

Report of the Deputy Chief Executive

Report to Executive Board

Date: 27th July 2016

Subject: Financial Health Monitoring 2016/17 – Quarter 1

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

Summary of main issues

1. The purpose of this report is to inform the Executive Board of the financial health of the authority in respect of the general fund revenue budget, and the Housing Revenue Account.
2. The 2016/17 financial year is the first year covered by the 2015 Spending Review and again presents significant financial challenges to the Council. The Council to date has managed to achieve considerable savings in the order of £330m since 2010 and the budget for 2016/17 will require the Council to deliver a further £76m of savings.
3. The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions. Whilst the Council continues to make every effort possible to protect the front line delivery of services, it is clear that the position is becoming more difficult to manage and it will be increasingly difficult over the coming years to maintain current levels of service provision without significant changes in the way the Council operates. A separate report on this agenda sets out the scale of the financial challenge facing the council over the coming three financial years, 2017/18 to 2019/20.
4. Executive Board will recall that the 2016/17 general fund revenue budget, as approved by Council provides for a variety of actions to reduce net spend by £31.5m delivering some £76m of budget action plans by March 2017. After the first

quarter of the financial year, it is clear that the majority of these actions and savings plans are on track to be delivered. However this report highlights a potential overall overspend/risk of £2.9m, although it should be noted that measures are being put into place to reduce this figure.

5. At quarter 1, the Housing Revenue Account is projecting a marginal underspend of £0.1m.

Recommendation

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

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2016/17 at quarter 1.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations after the first quarter of the year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2016/17 was set at £496.4m, supported by the use of £3.5m of general reserves.
- 2.2 The balance of general reserves at the end of March 2016 was £21.3m and when taking into account the budgeted use of £3.5m in 2016/17 will leave an anticipated balance at March 2017 of £17.8m.
- 2.3 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.
- 2.4 A separate report on this agenda sets out the scale of the financial challenge facing the council over the coming three financial years, 2017/18 to 2019/20 in advance of a report will be brought to this Board in September 2016 to update the medium-term financial strategy and decide whether to accept the Government's 4-year funding offer.

3. Main Issues

- 3.1 At quarter 1 an overspend of £2.9m is forecast, as shown in Table 1 below.

Table 1

Directorate	Director	Forecast (under)/overspend for the current period				Previous Month (under)/over Spend
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adult Social Care	Cath Roff	(1,393)	497	189	686	192
Children's Services	Nigel Richardson	145	8,115	(4,315)	3,800	3,600
City Development	Martin Farrington	(504)	(507)	281	(226)	(210)
Environment & Housing	Neil Evans	(64)	(56)	(32)	(88)	0
Strategy & Resources	Alan Gay	(301)	(250)	225	(25)	0
Citizens & Communities	James Rogers	(14)	(7,066)	6,930	(136)	0
Public Health	Dr Ian Cameron	(168)	(68)	0	(68)	0
Civic Enterprise Leeds	Julie Meakin	698	1,067	(1,067)	0	0
Strategic & Central	Alan Gay	400	(1,726)	661	(1,065)	(601)
Total Current Month		(1,201)	6	2,872	2,878	2,981
Previous month (under)/over spend		(2,223)	6,032	(3,051)	2,981	

3.2 The major variations against the budget are outlined below;

3.2.1 Adult Social Care – overall, the directorate is currently projecting an overspend of £0.7m by the financial year-end, an increase of £0.5m over the month 2 report. The increase is mainly due to higher spend on community care packages and the rescheduling of the older people's Better Lives report on residential and day care services to September's Executive Board. Some slippage has been identified in delivering budget action plans of some £1.5m, but at this early stage in the financial year most are projected to be achieved over the remaining 10 months of the year. There is slippage in delivering the specific actions for savings of £0.5m within the community care packages budget, mainly relating to learning disability services. Slippage of £0.5m relates to contracts and grants budgeted savings and £0.5m to the Better Lives programme within older people's residential and day care services. Some other budget pressures and savings have been identified including anticipated savings of £1.4m across the staffing budgets which recognises reducing staffing numbers within the Community Support Service since the budget was set and vacancies within the care management and business support services, partly offset by slippage relating to the Better Lives programme within older people's residential and day care services. Savings of £1.0m are projected in commissioning services, resources and strategy and health and wellbeing due to ongoing vacancies. A risk of £2m has been identified in the budget for Community care packages which mainly relates to residential and nursing care placements, reflecting the trend in the last quarter of 2015/16 and a higher number of residents at the start of the current financial year than was assumed when the budget was set. Expenditure on the learning disability pooled budget is higher than budgeted which also reflects the impact of the spend in the last quarter of 2015/16 and some slippage in delivering the 2016/17 budgeted savings.

3.2.2 Children's Services – overall, at quarter 1 the Children's Services are forecasting a bottom-line overspend of £3.8m. The directorate is facing a number of continuing demand-led and funding budget pressures, which could potentially increase the overspend. Children's Services has committed to a number of actions to mitigate

these budget pressures including tightening controls around recruitment, further promoting the early leaver initiative, reviewing contracts and commissioned services and a restrictions in all areas of non-essential spend. In addition, the directorate is anticipating additional funding, not all of which will result in additional spend, although this will be subject to the approval of a bid to the Department for Education. In terms of the demand-led children in care budgets, at quarter 1, there is a £4.9m forecast pressure which is made up of £3.5m in respect of externally provided residential placements and £1.4m for placements with independent fostering agencies). There are currently 1,243 children in care against an assumption in the budget of around 1,170 placements. The trend in the last quarter of the 2015/16 financial year was for an increase in the external residential placements and this trend has continued in 2016/17, although the current projection is that this position stabilises.

The home to school and home to college transport budget is under significant pressure due to a rise in the number of young people with complex needs, a rise in the transport requirements outside the city and an increase in private hire rates. The pressure is currently identified at £1.7m. A full revised projection and action plan will be produced in September once pupil numbers are finalised.

In terms of the schools budget, pressures have emerged over the past-term principally in relation to the Social Emotional and Mental Health provision, funding for inclusion numbers and central early years expenditure which total some £5m. In addition there is a risk around receiving the budgeted Schools Forum funding for the Readiness for Learning proposal and options are being considered to manage this pressure over the medium term.

