

Report of the Chief Officer Financial Services

Report to Executive Board

Date: 21st November 2018

Subject: Financial Health Monitoring 2018/19 – Month 6

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 at Month 6 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 fifth 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 £3.7m. It is incumbent upon respective Directors to identify and implement appropriate measures so that a balanced budget position can be delivered.

5. At Month 6, the Housing Revenue Account is projecting a balanced budget position.

Recommendations

6. Executive Board are recommended to:
- note the projected financial position of the authority as at Month 6; 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 6.
- 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 six 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 stood at £25.7m. The 2018/19 budget assumes a further contribution of £1.0m to this reserve during this financial year. In October Executive Board approved the release of £1.7m in 2018/19 to address income pressure in the Children and Families budget arising as a consequence of the re-profiling of the final payment of the Partners in Practice Project by the DfE - this amount to be repaid to the reserve in 2019/20 once received. Consequently it is anticipated that the general fund reserve will stand at £25.0m at 31st March 2019.
- 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 Government delivered the Autumn Budget 2018 on 29th October. The Chancellor confirmed a number of previously announced policies affecting the current financial year, including:
- Additional Winter Funding for Adult Social Care (see paragraph 3.2.1 below);
 - The cap on borrowing through the Housing Revenue Account (HRA) in England was abolished with effect from 29th October 2018.

A number of new policy decisions impacting on local government in 2018/19 were also announced:

- Additional capital funding to local authorities to tackle potholes, repair damaged roads, and invest in keeping bridges open and safe;
- Additional Disabled Facilities Grant capital funding, to provide home aids and adaptations for disabled children and adults on low incomes;
- Additional capital funding for schools to spend on equipment and facilities;
- A package of extra support for claimants transitioning to Universal Credit; and
- Additional funding to support more local authorities to meet their air quality obligations.

Funding allocations to Leeds City Council are yet to be notified.

3. Main Issues

- 3.1 At Month 6 an overspend of £3.7m is projected, as shown in Table 1 below. The most significant increases have occurred in the Children and Families directorate (£0.4m) and in Strategic (£0.6m) and will be discussed in more detail below.

Table 1

Summary Position - Financial Year 2018/19 Reporting Period: Month 6

Directorate	Director	(Under) / Over spend for the current period				Previous month's Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(1,009)	210	(210)	0	0
Children and Families	Steve Walker	108	2,485	(453)	2,032	1,653
City Development	Martin Farrington	(1,566)	(324)	674	350	350
Resources & Housing	Neil Evans	(680)	1,840	(1,840)	0	244
Communities & Environment	James Rogers	756	1,767	(1,202)	565	374
Strategic	Doug Meeson	(40)	(902)	1,692	790	206
Total Current Month		(2,431)	5,076	(1,339)	3,737	2,827

Previous month (under)/over spend	(1,191)	2,929	(102)	2,827
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- 3.2 The major variations are outlined below, with additional detail provided on the Directorate dashboards which are appended to this report;

- 3.2.1 **Adults & Health** are currently projecting a balanced position. Within this projected balanced position it is anticipated that there is slippage in some demand-related budget action plans and there are a number of variations, including £0.41m of anticipated cost pressures associated with general running costs of which £0.3m

relates to client journeys. A £0.2m net cost pressure in Public Health Commissioning assumes that staffing-based savings are allocated as a contingency against potential demand pressures in drug, alcohol and sexual health services. There are anticipated cost pressures of £0.5m relating to higher than budgeted fee increases and slippage in delivery of budget action plans for Community Care packages. These pressures are offset by £1.0m of projected savings relating to staff turnover and slippage in employing new staff and £0.2m of additional client and external income offset by lower forecast contributions from partners due to slippage in the formation of the Leeds Plan team. A £0.1m underspend within Leeds Adult Safeguarding Board is projected and it is proposed to carry this forward into 2019/20.

The recent Winter Funding Announcement will see Leeds receive £3.3m of the £240m announced nationally. Early thoughts are that the funding will be used to support the provider market to ensure as far as possible a stable market and one that has the capacity to meet any increased demand during this period; the funding will be used to increase the capacity of the in-house reablement function to facilitate a faster discharge from hospital, particularly for older people, and work has started on liaising with the third sector in order to introduce further resilience in the community through the winter period.

- 3.2.2 Children and Families** – The projected year-end position at Month 6 is an overspend of £2.03m which is an increase of £0.38m when compared to the position reported to Executive Board in October. This increase from Month 5 is largely the consequence of an anticipated increase of £0.36m in the Authority's contribution to the One Adoption West Yorkshire Partnership reflecting an in year increase in inter-agency placement rates. Other pressures have emerged since Month 5 but these have been offset by planned actions with a combination of additional savings and income proposals.

Significant demand and demography pressures on the CLA budget are resulting in an upward pressure in terms of costs, with both External Residential (ER) and Independent Fostering Agency (IFA) placements currently higher than the budgeted assumptions. The number of children in ER placements has reduced since the start of the financial year, however at the end of September 2018 External Residential (ER) numbers were 62 compared to the budgeted number of 53, whilst the number of Independent Fostering Agencies (IFA) were 189 compared to the budgeted number of 179. It is anticipated that there will be a small reduction in demand as a number of children currently in ER placements will turn 18 during the year. The ER budget is projected to overspend by £1.1m (£0.8m at Month 5) and the IFA budget by £0.25m (projected to balance at Month 5). Additionally a new pressure on demand for Kinship care has been recognised, creating a projected overspend of £0.3m.

Additionally, there are newly recognised pressures in Leaving Care Special Guardianship Orders due to growth in demand of £0.25m, on the Leaving Care budget of £0.3m and £0.27m relating to Section 17 (Children's Act 1989) costs associated with safeguarding and promoting a child's welfare.

