						
				£m	£m	
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 extra £418k retained EZ share	A	(7.1)	(0.1)
5.	S278 Contributions	Doug Meeson	Reduced income credited to revenue due to slippage in capital spend	A	(5.2)	2.3
6.	General capitalisation target	Doug Meeson	Capitalisation of eligible spend in directorate/service revenue budgets.	A	(3.0)	(1.6)
7.	Schools capitalisation target	Doug Meeson	Capitalisation of eligible spend in school revenue budgets.	A	(2.5)	(1.2)
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.	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	(1.8)
3.	Prudential Borrowing Recharges	Doug Meeson	Contra budgets in directorate/service accounts.	G	(11.8)	(1.4)
4.	Earmarked Reserves	Doug Meeson	£1m new invest to Save res and transfers to capital reserve - £1m Street Light income -> cap resve; additional pru borrow and EZ repayment -> capital resve. Replenish flood grant reserve £150k. £375k budgeted contribn to CTW not required; use £1.2m of LBS contribn	G	(5.7)	3.3
5.	Miscellaneous	Doug Meeson	Reduction in corporate unfunded pension costs	G	4.9	(0.5)
6.	Income	Doug Meeson	Reduced income from Court fees £400k; Pay back of £0.54m Council Tax Flood relief; interest on VAT repayments & unclaimed miscellaneous receipts	A	0.0	0.6
7.	Living Wage	Doug Meeson	Estimated impact of Jan rise to £8.25/ hour	A	0.0	0.1
Strategic & Central Accounts - Forecast Variation					(1.7)	

Housing Revenue Account - Outturn 2016/2017 Financial Dashboard - 2016/17 Financial Year