- 3.2.3 City Development – overall, the directorate is anticipating an underspend of £0.2m against the £43m net managed budget. There are a number of identified risks/pressures notably around planning appeals and income, but these are mitigated by anticipated income from the Bridgewater Place settlement.
- 3.2.4 Environment & Housing – at quarter 1 the directorate is forecasting a marginal underspend of £0.1m against its £54m net managed budget. Within this overall figure, there is a pressure on the waste management budget of £0.2m which is mainly due to increased disposal costs. In car parking, staffing savings and additional income are expected to deliver a saving of £0.2m and in Community Safety there is a forecast underspend of £0.17m due again to staffing savings, one-off income from the WYPCC and additional Ministry of Justice funding.
- 3.2.5 Strategic & Central budgets – at quarter 1, the strategic and central budgets are anticipated to underspend by £1.1m. The key variations include;
- i. Debt – we have taken advantage of unprecedented low long-term interest rates and the opportunity to reduce the risk in the Council's debt portfolio. In addition, the forecast debt costs for the year include purchasing the strategic asset on Sovereign Street which will generate an income stream which will reduce the overall net pressure on the debt budget to just £0.6m.
 - ii. Section 278 income - a potential £1.5m risk due to lower levels of development activity.
 - iii. Procurement - a £1m variation which reflects that the procurement savings will be managed through directorate budgets.

- iv. Early Leaver Initiative - a potential £0.4m additional spend over the £2m earmarked reserve.
- v. Savings of £2m from the additional capitalisation of eligible spend in general fund and school budgets.
- vi. Appropriation of £2.7m of earmarked reserves.
- vii. Savings of £0.7m on the levy contribution to the business rates pool.

3.3 Other Financial Performance

3.3.1 Council Tax

The Council Tax in-year collection rate at the end of June was 28.29% which is in line with the performance in 2015/16. At this early stage the forecast is to achieve the 2016/17 in-year collection target of 95.9% collecting some £299m of income.

3.3.2 Business Rates

The business rates collection rate at the end of June was 30.54% which is 0.36% behind of the performance in 2015/16. The forecast is to achieve the 2016/17 in-year collection target of 97.7% collecting some £386m of income.

4. Housing Revenue Account (HRA)

- 4.1 At quarter 1 the HRA is projecting a marginal underspend of £0.13m against the 2016/17 budget. Projected combined income from rents and service charges are forecast to be in line with the budget with a marginal £31k anticipated variation at this stage of the year. There are a number of marginal variations against the expenditure budgets which when combined, total some £0.16m.

5. Corporate Considerations

5.1 Consultation and Engagement

- 5.1.1 This is a factual report and is not subject to consultation

5.2 Equality and Diversity / Cohesion and Integration

- 5.2.1 The Council's revenue budget for 2016/17 was subject to equality impact assessments where appropriate and these can be seen in the papers to Council on 24th February 2016.

5.3 Council Policies and Best Council Plan

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

5.4 Resources and Value for Money

- 5.4.1 This is a revenue financial report and as such all financial implications are detailed in the main body of the report.

5.5 Legal Implications, Access to Information and Call In

5.5.1 There are no legal implications arising from this report.

6. Recommendations

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

7. Background documents¹

7.1 None

¹ Any background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

ADULT SOCIAL CARE 2016/17 FINANCIAL YEAR - QUARTER 1

Overall narrative

The directorate is currently projecting an overspend of £0.7m by the financial year-end, an increase of £0.5m over the month 2 report. The increase is mainly due to higher spend on community care packages and the rescheduling of the older people's Better Lives report on residential and day care services to September's Executive Board.

Some slippage has been identified in delivering budget action plans totalling £1.5m, but at this early stage in the financial year most are projected to be achieved over the remaining 10 months. There is slippage in delivering the specific actions for savings of £0.5m within the community care packages budget, mainly relating to learning disability services. Slippage of £0.5m relates to contracts and grants budgeted savings and £0.5m to the Better Lives programme within older people's residential and day care services. Some other budget pressures and savings have been identified, further details of which are outlined below.

The main variations at quarter 1 across the key expenditure types are as follows:

Staffing (-£1.4m – 2.7%)

Savings within Access and Care Delivery total £0.4m. This mainly reflects reducing staffing numbers within the Community Support Service since the budget was set and vacancies within the care management and business support services, partly offset by slippage relating to the Better Lives programme within older people's residential and day care services. Savings of £1.0m are projected in commissioning services, resources and strategy and health and wellbeing due to ongoing vacancies.

Community care packages (+£2.0m – 1.1%)

The main variation relates to residential and nursing care placements, reflecting the trend in the last quarter of 2015/16 and a higher number of residents at the start of the current financial year than was assumed when the budget was set. Expenditure on the learning disability pooled budget is higher than budgeted. This also reflects the impact of the spend in the last quarter of 2015/16 and some slippage in delivering the 2016/17 budgeted savings.

Other Expenditure (-£0.2m – 0.4%)

Savings across a range of general running expenses budgets has been partly offset by slippage relating to contracts and grants budgeted savings.

Income (+£0.2m – 0.4%)

This includes health funding for some intermediate care beds within homes for older people which has not yet been agreed for 2016/17 and some reduced health funding for Information Management and Technology offset by reduced staffing costs. Service user contributions and funding for staffing costs through the learning disability pooled budget are slightly higher than budgeted.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Health Partnerships	383	(130)	252	(73)	0	89	0	4	102	0	0	0	122	(172)	(50)
Access & Care Delivery	246,191	(39,745)	206,446	(405)	1	157	(11)	(37)	1,559	(51)	0	0	1,214	335	1,549
Commissioning Services	13,231	(24,483)	(11,252)	(562)	0	(88)	0	120	475	0	0	0	(55)	(367)	(422)
Resources and Strategy	6,915	(1,008)	5,907	(353)	0	(108)	0	(323)	0	0	0	0	(784)	393	(391)
Total	266,720	(65,366)	201,354	(1,393)	1	50	(11)	(236)	2,137	(51)	0	0	497	189	687

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	Action Plan Value	RAG	Forecast Variation against Plan/Budget
A. Key Budget Action Plans				£m		£m
1.	Older people's residential and day care	D Ramskill	Full-year effects and ongoing Better Lives programme	0.9	A	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	1.0	G	0.0
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	1.0	A	0.1
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	0.5	A	0.1
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	3.0	A	0.3
6.	Assessment and care management efficiencies	S McFarlane	Review of skills mix and business processes	0.5	G	0.0
7.	Grants and contracts	M Ward	Review of contracts and grants across client groups	1.4	A	0.5
8.	Vacancy management	Various	Mainly non-frontline services	0.8	G	0.0
9.	Fees and charges	A Hill	Implementation of February 2016 Executive Board decisions	1.0	G	0.0
10.	Health funding	S Hume	Mainly funding received in 2015/16 on a non-recurring basis	3.9	G	0.0
11.	Better Care Fund	S Hume	Exploring opportunities to realign spend between capital and revenue	1.8	G	0.0
B. Other Significant Variations						
1.	Staffing	Various	Ongoing tight vacancy management and reducing staff numbers in the Community Support Service			(1.9)
2.	Community care packages	J Bootle / M Naismith	Pressures experienced in 2015/16 on residential & nursing placements and the learning disability pooled budget are continuing			1.5
3.	Health income	S Hume/ S McFarlane	Funding for some in-house beds and IM&T work not yet confirmed			0.6
4.	Net effect of other variations	Various	Mainly general running expenses through careful budget management			(0.9)
Adult Social Care Directorate - Forecast Variation						0.7