There has been a notable increase in the number of children requiring transport and also an increase in contract prices. At this stage in the year an increase in costs of £0.55m is projected, partly offset by savings of £0.36m, leaving a net pressure of

£0.19m. To help offset this pressure additional income of £0.15m is anticipated from the High Needs Block of the Dedicated Schools Block towards the costs of Personal Transport Allowances. 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 mitigate these demand pressures.

The Social Care staffing budget is projected to be overspent by £0.11m by the end of the year, net of staffing savings in Early Help assuming that further action plan savings will be achieved. The Directorate is strictly controlling post releases to mitigate this pressure and the projected position assumes that not all vacant posts will be released. Additionally there are projected income pressures of £0.35m in regard to Trading and Commissioning budgets and it is projected that external legal disbursement costs will exceed budget by £0.53m.

These pressures are offset by £0.4m of anticipated additional High Needs Block funding from the Dedicated Schools Grant towards the education costs of External Residential placements, increased income from Adel Beck of £0.29m and other additional actions of £0.3m across services. In addition net one-off contributions have been agreed with Adults and Health towards the costs of adults utilising post-16 provision; whilst a longer term solution is developed and the positive behaviour support services; services which are being developed to reduce longer-term demand, particularly on Adults provision.

3.2.3 City Development – At Month 6 the Directorate is projecting an overspend of £0.35m. The Directorate currently has headline pressures totalling £3.6m but has identified £3.25m of savings and one off items of income to mitigate this.

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 market opportunities, creating a pressure of £1.58m. Mitigating actions of around £1.16m have been identified, including £0.3m of additional Arena income, £0.25m of savings across Asset Management, £0.1m from further anticipated road closures at Bridgewater Place and £0.5m for one off easements and covenant releases. Easements grant other parties a right to cross or use council land for a specified purpose, such as a developer requiring access to enable them to progress a development. When the Council sells land it sometimes attaches conditions (restrictive covenants) to the sale. Subsequently, interested parties may approach the Council to seek release of this covenant, for example to develop the land for an alternative purpose.

Work is ongoing to strengthen and develop further advertising opportunities in response to a projected £0.1m shortfall in advertising income. Street lighting electricity costs are projected to exceed budget by £0.38m and the Arts & Heritage service is reporting a pressure of £0.32m. A £0.29m shortfall is forecast against budgeted savings in Sport and Active Lifestyles. Further pressures of £0.74m including a shortfall in Kirkgate Market income and increased security costs are offset by a range of measures totalling £1.1m. These include £0.2m of staffing savings in Planning and Sustainable Development and application of £0.76m of balance sheet items.

The Directorate is working to identify an additional £0.79m of action plan savings, including evaluating the impact of robust management of vacancies and staff turnover.

3.2.4 Resources & Housing – at Month 6 the Directorate are projecting a balanced position, however there are a number of variations within this position. Within the Resources group of services there is a net overall pressure of £0.45m. This mainly reflects the projected shortfall on schools income to HR (£0.7m) and pressures within Finance of £0.2m, including continuing reductions in court fee income which are offset by savings on staffing and running costs within Strategy and Improvement, Legal, Democratic Services and Shared Services of £0.43m. A directorate action plan will deliver a further £0.5m of savings through continued control of non-income generating posts and other non-essential spend.

A £0.1m underspend is projected for Housing and Property Services, primarily due to underspend on staffing through managing vacant posts within the Strategic Housing Service. An overspend of £0.15m is projected for Civic Enterprise Leeds as a consequence of underlying income and inflationary pressures on food costs within the Catering Service.

3.2.5 Communities & Environment– there is a projected budget pressure of £0.57m at Month 6. Within the Refuse Service it is currently anticipated that there will be an overspend of £0.75m, largely due to anticipated slippage of 9 months (to January) in respect of the budgeted route efficiencies, as the route review programme continues. However this pressure is partly offset by net savings against budget of £0.38m in HWSS & Waste Strategy.

In addition, £0.21m relates to delays in delivering budgeted staffing efficiencies whilst maintaining performance levels in the Contact Centre and increased security provision in community hubs. Electoral and Regulatory Services is projecting an overspend of £0.14m of which £60k relates to a shortfall in Nationality Checking Service income and £80k to the continued reducing trend in other Registrar income. A further £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 £0.25m have been assumed at this stage.

3.2.6 Strategic & Central Accounts - At Month 6 the Strategic & Central budgets have a projected overspend of £0.79m, an increase of £0.6m. This is largely due to the recognition in Month 6 of a projected variation of £0.5m in respect of realising discounts from suppliers for the prompt payment of their invoices. This variation reflects the challenge to the Council in getting suppliers to sign up to the Council's scheme. The other key pressures are:

- A £1.4m projected shortfall in S278 income as a result of lower levels of development activity;
- projected shortfalls of £0.2m in business rates income and £0.5m in New Homes Bonus; and
- £0.1m of additional debt costs as a consequence of an increase in interest rates, more than offset by additional prudential borrowing recharges of £0.4m.

These pressures have been offset as follows:

- Following review, the level of general capitalisation assumed in the 2018/19 budget has been increased by £0.5m;
- Release of £1.0m from the General Insurance reserve.

3.3 Other Financial Performance

3.3.1 Council Tax

The Council Tax in-year collection rate at the end of September was 54.63% which is slightly behind 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 £341m of income.

3.3.2 Business Rates

The business rates collection rate at the end of September was 57.26% which is 0.35% behind performance in 2017/18. The forecast is to achieve the 2018/19 in-year collection target of 97.7% collecting some £382m of income.

The total rateable value of business properties in Leeds has increased from £921.06m at 1st April to £927.95m at the end of September, growth of £6.9m. 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 £207.3m, which is £1.8m below budgeted expectations.

3.3.3 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 September 2018, there were 2,016 appeals outstanding against the 2010 ratings list. During September 181 appeals have been settled, of which 150 have not resulted in changes to rateable values. 8 new appeals were received in September, the low number received reflecting that appeals are no longer accepted against the 2010 list except in very specific circumstances. At 30th September there are 1,843 outstanding appeals in Leeds, with 18.2% 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 2.5% 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.

