

Report of the Chief Officer Financial Services

Report to Executive Board

Date: 19th September 2018

Subject: Financial Health Monitoring 2018/19 – Month 4

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

Summary of main issues

1. The purpose of this report is to inform the Executive Board of the financial health of the authority in respect of both the revenue budget and the Housing Revenue Account for the first quarter of the financial year.
2. The 2018/19 financial year is the third 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 since 2010 and the budget for 2018/19 requires the Council to deliver a further £34m 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 remains challenging.
4. This is the third budget monitoring report of the year and Executive Board will recall that the 2018/19 general fund revenue budget, as approved by Council, provides for a variety of actions to reduce net spend through the delivery of £34m of budget action plans by March 2019. Whilst the majority of these actions are on track to be delivered, this report does highlight a potential overall overspend of £2.8m. It is incumbent upon respective Directors to identify and implement appropriate measures so that a balanced budget position can be delivered.

5. At Month 4, the Housing Revenue Account is projecting a balanced budget position.

Recommendation

6. Executive Board are recommended to:
- note the projected financial position of the authority as at Month 4; and
 - request that Directors identify and implement appropriate measures so that a balanced budget position can be delivered.

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2018/19 at Month 4.
- 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 four months of the year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2018/19 was set at £510.9m.
- 2.2 Following the closure of the 2017/18 accounts, the Council's general fund reserve stands at £25.7m. The 2018/19 budget assumes a further contribution of £1.0m to this reserve during this financial year.
- 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 Bids to the Leeds City Region Business Rates Pool totalling £3.3m have been approved and 2018/19 allocations of £0.9m injected into the Council's revenue budget. These projects have been funded by the additional business rates income retained locally as a result of the LCR Pool's 100% Business Rates Retention Pilot in 2018/19:

PROJECT NAME	2018/19	TOTAL
	£	£
Transforming Leeds Events	120,000	1,600,000
Expansion of digital engagement in Leeds	220,000	400,000
Ad:Venture Phase 2	187,667	563,001
West Yorkshire Fibre Infrastructure Support Fund	300,000	500,000
Digital Enterprise (2.0)	95,000	250,000
	922,667	3,313,001

3. Main Issues

3.1. 2017/18 Outturn

3.1.1. The Council's outturn position for 2017/18 was received at June's Executive Board with a reported underspend of £6.95m. The audit of the final accounts is now complete and they were approved by Corporate Governance and Audit Committee in July 2018.

3.2. Business Rates Provisions and Levy payment

3.2.1. As part of the normal process for reviewing the 2017/18 accounts, we identified an adjustment to the collection fund account, specifically the level of provision for business rate appeals, between the date of the June Executive Board and the final approval of the accounts. This adjustment required the provision for appeals to be increased by £1m as at 31/3/18, reflecting the latest information from the Valuation Office. Whilst the impact of variations in business rates income are managed through the collection fund, therefore affecting future years with no impact on the 2017/18 outturn position, there is a small related general fund impact in 2017/18 in terms of the levy payments to the business rates pool. Prior to this adjustment the Council was required to pay a levy of £1.17m, but this has now reduced to £1.13m, a reduction of £43k.

3.2.2 This small reduction impacts on the level of general reserve carried forward into 2018/19, as shown in Table 1 below:

Table 1

General Fund Reserve	£m
Opening Balance 1 April 2018	(20.07)
Budgeted Usage	1.40
In Year Underspend	(6.95)
Closing Balance 31 March 2018 (June EB)	(25.63)
Levy Saving	(0.04)
Adjusted Closing Balance 31 March 2018	(25.67)

4. 2018/19 Financial Forecasts

4.1 At Month 4 an overspend of £2.8m is projected, as shown in Table 2 below.

Table 2

Summary Position - Financial Year 2018/19

Reporting Period Month 4

Directorate	Director	(Under) / Over spend for the current period				Quarter 1
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(1,199)	(132)	132	0	0
Children and Families	Steve Walker	295	1,913	(273)	1,640	899
City Development	Martin Farrington	(1,531)	782	(782)	0	0
Resources & Housing	Neil Evans	(708)	2,945	(2,712)	233	0
Communities & Environment	James Rogers	393	708	(122)	586	215
Strategic	Doug Meeson	(16)	(1,360)	1,701	341	1,755
Total Current Month		(2,766)	4,856	(2,056)	2,800	2,869

Quarter 1 (under)/over spend	(4,627)	2,040	829	2,869
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4.2 The major variations are outlined below, with additional detail provided on the Directorate dashboards which are appended to this report;

4.2.1 **Adults & Health** are currently projecting a balanced position. Within this projected balanced position it is anticipated that there is slippage in some budget action plans and there are a number of variations, including £0.9m of anticipated cost pressures relating to Community Care Packages, £0.2m relating to demand pressures in Public Health commissioning and £0.1m of reduced income primarily related to delays in setting up the Leeds Care Plan Team, offset by £1.2m of projected savings relating to staff turnover and slippage in employing new staff.

4.2.2 **Children and Families** – There are a number of budget pressures that mean it will be challenging for the directorate to contain spend within the approved budget without additional saving proposals being identified, agreed and implemented. The projected year-end position at Month 4 is an overspend of £1.6m. This is significantly lower at this stage than in recent years and reflects a combination of increases in the level of resources within the Children and Families budget, particularly demand-led budgets over the last two years, and the additional investment in Early Help services partly funded by the Partner in Practice grant awarded by the Department for Education (DfE).

As in previous years the main budget pressures are the demand led budgets of Children Looked After (CLA) and transport. Whilst the CLA budget has been increased by £8m over the last two years there are still significant demand and demography pressures on this budget that are resulting in an upward pressure in terms of costs. External Residential (ER) and Independent Fostering Agency (IFA)

placements are both currently higher than the budgeted assumptions although the variance is much lower than in previous years. The directorate has agreed a number of actions including reviewing ER placements in order to ensure that placements are still appropriate. The number of children in ER placements has reduced since the start of the financial year, however at the end of July 2018 External Residential (ER) numbers were 63 compared to the budgeted number of 53, whilst the number of Independent Fostering Agencies (IFA) were 190 compared to the budgeted number of 179. The ER budget is projected to overspend by £0.8m but there remains a risk that numbers do not reduce as assumed.

There has been a notable increase in the number of children requiring transport during the first quarter and also an increase in contract prices. The actual increase in demand will be clearer in September with the start of the new school year but at this stage an increase in costs of £800k is projected, partly offset by savings of £350k leaving a net pressure of £450k. There is a risk that demand continues to increase and costs increase further during the year. The Directorate is working with Civic Enterprise Leeds to manage these demand pressures.

Additionally there are projected income pressures of £350k in regard to Children's Centres and it is projected that external legal disbursement costs will exceed the 2018/19 budget by £450k.

These pressures are offset by £200k of anticipated additional High Needs Block funding from the Dedicated Schools Grant towards the education costs of External Residential placements and other additional income of £250k across services.

There are some additional options that could help to reduce this projected level of overspend and these include reviewing costs incurred within the Directorate to see whether they should be more appropriately charged to other service areas.

4.2.3 City Development – At Month 4 the Directorate is projecting an overspend of £1.674m before the identification and application of an action plan to balance. The Directorate currently has pressures totalling £3.5m but has identified £1.8m of savings and one off items of income to partially mitigate this. Work is ongoing to identify and implement further mitigating actions, including careful management of vacancies, anticipated further income from easements/covenants, etc. and a further review of historic income held in balances.

The budgeted return on the Council's commercial asset portfolio increased by £1m to £3.36m in the approved 2018/19 budget but the development of the Council's commercial asset portfolio has been slower than anticipated, largely due to a lack of suitable investment opportunities, creating a pressure of £1.75m. The Directorate will continue to seek suitable opportunities and will seek to mitigate this pressure through savings within other areas of income and expenditure.

