

Report of the Chief Officer Financial Services

Report to Executive Board

Date: 22nd April 2020

Subject: Financial Health Monitoring 2019/20 – Provisional Outturn

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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

1. Main issues

- The purpose of this report is to inform the Executive Board of the 2019/20 provisional financial outturn for the authority in respect of both the revenue budget and the Housing Revenue Account.
- The 2019/20 financial year is the fourth and final year covered by the 2015 Spending Review and again presents significant financial challenges to the Council. The Council has managed to achieve considerable savings since 2010 and the budget for 2019/20 requires the delivery of a further £22.6m of savings.
- 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.
- This is the eighth budget monitoring report of the year, and Executive Board will recall that the 2019/20 general fund revenue budget, as approved by Council, provides for a variety of actions to reduce net spend through the delivery of £22.6m of budget action plans by March 2020.

- Members will be aware that the updated Medium Term Financial Strategy, received at July's Executive Board, assumes a balanced budget in 2019/20. Any variation to this assumption has implications for the level of general reserve available to the Council.
- Following Executive Board approval in March, the impact of the variation in the level of capital receipts receivable, when compared to budgeted assumptions, will be funded through a corresponding release from the Council's general reserve. The current position with regard to capital receipts has been incorporated into the position reported here and will be confirmed in the final outturn Financial Health report which is timetabled to be received at June's Executive Board.
- Whilst it is anticipated that the main impact of Coronavirus (COVID-19) will be seen in the next financial year there will be a more limited impact in the final weeks of the current year. The report details initial estimates of the financial impact in this financial year of £2.5m and work is ongoing to identify affected areas of service and to understand the financial consequences. It is assumed that the 2019/20 impact of the virus will be funded by COVID-19 support grant from Government and will thus have a nil impact on the Council's projected outturn position.
- As such, the provisional financial outturn reflects an overspend of £4.4m which takes account of the above and of pressures identified in the Children and Families and City Development directorates. This report seeks approval to use the Council's general reserve to fund any overspend once the year end position is confirmed.
- Further, if the number and type of CLA placements remain at the current level then it is estimated that this would result in an overspend of £3.8m against the CLA budget in 2020/21. Further work is being carried out to review CLA projections for 2020/21. An action plan is being developed on how the Directorate will mitigate this increase in funding and will be reported to a future meeting of Executive Board.
- A deficit of £5.5m has been declared on the authority's Collection Fund in respect of business rates. This declared deficit is reflected in the approved 2020/21 revenue budget and reduces the revenue funds available to the Council in that year. Any impact of Coronavirus (COVID-19) on collection in 2019/20 and 2020/21 will impact on the revenue budget in 2021/22.
- The provisional financial outturn for the Housing Revenue Account projects a balanced budget position.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The 2019/20 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on financial performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

3. Resource Implications

- The provisional financial outturn reflects an overspend of £4.4m which takes account of the impact of the anticipated capital receipts shortfall, netted down by a number of offsetting measures and savings, and also reflects pressures identified in the Children and Families and City Development directorates.

- The Council's Medium Term Financial Strategy assumes a balanced budget position for 2019/20. As agreed at March Executive Board it is intended that the variation arising as a consequence of the variation in capital receipts receivable will be funded through a corresponding release from the Council's general reserve. This report seeks approval to use the Council's general reserve to fund any additional overspend once the year end position is confirmed. The financial implication of Coronavirus (COVID-19) will be met from Government grant.
- The business rates deficit declared in December 2019 and reflected in the approved 2020/21 revenue budget is £5.5m. This reduces the revenue funds available to the Council in 2020/21.
- If the number and type of CLA placements remain at the current level it is estimated that this would result in an overspend of £3.8m against the CLA budget for 2020/21. Further work is being carried out to review CLA projections for 2020/21. An action plan is being developed on how the Directorate will mitigate this increase in funding and will be reported to a future meeting of Executive Board.

Recommendations

- a) Executive Board are asked to note the projected provisional outturn for the Authority.
- b) In regard to the projected outturn position projected in this report, Executive Board are asked to approve the use of the Council's general reserve to fund any overspend when compared to budgeted assumptions once the final position is known. Any amount required from the general reserve will be confirmed in the final outturn Financial Health report which is timetabled to be received at June's Executive Board. The officer responsible for the implementation of this recommendation is the Chief Officer - Financial Services.
- c) Executive Board are asked to note that financial pressures arising as a consequence of Coronavirus (COVID-19) will be met from the Government's COVID-19 support grant allocation to the authority.
- d) Executive Board are asked to note that the Children & Families directorate projects a variance of £3.8m against the CLA Budget for 2020/21 based on projections of CLA numbers. Executive Board are recommended to request that the Director of Children and Families identify proposals to address the projected overspend and that these proposals will be incorporated into the next Financial Health Monitoring report to be received at Executive Board.

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's provisional financial outturn position for 2019/20.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights the key risks and variations to budgeted assumptions.

2. Background information

- 2.1 Executive Board will recall that the net revenue budget for the general fund for 2019/20 was set at £516.7m.
- 2.2 Following the closure of the 2018/19 accounts, the Council's general fund reserve stands at £28.0m. The 2019/20 budget assumed a contribution of £4.5m to this reserve during 2019/20, to contribute towards ensuring that the Council continues to be financially resilient and sustainable. This budgeted contribution includes repayment of £1.7m which was released from the general fund reserve to Children & Families in 2018/19 to address the income pressure arising within the Directorate as a consequence of the re-profiling of the final payment of the Partners in Practice Project by the DfE. As such it was projected that the balance on the general fund reserve would stand at £31.5m at 31st March 2020, before reflecting any use of general reserve to deliver a balanced position in 2019/20. Funding the projected overspend of £4.4m will reduce the general fund reserve to £27.1m at the year end.
- 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.