4. Housing Revenue Account (HRA)

4.1 At the end of Month 6 the HRA is projecting a balanced position against the 2018/19 Budget.

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 2018/19 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 21st February 2018.

5.3 Council Policies and Best Council Plan

5.3.1 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.

5.4 Resources and Value for Money

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

5.5 Legal Implications, Access to Information and Call In

5.5.1 There are no legal implications arising from this report.

5.6 Risk Management

5.6.1 There remains a risk that a balanced budget position is not delivered in year or that the reported projected overspend could worsen as a consequence of demand-led pressures, non-achievement of Budget Action Plans, price increases and other inflationary pressures. Failure to achieve a balanced budget position would impact on future years and thus require the Council to consider difficult decisions that will have a greater impact on front-line services, including those that support the most vulnerable, and thus on our Best Council Plan ambition to tackle poverty and reduce inequalities.

5.6.2 An analysis of budget risks will continue throughout the year and is subject to monthly review as part of the in-year monitoring and management of the budget. Any significant and new risks/budget variations will continue to be included in these in-year financial reports brought to Executive Board.

6. Conclusions

- 6.1 This report informs the Executive Board of the financial health of the authority in respect of both the revenue budget and the Housing Revenue Account at Month 6 of the financial year, with an overspend of £3.7m against the approved 2018/19 budget projected. Directors are requested to identify and implement appropriate measures so that a balanced budget position can be delivered.

7. Recommendations

- 7.1 Executive Board are recommended to:

- note the projected financial position of the authority as at Month 6; 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 6 (September 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 87% of the plans are effectively delivered.

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

Staffing (-£1.0m – 1.9%)

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 still some slippage within the Leeds Plan team.

Community care packages (+£0.5m – 0.2%)

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

Public Health Commissioning (+£0.23m - 0.6%)

Staffing based savings have been allocated as a contingency against potential demand pressures within the drugs, alcohol and sexual health services.

Leeds Adults Safeguarding Board- LASB (+£80k - 10%)

Underspend due to staff savings within LASB that are planned to be carried forward into the next financial year.

General Running Costs (+£0.41m- 1.4%)

There is a transport pressure regarding client journeys of £0.3m, though this is being investigated, the reasons quoted are additional staffing costs, increased journeys and tendered contract prices for private hire coming in higher than expected. There are also number of small overspends.

Income (+£0.2m – 0.2%)

Additional client income and other external income is offset by lower forecasted contributions from partners due to slippage in the formation of the Leeds Plan team.

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	1,286	(893)	393	(319)	0	3	0	0	0	0	0	0	(316)	283	(33)
Access & Care Delivery	260,335	(46,331)	214,004	126	131	(136)	(1)	295	488	0	0	79	982	(387)	595
Service Transformation Team	1,301	0	1,301	(99)	0	0	0	0	0	0	0	0	(98)	0	(98)
Commissioning Services	34,372	(47,043)	(12,671)	(591)	0	10	0	100	8	0	0	0	(474)	(5)	(479)
Resources and Strategy	4,906	(553)	4,353	112	0	0	4	0	0	0	0	0	116	(101)	15
Public Health (Grant Funded)	45,014	(44,607)	407	(237)	0	4	0	0	233	0	0	0	(0)	0	(0)
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	347,215	(139,427)	207,787	(1,009)	131	(119)	4	395	729	0	0	79	210	(210)	(0)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1.	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		R	2.5	1.0
3.	Demand Based Savings - Mental Health	S McFarlane		G	0.1	0.0
4.	Demand Based Savings - Physical Impairment	S McFarlane		R	0.2	0.1
5.	Demand Based Savings - Telecare	S McFarlane		G	0.2	0.0
6.	Demand Based Savings - Chc / 117	S McFarlane		G	0.2	0.0
7.	Demand Based Savings - Reablement	S McFarlane		R	0.2	0.2
8.	Demand Based Savings - Direct Payment Trend	S McFarlane		G	0.1	0.0
9.	Demand Based Savings - Recovery Beds	S McFarlane		G	0.1	0.0
10.	Direct Payment Audit Team	S McFarlane		G	0.4	0.0
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			(1.0)
2.	Community care packages	Various	Anticipated variation			(0.5)
3.	General running costs	All	Primarily client transport costs			0.4
4.	Use of reserves	All	Contribution to reserves (Safeguarding Board)			0.1
5.	Income	S Hume	Reduced income related to delay in setting up Leeds Care Plan Team, offset by additional income and client contributions based on current activity levels			(0.2)

Adults and Health Directorate - Forecast Variation

0.0

CHILDREN & FAMILIES 2018/19 FINANCIAL YEAR FINANCIAL DASHBOARD - Period 6

Overall Summary - At the end of September (period 6) the directorate is projecting an overspend of £2.03m against the approved budget of £121.009m. This is an increase of £380k from the Period 5 position. The increase reflects projected additional spend on Children Looked After (CLA) and financially supported Non-CLA and an anticipated increase in the contribution to One Adoption West Yorkshire partly offset by additional income and expenditure savings.

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 period 6 the External Residential (ER) numbers were 62 compared to the budgeted number of 53, whilst the number of Independent Fostering Agencies (IFA) were 189 compared to the budgeted number of 179. It is anticipated that there will be a small reduction in numbers by the end of the year as a number of children currently in ER placements turn 18 during the year. As the average level of ER and IFA placements has remained above budget for 6 mths of the year the projected overspend has been increased to £1.1m for ER and £0.25m for IFA. In the In-house service there is a pressure on demand for Kinship care leading to a projected overspend against budget of £0.3m.