Additionally, there is an identified budget pressure of £200k relating to advertising income. In response the Directorate has established an Advertising Board to seek out new advertising opportunities, appointed a company to provide specialist knowledge and expertise thereby optimising income opportunities from existing and new contracts, and has finalised the contract with Clear Channel for 6 sheet advertising, which will deliver a six figure income sum this year.

Street lighting electricity costs are projected to exceed budget by £380k and a £345k shortfall is forecast against budgeted savings in Sport and Active Lifestyles.

Savings totalling £1.8m include additional asset management income of £800k and further savings of £250k across the Asset Management and Regeneration Service.

4.2.4 Resources & Housing – the Directorate are projecting an overspend of £0.23m, arising as a result of a projected shortfall on court fee income of £0.14m and a £0.09m business rates pressure due to a delay in declaring some parts of the Westgate building vacant whilst a review of city centre accommodation was completed. (Members will be aware that due to how the Collection Fund operates, this additional business rates spend in the general fund will appear as income into the collection fund and included in the calculation of the total budget available for the Council in 2019-2020)

In addition, there are a number of risks around the timely implementation of some of the savings incorporated as part of the 2018/19 budget strategy which will require a directorate wide plan to deliver alternative savings of around £0.9m. It is anticipated that most of this gap can be closed through the management of vacancies across the Directorate.

4.2.5 Communities & Environment – there is a projected budget pressure of £0.6m at Month 4. Within the Refuse Service it is currently anticipated that there will be an overspend of £0.6m, largely due to anticipated slippage of 7 months (to November) in respect of the budgeted route efficiencies, as the route review programme continues.

£0.2m relates to delays in delivering budgeted staffing efficiencies whilst maintaining performance levels in the Contact Centre and £0.1m reflects a projected shortfall in car parking income.

The Directorate will work towards identifying appropriate actions to mitigate the projected overspend and savings of £0.3m have been assumed at this stage.

4.2.6 Strategic & Central Accounts - At Month 4 the Strategic & Central budgets have a projected overspend of £0.3m. The key pressures are:

- A £1.4m projected shortfall in S278 income as a result of lower levels of development activity;
- a projected shortfall of £0.5m in New Homes Bonus; and
- £0.5m of additional debt costs as a consequence of an increase in interest rates.

These pressures have been offset as follows:

- Following review, the level of general capitalisation assumed in the 2018/19 budget has been increased by £1m;
- Taking account of the latest position regarding levels of insurance claims to date and trend analysis it is proposed to review the level of the General Insurance reserve and to release £1m to revenue;

- a projected net improvement of £0.1m in S31 grant income for business rates, as a result of changes in the calculation methodology after the 2018/19 budget had been set offset by estimated additional S31 grant income.

4.3 Other Financial Performance

4.3.1 Council Tax

The Council Tax in-year collection rate at the end of July was 37.12% which is in line with performance in 2017/18. At this early stage the forecast is to achieve the 2018/19 in-year collection target of 96.1% collecting some £339m of income.

4.3.2 Business Rates

The business rates collection rate at the end of July was 40.14% which is 0.77% ahead of performance in 2017/18. The forecast is to achieve the 2018/19 in-year collection target of 97.7% collecting some £383m of income.

The total rateable value of business properties in Leeds has increased from £921.06m at 1st April to £925.92m at the end of July, growth of £4.86m. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the national business rates multiplier (48.0p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (99%) and West Yorkshire Fire Authority (1%). Following deductions for the Business Rates tariff and to meet the business rates deficit brought forward, Leeds' actual business rates income is projected to be in the region of £206.8m, which is £2.3m below budgeted expectations.

4.3.3 Business Rates Appeals

The opening appeals provisions for 2018/19 are £21.5m, made up of £11.5m relating to appeals received against the 2010 ratings list and £10m estimated costs in relation to the 2017 ratings list. Under the 100% Business Rates Retention pilot, Leeds' budget is affected by 99% of any appeals provision made in this year but provisions brought forward from 2017/18 were made at 49%.

On the 1st July 2018, there were 2,303 appeals outstanding against the 2010 ratings list. During July 199 appeals have been settled, of which 167 have not resulted in changes to rateable values. 6 new appeals were received in July, the low number received reflecting that appeals are no longer accepted against the 2010 list except in very specific circumstances. At 31st July there are 2,110 outstanding appeals in Leeds, with 20.1% of the city's total rateable value in the 2010 list currently subject to at least one appeal.

No appeals have been received to date against the 2017 list, with only 2.0% of the city's total rateable value in the 2017 list currently subject to either a 'check' or a 'challenge', the pre-appeal stages of the new appeals process introduced in 2017.

5. Housing Revenue Account (HRA)

5.1 At the end of Month 4 the HRA is projecting a balanced position against the 2018/19 Budget.

6. Corporate Considerations

6.1 Consultation and Engagement

6.1.1 This is a factual report and is not subject to consultation.

6.2 Equality and Diversity / Cohesion and Integration

6.2.1 The Council's revenue budget for 2018/19 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 21st February 2018.

6.3 Council Policies and Best Council Plan

6.3.1 The 2018/19 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.

6.4 Resources and Value for Money

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

6.5 Legal Implications, Access to Information and Call In

6.5.1 There are no legal implications arising from this report.

7. Recommendations

7.1 Executive Board are recommended to:

- note the projected financial position of the authority as at Month 4; and
- request that Directors identify and implement appropriate measures so that a balanced budget position can be delivered.

8. Background documents¹

8.1 None.

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

ADULTS AND HEALTH

Financial Dashboard - 2018/19 Financial Year

Month 4 (July 2018)

The Directorate is projected to deliver a balanced position for the year.

Budget Action Plans for demand are showing some slippage, but it is noted that 83% of the plans are effectively delivered.

The main variations at Period 4 across the key expenditure types are as follows:

Staffing (-£1.2m – 2.3%)

There is a pressure within Access & Care which is being addressed with the service; savings are forecast across most areas but principally within Strategic Commissioning (however there is a review currently being undertaken) and there is slippage within the Leeds Plan team.

Community care packages (+£0.9m – 0.4)

There is an anticipated cost pressure related to higher than budgeted fee increases and slippage in delivering the budgeted action plans.

Public Health Commissioning (+£0.18m - 0.4%)

It is currently assumed that staffing based savings will be recycled to meet demand pressures on commissioned services.

General Running Costs (+£0.02m - 0.01%)

A number of small overspends largely set off by savings evidenced against budgets relating to debt repayment.

Income (+£0.1m – 0.1%)