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

Directorate	Current Budget	Actual Spend	Variance to budget	Comments	Period 12 variance
	£000	£000	£000		£000
Income					
Rents	(218,375)	(218,154)	220	Rent lower than budget due to lower stock numbers from increased RTB sales.	215
Service Charges	(6,443)	(6,480)	(37)	Increase in leasehold income offsetting decrease in Heatlease income	(15)
Other Income	(29,305)	(30,449)	(1,144)	Mears Gainshare (£490k), and KPI income (£135k), PFI PTC (£89k), increase in RTB sales fee income (£177k), Funding contributions for biomass project (£37k) and income for project via Switch2 (£82k), Solar panel income (£45k), Telecomms income (£41k) and Paralegal (for court costs) (£55k). Funding from external organisations including staff secondments (£79k). Insurance refund (£22k). Miscellaneous Property income (£23k) and other small variances to income streams (£30k). Reduced income on capitalised salaries due to vacant posts £161k	(1,107)
Total Income	(254,123)	(255,083)	(961)		(906)
Expenditure					
Disrepair Provision	1,000	1,717	717	561 Cases closed in 2016/17 plus 262 outstanding cases allowed for in the provision moving forwards	715
Repairs to Dwellings	43,548	43,185	(363)	Outturn position lower than budget.	(267)
Council Tax on Voids	663	581	(82)	Low void rate and demolished dwellings resulting in reduced charge.	62
Employees	27,792	27,088	(704)	Vacant posts (£1,351k) and training saving (£126k) offsetting agency staff (includes disrepair) £268k and severance costs £115k. Other savings following review of budgets (£30k). Enhanced Income Team (EIT) costs brought into financial reporting £420k, however, this is balanced by funding from reserves (see Appropriations below)	(1,111)
Premises	7,028	6,968	(60)	Increase in cleaning charges £77k, Site maintenance costs at Navigation House £33k, Biomass pellets £69k and Solar Panels £22k. Offset by savings on Dilapidations and NNDR at former offices (£40k), Utilities (£174k) and Commercial stock repairs (£58k). Misc variances following review of budgets £11k.	(13)
Supplies & Services	5,493	4,719	(774)	Savings on ICT budgets (£158k), Printing and Newsletter budget saving (£59k), Office equipment saving (£100k), LLBH PFI consultants (£12k), Tenant Mobility saving (£140k), Reduced transaction charges (£101k), Annual Support Grants (£36k), and Rise High Project (£32k). Other minor variations (£9k). Wortley Housing Office office accommodation £226k funded by reserves and Changing the workplace saving transferred to reserves for 2017/18 (£353k) (see appropriations below).	(292)
Internal Services	38,473	37,973	(500)	Increase in charges for RTB work £219k, PPPU recharges £124k. Offset by a reduction in E&H GF recharges to the HRA (£736k), Regeneration team recharge (£46k) and Legal recharges (£61k)	(207)
Capital Programme	73,041	74,898	1,857	Transfers to capital programme: Environmental Improvement Programme (EIP) £906k, Sheltered £850k, HAPs £101k	-
Unitary Charge PFI	8,101	7,717	(384)	PFI scheme adjustments: UC (£260k); PTC £159k; RTB (£65k); Access Refusals (£203k); Benchmarking (£58k); Timing of contractor payments £1598k; PFI accounting adjustment balanced by increase in capital charges (£1555k)	1,171
Capital Charges	49,159	50,787	1,628	Capital charges £1807k, Impairment Charge £294k, Land revaluation (£388k)	41
Other Expenditure	7,189	6,468	(721)	Leeds Tenant Federation (£120k), HAPs saving taken into reserves (see Appropriations) (£165k), Transport cost reforecast (£87k), DHP outturn (£48k), Provision for doubtful debt calculation based on actual position/write offs (£304k)	(145)
Total Expenditure	261,487	262,100	613		(677)
Net Position	7,364	7,016	(348)		
Appropriation: Sinking funds	(6,619)	(7,719)	(1,100)	Transfer from PFI reserve	
Appropriation: Reserves	(745)	(2,914)	(2,169)	Transfers to capital from reserves: EIP (£906k), Sheltered (£850k) Transfers to HRA revenue from reserves: EIT (£420k), ELI (£115k), Heights Drive (£226k) Transfers to HRA reserves: EIT (for additional year) £203k, HAPs £145k.	
(Surplus)/Deficit	0	(3,617)	(3,617)		
Proposed New Reserves	-	615	615	Proposed new reserves eFiles/Boxit £262k, Changing the Workplace £353k	
Transfer to Capital Reserve		3,002	3,002	£625k Mears gainshare and £2.4m transfer of surplus to reserves	
Total Current Month	0	0	0		(1,583)