Non CLA Financially supported: - There is a pressure in Special Guardianship Orders due to growth in demand of £0.25m and projected additional spend on the Leaving Care budget of £0.3m. Section 17 payments paying for support costs for families in need are expected to exceed the budget by £0.27m.

One Adoption West Yorkshire: - It is anticipated that the Council's contribution to the Partnership will increase by £0.36m this financial year as a result of increase of the inter-agency payment rates and reprofiling of the payments.

Staffing: Overall projected overspend of £0.108m. The Social Care staffing budget is projected to be overspent by £0.200m by the end of the year. This figure is net of staffing savings in Early Help. The directorate is strictly controlling post releases to try and mitigate this pressure. It is assumed that action plan savings of £650k through the management of recruitment and agency spend for the remainder of the year will be achieved.

Transport - The overspend on this budget heading has reduced from £450k at period 5 to £40k. There has been a notable increase in the number of children requiring transport during the first quarter and also an increase in contract prices. An increase in costs of £550k is now projected to be mainly offset by various savings of £360k and additional Dedicated Schools Grant income from the High Needs Block towards the costs of Personal Transport Allowances of £150k leaving a net pressure of £40k. There is a risk that demand continues to increase and costs increase further during the year. The Directorate is working closely 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 Learning for Life, but a shortfall of £350k against net managed budget 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 £525k.

Other Income - Additional Income of £400k is anticipated from the High Needs Block of the Dedicated Schools Grant to contribute to the education costs of External Residential placements and net £80k from other contributions. The DfE has recently sought agreement to re-profile the final payment of the Partners in Practice Project. This is now reflected in the dashboard. In period 6, additional contributions from Adult Social Care (£0.75m) towards post-16 provision and positive behavioural support are reflected as a contribution of £0.10m towards the cost of social care provision in the Specialist Inclusive Learning Centres (SILCs)

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
Demand Led Budgets:																
In House placed CLA	19,994	(3,195)	16,799	0	0	0	0	0	300	0	0	0	0	300	0	300
Independent Fostering Agency	7,446		7,446	0	0	0	0	0	250	0	0	0	0	250	0	250
External Residential	10,886		10,886	0	0	0	0	0	1,100	0	0	0	0	1,100	(400)	700
Other Externally placed CLA	2,599		2,599	0	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	895	0	0	0	0	895	0	895
Transport	14,527	(467)	14,060	0	0	0	0	0	190	0	0	0	0	190	(150)	40
Sub total Demand Led Budgets	68,517	(6,051)	62,466	0	0	0	0	0	2,735	0	0	0	0	2,735	(550)	2,185
Other Budgets																
Partnerships & Health	11,542	(5,979)	5,562	(33)	0	125	0	(19)	300	0	0	0	(37)	336	(361)	(25)
Learning	88,627	(83,102)	5,525	(59)	(8)	9	0	(440)	8	0	0	0	0	(490)	119	(371)
Social Care	117,063	(69,608)	47,455	200	73	63	14	(310)	632	(448)	0	0	(320)	(96)	339	243
Sub total Other Budgets	217,231	(158,688)	58,543	108	65	197	14	(769)	940	(448)	0	0	(357)	(250)	97	(153)
Total	285,749	(164,740)	121,009	108	65	197	14	(769)	3,675	(448)	0	0	(357)	2,485	(453)	2,032

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation £m
A. Significant Variations						
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements £1.1m and Independent Fostering Agencies £0.25m). Also In-House Kinship care pressure £0.3m	R		1.65
	Non CLA Financially Supported	Steve Walker	Special Guardianship Orders projected to exceed the budget by £0.25m; Leaving Care costs to exceed the budget by £0.30m ; Other support costs £0.075m. Section 17 payments for the support costs of Children & Families in need to exceed the budget by £0.27m.	R		0.895
	Learning for Life	A Richardson	There is a projected net overspend of £350k.	R		0.35
	External Legal Disbursements	CSLT	Reflects the current high level of external legal disbursements	R		0.53
	One Adoption West Yorkshire	CSLT	Increase in the Leeds contribution to OAWY of £0.36m as a result of in year cost pressures mainly from an uplift in inter-agency placement rates and change in the payment profile.	R		0.36
	Miscellaneous	CSLT	School Improvement intervention costs £0.1m. Also premises and supplies pressure in Social Care £0.1m	A		0.20
	Passenger Transport	Sue Rumbold	Increase in demand and prices net of various savings & DSG Income of £0.10m	A		0.04
B. Key Budget Action plans (BAP's)						
	Staffing - 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. Shortfall is in part offset by other staff savings and will require strict management of vacant posts for the remainder of the year.	A	(1.27)	0.108
	Progress alternative Transport funding models	S Rumbold / S Martin	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)	(0.29)
	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 ; SENSAP set up costs £50k	G	(1.75)	(0.33)
C. Contingency Plans						
	External Income		Additional Dedicated Schools Grant funding (High Needs Block) contribution to area External Residential placements £0.4m reflecting the increase in spend in 2018/19 and other net additional income £0.08m.	G		(0.48)
	Contributions from Adult Social Care		Anticipated additional contribution to the Positive Behaviour Support service and other post 16 services.	G		(0.75)
Children and Families Directorate - Forecast Variation						2.032

CHILDREN & FAMILIES 2018/19 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - PERIOD 6

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 6 there is a projected overspend of £160k on general DSG and an underspend of £55k on de-delegated services making a net overspend of £105k.

Schools Block - This is the largest element of the DSG and mostly consists of delegated funding to local authority maintained schools. When a school becomes an academy, funding payments are made directly by the ESFA and not paid to local authorities to distribute. There have been a number of academy conversions during the year meaning that the grant income due and the allocation to school budgets have reduced by the same amount. 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). These budgets are currently projected to be £55k underspent largely as a result of a projected underspend on schools contingency. The Growth Fund budget remains part of this block and is currently projected to be underspent by £100k as the full allocation for secondary provision is unlikely to be required.