CHILDREN'S SERVICES FINANCIAL DASHBOARD

Quarter 1, 2016/17

Overall - At quarter 1 the directorate is reporting a projected overspend of £3.8m. The directorate is facing a number of budget pressures, if all materialised to the worst case level then the extent of the overspend could be higher than the £3.8m projected position. The directorate has committed to a number of actions to mitigate against these budget pressures including additional controls on recruitment and promoting the ELI scheme in some areas, a review of contracts and a review of spend including restrictions in all areas of non-essential spend. In addition, the directorate is anticipating additional DfE funding, not all of which will result in additional spend although this will be subject to the approval of a bid. **CLA Obsession** - at quarter 1, there is a £4.9m pressure around CLA demand budgets (£3.5m External Residential & £1.4m Independent Fostering Agency). Currently there are 1,243 CLA children; this includes 59 with External Residential and 226 with Independent Fostering Agencies. Overall the CLA budget supports 1,170 placements which includes provision for 36 ER and 185 IFA placements. The trend at the end of the last financial year was for an increase in the external residential placements and this trend has continued in 2016/17. The current projection assumes that this position doesn't get any worse. There has been a small reduction in numbers in May and June. **Staffing** - current assumption is for pay to slightly overspend by £0.1m. There are some significant risks around this forecast although the directorate has committed to take action to reduce staffing numbers. Current FTE levels and spend would suggest an overspend of approximately £1m although FTE numbers have reduced in May and June. **Commissioned Services** - A £0.5m saving target around the £10m of commissioned contracts and other spend within the directorate. There is a risk that this saving target is not achieved. **DfE Innovations Funding** - There is a potential pressure of £0.8m with the existing DfE Innovations funding. The current projection assumes that actions will be taken so that overall commitments match the funding available but there is still a significant risk that commitments will exceed the available funding in 16/17.

Transport - The home to school and home to college transport budget is under significant pressure due to a rise in the number of young people with complex needs, a rise in the transport requirements outside the city and an increase in private hire rates. The pressure is currently identified at £1.7m. A full revised projection and action plan will be produced in September once pupil numbers are finalised. **Other Income** - Additional £2m DfE Innovations & Partners in Practise grant (part of a new 4 year bid which has not been secured yet). A further £0.3m HRA income to support the FIS and MST Service. Offsetting this is a net £0.6m pressure from the loss of £1.6m CCG income supporting the Children's Centres offset by an anticipated £1m health income from ASC.

Dedicated Schools Grant (DSG) Pressure- Pressures have emerged over the past term principally in relation to the Social Emotional and Mental Health provision, Funding for Inclusion numbers and Central Early Years expenditure which total £5m. In addition there is a risk re receiving the budgeted Schools Forum funding for the Readiness for Learning proposal. Options are being considered to manage this pressure over the medium term. A report will be considered at the next Schools Forum meeting in October.

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
Partnership, Development & Business Support	19,777	(1,137)	18,640	610	0	(610)	1,700	0	0	0	0	0	0	1,700	0	1,700
Learning, Skills & Universal Services	129,193	(116,578)	12,615	(1,077)	0	(707)	0	(92)	250	0	0	153	(1,473)	1,022		(451)
Safeguarding, Targeted & Specialist Services	121,529	(29,397)	92,132	529	0	(439)	200	100	6,467	73	0	875	7,805	(5,337)		2,468
Central Overheads	9,109	(12,053)	(2,944)	83	0	0	0	0	0	0	0	0	83			83
Total	279,608	(159,165)	120,443	145	0	(1,756)	1,900	8	6,717	73	0	1,028	8,115	(4,315)		3,800

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	Action Plan Value	RAG	Forecast Variation
A. Significant Variations				£m		£m
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies).			4.90
	Passenger Transport	Sue Rumbold	Increased numbers of children requiring education outside the city, increased complexity of need and an increase in private hire rates.			1.70
	Income - DSG	Steve Walker	The current projection allows for a £0.75m shortfall against the budgeted income. The other pressures on the DSG could be partly met by exploring options in relation to balances and re-examining eligibility criteria. Options to be presented to School Forum in October.			0.75
	Income - DfE bid	Steve Walker	New bid to DfE in 2016/17. Assumes that not all the proposed expenditure will be additional.			(2.00)
	Commissioning	Sue Rumbold	Target saving against the £10m commissioning budget. Specific savings proposals to be presented to CSLT. There is a risk that sufficient savings cannot be achieved in 2016/17.			(0.50)
	HRA - funding	Steve Walker	Additional HRA income re signpost and MST service may not be forthcoming. It is subject to agreement with Environments & Housing.			(0.30)
	Savings challenge across department	All	Target savings against running costs and staffing budgets. Proposals are being considered by CSLT.			(1.80)
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.	2.40	A	0.00
A2	Health Funding For Children's Centres	CSLT	Negotiate with CCG's to extend 15/16 funding into 16/17. Income unlikely to be received from CCGs but alternative funding being pursued.	1.60	R	0.60
C1	Reconfigure services to young people at risk of becoming NEET	Andrea Richardson	IAG contract has been extended to July 2016. Some existing provider staff will TUPE.	1.20	A	0.25
E1/E2/E4	Staff savings	Sue Rumbold	Reduction in posts/additional trading opportunities and ELIs. Linked to medium term strategy for the directorate. Further staff reductions are required to meet budget assumptions.	1.40	A	0.00
E5	Reduce net cost of Learning For life managed Children's Centres Childcare.	Andrea Richardson	Ensure childcare income generated is reflected in childcare staffing levels	0.50	A	0.30
A3	Improvement partners	Steve Walker	Maximise income from supporting other LA's. Work underway with Manchester. Other expressions of interest from other LA's. Innovations bid to DfE ongoing. Decision due late summer.	0.50	G	0.00
A4	Adel Beck	Francis N'Jie	Maximise income from selling to other LA's. Rates revised for 16-17 to recover this additional income subject to occupancy levels being achieved.	0.40	G	0.00
E3	Impact of residential review on overtime costs	Steve Walker	Running cost efficiencies following closure of Pinfolds and Bodmin. Linked to the overall pay strategy for the directorate.	0.40	G	0.00
	Various other budget savings (10)	All CO's	Including reconfiguration of Targeted Services, a review of assets, additional trading with schools, reviewing non Statutory costs etc.	2.29	A	(0.10)
Children's Services Directorate - Forecast Variation						3.80

CITY DEVELOPMENT 2016/17 FINANCIAL YEAR - QUARTER 1

Overall - At quarter 1 City Development is projecting an underspend of £226k. This is based on a number of assumptions and recognising some high level risks within the budget: Advertising Income pressure has increased by £46k to £286k. Although the income target was reduced in the 2016/17 estimates cycle by £200k it is unlikely to achieve its target this year due to time required to build up the advertising sites portfolio and programme delays around approvals for the Advertising Sites. However it is assumed that this will be offset by Arena Debt Savings and income from two new asset purchases awaiting Executive Board approval this month (approximately £490k in 2016-17).