Additional client income is offset by lower forecasted contributions from partners due to slippage in the formation of the Leeds Plan team offset by additional external 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	
Health Partnerships	1,337	(944)	393	(482)	0	3	0	0	0	0	0	0	(479)	443	(36)
Access & Care Delivery	260,283	(46,215)	214,068	32	152	(72)	(4)	(179)	333	519	0	(0)	781	(206)	575
Service Transformation Team	1,301	0	1,301	(127)	0	0	0	0	0	0	0	0	(127)	0	(127)
Commissioning Services	34,372	(47,043)	(12,671)	(573)	0	10	0	100	25	0	0	0	(438)	(5)	(444)
Resources and Strategy	4,855	(553)	4,302	127	0	0	4	0	0	0	0	0	131	(100)	31
Public Health (Grant Funded)	45,014	(44,607)	407	(175)	0	0	0	0	175	0	0	0	(0)	0	(0)
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	347,163	(139,363)	207,800	(1,199)	152	(59)	0	(78)	533	519	0	(0)	(132)	132	(0)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
A. Key Budget Action Plans						
1.	Additional funding	S Hume	IBCF, Spring Budget, War Pension Disregard Grant, Social Care Grant	B	24.4	0.0
2.	Demand Based Savings - Learning Disability	S McFarlane		A	2.5	1.0
3.	Demand Based Savings - Mental Health	S McFarlane		A	0.1	0.0
4.	Demand Based Savings - Physical Impairment	S McFarlane		A	0.2	0.1
5.	Demand Based Savings - Telecare	S McFarlane		A	0.2	0.1
6.	Demand Based Savings - Chc / 117	S McFarlane		A	0.2	0.1
7.	Demand Based Savings - Reablement	S McFarlane		A	0.2	0.1
8.	Demand Based Savings - Direct Payment Trend	S McFarlane		G	0.1	0.0
9.	Demand Based Savings - Recovery Beds	S McFarlane		A	0.1	0.0
10.	Direct Payment Audit Team	S McFarlane		A	0.4	0.2
11.	Client Transport	S McFarlane		G	0.2	0.0
12.	Vacancy management	Various	Mainly non-frontline services	G	0.9	0.0
13.	Fees and charges	S Hume	Improved income collection and income recovery from direct payment audit	G	1.0	0.0
14.	Recovery Model/Full Year Effect Of Phase III	S Hume	Recovery of unspent sums	B	0.9	0.0
15.	Review non-essential spend	Various	Review and top-slicing of non-essential spend	G	0.6	0.0
16.	Public Health	I Cameron	Review of commissioned services	B	1.2	0.0
B. Other Significant Variations						
1.	Staffing	All	Relating to staffing turnover and slippage in employing new staff			(1.2)
2.	Community care packages	Various	Anticipated variation			(0.6)
3.	General running costs	All	Savings primarily based on reduced borrowing costs			0.0
4.	Use of reserves	All	Contribution to reserves			(0.0)
5.	Income	S Hume	Reduced income related to delay in setting up Leeds Care Plan Team, offset by additional income from health and client contributions based on current activity levels			0.1
					Adults and Health Directorate - Forecast Variation	
					0.0	

CHILDREN & FAMILIES 2018/19 FINANCIAL YEAR FINANCIAL DASHBOARD - Period 4

Overall Summary - At the end of July (period 4) the directorate is projecting an overspend of £1.64m against the approved budget of £121.022m. The key budget risks are the Children Looked After (CLA) and financially supported non-CLA budgets, transport costs, external legal costs, some income targets and achieving the staff saving targets. Action plans covering these key budget risks have been developed and will be closely monitored by the Children and Families management team. There are some additional options that could help to mitigate the overspend but these are largely around charging on costs to other service areas so would need to be considered as part of the overall Council financial position.

Children Looked After (CLA): - The Children Looked After budget (CLA) was increased by £4.9m in the 2018/19 budget. The budget took into account the level of supported children in the autumn of 2017 with only a small reduction in numbers anticipated in 2018/19 equivalent to a 1.5% reduction in overall CLA numbers over the year. At 29th July 2018 the External Residential (ER) numbers were 63 compared to the budgeted number of 53 (the same as period 3), whilst the number of Independent Fostering Agencies (IFA) were 190 compared to the budgeted number of 179 (an increase of 2 since period 3). It is anticipated that there will be some reductions in numbers as a number of children currently in ER placements turn 18 during the year. An action plan has been developed to ensure that the service is focused on delivering within budget. However, at this stage of the year an overspend of £800k is projected. There is a risk that overall numbers continue to increase leading to higher spend than is currently projected.

Staffing: Overall projected overspend of £0.3m. The Social Care staffing budget is projected to be overspent by £295k by the end of the year. This figure is net of staffing savings in Early Help (YOS and TSL). The Directorate is strictly controlling post releases to try and mitigate this pressure and the projected position assumes that not all vacant posts will be released. Both Partnerships & Health and Learning are currently projected to underspend their staffing budgets.

Transport - An overspend of £450k is projected for this budget. There has been a notable increase in the number of children requiring transport during the first quarter and also an increase in contract prices. The actual increase in demand will be clearer in September with the start of the new school year but at this stage an increase in costs of £800k is projected partly offset by various savings of £350k leaving a net pressure of £450k. There is a risk that demand continues to increase and costs increase further during the year. The Directorate is working with CEL to mitigate potential demand pressures.

Trading and Commissioning: Although the Trading areas of the directorate collectively underachieved their income targets in 2017/18, action plans have been developed for the areas where income was below budget in 2017/18. An action plan has been developed to look at maximising income from Children Centres, but a shortfall of £350k against budgeted income is now projected.

Other Costs - Legal disbursement activity has been higher than 2017/18 when there was an overspend of £443k. It is projected that external legal disbursement costs will exceed the 2018/19 budget by £450k.

Other Income - Additional Income of £450k is anticipated from the DSG to contribute to the education costs of External Residential placements and from other contributions.

DSG - There is a separate DSG Dashboard. This shows a projected overspend of £0.5m for the year.

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:															
In House placed CLA	19,994	(3,195)	16,799	0	0	0	0	0	0	0	0	0	0	0	0
Independent Fostering Agency	7,446		7,446	0	0	0	0	0	0	0	0	0	0	0	0
External Residential	10,886		10,886	0	0	0	0	0	800	0	0	0	800	(200)	600
Other Externally placed CLA	2,599		2,599	0	0	0	0	0	0	0	0	0	0	0	0
Non CLA Financially Supported	13,066	(2,389)	10,677	0	0	0	0	0	0	0	0	0	0	0	0
Transport	14,565	(467)	14,098	0	0	0	0	0	450	0	0	0	450	0	450
Sub total Demand Led Budgets	68,556	(6,051)	62,505	0	0	0	0	0	1,250	0	0	0	1,250	(200)	1,050
Other Budgets															
Partnerships & Health	11,398	(6,014)	5,384	(14)	0	49	0	44	300	0	0	(37)	342	(318)	24
Learning	89,076	(83,102)	5,974	(250)	(8)	9	0	0	0	0	0	0	(249)	(50)	(299)
Social Care	116,646	(69,487)	47,160	559	0	(25)	(14)	0	250	(200)	0	0	570	295	865
Sub total Other Budgets	217,120	(158,603)	58,517	295	(8)	33	(14)	44	550	(200)	0	(37)	663	(73)	590
Total	285,676	(164,654)	121,022	295	(8)	33	(14)	44	1,800	(200)	0	(37)	1,913	(273)	1,640

<u>Key Budget Action Plans and Budget Variations:</u>		Lead Officer	Additional Comments		Action Plan Value	Forecast Variation
A. Significant Variations				RAG	£m	£m
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies).	R		0.80
	Staffing Related Costs	CSLT	At Period 4 it is assumed that savings in Partnerships and Health and Learning will partly offset pressures in Social Care with further savings from vacancy control.	R		0.09
	Learning for Life	A Richardson	There is net projected overspend on Learning for Life. This includes a shortfall of income from childcare services offset by employee and other savings in Learning for Life.	R		0.35
	External Legal Disbursements	CSLT		R		0.45
	Passenger Transport	Sue Rumbold	Increase in demand and prices net of various savings	R		0.45
B. Key Budget Action plans (BAP's)						
	Service Reviews / Restructures	CSLT	Savings likely to slip depending on MSR/ELI process. Stage 1 review complete. Stage 2 reviews to be progressed once revised directorate structure has been implemented.	A	(1.27)	0.21
	Progress alternative Transport funding models	S Rumbold / S Mart Pilots are being established around alternative payment approach		G	(0.25)	0.00
	Family Services restructure and reduced funding	A Richardson	Proposals in place to secure the savings, DDN to implement the new structure implemented.	G	(0.25)	0.00
	Reduced spend on Independent Support Workers	S Rumbold	Based on current spend the savings should be exceeded by £0.25m.	G	(0.25)	(0.25)
	Commissioning Reviews	S Rumbold	Various commissioning reviews are in progress. There is the risk that the level of savings will not be achieved.	G	(0.30)	0.00
	Achieve Increased income from Adel Beck	S Tariq	Day rates at Adel Beck have been increased. Higher charges may impact on demand but current income levels suggest the budget will be exceeded.	G	(0.35)	(0.25)
	Achieve Increased income from Child Protection: Education Safeguarding Team	S Rumbold	The Team is anticipated to continue high level of trading.	G	(0.10)	0.00
	Achieve additional Unaccompanied Asylum Seeking Children grant	S Tariq	This action is linked to the number of unaccompanied asylum seeker children	G	(0.40)	0.00
	Achieve additional DfE Improvement Partner Income	S Tariq	In line with the agreement with Kirklees	G	(0.10)	0.00
	Other Action Plans which have been achieved.	various	Includes continuation of School Improvement and Brokerage grant £0.7m ; Trading income shortfall at Activity Centres £50k ; SENSAP set up costs £50k	G	(1.75)	0.24
C. Contingency Plans						
	Utilisation of External Income		Additional schools funding contribution to area External Residential placements £0.2m and other additional income £250k.	G		(0.45)
Children and Families Directorate - Forecast Variation						1.640

CHILDREN & FAMILIES 2018/19 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - PERIOD 4

Overall Summary - From 2018/19, the Dedicated Schools Grant (DSG) is made up of 4 separate blocks - the Schools Block, Central School Services Block, Early Years Block and High Needs Block. At month 4 there is a projected overspend of £500k, though a more detailed projection exercise is currently being carried out and will be reported in September.