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 will be an underspend of £2,080k.

- at the end of 2017/18, an estimate was made of the final grant due in respect of early years DSG. The final grant was for £456k more than the estimate and has contributed to the projected underspend.
- initial information on the costs for the summer term (which is traditionally the term with the highest costs) indicate that the take up of places is lower than usual. As the grant income for this period will not change, a significant underspend of £1,454k is projected. However, more work is needed to verify these figures and assess any potential impact on projections for the rest of 2018/19.
- the contingency fund is not expected to have any calls on it during 2018/19 and so is expected to be underspent by £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. Overall, this block is expected to be £2,340k overspent. The main variances in this block are:-

- following confirmation of the import / export adjustment for 2018/19 there is a slight increase in grant due of £233k
- the deficit on the North West SILC budget has increased from £1,355k to £1,761k, though there is a risk that this deficit could increase further.
- SEN top-ups to institutions is projected to be overspent by £1,584k largely as a result of more children receiving a diagnosis of complex communication difficulties.
- there is an overspend on outside and external residential placements as there have been a number of very high cost placements for which there is no provision in Leeds.
- services managed by Children & Families are projecting to be underspent by £241k due to an increase in staff vacancies.
- due to the projected overspends listed above, the budgeted contribution to reserves is not expected to be made.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(320,706)	(304,796)	15,910
Individual Schools Budgets	313,490	297,580	(15,910)
De-delegated budgets	4,616	4,561	(55)
Growth Fund	2,900	2,800	(100)
Contribution to /from reserves	(300)	(300)	0
	0	(155)	(155)
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)	(57,516)	(2,149)
FEEE 3 and 4 year olds	44,216	45,255	1,039
FEEE 2 year olds	7,903	7,355	(548)
Other early years provision	3,248	2,826	(422)
	0	(2,080)	(2,080)
High Needs Block			
DSG Income	(60,300)	(60,533)	(233)
Funding passported to institutions	53,393	57,116	3,723
Commissioned services	1,549	1,586	37
In house provision	4,412	4,171	(241)
Contribution to /from reserves	946	0	(946)
	0	2,340	2,340
Total	0	105	105

Latest Estimate

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

Projected Outturn

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
160	245	405
3,539	(180)	3,359

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					
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	2.50	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					
Schools Block		Secondary provision within the growth fund is unlikely to be required			(0.10)
Schools Block		Projected underspend on de-delegated services			(0.06)
Early Years Block		Likely underspend on early years block mainly as a result of low take up in summer term.			(1.45)
Early Years Block		Under-accrual of income into 2017/18.			(0.46)
Early Years Block		Unspent contingency			(0.17)
High Needs Block		Increase in grant due			(0.23)
High Needs Block		Increase in payments to institutions due to increase in number and complexity of cases			2.00
High Needs Block		Deficit balance on North West SILC as academy conversion due to take place during 2018/19			1.76
High Needs Block		Underspend on in-house services			(0.24)
High Needs Block		Budgeted contribution to reserves will not be made			(0.95)

Dedicated Schools Grant - Forecast Variation

0.10

CITY DEVELOPMENT 2018/19 BUDGET - PERIOD 6 FINANCIAL DASHBOARD - MONTH 6 (APRIL - SEPTEMBER)

At Period 6 City Development are projecting an overspend of £0.35M made up of £3.6M of headline pressures largely offset by savings and one-off items of income.

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 £1.58M shortfall as a worst case, with a number of potential lettings at a detailed stage with some expected to conclude this financial year. The Directorate will seek to further mitigate against this through savings within other areas of income and expenditure. As such mitigating actions of circa £1.16m have been identified including £300k of 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. The previously reported pressure of £200k at P5 has reduced to £100k and work is ongoing to strengthen and develop further advertising opportunities.

In Highways a pressure of £0.38M 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. £400k of Street Lighting PFI Dispute Resolution balances are to be used to mitigate this energy pressure.

The Arts & Heritage service is reporting a pressure of £0.32M of which £0.16M relates to additional spending pressures around the carnival and reggae events.

Active Leeds is projecting an underachievement of income of £478k of which £318k 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. This pressure is partly mitigated by savings of £50k in respect of PFI charges (penalties) and other running cost savings. 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 April 2019.

The Directorate has implemented a 3% increase in recharge rates for Highways engineering and technical staff and anticipates that this increase, in conjunction with normal staff turnover and rigorous control over the release of vacant posts will significantly mitigate the pressures outlined above. Any further windfall income in respect of easements/covenants will be used to further mitigate the overall pressure on the Directorate's budget.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Planning & Sustainable Development	9,219	(7,368)	1,851	(201)	0	10	0	0	0	0	0	0	(191)	31	(160)
Economic Development	1,859	(508)	1,351	(61)	0	17	1	0	0	0	0	0	(43)	149	106
Markets & City Centre	2,958	(3,612)	(654)	(7)	103	(32)	0	5	0	0	0	0	69	156	225
Asset Management & Regeneration	16,838	(20,461)	(3,623)	(344)	252	81	(2)	(42)	0	0	0	0	(55)	1,180	1,125
Employment & Skills	3,881	(2,166)	1,715	(20)	0	0	0	0	0	0	0	0	(20)	0	(20)
Highways & Transportation	62,299	(46,514)	15,785	(963)	388	258	117	33	0	0	0	0	(167)	297	131
Arts & Heritage	18,493	(8,207)	10,286	71	(14)	222	0	8	0	0	0	0	287	32	318
Active Leeds	24,534	(19,926)	4,608	(21)	(40)	(69)	0	(4)	(50)	0	0	0	(184)	478	294
Resources & Strategy	1,113	0	1,113	(21)	0	0	0	0	0	0	0	0	(21)	(1,649)	(1,670)
Total	141,194	(108,762)	32,432	(1,566)	689	487	116	(0)	(50)	0	0	0	(324)	674	350