Sport staff savings are expected from within the Active Lifestyle service. At this point the proposed closure and refurbishment of the swimming pools at Aireborough and John Smeaton are expected to be cost neutral as the loss of income from swimming lessons and general swimming will be offset by a managed reduction in staffing and running costs.

Highways and Transportation have a number of budget pressures specifically in relation to drainage and roads maintenance issues (£230k) which are to be funded from increased external income.

There are concerns around Planning Appeals costs this year as the service currently have a number of appeals ongoing from 2015/16 and new ones coming in in 2016/17, this is currently estimated at £200k.

Income targets at Kirkgate Market are also under pressure due to rent discounts and later than anticipated new leases resulting from delays to the major redevelopment these are estimated at £172k

The Directorate has a further income generation target of £460k which is currently held centrally until new income opportunities are identified within services, and there is an assumption in the strategy that the Bridgewater Place money will be used to offset this if required.

The Directorate Strategy is to use the proposed £825k Bridge Water Place settlement to fund these net pressures and contribute the balance to the corporate strategy. In the service analysis below £460k is within Resources & Strategy and £365k Highways & Transportation.

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		
Planning and Sustainable Development	8,608	(5,733)	2,875	0	0	200	0	0	0	0	0	0	0	200	0	200
Economic Development	4,886	(3,998)	888	42	10	(43)	0	0	0	0	0	0	0	9	163	172
Asset Management and Regeneration	11,203	(10,394)	809	(140)	33	0	0	(318)	0	0	0	0	0	(425)	229	(197)
Highways and Transportation	55,878	(39,502)	16,376	(352)	(78)	107	(23)	(14)	0	0	0	0	0	(360)	(5)	(365)
Libraries, Arts and Heritage	22,458	(7,401)	15,057	(31)	(6)	98	0	0	0	0	0	0	0	60	(54)	7
Sport and Active Recreation	24,332	(18,631)	5,701	(20)	6	7	3	15	0	0	0	0	0	11	(52)	(40)
Resources and Strategy	1,811	(523)	1,288	(3)	0	0	0	0	0	0	0	0	0	(3)	0	(3)
Total	129,176	(86,182)	42,994	(504)	(35)	370	(20)	(318)	0	0	0	0	0	(508)	281	(226)

Key Budget Action Plans and Budget Variations:				Action Plan Value	RAG	Forecast Variation
		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	550	G	0
2.	Economic Development	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation	280	G	0
3.	Asset Management & Regeneration	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation	410	G	0
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	440	G	0
5.	Libraries, Arts and Heritage	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation	570	G	0
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	125	G	0
7.	Sport and Active Recreation	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation	440	G	(40)
8.	Resources and Strategy	Ed Mylan	Reduction in the net cost of service via efficiency and staffing savings	30	G	0
9.	Directorate	All Chief Officers	Directorate-wide additional income target	460	G	0
B. Other Significant Variations						
1.	Asset Management	Tom Bridges	Reduced borrowing costs at Leeds Arena (£450k) offsetting reduced income from Advertising and increased legal costs			(197)
2.	Highways	Gary Bartlett	Additional Highways Income			0
3.	Planning Appeals	Tim Hill	Uncertainty at this stage around the costs of planning appeals			200
4.	Kirkgate Market	Tom Bridges	Extension of 20% rent discount and other rent reductions resulting from the delay in the Kirkgate redevelopment.			176
5.	Bridgwater Place	Martin Farrington	As per the Directorate Strategy, use of balance of Bridgwater Place settlement to mitigate pressures			(365)
City Development Directorate - Forecast Variation						(226)

ENVIRONMENT & HOUSING DIRECTORATE 2016/17 FINANCIAL YEAR - QUARTER 1

Overall Position (£88k under budget)

Community Safety (£174k under budget)

The service is projecting an underspend on staffing of £149k (offset by reduced charges to HRA of £128k). One off income in year has been received from West Yorkshire Police & Crime Commissioner (£85k) for contributions to LASBT (Leeds Anti social behaviour team) and additional Ministry of Justice funds (£89k) have been utilised.

Parks & Countryside (£0k Nil Variance)

Even though there was no Easter in 16/17, turnover at attractions (including cafe/retail) continues to be strong with a projected increased surplus (£188k). This is partially offset by projected reduction in Golf income £38k, the loss of Forestry grant £60k and additional planting cost £70k. Other minor variations across the service £13k.

Environmental Action & Health (£43k under budget)

Env Action - Projected staffing savings (£56k) offset by loss of Wellbeing funding £36k and GPS system for gully tankers £20k.

Env Health - projected staffing savings of (£25k) + other minor savings (£18k).

Car Parking (£207k under budget)

Ongoing vacant attendant posts (£113k) partially offset by additional expenditure of £80k for P&D machine maintenance and the upgrades required to facilitate the new £1 coin coming into circulation in 2017. Overall Income is projected to be increased by (£193k). Of this the 50p increase at Woodhouse Lane (in June) projected to generate an additional (£90k). Other variations being off street parking (£85k), PCN (£19k).

Housing Support/Partnerships/SECC/SP Contracts (£81k under budget)

Housing staffing underspends (£427k) due to vacant posts are partially offset by a reduction of £210k corresponding income charged to HRA. Other variations across all areas are projected to be £136k.

General Fund SS (+£229k over budget)

Of the £970k Directorate wide staffing efficiency target, £458k savings have been included within the projected position of individual services and therefore remains a pressure within GFSS. (It is assumed that the remaining £512k will be found across the directorate in year). Offsetting the £458k are staffing savings in Intelligence & Improvements (£102k) and assumed directorate line by line savings of (£128k).

Leeds Building Services (£0k Nil variance)

The service is currently projecting an overspend on staffing of +£346k, this being offset by corresponding reduction in the Sub Contractor costs. The service has a WIP of £10.1m, this will be closely monitored during the year.