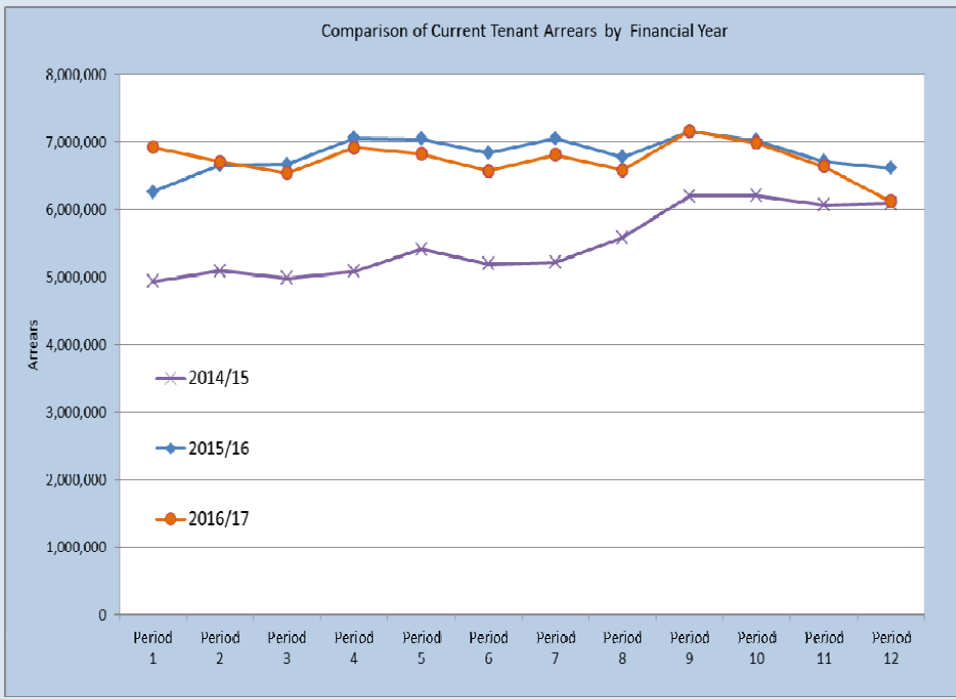


Change in Stock	Budget	Actual
Right to Buy sales*	380	516
New Build (PFI)	(93)	(91)
New Build (Council House Growth)	(142)	(149)
Total	145	276

* actual sales as at the end of Period 12 - 516

Right to Buy Receipts	2015/16 Actual	2016/17 Actual
Total Value of sales (£000s)	18,057	25,983
Average Selling Price per unit (£000s)	45	50
Number of Sales*	397	516
Number of Live Applications	892	1,165

	2015/16	2016/17	Variance
	£000	£000	£000
Arrears			
(Dwelling rents & charges)	Week 52		
Current Tenants	6,613	6,123	(490)
Former Tenants	3,393	4,144	751
	10,006	10,267	261
Under occupation			
Volume of Accounts	5,078	4,655	(423)
Volume in Arrears	2,628	2,155	(473)
% in Arrears	52%	46%	-5%
Value of Arrears	825	576	(249)
Collection Rates			
Dwelling rents	97.24%	97.43%	0.19%
Target	98.06%	97.50%	
Variance to Target	-0.82%	-0.07%	0.19%



Description		Actual Balance 31st March 2016	Actual Transfers To & From Reserve to Date	Balance Reason for the Reserve Outturn
		£k	£k	£k
GENERAL FUND		(21,560)	814	(20,746)
Adults & Health	S256 funding for health inequalities	(3,000)	(615)	(3,615) Specific funding from Leeds South and East CCG for tackling health inequalities. Spend projected each year up to and incl 2019/20
Adults & Health	Health and Social Care (CCG)	(12,286)	10,295	(1,991) To fund Health and Social Care priorities
Adults & Health	Safeguarding Adults	0	(94)	(94) Independent Safeguarding Board - c/f of partner contributions
Children & Families	Health Innovations	(574)	(674)	(1,248) Monies given by Health Service for a number of joint initiatives around commissioning & children's centres
Children & Families	Safeguarding (Children's)	(117)	(84)	(201) Independent Safeguarding Board - c/f of partner contributions to fund serious case reviews
City Development	HS2	(156)		(156) To support the costs of developing and progressing master planning for the Southbank, including HS2 planning.
Communities & Environment	Casino License	(597)	162	(435) Reserve for creation of Social inclusion fund, as per license bid and to fund LCC inclusion teams.
Communities & Environment	Economic, Social and Environmental Wellbeing fund	(497)	148	(349) C/f balances on the wellbeing budgets of Community Committees.
Communities & Environment	Parks Special Project	(81)		(81) To cover cost of repairing fire damage at Temple Newsam Home farm. (To be used on Capital scheme)
Communities & Environment	Communities Innovation Fund	0	(80)	(80) Fund work with 3rd sector to develop future financial sustainability in the sector
Communities & Environment	Immigration Advice reserve	(60)		(60) Fund to assist Chapeltown Citizens Advice Bureau provide immigration advice to clients
Communities & Environment	Information Centre	(170)	170	0 To fund Customer Hub developments; Used in 16/17
Resources & Housing	Homelessness Prevention Fund	(120)		(120) Homelessness prevention - planned to use to fund £40k for next 3 years
Resources & Housing	Business Transformation Reserve	(48)		(48) Siebel review (system of customer facing communication etc)
Resources & Housing	Lord Mayor	(14)	(21)	(35) Balance of budget carried forward
Resources & Housing	Armed Forces Day	0	(30)	(30) Funding for Armed Forces Day 2017
Resources & Housing	Members club	(8)		(8) Surplus on the members club.
Strategic	Capital reserve	(5,756)	2,384	(3,372) Directorate contributions towards borrowing costs of capital schemes. Contributions received over life of asset and released back to revenue to cover debt costs over life of loan. Includes school contributions for Equal Pay.
Strategic	General Insurance Reserve	(763)	(1,896)	(2,659) Additional £1m contributed as per 16/17 budget+ £896k additional following review of insurance provisions
Strategic	ELI Reserve	(2,000)		(2,000) Reserve c/f to support 17/18 base; ELI severance now funded by capital receipts in line with Council agreed policy
Strategic	Invest to Save	0	(1,000)	(1,000) Fund to get projects off the ground that will generate future revenue savings
Strategic	Demographic and Demand Reserves	(3,293)	2,913	(380) Reserve to help fund future demographic demands ;
Strategic	Legal Cost of VAT claims	(63)		(63) £100k set aside from £8.4m VAT claim refund received in 2010/11 to help fund legal costs for remaining VAT cases.
Strategic	Mutual Municipal Insurance Reserve	(11)		(11) Reserve to fund potential additional clawbacks of past insurance receipts from MMI.
Strategic	Energy efficiency reserve - LCC	(4)		(4) Energy efficiency reserves to fund invest to save energy efficiency initiatives.
Sub-total Earmarked Reserves		(29,617)	11,578	(18,040)
EARMARKED RESERVES				
Total non-ring fenced Reserves		(51,177)	12,392	(38,786)