Schools Block - This is the largest element of the DSG and mostly consists of delegated funding to local authority maintained schools. From this, there are a number of "de-delegated" services where schools have agreed for the local authority to retain funding back to cover some costs centrally which otherwise would need to be charged to schools (such as maternity costs, trade unions costs and the libraries service). The Growth Fund budget remains part of this block. Although there are no variances projected at this stage, there are risks over the levels of maternity pay costs within the de-delegated budgets.

Central School Services Block

This is a new block created from 2018/19 which covers costs such as prudential borrowing repayment, equal pay costs, the admissions service and the retained duties element of what used to be the Education Services Grant (which covers statutory and regulatory duties, asset management and welfare services). There are no variances currently projected on these services.

Early Years Block - This element is concerned with provision to pre-school children. The final grant amount received is largely based on the January 2019 census and so will not be confirmed until the 2019/20 financial year. Following the significant underspend in 2017/18, the unit rates paid to providers has been increased for both 2 year old and 3 & 4 year old providers. However, it is still expected that there could be an underspend of up to £1m.

- for 2 year olds, the January census has usually been the lowest of the year and in order to not overspend this budget, the amount paid to providers is £5.10 an hour (an increase from £5.05 in 2017/18) while the funding is £5.20 per hour to compensate for this, although the hourly rate received from the ESFA has not increased from 2017/18.
- for 3 and 4 year olds, the hourly rate has been increased from £4.20 to £4.25, though the hourly rate received from the ESFA remains the same.
- the SEND Inclusion Fund budget has been reduced to £485k and the process for accessing this fund has been simplified for 2018/19 to encourage more providers to take up the available funding.
- the contingency fund did not have any calls on it during 2017/18 and so has been reduced from £400k to £170k.

High Needs Block - This element is used to support provision for pupils and students with special educational needs and disabilities. This block is currently experiencing increasing costs due to high levels of demand and increasing complexity of cases. There are a number of areas of risk in these budgets, including:-

- The deficit on the North West SILC budget is likely to be a charge during 2018/19. At the end of 2017/18 the deficit was £1.355m, though a deficit action plan is now being worked on, though there is a risk that this deficit could increase further.
- a high level assessment of the number and complexity of children with SEN suggests there could be a significant risk of up to £2.5m on this budget.
- due to the projected overspends listed above, the budgeted contribution to reserves is not expected to be made.

Grant Income - The initial DSG grant for 2018/19 year was announced in December 2017. However, there will continue to be changes to this figure during the year, in addition, the early years element will not be known until summer 2019. At this early stage of the year there are no changes to the projected grant due.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(320,706)	(320,706)	0
Individual Schools Budgets	313,490	313,490	0
De-delegated budgets	4,316	4,316	0
Growth Fund	2,900	2,900	0
	0	0	0
Central School Services Block			
DSG Income	(5,171)	(5,171)	0
CSSB Expenditure	5,171	5,171	0
	0	0	0
Early Years Block			
DSG Income	(55,367)	(55,367)	0
FEEE 3 and 4 year olds	44,216	43,386	(830)
FEEE 2 year olds	7,903	7,903	0
Other early years provision	3,248	3,078	(170)
	0	(1,000)	(1,000)
High Needs Block			
DSG Income	(60,300)	(60,300)	0
Funding passported to institutions	53,393	55,839	2,446
Commissioned services	1,549	1,549	0
In house provision	4,412	4,412	0
Contribution to /from reserves	946	0	(946)
	0	1,500	1,500
Total	0	500	500

Latest Estimate

Balance b/fwd from 2017/18
 Net contribution to/from balances
Deficit c/fwd to 2019/20

General £'000	De-delegated £'000	Total £'000
3,379	(425)	2,954
(946)	300	(646)
2,433	(125)	2,308
3,379	(425)	2,954
500	300	800
3,879	(125)	3,754

Projected Outturn

Balance b/fwd from 2017/18
 Net contribution to/from balances
Deficit c/fwd to 2019/20

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					
Transfer funding to High Needs Block		Transfer of £2m from the schools block and £500k from the central school services block to the high needs block as detailed in report to Schools Forum in January 2018.	B	£m 2.50	£m 0.00
Reduction in Funding for Inclusion unit value		The reduction in the unit rate from £684 to £600 has been applied.	B	1.37	0.00
Reductions in mainstream funding for additional places		A change in the criteria before additional funding is due will be applied.	G	0.49	0.00
B. Significant Variations					
Early Years Block		Likely underspend on early years block.			(1.00)
High Needs Block		Estiamted increase in payments to institutions due to increase in number and complexity of cases.			1.09
High Needs Block		Deficit balance on North West SILC as academy conversion due to take place during 2018/19.			1.36
High Needs Block		Budgeted contribution to reserves will not be made			(0.95)

Dedicated Schools Grant - Forecast Variation

0.50

CITY DEVELOPMENT 2018/19 BUDGET - PERIOD 4 FINANCIAL DASHBOARD - MONTH 4 (APRIL - JULY)

Overall -

At Period Four City Development is projecting an overspend of £1.674m before the identification and application of an action plan to balance. The Directorate currently has pressures totalling £3.5m and but has identified £1.8m of savings and one off items of income to partially mitigate them. Work is ongoing to identify/implement further mitigating actions, including careful management of vacancies, anticipated further income from easements/covenants etc, and a further review of historic income held in balances.

As per the Medium Term Financial Plan, the budgeted return on the Council's commercial asset portfolio has increased by £1m in 2018/19 to £3.36m. The development of the Council's commercial asset portfolio is reliant upon suitable market opportunities with the right risk profile and as a result is currently projecting a £1.75m shortfall. The Directorate will seek to mitigate against this through savings within other areas of income and expenditure. As such mitigating action of circa £1.16m have been identified including £300k additional Arena income, £509k for one off easements and covenant releases, £248k savings across Asset Management, and £100k from further anticipated road closures at Bridgewater Place. Advertising income is another budget pressure rolling through from 2017/18. Following the appointment of an external consultant and subsequent analysis and reporting an initial pressure of £200k has been identified. Work is ongoing to strengthen and develop advertising opportunities.

In Highways a pressure of £380k has been reported in respect of electricity for Street Lighting. The tariffs can be volatile and fluctuate significantly in response to energy market conditions, the 2018/19 Budget Estimate Circular suggested provision for a 5% price increase however the first two months of billing has shown some tariffs rising as much as 18%. This will continue to be closely monitored throughout the financial year. To mitigate this £360k of section 278 historic balances has been brought into revenue.

Active Leeds is projecting an underachievement of income of £400k of which £200k is due to delays in the refurbishment of Airborough Swimming Pool due to additional essential capital works over and above the original capital scheme estimate. The refurbishment started in May 2017 and was expected to take 6 months to complete, however the latest estimate is that works will not be completed until January 2019.