Waste Management +£187k over budget

Refuse (£0k nil variance)

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

HWSS & Infrastructure (+£21k over budget)

Additional staffing costs of £21k are forecast, reflecting additional operatives at Kirkstall Road required to deal with higher than anticipated waste volumes.

Waste Strategy & Disposal (+£166k over budget)

A projected overspend of £217k in respect of SORT disposal costs reflects average gate fees and wastage rates being higher than budgeted. In addition, higher than anticipated tonnages at HWSS are projected to cost an additional £140k. Additional street arisings tonnages are currently projected to be offset by savings on the gate fee. These pressures are partially offset by a reduction on volumes at the RERF (£80k) and a higher than anticipated share of electricity (£60k). Other projected variations include garden waste (£35k), food waste (£7k) and textiles (+£13k).

Budget Management - net variations against the approved budget;

Summary By Service

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Community Safety	8700	(6,501)	2,199	(149)		(23)		(60)					(232)	58	(174)
Strategic Housing, SECC, Contracts	17,825	(8,583)	9,242	(467)	(2)	79	(5)	7	(5)				(393)	312	(81)
General Fund Support	(428)	(408)	(836)	357		(128)							229		229
Leeds Building Services	45,395	(51,217)	(5,822)	346		(346)							0		0
Parks & Countryside	29,319	(21,259)	8,060	(10)	(32)	160	(64)	69					123	(123)	0
Waste Strategy and Disposal	20,566	(5,749)	14,817	(10)		176							166		166
Household Waste Sites & Infrastructure	4,502	(480)	4,022	63	2	2	77						144	(122)	22
Refuse Collection	16,747	(375)	16,372										0		0
Environmental Action	15,354	(4,343)	11,011	(56)		20							(36)	36	0
Environmental Health	3,179	(765)	2,414	(25)		(18)							(43)		(43)
Car Parking	5,003	(12,614)	(7,611)	(113)		80		19					(14)	(193)	(207)
Total	166,162	(112,294)	53,868	(64)	(32)	2	8	35	(5)	0	0	0	(56)	(32)	(88)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	Action Plan Value	RAG	Forecast Variation against Plan/Budget
				£m		£m
A. Key Budget Action Plans						
1.	Dealing Effectively with the City's waste	Susan Upton	FYE of Waste Strategy and assumes PFI at £53.3 for B1 tonnes; £0.3m for additional recycling performance	(4.5)	G	0.0
2.	HWSS Strategic Review	Susan Upton	Service still reviewing options but likely to be 2017/18. Other savings to be identified.	(0.1)	G	0.0
3.	Parks and Countryside additional income	Sean Flesher	Implement price rises, plus additional income at various attractions	(0.6)	G	0.0
4.	Leeds Building Services	Simon Costigan	Identification of savings to fund PPPU costs	(0.2)	A	0.0
5.	Car Parking	Helen Freeman	Review of Price tariffs and additional income target.	(0.2)	G	0.0
6.	WYP & CC grant use	Sam Millar	£713k funding budgeted but not confirmed therefore remains a risk	(0.7)	A	0.0
7.	Savings in Housing related support programme	Neil Evans	FYE of 15/16 plus recommissioning of more SP contracts	(0.3)	G	0.0
8.	Directorate wide staffing reductions	Neil Evans	£0.9m unallocated in Support accounts, current level reduced to £0.5m + £0.3k of other staffing targets	(1.2)	G	0.0
9.	Contract / Procurement Savings / Line by Line		Target for contract savings in the base. (not shown as a variance as reported corp in 15/16)	(0.3)	A	0.0
10.	All Other action plan items			(0.1)	G	0.0
B. Other Significant Variations						
1.	Waste Disposal Costs	Susan Upton	Net budget £15.7m for 329.2k tonnes of waste; Detailed in year monitoring			0.2
2.	Refuse Collection staffing costs	Susan Upton	£12.2m pay budget in service; nil variation anticipated at P2			0.0
3.	Refuse Collection vehicle costs	Susan Upton	Repairs £0.7m; Fuel £1.2m.			0.0
4.	Car Parking Fee Income BLE / PCN income	Helen Freeman	BLE £1.4m ; PCN's £2.3m - Nil variance projected at P2			0.0
5.	Car Parking Fee Income Fee Income	Helen Freeman	£8.4m budget increase of £810k from 15/16.(Introduced new WHLCP increased by 50p June 2016)			(0.2)
6.	Environmental Action staffing	Helen Freeman	£13.5m pay budget in service			0.0
7.	Property Maintenance	Simon Costigan	Budgeted surplus of £5.2m required to be delivered. Service currently operating with £10.1m WIP			0.0
8.	Parks and Countryside - Tropical/ Lotherton	Sean Flesher	£1.7m Income budget (incl: TWorld £1.3 m budget)			(0.2)
9.	Parks and Countryside - Bereavement Services	Sean Flesher	£6.3 m budget			0.0
10.	All other variations					0.1
Environment & Housing - Forecast Variation						(0.1)

**CITIZENS AND COMMUNITIES
2016/17 FINANCIAL YEAR - QUARTER 1**

Overall

Budget action plans have been reviewed with each Chief Officer and at present it is anticipated that all plans will be achieved, therefore the Directorate is currently projected to come in slightly under budget.

Communities

The latest figures for Community Centres indicate a potential overspend of £50k, although this assumes no savings in utility costs (last year this was £50k) which it is assumed will balance the overall position. Savings on Well Being, Youth Activities, Innovation Fund have been delivered. The full saving of 3rd Sector Infrastructure Grant will not be delivered in year but this will be offset by savings elsewhere within the service.

Customer Access

At this stage, it is hoped that the services will be on budget, though savings targets built in to the budget for 2016/17 are challenging and there is a significant amount of work involved in developing the Community Hubs.

Elections, Licensing & Registration

A small underspend of £24k is expected, largely due to staff vacancies.