	Description	Actual Balance 31st March 2016	Actual Transfers To & From Reserve to Date	Balance Outturn	Reason for the Reserve
		£k	£k	£k	
	GENERAL FUND RING FENCED RESERVES				
Schools	Extended schools balances	(10,194)	1,177	(9,017)	Surpluses on extended school activities carried forward;
Schools	Schools Balances	(24,214)	7,056	(17,158)	Schools Balances net of VER, Children's Services and BSF PFI borrowing.
Schools	Central schools block - DSG	(3,681)	7,314	3,633	Carryforward of ring fenced DSG for centrally managed pupil orientated services.
Resources & Housing	Taxi & Private Hire licensing surplus	(392)	78	(314)	Ring fenced reserve for taxi and private hire licensing service.
Strategic	Energy efficiency reserve - Salix	(22)	(136)	(158)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic	Revenue grants	(6,236)	(4,261)	(10,497)	Revenue grants carried forward as per IFRS requirements (see note 1 below)
	Sub-total General Fund ring fenced reserves	<u>(44,739)</u>	<u>11,228</u>	<u>(33,511)</u>	
	Note 1				
	Revenue Grants				
	City Development	(1,504)	913	(591)	Revenue grants carried forward
	Environment & Housing	(8)		(8)	Bal for Year end relates to ESIF scheme.
	Children's Services - other	(2,423)	1,326	(1,097)	Revenue grants carried forward
	Children's Services - Department for Education Partners in Education (Re-Imagining Children Services for the 21st Century)	0	(7,318)	(7,318)	£7.318m DfE Partners In Practise funding received in 16-17 but to be used in 17/18 and 18/19
	Strategic	(2,301)	818	(1,483)	To fund costs relating to flood damage. £1.2m likely owed to DCLG.
	Sub-total Revenue Grants	<u>(6,236)</u>	<u>(4,261)</u>	<u>(10,497)</u>	
	HRA RING FENCED RESERVES				
	HRA General Reserve	(7,328)	697	(6,631)	
	Major repairs reserve	(31,764)	1,262	(30,502)	Ringfenced to fund capital expenditure or redeem debt.
	Housing Advisory Panels (HAPs) Reserve	(554)	(145)	(699)	To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.
	LLBH&H PFI Sinking fund	(7,631)	5,116	(2,515)	PFI Sinking Fund
	Environmental Works	(2,573)	905	(1,668)	To fund environmental works in the Swarcliffe PFI area
	Swarcliffe Environmentals	(26)	26	0	To fund environmental works in the Swarcliffe PFI area
	Sheltered Housing	(4,088)	850	(3,238)	To fund investment in sheltered housing schemes which still contain shared bathing facilities and fund improved access for people with mobility issues.
	Holdsworth Place - land purchase	(64)		(64)	To fund the purchase of land at Holdsworth Place
	Insurance - large claims	(386)	249	(137)	To fund the cost of insurance claims
	Welfare Change	(2,000)	216	(1,784)	To fund pressures arising from welfare reform.
	Swarcliffe PFI	(12,947)	2,604	(10,343)	PFI Sinking Fund
	Early Leavers' Initiative	(522)	115	(407)	Reserve to fund the cost of approved severance payments
	Changing the Workplace	0	(353)	(353)	To fund the cost of 'new ways of working' for staff in Housing Leeds as office moves are completed.
	eFiles Box It Project	0	(262)	(262)	Principally to fund the scanning of Housing Management paper files to electronic files. This will assist the Housing Service in the preparation for moving to Community Hubs.
	Sub-total HRA reserves	<u>(69,883)</u>	<u>11,280</u>	<u>(58,603)</u>	
	Total ring fenced Reserves	<u>(114,622)</u>	<u>22,508</u>	<u>(92,114)</u>	
	TOTAL RESERVES	<u>(165,799)</u>	<u>34,900</u>	<u>(130,900)</u>	