The Directorate needs to contain its current position and in addition identify £1.674m of savings and/or additional income to deliver a balanced budget. These proposals are being identified and will be reported in future updates as the actions are developed.

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 & Sustainable Development	9,219	(7,368)	1,851	(157)	0	10	0	0	0	0	0	0	(147)	0	(147)
Economic Development	1,859	(508)	1,351	7	0	3	0	0	0	0	0	0	10	173	183
Markets & City Centre	2,958	(3,612)	(654)	(8)	96	(46)	0	5	0	0	0	0	47	157	204
Asset Management & Regeneration	16,838	(20,461)	(3,623)	(251)	94	0	0	0	0	0	0	0	(157)	1,240	1,083
Employment & Skills	3,881	(2,166)	1,715	(14)	0	0	0	0	0	0	0	0	(14)	0	(14)
Highways & Transportation	61,330	(45,545)	15,785	(1,179)	369	1,051	765	4	0	0	0	0	1,011	(629)	382
Arts & Heritage	18,407	(8,121)	10,286	78	(8)	37	0	0	0	0	0	0	107	3	110
Active Leeds	24,496	(19,888)	4,608	4	(20)	3	0	0	(50)	0	0	0	(63)	408	345
Resources & Strategy	1,126	0	1,126	(11)	0	0	0	0	0	0	0	0	(11)	(2,134)	(2,145)
Total	140,114	(107,669)	32,445	(1,531)	531	1,058	765	9	(50)	0	0	0	783	(782)	0

Key Budget Action Plans and Budget Variations:				RAG	Action Plan Value	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments		£'000	£'000
A. Budget Action Plans						
1.	Planning and Sustainable Development	Tim Hill	Additional income from charging	G	(400)	0
2.	Economic Development	Eve Roodhouse	Expenditure savings	R	(120)	183
3.	Markets & City Centre	Susan Upton	Additional income from events and speciality markets	G	(70)	0
4.	Asset Management & Regeneration	Angela Barnicle	Strategic Investment Fund & fee income	R	(1,520)	1,000
5.	Highways and Transportation	Gary Bartlett	Fees & Charges	G	(810)	2
6.	Arts and Heritage	Cluny MacPherson	Savings via increased income opportunities across the Service	G	(400)	0
7.	Employment and Skills	Sue Wynne	Staffing & running cost savings	G	(20)	(14)
8.	Sport and Active Lifestyles	Cluny MacPherson	Reduction in the net cost of service via increased income, operational cost reductions and VAT exemption	R	(1,585)	345
Total Budget Action Plan Savings					(4,925)	1,516
B. Other Significant Variations						
1.	Asset Management & Regeneration	Angela Barnicle	Shortfall in Strategic Investment Fund Income against 2017/18 Budget Action Plan			750
2.	Highways and Transportation	Gary Bartlett	Street Lighting Electricity Costs			380
3.	Asset Management & Regeneration	Angela Barnicle	West Gate Rent			240
4.	Asset Management & Regeneration	Angela Barnicle	Advertising Income			200
5.	Markets & City Centre	Susan Upton	Kirkgate Market Income and Security Costs			175
6.	Asset Management & Regeneration	Angela Barnicle	EX PPPU Income Recovery			140
7.	Arts and Heritage	Cluny MacPherson	Staffing and Income Variations across Arts and Heritage			110
8.	Asset Management & Regeneration	Angela Barnicle	Additional Income - Symons House, Holdforth Court, Thornes Farm Way, ELOR Gas Easement, rents			(509)
9.	Resources & Strategy	Ed Mylan	Historic S278 balances			(360)
10.	Asset Management & Regeneration	Angela Barnicle	Arena Income			(300)
11.	Asset Management & Regeneration	Angela Barnicle	Other savings across the service			(248)
12.	Planning and Sustainable Development	Tim Hill	Staffing Savings			(147)
13.	Resources & Strategy	Ed Mylan	Bridgewater Place - assumed income from further closures			(100)
14.	City Development	All	Other Variations across the Directorate			(173)
15.	Resources & Strategy	Ed Mylan	Action Plan required to balance			(1,674)
					City Development Directorate - Forecast Variation	
					0	

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2018/19 FINANCIAL YEAR

MONTH 4

Overall

The month 4 position for the directorate is an overall projected overspend of £233k, which consists of a projected shortfall on court fees income of £145k and a £88k pressure for relating to business rates. In addition, there are a number of risks around the timely implementation of some of the savings incorporated as part of the 2018/19 budget strategy and ongoing income pressures within HR which will require a directorate wide plan to deliver alternative savings of around £0.9m. It is anticipated that most of this gap can be closed through the management of vacancies across the Directorate.

Resources

It is assumed that support services will achieve the almost £3.5m savings which form part of the 2018/19 budget strategy. Most of these (£2.2m) centred on staffing savings and early projections indicate these will be delivered. Although an overall staffing pressure is being projected for the group, this is mainly as a result of recruitment within DIS and will be offset by additional projected income. However, there is a risk for those services which are experiencing a reduction in schools income, particularly HR. Plans will need to be implemented to compensate for this loss of income. There is a continuing pressure from court fees income within Finance and the latest figures suggest a projected shortfall of £145k against the budget.

Leeds Building Services

A balanced position is projected for LBS. The budget assumes an additional surplus of £1.1m to be delivered through increased turnover of around £10m when compared to the 17-18 budget. Delays in the recruitment of front line staff are assumed to be offset by the additional use of sub contractors to deliver the 2018-19 programme.

Housing and Property Services

No variation is forecast within Housing and Property Services in 2018-19. Within Corporate Property Management an additional £0.5m has been included in the 2018/19 budget. Current projected spend assumes that £0.4m of works can again be capitalised in 2018/19 to balance the budget.

Civic Enterprise Leeds

At month 4 a £88k business rates pressure for offices at Westgate is projected. The 2018/19 budget strategy assumed part year savings through no longer occupying the Westgate offices. However, due to the delays in declaring the premises vacant, some additional costs will be incurred. In addition, Merrion House has recently undergone a business rates valuation for which we are awaiting results but the month 4 projections do not assume any variation from the budget. No other pressures are identified at this stage although we will continue to closely monitor some of the significant income generating services within the group.

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	
Resources	93,666	(29,607)	64,059	521	(6)	376	(5)	(39)	0	0	0	12	859	(714)	145
LBS	55,675	(65,286)	(9,611)	(1,685)	0	1,457	0	0	0	0	0	0	(228)	228	0
Housing & Property	26,576	(13,613)	12,963	(135)	372	0	0	0	0	0	0	135	372	(372)	0
CEL	74,850	(64,078)	10,772	591	203	148	1,000	0	0	0	0	0	1,942	(1,854)	88
Total	250,767	(172,584)	78,183	(708)	569	1,981	995	(39)	0	0	0	147	2,945	(2,712)	233