Benefits, Welfare and Poverty

Housing Benefit payment, subsidy and overpayments is currently expected to be underspent by £113k, largely as a result of the continued work on overpayment income.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES															
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	Total (under) / overspend	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Communities	8,041	(2,513)	5,528	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Access	16,972	(1,568)	15,404	1	0	0	0	0	0	0	0	0	1	0	1	
Elections, Licensing & Registration	6,755	(6,024)	731	(15)	0	(9)	0	0	0	0	0	0	(24)	0	(24)	
Benefits, Welfare and Poverty	298,440	(295,528)	2,912	0	0	0	0	0	0	(7,043)	0	0	(7,043)	6,930	(113)	
Total	330,208	(305,633)	24,575	(14)	0	(9)	0	0	0	(7,043)	0	0	(7,066)	6,930	(136)	

Key Budget Action Plans and Budget Variations:						
	Lead Officer	Additional Comments	Action Plan Value	RAG	Forecast Variation against Plan/Budget	
			£m		£m	
A. Key Budget Action Plans						
Efficiencies						
	Community hubs	Shaid Mahmood	Efficiencies from bringing services together, linked to Phase 1 and 2 of the capital investment in the service	0.1	G	0.0
	Running costs	Shaid Mahmood	Main savings in Communities	0.3	G	0.0
	Transactional web	Lee Hemsworth	Further savings from the implementation of transactional web, mainly staffing	0.2	G	0.0
	Registrars	John Mulcahy	Review of costs and income	0.1	G	0.0
	Asset savings	Shaid 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	0.1	G	0.0
	Other	All CO's	£64k from PPE, printing and mail	0.1	G	0.0
Changes to service						
	Third sector infrastructure grant	Shaid Mahmood	Grant reduction	0.1	B	0.0
	Reduction in wellbeing and youth activities	Shaid Mahmood	Reduction in budget	0.2	B	0.0
	Innovation Fund	Shaid Mahmood	Budget reduction	0.1	B	0.0
Additional income - traded services, partner and other income						
	Housing benefits over payments	Steve Carey	Confident that this level of overpayments will be achieved in the light of the outturn position in 2015/16. Figure could be higher - review in progress	0.4	G	0.0
	Council Tax Single Person Discount	Steve Carey	Continue Capita work £200k target added to CT base	0.0	G	0.0
	Advice consortium and welfare rights	Steve Carey	HRA contribution relating to under occupancy and rent arrears	0.2	B	0.0
	Local Welfare Support Scheme	Steve Carey	HRA contribution in respect of support of Council tenants	0.1	B	0.0
B. Other Significant Budgets						
	Net effect of all other variances					(0.14)
Citizens and Communities Directorate - Forecast Variation						(0.14)

PUBLIC HEALTH 2016/17 FINANCIAL YEAR - QUARTER 1

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. On the 4th November 2015 the Government announced the result of the consultation with local authorities on the implementation of a £200m national cut to the 2015-16 Public Health grant allocation. This confirmed the Department of Health's preferred option of reducing each local authority's allocation by 6.2%, this has been confirmed as a recurrent cut resulting in a £2.818m recurrent cut for Leeds City Council. In addition to the £2.818 cut, the 2015 comprehensive spending review has shown a further 3.9% real terms reduction in 2016-17 which equates to an additional reduction of £1.1m. The grant allocation represents a cash reduction of £3,896k or 7.71%.

Although the Public Health grant for 2016-17 is fully committed, a 2 year cuts plan has been implemented in order to meet the required savings. Work has taken place to identify options for savings and critical difficult decisions have had to be taken in order to meet this significant challenge. Savings have been made through successful consultation and negotiation with our partners and providers including 3rd Sector and NHS providers, this has resulted in approx. £1.1m of savings. 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. £233k identified as a saving as part of the transfer of the TB contract will not materialise therefore work has begun to compensate for this shortfall. Due to overtrading of sexual health services, provision was made for anticipated costs however it is likely that these costs will not materialise in full therefore resulting in a saving of 192k to offset against this risk. In 2016-17 there is a £1.3m shortfall to meet the required £3.9m cut this amount has been taken from Council reserves and will be paid back by the end of 2017-18 as part of the Public Health cuts plan.

Detailed Analysis

At quarter 1, the Public Health ring fenced grant is showing a balanced position, this is due to a current underspend on the staffing budget due to staff turnover and vacant posts on hold, a review is underway to prioritise critical posts that need to be filled. Work is continuing to identify potential financial pressures particularly in relation to costs associated with the new drugs and alcohol contract and Public Health activity contracts which are paid based on demand and some on NHS tariff.

In Supporting People there are a number of vacancies which has resulted in a projected underspend of £68k.

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			
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	5,089		5,089	(100)	0	0	0	0	0	0	0	0	0	0	(100)	0	(100)
Commissioned and Programmed Services:																	
- General Public Health	142		142	0	0	0	0	0	29	0	0	0	0	29	0	0	29
- Population Healthcare	283		283	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Healthy Living and Health Improvement	15,273	(140)	15,133	0	0	0	0	0	30	0	0	0	0	30	0	0	30
- Older People and Long Term Conditions	2,361	(47)	2,314	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Child and Maternal Health	14,115		14,115	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Mental Wellbeing and Sexual Health	9,248		9,248	0	0	0	0	0	(192)	0	0	0	0	(192)	0	0	(192)
- Health Protection	806		806	0	0	0	0	0	233	0	0	0	0	233	0	0	233
Transfer From Reserves		(500)	(500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Supporting People	964	(637)	327	(68)	0	0	0	0	0	0	0	0	0	(68)	0	0	(68)
Drugs Commissioning	1,304	(1,285)	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	49,585	(49,239)	346	(168)	0	0	0	0	100	0	0	0	0	(68)	0	0	(68)

Key Budget Action Plans and Budget Variations:					
	Lead Officer	Additional Comments	Action Plan Value £m	RAG	Forecast Variation £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	0.8	B	0.0
- Staff savings	Ian Cameron	Reduction in staffing pay budget through vacant posts on hold and vacancy management throughout 2016/17	0.4	B	0.0
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.	0.2	B	0.0
- Drugs and alcohol services	Ian Cameron	Initial consultation with provider has taken place, further discussions are planned.	0.2	B	0.0
- Drug Intervention Programme and Integrated Offender Management	Ian Cameron	Consultation with partners and providers have begun in order to realise savings.	0.4	B	0.0
- 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.	0.3	B	0.0
- Transfer of TB service to NHS provider	Ian Cameron	Following consultation with NHS Partners this saving will not be realised	0.2	R	0.2
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.	1.8	B	0.0
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.	0.6	B	0.0
B. Other Variations					
Projected underspend on staffing costs					(0.2)
Net effect of all other variations					(0.1)
Public Health - Forecast Variation					(0.1)

STRATEGY AND RESOURCES
2016/17 FINANCIAL YEAR - QUARTER 1

Overall

Budget action plans have been reviewed with each Chief Officer and at present it is anticipated that all plans will be achieved, therefore the Directorate is currently projected to come in on budget.

Strategy & Improvement

Staff vacancies have resulted in a projected underspend of £36k, though as this post is income generating, there is a corresponding under recovery in income meaning that overall Strategy and Improvement is expected to be on target.

Financial Services

Overall Finance Services is expected to be on budget, though this is dependent on achieving significant staffing savings during the rest of the year.

Human Resources

Staffing costs are underspent due to vacant posts, though this is offset by additional running costs and reduced income from schools. Overall, the service is expected to be on budget.

Information Technology

Savings on staffing costs due to vacant posts are expected to be offset by reduced income as these posts are income generating.