CAPITAL PROGRAMME - 2016/17 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2017 and the final 2016/17 outturn.
The variations are based on those programmes/schemes with significant variations both over/under > £100k.

Directorate	Service	Programme/ Scheme	2016/17 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Adults Social Care	Adult Social care	Potternewton Fulfilling Lives Centre	920.2	367.0	Initial estimates proved to be lower than the actuals charged by Leeds Building Services resulting in an overspend. A funding solution has been put in place to fund this scheme from the existing capital programme.
		Other ASC	1,172.6	(140.2)	No material variances on the remaining schemes within the ASC programme.
			2,092.8	226.8	

Directorate	Service	Programme/ Scheme	2016/17 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
City Development	Highways	Highways	77,001.8	1,938.1	Highways accounted for almost 50% of the City Development programme and while there have been some overs and under variances in Highways we have managed to deliver more than we estimated at the setting of the capital programme, within 2.5% of projections. The variances are mainly due to additional spend on Flood Alleviation £1.6m and the main highways maintenance programme £1.3m offset by circa (£1m) on various other schemes within the 350+ schemes delivered in year. Highways delivered large programmes including Flood Alleviation £21m, Local Transport Plan funded schemes £14m, Bridges and Structures £8m, Cycle City Ambition £6m and the annual maintenance programmes £15m .
		Sovereign Square Greenspace	665.9	539.8	To finalise the scheme a retrospective report to the Director of City Development in June 2017 will set out the funding solution £789k, being an injection of the overage payment received from the sale of Plot C at Sovereign Square to the developer and the agreed S106 contribution related to the development of 3 Sovereign Square. This will include the balance of spend on phase 2, £250k in 2017/18.
	Asset Management Services	Asset Management	57,969.6	(327.7)	The accounting treatment of the acquisition of 3 Sovereign square resulted in a transfer between capital and revenue at year end £0.7m which was not envisaged at the setting of the capital programme in Feb, this was offset by other expected acquisitions and the Heritage Asset annual programme coming in under expectations or being slipped to 2017/18 (£1m).
	Economic Development	Economic Development	20,626.5	(2,223.6)	Eastgate public realm works completed in 2016/17 but before we can release the payment (£0.9m) we are awaiting finalisation of receipts due in early 2017/18. Kirkgate Market has slipped (£0.6m) and will now complete in 2017/18. The residual Aire Valley Enterprise Zone programme (£0.3m) and Various other City centre management and public realm schemes (£0.3m) will now be delivered in 2017/18.
	Regeneration Management	Arts and Events	3,315.5	(526.4)	This is mainly due to contracts (£0.4m) on the Grand Theatre works not being signed in time resulting in payments not being made in year.
	Regeneration Management	Regeneration	559.5	(599.4)	A funding solution for the final scheme for the Chapeltown Townscape Heritage Initiative (THI) scheme (£0.3m) is now in place and will complete by November 2017. Lower Kirkgate THI (£0.2m) - Slow take up in grants by 3rd party for refurbishing shop frontages despite promoting the availability of this grant funding source. Spend to increase in 2017/18 with 3-4 new schemes expected on site during the year.
	Other schemes	Other City Dev Schemes	(160,038.8)	1,199.2	No material variances on remaining schemes within City Development.
				100.0	0.0