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	LBS	Simon Costigan	Additional turnover has been identified; budget reflects increased staffing to deliver turnover required and recruitment is underway;	G	(1.10)	
2	Housing	Jill Wildman	Commissioning Contract Savings - FYE of existing savings	G	(0.15)	
3	Housing	Jill Wildman	Review of housing support costs that can be more appropriately charged to the capital programme	G	(0.08)	
4	CPM	Simon Costigan	Target reduction in spend on repairs/security at Void properties	G	(0.20)	
5	Cleaning/Catering	Sarah Martin	Annual equipment replacement programme & investment in kitchen facilities to deliver savings.	G	(0.05)	
6	Cleaning/Catering	Sarah Martin	Operational cost savings within CEL from ASC Better Lives programme	G	(0.20)	
7	Cleaning	Sarah Martin	Additional income	G	(0.04)	
8	Facilities Management	Sarah Martin	Operational cost review.	G	(0.12)	
9	Fleet Services	Sarah Martin	Staffing restructure	G	(0.03)	
10	Fleet Services	Sarah Martin	Operational savings	G	(0.05)	
11	Directorate wide	All COs	Staffing savings above amounts in service accounts	A	(0.20)	0.20
12	DIS	Dylan Roberts	Review of staff & other costs that can be more appropriately charged to the capital programme	G	(0.38)	
13	DIS	Dylan Roberts	Reduction in licence costs, the continued rationalisation of printers and a review of telephone costs as Skype is fully rolled out	G	(0.33)	
14	DIS	Dylan Roberts	Income from additional services to WY Joint Services; Alternative savings to be found.	A	(0.07)	
15	DIS	Dylan Roberts	Charge for personal use of Mobile phones; Alternative savings to be found	R	(0.06)	
16	DIS	Dylan Roberts	Mobile phone growth - additional budget required from Directorates	G	(0.05)	
17	Financial Services	Doug Meeson	Deliver £0.5m staffing savings to balance the 18/19 budget	A	(0.50)	
18	HR	Lorraine Hallam	Deliver £0.19m staffing savings to balance the 18/19 budget; Additional staffing savings used to offset income shortfall	G	(0.19)	(0.27)
19	HR	Lorraine Hallam	Additional income -mainly schools (price increases, fee on supply contract; Income from attendance/ disciplinary training)	A	(0.10)	0.10
20	HR	Lorraine Hallam	Replace HELP contract with telephone support service.	R	(0.09)	0.09
21	HR	Lorraine Hallam	P-card payments - agency contract	G	(0.05)	
22	HR	Lorraine Hallam	Secure £40k of income chargeable to the Apprentice Levy	G	(0.04)	
23	Legal & Democratic Services	Catherine Witham	Deletion / Reconfiguration of posts or other cost savings	G	(0.07)	
24	Low Carbon	Polly Cook	Charges to University for contribution towards salary costs	G	(0.02)	
25	Shared Services	Helena Phillips	Deliver £1.1m staffing savings to balance the 18/19 budget	G	(1.10)	
26	Shared Services	Helena Phillips	Mail and Print - cross cutting savings (found with alternative savings)	A	(0.10)	
27	Strategy and Improvement	Mariana Pexton	Deliver £0.13m staffing savings to balance the 18/19 budget	G	(0.13)	
28	Strategy and Improvement	Mariana Pexton	Additional comms team income - mainly from Schools	G	(0.05)	
B. Other Significant Variations						
1	HR	Lorraine Hallam	Net shortfall against schools income	R		0.77
2	Finance	Doug Meeson	Shortfall against court fees income budget.	A		0.15
3	CEL	Sarah Martin	NNDR pressure for offices at Westgate.	A		0.09
4	All other variations	Dir Wide	Action plan required (£0.9m)	A		(0.89)
Resources and Housing Directorate - Forecast Variation						0.23

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2018/19 FINANCIAL YEAR

Period 4 (July 2018)

Overall Position (+£586k over budget)

Communities (nil variance)

This service is projecting a nil variance.

Customer Access (+£200k over budget)

The projected overspend relates to the Contact Centre. This reflects the delays in delivering budgeted staffing efficiencies in respect of Channel shift/shove whilst maintaining performance levels in the face of increased call volumes.

Electoral and Regulatory Services (nil variance)

The service is projecting a nil variance at period 4. The planned fee review for Taxi and Private Hire Licensing (TPHL) has yet to be implemented and further delays may impact on the current balanced position.

Environmental Health (£16k under budget)

The projected variance is due to delayed recruitment.

Welfare and Benefits (nil variance)

A balanced position is currently projected. Although the service has secured additional grant funding, mainly in respect of Verify Earnings and Pensions Alerts (£327k), this will be offset by additional expenditure to meet the grant requirements and other staffing variations across the service.

The level of overpayment income will continue to be monitored as there remains a significant level of budgeted income to be achieved (c£7.6m).

Parks and Countryside (nil variance)

The service is projecting an overall nil variance at period 4. There is a projected income shortfall at Lotherton Hall, Tropical World and Temple Newsam (approx £0.5m), although it is anticipated that these shortfalls will be partially offset by expenditure savings and additional income in other areas of the service.

Car Parking (+£118k over budget)

The projected overspend relates to shortfalls against phased budgets on the projected levels of 'on street' (+£310k) and 'off street' (+£69k) parking income. Assumptions have been made that an element of this income will be recovered during the remainder of the year but will continue to be closely monitored to fully determine income trends. It is also anticipated that these shortfalls will be partially offset by other expenditure savings by the year end.

Cleaner Neighbourhoods Teams (nil variance)

The service is projecting a nil variance with projected staffing savings offset by additional overtime costs.

City Centre (+£2k over budget)

The service is projecting an overspend due to the additional overtime costs incurred through city centre events.

Waste Management (+£582k over budget):

Refuse: (+£559k over budget)

Within the Refuse Service it is currently anticipated that there will be slippage of 7 months (to November) in respect of the budgeted collection route efficiency programme, as the route review continues. This will result in a projected overspend of £673k, although savings of £250k are anticipated to offset this. In addition, an extra collection route (+£231k) has been provided to meet the additional demand from new build properties; other staffing pressures within the service are projected to cost an additional £259k; and delays in the review of the medi-waste collection service are projected to cost an additional £85k. Partially offsetting these pressures is a £458k saving in respect of collection cost savings.

HWSS & Waste Strategy: (+£23k over budget)

The projected overspend relates to increased SORT disposal costs (+£240k), reflecting a reduction in market prices and increased contamination rates; a reduction in the level of disposal savings assumed from the rollout of the new garden waste routes (+£242k). Offsetting these pressures is additional recycling and weighbridge income of £175k and other disposal savings (volume and price) of £259k, mainly at Household Waste Sites.

Community Safety (nil variance)

A projected shortfall in income of £59k due to the loss of a contract with WY Police to maintain ANPR cameras, is offset by a projected net underspend in staffing.

Directorate Wide (action plan savings £300k)

The directorate will work towards identifying appropriate actions to mitigate the projected overspend.

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		
Communities	19,015	(14,036)	4,979	2	0	(34)	0	(209)	0	0	0	0	(241)	241	0	
Customer Access	23,668	(4,192)	19,476	197	55	4	1	0	0	0	0	0	257	(57)	200	
Electoral & Regulatory Services	6,194	(5,440)	754	(193)	70	31	(1)	22	0	0	0	0	(71)	71	0	
Welfare And Benefits	252,566	(248,692)	3,874	72	6	66	8	56	0	0	0	0	208	(208)	0	
Car Parking Services	4,936	(13,168)	(8,232)	0	0	(140)	0	0	0	0	0	0	(140)	258	118	
Community Safety	8,083	(5,912)	2,171	(61)	0	(36)	0	0	0	0	0	0	(97)	97	0	
Waste Management	41,662	(7,861)	33,801	504	1	70	16	0	0	0	0	0	591	(9)	582	
Parks And Countryside	31,420	(24,842)	6,578	46	31	94	(69)	154	0	0	0	0	256	(256)	0	
Environmental Action (City Centre)	2,011	(427)	1,584	(3)	1	4	0	0	0	0	0	0	2	0	2	
Environmental Health	2,053	(561)	1,492	(44)	0	(6)	(3)	(4)	0	0	0	0	(57)	41	(16)	
Cleaner Neighbourhood Teams	12,506	(4,561)	7,945	(127)	82	45	0	0	0	0	0	0	0	0	0	
Action Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	(300)	(300)	
Total	404,114	(329,692)	74,422	393	109	186	0	20	0	0	0	0	708	(122)	586	