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£'000	£'000
A. Budget Action Plans						
1.	Planning and Sustainable Development	Tim Hill	Additional income from charging	G	(400)	31
2.	Economic Development	Eve Roodhouse	Expenditure savings	R	(120)	106
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)	0
6.	Arts and Heritage	Cluny MacPherson	Savings via increased income opportunities across the Service	G	(400)	32
7.	Employment and Skills	Sue Wynne	Staffing & running cost savings	G	(20)	(20)
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)	294
Total Budget Action Plan Savings					(4,925)	1,443
B. Other Significant Variations						
1.	Asset Management & Regeneration	Angela Barnicle	Shortfall in Strategic Investment Fund Income against 2017/18 Budget Action Plan			580
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			100
5.	Markets & City Centre	Susan Upton	Kirkgate Market Income and Security Costs			225
6.	Asset Management & Regeneration	Angela Barnicle	EX PPPU Income Recovery			140
7.	Arts and Heritage	Cluny MacPherson	Staffing and Expenditure Variations across Arts and Heritage			125
8.	Arts and Heritage	Cluny MacPherson	West Indian Carnival			161
9.	Asset Management & Regeneration	Angela Barnicle	Additional Income - Symons House, Holdforth Court, Thornes Farm Way, ELOR Gas Easement, rents			(509)
10.	Resources & Strategy	Ed Mylan	Partial use of Street Lighting PFI Dispute Resolution Balances			(400)
11.	Resources & Strategy	Ed Mylan	Historic S38 balances			(360)
12.	Asset Management & Regeneration	Angela Barnicle	Arena Income			(300)
13.	Asset Management & Regeneration	Angela Barnicle	Other savings across the service			(248)
14.	Planning and Sustainable Development	Tim Hill	Staffing Savings			(201)
15.	Resources & Strategy	Ed Mylan	Bridgewater Place - assumed income from further closures			(100)
16.	City Development	All	Other Variations across the Directorate			(137)
17.	Resources & Strategy	Ed Mylan	Action Plans to mitigate net budget pressure including utilisation of balance of street lighting PFI balances are now included within headline forecast. Work ongoing to identify further savings and quantify potential impact of robust management of vacancies and staff turnover			(789)
City Development Directorate - Forecast Variation						350

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2018/19 FINANCIAL YEAR

MONTH 6

Overall

The Directorate is projecting a balanced position overall at month 6 position, assuming delivery of an action plan of £500k. The overspend is primarily accounted for by a shortfall against the schools income within the directorate offset by savings on staffing and running costs across various service areas as outlined below.

Resources

It is assumed that support services will achieve the £3.5m savings which formed part of the 2018/19 budget. Most of these (£2.2m) centred on staffing savings and at half way through the financial year, it is forecast these savings will be delivered. Whilst there is an overall staffing pressure in the group, this mainly arises from recruitment within DIS and will be offset by additional income. This aside, there is a net overall pressure within this group of services of £450k arising from a reduction in schools income, particularly in HR and pressures within finance of around £200k, including continued reductions in court fee income. These income pressures are being offset by savings on staffing through managing turnover and vacant posts and running costs within Strategy and Improvement (£67k), Legal (£67k), Democratic Services (£147k) and Shared Services (£152k). A directorate action plan will be compiled to bring the budget into the assumed balanced position through continued control of non income generating posts and other non essential spend.

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

A £100k underspend is projected for within Housing and Property Services in 2018-19 at month 6 which is primarily explained by the staffing underspend as a result of managing vacant posts within the Strategic Housing Service. 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 6 a projected overspend of £150k is projected which is after managing the £88k NNDR pressure for Westgate through savings on running costs and generation of additional income within parts of the business. There is a £150k pressure within the Catering service and reflects the underlying income pressures and inflationary pressures on food costs. 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	93,678	(29,472)	64,206	375	(70)	(348)	8	139	0	0	0	(276)	(172)	122	(50)
LBS	55,675	(65,286)	(9,611)	(2,364)	0	1,728	0	0	0	0	0	0	(636)	636	0
Housing & Property	26,576	(13,613)	12,963	(254)	34	72	14	0	0	0	0	96	(38)	(62)	(100)
CEL	74,961	(64,284)	10,677	1,563	11	711	373	28	0	0	0	0	2,686	(2,536)	150
Total	250,890	(172,655)	78,235	(680)	(25)	2,163	395	167	0	0	0	(180)	1,840	(1,840)	0

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
A. Key Budget Action Plans					£m	£m
Efficiencies						
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	Julie Staton	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.	A	(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	A	(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; ELIs in progress to deliver future savings	A	(0.50)	0.14
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)	(0.20)
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	A	(0.05)	
22	HR	Lorraine Hallam	Secure £40k of income chargeable to the Apprentice Levy	A	(0.04)	
23	Legal & Democratic Services	Catherine Witham	Deletion / Reconfiguration of posts or other cost savings		(0.07)	(0.22)
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)	(0.35)
26	Shared Services	Helena Phillips	Mail and Print - cross cutting savings (found with alternative savings)	G	(0.10)	
27	Strategy and Improvement	Mariana Pexton	Deliver £0.13m staffing savings to balance the 18/19 budget	G	(0.13)	(0.07)
28	Strategy and Improvement	Mariana Pexton	Additional comms team income - mainly from Schools	G	(0.05)	
B. Other Significant Variations						
1	HR	Lorraine Hallam	Shortfall against schools income	R		0.70
2	Finance	Doug Meeson	Court fee income pressures	A		0.05
3	CEL	Sarah Martin	Catering income and inflationary pressure on food costs.	A		0.15
4	Housing	Jill Wildman	Staffing savings	G		(0.10)
5	Directorate Action Plan	All Chief Officers	Savings to find to balance budget	A		(0.50)
Resources and Housing Directorate - Forecast Variation						0.00

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2018/19 FINANCIAL YEAR
Period 6 (September 2018)

Overall Position (+£565k over budget)

Communities (nil variance)

This service is projecting a nil variance at period 6

Customer Access (+£211k over budget)

The projected overspend relates to the Contact Centre (+£200k) reflecting the delays in delivering budgeted staffing efficiencies in respect of Channel shift/shove whilst maintaining performance levels in the face of increased call volumes. In addition increased security provision within the community hubs has resulted in a further pressure of £126k. These overspends have partially been offset by projected additional income within other areas of the service .