CAPITAL PROGRAMME - 2016/17 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2017 and the final 2016/17 outturn. The variations are based on those programmes/schemes with significant variations both over/under > £100k.

Directorate	Service	Programme/ Scheme	2016/17 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Strategic and Resources	Central and Corporate	General Capitalisations & Interest	10,403.7	5,303.8	Year end exercise to assess capital and revenue expenditure resulting in increased capitalisations within directorates £2.6m and transformational change £2.7m.
	Central and Corporate	Equal Pay Provision	(1,071.3)	(1,071.3)	Year end capitalisation adjustment in relation to Equal Pay Provision.
	Changing the Workplace	Changing the Workplace	20,722.5	1,850.2	Significantly more works were achieved ahead of schedule on Merrion tenants enhancements £1.2m and the fitting of the new Merrion generator £0.6m than we're anticipated at the setting of the programme in February. This was offset slightly with delays to the St Georges House fit out (£0.2m) and a knock on effect on the internal move into St Georges for BSC. Some savings within the programme of (£0.1m) on alternative furniture solutions were achieved.
	Commercial Services General Fund	CPM - Main works to Corporate buildings and Demolition programme.	2,945.7	(1,184.0)	The CPM annual programme variances (£1.2m) on circa 100+ schemes are mainly due to over optimistic start dates and delays on some schemes which has led to the under utilisation of funding in year.
		CPM - Fire Risk Assessment Remedial works	145.1	(454.9)	The complications encountered with the exploratory and preparatory work has taken time which has delayed the Fire Risk assessment remedial programme.
		City Region Revolving Investment Fund	2,580.7	(320.6)	More loans were achieved than anticipated at the time of the setting of the programme.
		Community HUBS	1,303.7	286.3	Community HUBS are treated as General Fund assets therefore the £288k earmarked for spend directly within HRA at year end has to be shown within the general fund. The HRA will be charged for the interest on borrowing on this element of spend.
	Public Health	Public Health	412.5	(211.4)	Significant delay in identifying a suitable property and business plan for our residential rehab and detox service (£0.5m) offset by an injection £377k of public health grant for Holgate House PHE. Both schemes involve the purchase and refurbish of properties to develop extended residential drug rehab service.
	Other schemes	Other schemes	8,740.3	(243.5)	No material variances on the remaining schemes within Strategic and Central programme.
				46,182.9	3,954.6

Appendix 3

CAPITAL PROGRAMME - 2014/15 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2017 and the final 2016/17 outturn.

The variations are based on those programmes/schemes with significant variations both over/under > £100k.