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	RAG	Action Plan Value (£000s)	Forecast Variation against Plan/Budget
Communities						
Communities team	Communities Team - review management & leadership arrangements - saving of 1 fte	Shaïd Mahmood	Review process ongoing, savings expected to be delivered in year	G	(50)	0
Community Centres	Community Centres: reduce net cost by reviewing lettings income and Facilities Management costs	Shaïd Mahmood	Additional income due in 18/19 from full year effect of Free Lets termination in 17/18. Meeting to be held with Facilities Management re delivery of remaining savings.	G	(60)	0
Third Sector Infrastructure Fund	10% saving on VAL contract	Shaïd Mahmood	VAL have been informed of the decision and the contract is to be renegotiated	G	(34)	0
Customer Access						
Libraries	Re-tender Library Management Systems contracts as single contract	Lee Hemsworth	To retender as part of a West Yorkshire Consortium. This will allow potential bigger savings but it is unlikely that the full amount can be delivered in year. Other savings to be identified to cover this in current year.	G	(50)	0
Compliments & Complaints	Review structure to deliver staffing savings	Lee Hemsworth	Factored into proposed structure changes - Delivered	G	(17)	0
Contact Centre	Migration of telephone lines to new datelines'	Lee Hemsworth	Lines migrated Friday 11th May so should be on line to deliver savings	G	(80)	0
Contact Centre	Closer working between Council Tax Recovery and Contact Centre - saving of 1 fte	Lee Hemsworth	Savings now incorporated into Channel shift/shove target (see below re Ctax emails)	G	(30)	0
Contact Centre	Channel shift/shove - further savings due to fewer calls - saving of 12 ftes	Lee Hemsworth	Whilst implementation is underway delays are putting delivery of full savings at risk. Added to this is the current adverse call answer rate and it may be that performance issues need to be addressed which could also impact on savings being delivered		(280)	200
Contact Centre	Reduce service failure - saving of 1.3 ftes	Lee Hemsworth	On track and should be delivered in year.	G	(40)	0
Contact Centre	Implement automated switchboard in Contact Centre - saving of 2.5 ftes	Lee Hemsworth	Business case approved at FPG, to be funded by Invest to Save reserve - £38k savings forecast due to delays.	G	(50)	12
Home Library Service	Transfer of Home Library Service to voluntary sector - transfer of 1 fte	Lee Hemsworth	Currently under review - advice being sought from HR, savings may be delivered from elsewhere.	G	(30)	0
Interpreting & Translation Service	Secure additional income (net) from Interpreting and Translation Service - Total Income budget £846k	Lee Hemsworth	Revising contract arrangements with Health Service. This could lead to a longer term arrangement, but may need to review pricing.	G	(180)	0
Staffing efficiencies	Community Hubs & Libraries ELIs/Vacancy Factor	Lee Hemsworth	Expected to be achieved	G	(974)	0
Welfare & Benefits						
Welfare and Benefits	Re-tender Advice Consortium contract	Lee Hemsworth	Delivered	G	(50)	0
Welfare and Benefits	Local Welfare Support Scheme - review eligibility for white goods and arrangements for carpet replacements in Council properties	Lee Hemsworth	Budget reduced by £200k. Funding & award approach revised such that we will operate within allocated budget. On track to meet this.	G	(200)	0
Electoral & Regulatory Services						
TPHL	Implement fee review to achieve additional income target of £438k to achieve balanced budget. Overall income target £2,241k	John Mulcahy	Fee review approved at Licensing Committee 25th May 2018, now out to consultation. Income levels being monitored to ensure increase in fees is sufficient to generate required income. £1.8m achieved in 17/18.	A	(438)	0
Waste Management						
Refuse	Continue with the re-design of collection rounds to deliver remaining £1.1m savings in base budget, plus additional lieu day savings of £0.25m	Helen Freeman	Route review ongoing - currently assuming 7 months delay.	R	(1,350)	423
Refuse	Work with NHS colleagues to review medi-waste collection service to eliminate subsidy	Helen Freeman	Ongoing discussions with NHS - assumed delayed implementation for 1/2 year	R	(170)	85
Environmental Action Services						
Car Parking	Increase charges at Woodhouse Lane car park by 50p for a full day	Helen Freeman	Price increase implemented 6th July 2018	A	(130)	35

Parks and Countryside						
Parks and Countryside	Continue to progress Attractions Development Plan to achieve additional net surplus	Sean Flesher	A bid has been submitted to the Rural Development Fund to help the cost of the ongoing development at Lotherton Hall. Income to period 4 is below profile. To be	G	(100)	0
Parks and Countryside	Increase turnover to achieve additional plant/retail income target (additional net £100k surplus) from the Arium	Sean Flesher	Additional net surplus built into budget. To be monitored in year.	G	(100)	0
Parks and Countryside	Staffing savings - achievement of vacancy factor (5% all services, 8.9% Parks Operations)	Sean Flesher	Period 4 savings in line with profile. To be monitored in year.	G	(1,124)	0
Community Safety						
Community Safety	Identify efficiencies in use of Community Safety funding	Paul Money	Efficiencies have been identified, proposals to be approved by Safer Leeds Executive	G	(50)	0
Directorate Wide						
Directorate Wide	Undertake additional works for Housing Leeds	All COs	Additional CCTV and Tree Inspection works undertaken in 17/18, need to identify appropriate areas in 18/19	G	(300)	0
Other Significant Variations						
All services			Other expenditure variations Directorate wide Action Plan			131 (300)
Communities & Environment - Forecast Variation						586

**STRATEGIC & CENTRAL ACCOUNTS - 2018/19 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 04**

Overall :

At month 4 the Strategic & Central budgets have a projected overspend of £0.3m.

The key variations are;

A projected shortfall of £0.5 in New Homes Bonus; Section 278 income shortfall of £1.4m due to lower levels of development activit; £0.6m additional debt cost

Offset by improvements in S31 grants income (£0.1m) and in Prudential Borrowing income (£0.1m): Following review, the level of general capitalisation assumed in the 2018/19 budget has been increased by (£1m); Taking account of the latest position regarding levels of insurance claimand trend analysis it is proposed to review the level of the General Insurance reserve and to release (£1m) back into revenue.

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	(7,330)	(34,073)	(41,403)			(1,000)							(1,000)	(2,000)	1,287	(713)
Debt	24,747	(1,167)	23,580								656			656		656
Govt Grants	9,740	(36,895)	(27,155)								0			0	414	414
Joint Committees	36,913	0	36,913											0		0
Miscellaneous	5,930	(852)	5,078	(16)										(16)		(16)
Insurance	10,294	(10,294)	0											0		0
Total	80,294	(83,281)	(2,987)	(16)	0	(1,000)	0	0	0	0	656	(1,000)	(1,360)	1,701	341	

STRATEGIC & CENTRAL ACCOUNTS - 2018/19 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:

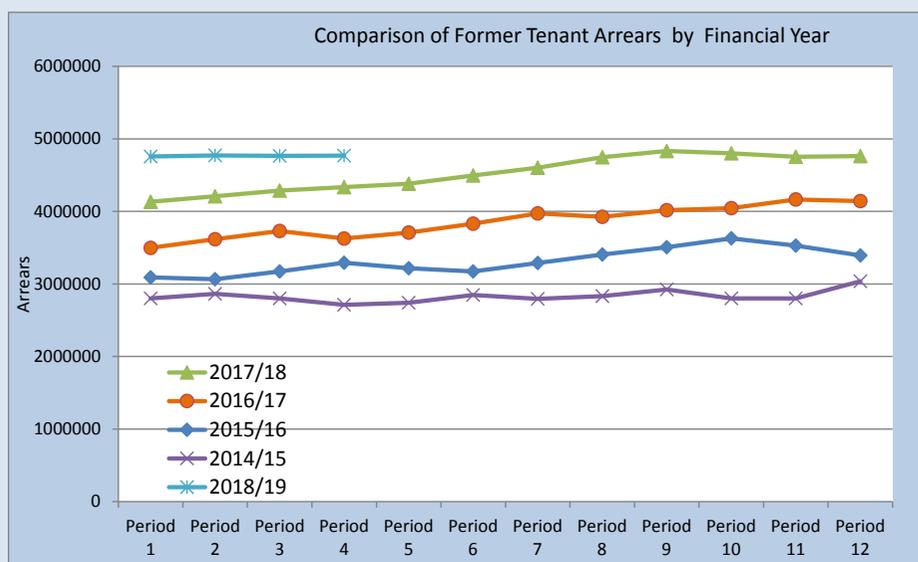
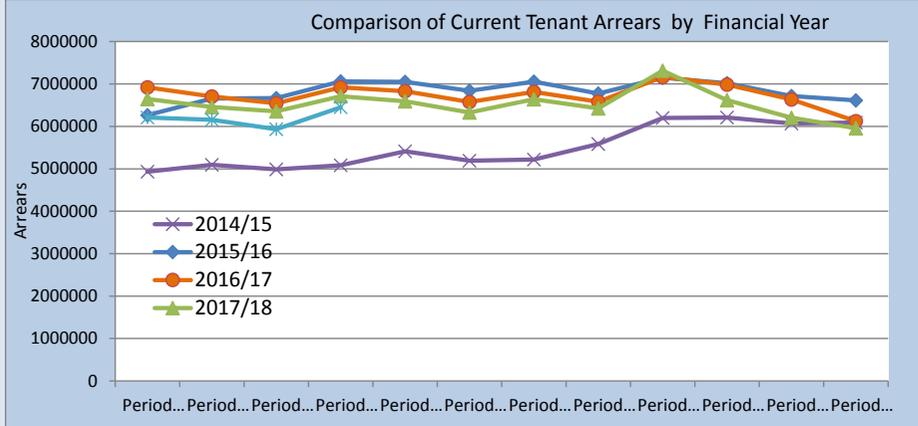
				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Doug Meeson		R	22.6	0.6
2.	Minimum Revenue Provision	Doug Meeson	No variation is anticipated for 2018/19	G	1.0	0.0
3.	New Homes Bonus	Doug Meeson	Projected shortfall of £535k	A	(11.2)	0.5
4.	Business Rates (S31 Grants & retained income)	Doug Meeson	Projected surplus of £121k due to change in calculation method after budget was set.	G	(25.6)	(0.1)
5.	S278 Contributions	Doug Meeson	Potential risk of £1.4m shortfall	R	(3.9)	1.4
6.	General capitalisation target	Doug Meeson	Capitalisation of eligible spend in directorate/service revenue budgets. Increased by £1m following review.	G	(4.5)	(1.0)
7.	Schools capitalisation target	Doug Meeson	Capitalisation of eligible spend in school revenue budgets.	G	(4.0)	0.0
8.	Joint Committees	Doug Meeson	No significant variation anticipated at this stage.	G	36.9	0.0
B. Other Significant Budgets						
1.	Insurance	Doug Meeson	No significant variation anticipated at this stage.	G	0.0	0.0
2.	Prudential Borrowing Recharges	Doug Meeson	No significant variation anticipated at this stage.	G	(14.1)	(0.1)
3.	Earmarked Reserves	Doug Meeson	Use of capital and other earmarked reserves.	G	0.7	0.0
4.	Prompt payment discount savings target	Doug Meeson	Achievement of target depends on getting sufficient suppliers enrolled on PPD scheme	G	(0.6)	0.0
5.	Miscellaneous	Doug Meeson	No significant variation anticipated at this stage.	G	5.1	0.0
6.	Central recharges	Doug Meeson	Recharges ref PPPU break-up to allocate to directorates	G	0.4	0.0
7.	General Insurance Reserve	Doug Meeson	Following review of level of reserve it is proposed to release £1m to revenue.	G	0.0	(1.0)
Strategic & Central Accounts - Forecast Variation						0.3

Housing Revenue Account - Period 4 Financial Dashboard - 2018/19 Financial Year

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

Directorate	Current Budget	Projected Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
Income					
Rents	(212,042)	(211,937)	105	Average rent projected to be lower than budgeted	50
Service Charges	(7,774)	(7,778)	(4)		6
Other Income	(30,337)	(30,260)	77	Capitalised salaries less than expected but offset by employee costs below	-
Total Income	(250,153)	(249,975)	178		56
Expenditure					
Disrepair Provision	1,400	1,812	412		412
Repairs to Dwellings	43,548	43,548	-	Awaiting recharge information	-
Council Tax on Voids	654	654	-		-
Employees	28,733	27,915	(818)	Housing Management £669k. P&C part year savings due from Housing Growth restructure.	(564)
Premises	8,311	8,325	14		20
Supplies & Services	3,853	3,851	(2)		(3)
Internal Services	40,287	40,582	295	Internal recharges from Community & Environments	159
Capital Programme	65,502	65,502	-		-
Unitary Charge PFI	9,476	9,278	(198)	Offset with Sinking Fund - see below	35
Capital Charges	44,476	44,476	-		-
Other Expenditure	6,716	6,672	(44)		(46)
Total Expenditure	252,956	252,614	(341)		13
Net Position	2,803	2,639	(164)		69
Appropriation: Sinking funds	(1,753)	(1,555)	198		(35)
Appropriation: Reserves	(1,050)	(1,084)	(34)		(34)
(Surplus)/Deficit	(0)	(0)	0		0
Proposed New Reserves			-		-
Transfer to Capital Reserve			-		-
Total Current Month	(0)	(0)	0		0

Housing Revenue Account - Period 4 Financial Dashboard - 2018/19 Financial Year



Change in Stock	Budget	Projection
Right to Buy sales	530	530
New Build (PFI)	0	0
New Build (Council House Growth)	(22)	(22)
Total	508	508

*Actual sales to date 177

Right to Buy Receipts	2017/18 Actual	2018/19 Projection
Total Value of sales (£000s)	26,356	27,562
Average Selling Price per unit (£000s)	51.9	52.0
Number of Sales*	508	530
Number of Live Applications	1,417	1,598

Arrears	2017/18	2018/19	Variance
	£000	£000	£000
Dwelling rents & charges	2017/18 Week 18	2018/19 Week 18	
Dwelling Rents (HMA1 Figure)	6,117	5,701	(416)
Non dwelling rents/charges (garages/Court costs)	594	748	155
Former Tenants	4,289	4,769	481
	10,999	11,218	219
Under occupation	2017/18 Week 52	2018/19 Week 14	
Volume of Accounts	4,357	4,286	(71)
Volume in Arrears	1,873	1,944	71
% in Arrears	43.0%	45.4%	2.4%
Value of Arrears	502	494	(8)
Collection Rates	2017/18 Week 52	2018/19 Week 14	
Dwelling rents	97.44%	96.47%	-1.0%
Target	97.50%	97.50%	
Variance to Target	-0.06%	-1.03%	

Housing Revenue Account - Period 4 Financial Dashboard - 2018/19 Financial Year

Projected Financial Position on Reserves	Reserves b/f	Use of Reserves	Contribution to Reserves	Closing reserves
	£000	£000	£000	£000
HRA General Reserve	(6,495)	0	0	(6,495)
Earmarked Reserves				
Insurance - large claims	(137)			(137)
Welfare Change	(1,782)	684		(1,098)
Housing Advisory Panels	(541)			(541)
Sheltered Housing (Committed in capital programme)	(3,238)			(3,238)
Holdsworth Place - land purchase	(64)			(64)
Early Leavers' Initiative	(408)			(408)
Changing the Workplace	(332)			(332)
eFiles Box-It Project	(262)			(262)
New Earmarked Reserves				0
Wharfedale View	(10)			(10)
Concierge Pilot	(400)	400		0
Sheltered Housing (Furniture and Carpets)	(280)			(280)
	(7,453)	1,084	0	(6,369)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(7,410)	2,512	0	(4,898)
LLBH&H PFI Sinking Fund	(2,710)	0	(958)	(3,668)
	(10,121)	2,512	(958)	(8,567)
Capital Reserve				
MRR (General)	(27,212)	64,068	(68,327)	(31,471)
MRR (New Build)	(4,258)	3,140	0	(1,118)
	(31,470)	67,208	(68,327)	(32,589)
Total	(55,540)	70,804	(69,285)	(54,021)