Electoral and Regulatory Services (+£140k)

The service is projecting an overspend of +£140k. This relates to a shortfall in Nationality Checking Service income (+£60k) and the continued reducing trend in other Registrars income (+£80k). The Taxi and Private Hire Licensing (TPHL) fee review was implemented on the 1st October, the impact of which will be closely monitored .

Environmental Health (+£4k over budget)

The projected variance is due to minor staffing variations (+£4k)

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 including the cost of Immigration advice (£60k). 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 6. 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 (+£105k over budget)

The projected overspend relates to shortfalls against phased budgets in respect of 'on street' (+£349k) and 'off street' (+£58k) 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 . It is also anticipated that these shortfalls will be partially offset by other expenditure savings by the year end.

Cleaner Neighbourhoods Teams (£11k under budget)

The service is projecting an underspend due to delays in recruitment.

City Centre (-£2k under budget)

Waste Management (+£368k over budget):

Refuse: (+£749k over budget)

Within the Refuse Service it is currently anticipated that there will be slippage of 9 months (to January) in respect of the budgeted collection route efficiency programme, as the route review continues. This will result in a projected overspend of £847k, 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 £260k; 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: (-£381k under budget)

The projected overspend relates to increased SORT disposal costs (+£280k), 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 £163k, disposal savings of £319k, mainly at Household Waste Sites, and other anticipated disposal savings of £400k.

Community Safety (nil variance)

A projected shortfall in income of £59k due to loss of a contract with WY Police to maintain APR cameras and other expenditure variations are offset by a projected net underspend in staffing.

Directorate Wide (action plan savings £250k)

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	0	0	(23)	0	(220)	0	0	0	0	(243)	243	0
Customer Access	23,668	(4,192)	19,476	200	124	56	5	1	0	0	0	0	386	(175)	211
Electoral & Regulatory Services	6,194	(5,440)	754	(130)	69	180	(1)	22	0	0	0	0	140	0	140
Welfare And Benefits	252,566	(248,692)	3,874	4	6	425	6	56	0	0	0	0	497	(497)	0
Car Parking Services	4,936	(13,168)	(8,232)	(48)	0	(140)	0	0	0	0	0	0	(188)	293	105
Community Safety	8,083	(5,912)	2,171	(22)	0	9	0	0	0	0	0	0	(13)	13	0
Waste Management	41,662	(7,861)	33,801	831	(3)	355	48	(167)	0	0	0	0	764	(396)	368
Parks And Countryside	31,420	(24,842)	6,578	110	36	385	(62)	6	0	0	0	0	475	(475)	0
Environmental Action (City Centre)	2,011	(427)	1,584	(10)	2	6	0	0	0	0	0	0	(2)	0	(2)
Environmental Health	2,053	(561)	1,492	(39)	5	3	(3)	(4)	0	0	0	0	(38)	42	4
Cleaner Neighbourhood Teams	12,506	(4,561)	7,945	(140)	(2)	8	123	0	0	0	0	0	(11)	0	(11)
Action Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	(250)	(250)
Total	404,114	(329,692)	74,422	756	237	964	116	(306)	0	0	0	0	1,767	(1,202)	565

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	RAG	Action Plan Value (£000s)	Forecast Variation
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	R	(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 - £20k savings forecast due to delays.	R	(50)	30
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 for allocation of white goods. However service incurring additional costs of Immigration advisor £60k within the budget.	A	(200)	60
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	The fee review was implemented from the 1st October. Income levels continue to be monitored to ensure increase in fees is sufficient to generate required income. £1.8m achieved in 17/18.	G	(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 9 months delay.	R	(1,350)	597
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	Income to period 6 is below profile. To be monitored.	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 6 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	Undertake additional works for Housing Leeds	All COs	Additional CCTV and Tree Inspection works undertaken in 17/18, need to identify	G	(300)	0
Other Significant Variations						
All services			Other expenditure variations			(192)
			Directorate wide Action Plan			(250)
Communities & Environment - Forecast Variation						565

STRATEGIC & CENTRAL ACCOUNTS - 2018/19 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 06

Overall :

At month 6 the Strategic & Central budgets have a projected overspend of £0.8m

The key variations are;

- predicted shortfalls of £0.2m in S31 business rates income and £0.5m in New Homes Bonus
- £1.4m less Section 278 income due to predicted lower levels of development activity
- additional external debt costs of £0.1m more than offset by additional prudential borrowing recharges of £0.4m
- proposed use of £1.0m from insurance reserve following a review of the level of the reserve
- an increase in the target of general capitalisation of £0.5m
- a shortfall of £0.5m in the target for generating prompt payment discounts

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	(7,330)	(19,964)	(27,294)			50						(1,000)	(950)	1,400	450
Debt	24,747	(15,276)	9,471							88		88	(390)	(302)	
Govt Grants	9,740	(36,895)	(27,155)									0	672	672	
Joint Committees	36,913	0	36,913									0	0	0	
Miscellaneous	5,930	(852)	5,078	(40)								(40)	10	(30)	
Insurance	11,079	(11,079)	0			128						(128)	0	0	
Total	81,079	(84,066)	(2,987)	(40)	0	178	0	0	0	88	(1,128)	(902)	1,692	790	