Directorate	Programme/ Scheme	2016/17 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Children's Services	Social Emotional and Mental Health Programme	10,844.1	(2,771.0)	All 3 SEMH sites have seen some delays; East - piling subcontractor was replaced, South - site constraints / weather, North - additional time to remove asbestos. The contractor has rescheduled works so that overall they remain on programme, however the works that have moved forward have been of lower value. Additionally, the fabrication of steel frames has been carried out off site but the contractor is yet to claim for these costs, resulting in the lower than anticipated spend.
	Learning Places	37,705.6	893.1	The major element of this increase relates to feasibility costs charged to revenue at the setting of the capital programme which have subsequently been capitalised when schemes have been confirmed to progress.
	Schools Capitalisation	3,714.5	214.5	Additional expenditure identified beyond budget that could be capitalised.
	Building Schools for the future residual ICT programme	180.1	180.1	One academy had initially advised that although they expected to commit all of their capital balance in the 2016/17 school academic year, it was unlikely that any more expenditure would take place before 2016/17 financial year end. However, the Academy subsequently requested that their full ICT continual investment balance be transferred.
	Other Children's Services Schemes	13,463.6	21.3	No material variances on remaining schemes within Children's Services.
		65,907.9	(1,462.0)	

Appendix 3

Environment & Housing General Fund	Equity Loans	9,230.4	(698.4)	The expected grant (£0.2m) to Leeds Credit Union to administer the energy repayment loans fund will now happen in 2017/18. Other equity loan take ups £0.4m for vulnerable households and Leeds Empties loans have been slow and less than expected. The District Heating Fees came in £0.1m under expected spend.
	Waste Management	8,224.0	(1,044.1)	Over estimated the Kirkstall Household Waste site spend in year so this slipped into 2017/18 £0.4m which includes the retention. The rollout of garden expansion and the recycling improvement plan have not happened £0.4m in 2016/17.
	Parks & Countryside	6,447.3	(1,664.7)	P&C overestimated spend on a number of schemes within their programme including Whinmoor Nursery £0.4m. A delay in the purchase of vehicles to determine whether electric or gas hybrid was more economical resulted in less than expected spend £0.2m. P&C delivered 50+ schemes in 2016/17.
	Environmental Action Team Vehicles	0.0	(1,137.9)	Vehicles ordered back in November 2016 expected end of financial year but due to the specialist nature of some supplier parts these have been delayed until the new year.
	Car Parking	168.6	(348.9)	The Car Parking system scheme initially earmarked for capital spend is now more cost effective to be funded from revenue and has been taken out of the capital programme.
	Leeds Building Services	909.0	(445.2)	Expected spend on the Total Mobile technology suite initially budgeted (£0.3m) to spend in 16/17 will now slip to 2017/18. Vehicles expected at year end (£0.1m) didn't materialise and will now happen next financial year.
	Other E&H General Fund	68.2	(159.8)	No other material variances on remaining 6 schemes within E&H general fund.
		25,047.5	(5,499.0)	
Total General Fund Variances	300,312.8	(4,113.4)		

Appendix 3

CAPITAL PROGRAMME - 2015/16 HRA, HOUSING LEEDS OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2017 and the final 2016/17 outturn.

The variations are based on those programmes/schemes with significant variations both over/under > £100k.

Environment & Housing HRA/ Housing Leeds	Council Housing Growth Programme	16,030.1	(1,584.6)	Over estimated the delivery of the Newbuild programme with delays in designing the schemes and finding the land to build on. Amid the success in delivering Wharfedale View extra care in year the newbuild schemes on site at the Garnets has encountered delays. A £30m funding package is available for 150-200 Extra Care units for investment across the city. 3 Newbuild schemes are at procurment stage and 3 are at fesibility. These are proving difficult to deliver both in design and finding the land to build on.
	Housing Leeds	73,982.8	(3,017.2)	The Multi Storey Flat related schemes within the programme circa £8.2m account for the majority of slippage within the planned programme. This programme has impacted on projections throughout the year and a review is being undertaken to address the issues surrounding some of the more complex schemes. Our ability to deliver a realistic in year programme is dependant on providing realistic delivery timelines on these complex schemes .
	BITMO	2,570.1	(136.2)	No material variances
Total HRA Variances		92,583.0	(4,738.0)	
Total Capital Program Variances		392,895.8	(8,851.4)	

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