PPPU

The Unit is currently managing a risk of £614k, mainly due to the loss of income for work on NGT that was expected at the time the budget was compiled. PPPU are currently assessing whether other external income or capital work could replace the lost income. At quarter 1, it is assumed that the overspend can be contained either within PPPU or across Strategy and Resources as a whole.

Legal Services

Vacant posts have resulted in a projected underspend on staffing of £29k, though this is offset by a corresponding reduction in recharge income.

Democratic Services

Democratic Services are expected to be £27k underspent due to staff vacancies in Scrutiny Support.

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	4,825	(430)	4,395	(36)	0	0	0	0	0	0	0	0	(36)	36	0
Finance	15,864	(7,025)	8,839	(104)	0	5	0	0	0	0	0	0	(99)	100	1
Human Resources	8,429	(1,809)	6,620	(103)	0	82	4	(40)	0	0	0	0	(57)	57	0
Information Technology	19,296	(5,925)	13,371	(43)	0	0	0	0	0	0	0	0	(43)	43	0
Projects, Programmes & Procurement	7,658	(8,248)	(590)	41	0	0	0	0	0	0	0	0	41	(41)	0
Legal Services	4,738	(6,915)	(2,177)	(29)	0	0	0	0	0	0	0	0	(29)	30	1
Democratic Services	4,945	(26)	4,919	(27)	0	0	0	0	0	(14)	0	14	(27)	0	(27)
Total	65,755	(30,378)	35,377	(301)	0	87	4	(40)	0	(14)	0	14	(250)	225	(25)

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	Action Plan Value £m	RAG	Forecast Variation £m
A. Key Budget Action Plans						
Efficiencies						
1	Financial services	Doug Meeson	Further changes to way services provided, self service, less internal audit, centralisation.	0.8	G	0.0
2	HR	Lorraine Hallam	On-line advice, less HR input into low level cases, ELI and vacancy management	0.4	G	0.0
3	ICT staffing	Dylan Roberts		0.1	G	0.0
4	ICT Print Smart	Dylan Roberts	Further efficiencies on top of those delivered in 2015/16	0.1	G	0.0
5	Legal Services	Catherine Witham		0.1	G	0.0
6	Corporate Communications and intelligence	Mariana Pexton	Staffing and efficiency savings, mainly within the Communications Team	0.4	G	0.0
7	Democratic services	Catherine Witham	Staffing and efficiency savings. Member pension saving	0.1	G	0.0
8	ICT procurement savings	Dylan Roberts	Modernisation of telephony Significant reduction in Procurement particularly low value procurements.	0.3	G	0.0
9	PPPU	David Outram	Additional external income	0.7	G	0.0
Additional income - traded services, partner and other income						
10	ICT	Dylan Roberts	Provision of managed service to WY Joint Services	0.2	G	0.0
B. Other Significant Variations						
Net effect of all other variations						(0.03)
Strategy and Resources Directorate - Forecast Variation						(0.03)

**CIVIC ENTERPRISE LEEDS (CEL)
2016/17 FINANCIAL YEAR - QUARTER 1**

Overall

At quarter 1 a balanced position is projected for CEL in 2016/17 with anticipated additional spend in commercial services funded through additional traded income.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Business Support Centre	14,716	(5,375)	9,341	(82)	1	(4)	0	0	0	0	0	0	(85)	85	0
Commercial Services	59,588	(56,858)	2,730	677	55	(133)	550	3	0	0	0	0	1,152	(1,152)	0
Facilities Management	9,977	(3,955)	6,022	0	0	0	0	0	0	0	0	0	0	0	0
Corporate Property Management	5,966	(587)	5,379	103	(103)	0	0	0	0	0	0	0	0	0	0
Total	90,247	(66,775)	23,472	698	(47)	(137)	550	3	0	0	0	0	1,067	(1,067)	0

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	Action Plan Value £m	RAG	Forecast Variation £m
A. Key Budget Action Plans						
1	Asset rationalisation	Sarah Martin	Savings from: 1&3 Reginald Terr £29k, Belgrave Hse £60k, Deacon Hse £30k, South Pudsey Centre £25k, Tribeca £110k	0.3	G	0.0
2	Maintenance of council buildings	Sarah Martin	Reduce responsive maintenance	0.6	G	0.0
3	Catering Savings	Mandy Snaith	Agency staff	0.1	G	0.0
4	Energy	Sarah Martin	Impact of energy efficiency measures	0.1	G	0.0
5	BBM - admin, mail and print	Helena Phillips	Significant changes in respect of business processes required to deliver these savings across 4 contract areas.	0.4	G	0.0
6	Vehicle Fleet	Terry Pycroft	Extend life of light commercial vehicles	0.2	G	0.0
7	Recover cost of living wage	Richard Jackson	Recover from Property Cleaning.	0.2	G	0.0
8	Catering additional income.	Mandy Snaith	Increased income/efficiencies.	0.1	G	0.0
9	Additional MOT income.	Terry Pycroft	Increase number of MOTs undertaken.	0.0	G	0.0
10	Recovery of cleaning charges.	Les Reed	Recovery of charges from clients.	0.1	G	0.0
B. Other Significant Variations						
1	Net effect of all other variations					0.0
Civic Enterprise Leeds - Forecast Variation						0.0

STRATEGIC & CENTRAL ACCOUNTS 2016/17 FINANCIAL YEAR - QUARTER 1

Overall :

At quarter 1, the strategic & central budgets are anticipated to underspend by £1.1m.

The key variations are;

- Debt - a forecast net pressure of £0.6m due to the conversion of short-term debt to long-term to take advantage of low long-term interest rates and acquisition of strategic assets
- Section 278 income - a potential £1.5m risk due to lower levels of development activity.
- Procurement - a £1m variation which reflects that the procurement savings will be managed through directorate budgets.
- Early Leaver Initiative - a potential £0.4m additional spend over the £2m earmarked reserve.
- Savings of £2m from the additional capitalisation of eligible spend in general fund and school budgets.
- Appropriation of £2.7m of earmarked reserves.
- Savings of £0.7m on the levy contribution to the business rates pool

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES													Total (under) / overspend £'000	
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000		Income £'000
Strategic Accounts	(11,480)	(32,488)	(44,422)	400		1,000					(2,000)	(2,700)	(3,300)	1,500	(1,800)
Debt	24,380	(1,103)	23,277								1,325		1,325		1,325
Govt Grants	3,015	(26,434)	(23,419)										0	(590)	(590)
Joint Committees	37,411	0	37,411										0		0
Miscellaneous	2,450	(1,311)	1,139										0		0
Insurance	9,831	(9,831)	0			249							249	(249)	0
Total	65,607	(71,167)	(6,014)	400	0	1,249	0	0	0	0	(675)	(2,700)	(1,726)	661	(1,065)