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	External interest payments greater than anticipated	A	22.6	0.1
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 shortfall of £586k	A	(25.6)	0.2
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. No variation anticipated at this stage.	G	(4.5)	(0.5)
7.	Schools capitalisation target	Doug Meeson	Capitalisation of eligible spend in school revenue budgets.	G	(4.0)	0.0
8.	Prompt payment discount target	Doug Meeson	Difficulties in supplier engagement have meant that it will take longer than originally targeted to generate savings.	R	(0.6)	0.5
9.	Joint Committees	Doug Meeson	No significant variation anticipated at this stage.	G	36.9	0.0
B. Other Significant Budgets						
1.	Insurance	Doug Meeson	Slight overspend projected at this stage.	G	0.0	0.0
2.	Prudential Borrowing Recharges	Doug Meeson	Small surplus anticipated at this stage.	G	(14.1)	(0.4)
3.	Earmarked Reserves	Doug Meeson	Use of capital and other earmarked reserves.	R	0.7	(1.0)
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
Strategic & Central Accounts - Forecast Variation						0.8

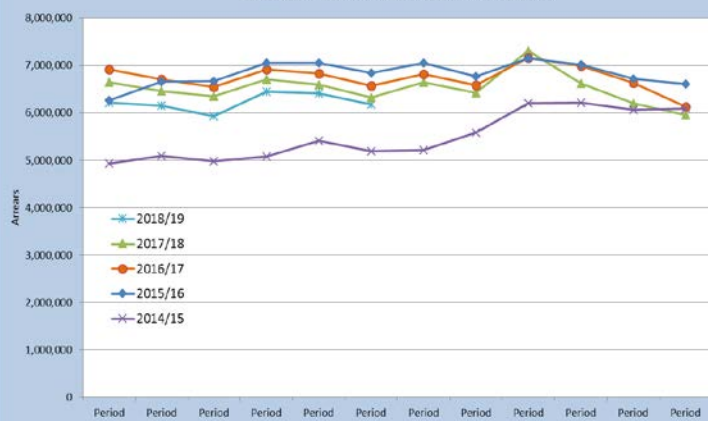
Housing Revenue Account - Period 6 Financial Dashboard - 2018/19 Financial Year

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)	(211,952)	90	Lower number of affordable lets than budgeted and average rents slightly less than budgeted.	199
Service Charges	(7,774)	(7,778)	(4)		(4)
Other Income	(30,337)	(30,694)	(357)	Capitalised salaries less than expected but offset by employee costs below. IAS19 included in capital recharges.	109
Total Income	(250,153)	(250,424)	(272)		304
Expenditure					
Disrepair Provision	1,400	2,050	650	Disrepair compensation and fees.	650
Repairs to Dwellings	43,548	43,548	-		-
Council Tax on Voids	654	654	-		-
Employees	28,695	27,711	(985)	Housing Management £725k. P&C £355k saving on structure partly due to savings due from Housing Growth restructure.	(1,109)
Premises	8,311	8,657	346	Silk Mill Insurance less compensation costs. Seacroft rent & NNDR savings - offset in internal charges. £250k utilities additional cost.	101
Supplies & Services	3,853	3,574	(279)	£150k saving on bank charges, £45k saving on tenant incentive mobility scheme.	(52)
Internal Services	40,324	40,831	507	£207k legal charges - service priorities. Internal charges Communities & Environments.	486
Capital Programme	65,502	65,502	-		-
Unitary Charge PFI	9,476	9,278	(198)	Offset with Sinking Fund - see below	(198)
Capital Charges	44,476	44,476	-		-
Other Expenditure	6,716	6,696	(20)		(381)
Total Expenditure	252,956	252,976	20		(503)
Net Position	2,803	2,552	(251)		(198)
Appropriation: Sinking funds	(1,753)	(1,331)	422	Increased contributions to the PFI Reserve to offset future pressures.	198
Appropriation: Reserves	(1,050)	(1,221)	(171)	Silk Mill Insurance Claim charge to the 'Insurance - large items' reserve.	-
(Surplus)/Deficit	(0)	(0)	(0)		(0)
Proposed New Reserves			-		-
Transfer to Capital Reserve			-		-
Total Current Month	(0)	(0)	(0)		(0)

Housing Revenue Account - Period 6 Financial Dashboard - 2018/19 Financial Year

Comparison of Current Tenant Arrears by Financial Year



Comparison of Former Tenant Arrears by 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 272

Right to Buy Receipts	2017/18 Actual	2018/19 Projection
Total Value of sales (£000s)	26,356	28,013
Average Selling Price per unit (£000s)	51.9	52.9
Number of Sales*	508	530
Number of Live Applications	1,417	1,669

Arrears	2017/18	2018/19	Variance
	£000	£000	£000
Dwelling rents & charges	2017/18 Week 26	2018/19 Week 26	
Current Tenants	6,326	6,175	(151)
Former Tenants	4,383	4,808	425
	10,709	10,983	274
Under occupation	2017/18 Week 52	2018/19 Week 22	
Volume of Accounts	4,357	4,232	(125)
Volume in Arrears	1,873	1,909	36
% in Arrears	43.0%	45.1%	2.1%
Value of Arrears	502	465	(37)
Collection Rates	2017/18 Week 52	2018/19 Week 22	
Dwelling rents	97.44%	96.54%	-0.9%
Target	97.50%	97.50%	
Variance to Target	-0.06%	-0.96%	

Housing Revenue Account - Period 6 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		0
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)	1,221	0	(6,232)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(7,410)	2,512	0	(4,898)
LLBH&H PFI Sinking Fund	(2,710)	0	(1,182)	(3,892)
	(10,121)	2,512	(1,182)	(8,791)
Capital Reserve				
MRR (General)	(27,212)	64,027	(68,327)	(31,512)
MRR (New Build)	(4,258)	3,140	0	(1,118)
	(31,470)	67,167	(68,327)	(32,630)
Total	(55,540)	70,900	(69,509)	(54,148)