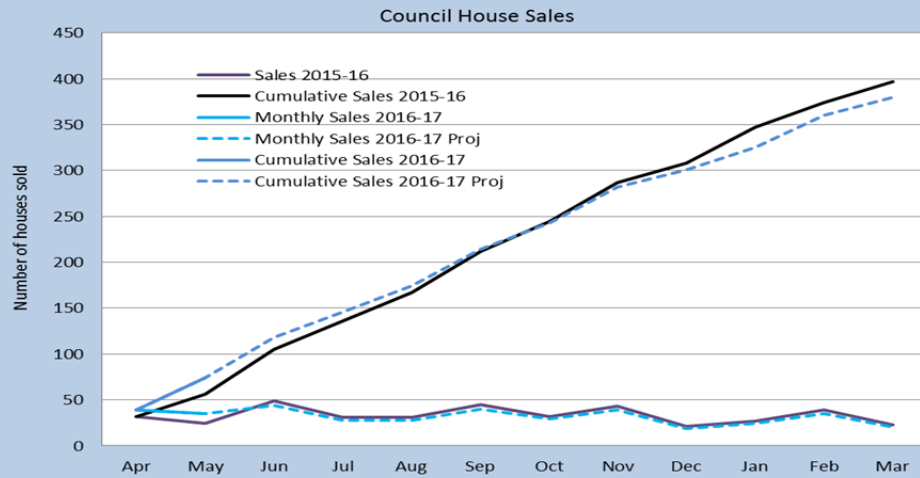
Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	Budget £m	RAG	Forecast Variation £m
A. Major Budget Issues						
1.	Debt Costs and External Income	Doug Meeson	Latest projection of increased debt costs due to new long term borrowing.	13.0	A	1.3
2.	Minimum Revenue Provision	Doug Meeson	The budget assumes the use of £23.4m capital receipts to repay debt. There is a risk that capital receipts available to fund this may fall short by up to £6m.	10.3	A	0.0
3.	New Homes Bonus	Doug Meeson	No material variation anticipated at this stage in the year	(19.2)	G	0.0
4.	Business Rates (S31 Grants, Tariff adjustment & EZ)	Doug Meeson	Tariff adjustment £480k and Enterprise zone reliefs £370k not budgeted for.	(7.1)	A	0.1
5.	S278 Contributions	Doug Meeson	Projection from Capital team is £3m, therefore potential risk of £2.2m depending on development activity to the year-end	(5.2)	A	1.5
6.	General capitalisation target	Doug Meeson	Capitalisation of eligible spend in directorate/service revenue budgets. No variation anticipated at this stage.	(3.0)	A	(1.0)
7.	Schools capitalisation target	Doug Meeson	Capitalisation of eligible spend in school revenue budgets.	(2.5)	A	(1.0)
8.	Corporate Savings Target	Doug Meeson	Centrally-held budget savings target. Actual savings will be shown in Directorate budgets.	(1.0)	A	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	(0.9)	A	0.0
10.	Early Leaver Initiative	Doug Meeson	£2m earmarked reserve established to fund the severance costs in 2016/17.	0.0	A	0.4
B. Other Significant Budgets						
1.	Insurance	Doug Meeson	Potential additional costs in-year which will be managed through the Insurance Reserve	0.0	A	(1.0)
2.	Business Rates Levy	Doug Meeson	No material variation anticipated at this stage.	3.0	G	(0.7)
3.	Prudential Borrowing Recharges	Doug Meeson	Contra budgets in directorate/service accounts. No material variation at this stage.	(11.9)	G	0.0
4.	Earmarked Reserves	Doug Meeson	Potential additional use of capital reserve & demand/demography reserve	0.0	G	(1.7)
5.	Other significant variations	Doug Meeson		0.0	G	0.0
Strategic & Central Accounts - Forecast Variation						(1.1)

Housing Revenue Account 2016/17 Financial Year - Quarter 1

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

Directorate	Current Budget	Projected Year End Spend	Variance to budget	Comments	Previous period variance
Income	£000	£000	£000		£000
Rents	(218,415)	(218,276)	139	Projected rent lower than budget due to stock numbers being less than anticipated	-
Service Charges	(6,403)	(6,517)	(114)	Additional service charge income (£178k), part-offset by income from sheltered accommodation £64k	-
Other Income	(29,161)	(29,155)	6	Reduction in capitalised salaries due to vacant posts £103k, offset by KPI income (£97k)	-
Total Income	(253,979)	(253,948)	31		-
Expenditure					
Disrepair Provision	1,000	1,000	-		-
Repairs to Dwellings	43,548	43,548	-		-
Council Tax on Voids	663	725	62	Current charges indicate overspend	-
Employees	28,514	28,444	(70)	Vacant posts (£238k), offsetting disrepair agency staff £157k. Other variances £11k.	-
Premises	6,983	7,061	78	Increase in cleaning charges	-
Supplies & Services	5,781	5,781	-		-
Internal Services	37,640	37,461	(179)	Increase in surveyor RTB valuation work £158k. Reduction in the GF recharges to the HRS (£337k)	-
Capital Programme	73,041	73,041	-		-
Appropriations	(7,115)	(7,115)	-		-
Unitary Charge PFI	7,575	7,575	-		-
Capital Charges	49,159	49,159	-		-
Other Expenditure	7,190	7,140	(50)	Leeds Tenant Federation - in line with 2016/17 negotiations	-
Total Expenditure	253,979	253,820	(159)		-
Total Current Month	-	(128)	(128)		-



Change in Stock	Budget	Projection
Right to Buy sales	380	380
Taken out of Charge	0	0
New Build (PFI)	(93)	(93)
New Build (Council House Growth)	(142)	(142)
Brought back into Charge	(50)	(50)
Total	95	95

Provisions	Budget	Projection
Disrepair provision	944	944
Bad Debt provision (Current Tenants)	1,747	1,747
Bad Debt provision (Former Tenants)	3,145	3,145
Others	1,186	1,186
Total	7,022	7,022

	2015/16 Week 52	2016/17 Week 4	Variance
	£000	£000	£000
Tenant Arrears (Domestic Rents and Charges)			
Current Tenants - exc Tech	6,309	6,193	(116)
Former Tenants	3,393	3,617	224
	9,702	9,810	108
Under occupation			
Volume of Accounts	5,078	4,986	(92)
Volume in Arrears	2,628	2,552	(76)
% in Arrears	52%	51%	-1%
	825	740	(85)
Collection Rates			
Dwelling rents	97.45%	96.77%	-0.68%
Target	98.06%	98.06%	0.00%
Variance to Target	-0.61%	-1.29%	-0.68%