3. Main Issues

- 3.1 The provisional financial outturn position for the Authority reflects a projected overspend of £4.4m which compares against the £1.0m projected underspend reported to the Board in March.
- 3.2 This £5.4m worsening of the reported position is largely because it is now expected that the MRP (Minimum Revenue Provision) charge to fund debt will be £5.1m higher than budgeted for, due to delays in realising some capital receipts and a further shortfall against budgeted capitalisation of £1.5m, offset by net savings of £1.8m, all within the Strategic Accounts. There has also been an increase of £0.2m in Children & Families overspend due to a range of variations across the service, a reduction of £0.45m in the City Development underspend position due to delays in finalising capital receipts transactions and therefore in realising the associated fee income from them.
- 3.3 The reported position also takes account of £2.5m regarding initial estimates of the potential financial impact of Coronavirus (COVID-19) in this financial year, but this financial pressure will be funded in full by Government grant and will have a nil

impact on the projected outturn position. Directorate positions are discussed in more detail below and in the appended dashboards. The estimated impact of Coronavirus is discussed separately in the report and detailed at Appendix 2 and is not reflected on dashboards.

3.4 The provisional financial outturn projection for 2019/20 is summarised in Table 1.

Table 1

Summary Position - Financial Year 2019/20 Provisional Outturn

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	(403)	3,067	(3,067)	0	0
Children and Families	Steve Walker	(150)	3,340	(2,450)	890	700
City Development	Martin Farrington	(2,159)	(1,700)	1,700	0	(450)
Resources & Housing	Neil Evans	295	3,506	(3,736)	(230)	(223)
Communities & Environment	James Rogers	1,881	3,317	(3,377)	(60)	(94)
Strategic	Victoria Bradshaw	(10)	5,241	(1,424)	3,817	(951)
Estimated Impact of Coronavirus	Victoria Bradshaw		2,500	(2,500)	0	0
Total Current Month		(546)	19,271	(14,854)	4,417	(1,018)
Previous month (under)/over spend		(304)	10,092	(11,110)	(1,018)	

3.5 Following Executive Board approval in March 2020, the impact of the variation in the level of capital receipts receivable, when compared to budgeted assumptions, will be funded through a corresponding release from the Council's general reserve.

3.6 The major variations are outlined below, with additional detail provided on the directorate dashboards appended to this report. The estimated impact of Coronavirus is discussed separately in the report, with detail provided at Appendix 2. It is not reflected on directorate dashboards.

3.6.1 **Adults & Health** - The Directorate is projected to deliver a balanced position. Budget Action Plans (BAPS) are required to deliver £13.1m of savings. At Month 11, these are effectively delivered; though there is slippage in some areas others are likely to over-achieve.

A net £3.0m of pressures are projected within the community care demand based budgets, principally within learning disability, home care and supported accommodation. There are also demand based pressures on contracts managed by Strategic Commissioning. Underspends are projected within residential and nursing care and direct payments.

Other key variances include a projected staffing underspend of £0.4m; although there are pressures within several areas, underspends within the rest of the directorate - particularly Service Transformation, Resources and Commissioning - more than mitigate these pressures.

Income is projected to be £3.0m above target due to additional client contributions and additional external income; in particular the additional £0.5m receivable as an inflationary uplift for the Better Care Fund.

3.6.2 Children & Families – At Month 11 it is projected that the Directorate will have a year-end overspend of £0.89m. This is an increase of £0.19m on the Month 10 projection. There are a number of variations built into this position and these are outlined below.

As reported previously, the main areas of overspend are forecast to be on Children Looked After (CLA), financially supported Non-CLA and the passenger transport budget. The Directorate is continuing to work with the Passenger Transport Service on an action plan to mitigate the pressures on the transport budget and as a result the projected overspend on transport was reduced by £0.1m to £0.5m at Month 9.

Overall CLA placements have continued to increase and the projected overspend on CLA has been increased to £3.6m. The number of External Residential (ER) placements has increased to 73 compared to the budget of 58 placements. The number of Independent Fostering Agency (IFA) placements has increased to 204 against the budget of 184. The Directorate is undertaking a number of actions including reviewing ER placements in order to ensure that placements are still appropriate. If the number and type of CLA placements remain at the current level then it is estimated this would result in an overspend of £3.8m in 2020/21 against the CLA budget. Further work is being carried out to review CLA projections for 2020/21 and Children and Families will bring an action plan to the June meeting of Executive Board, detailing how they will mitigate any impact of this pressure on the budget.

The projected overspend on Learning for Life has remained at £0.65m. This comprises a projected shortfall in fee income in Children's Centres offset by savings within Family Services and Early Help. The service is progressing a number of actions to mitigate the income shortfall.

Some of the additional spend pressures at Month 11 are being offset by increased utilisation of grant funding. The 2019/20 budget included saving plans of £1.8m and the actions being delivered are expected to achieve the required level of savings.

On the 17th April 2019 the Department for Education confirmed that Leeds was successful in the Strengthening Families Protecting Children Programme bid worth £8.3m over five years, with 2019/20 the first year and potential spend of up to £1.5m. Leeds is committed to work with up to six local authorities over the next five years to help them improve practice and outcomes based on the innovative practice already established in Leeds. The Directorate has already commenced initial work and is currently recruiting to the revised staffing structures required to deliver the programme.

At the end of 2018/19 there was a surplus balance of £1.1m on general Dedicated Schools Grant (DSG). It is currently projected that there will be an overall overspend

of £5.4m on general DSG in 2019/20, leaving a deficit balance of £4.3m at the end of 2019/20. This is an increase in the deficit of £0.2m compared to the position reported at Month 10. As in previous years there are significant pressures on spend in the High Needs Block (HNB). On the main areas of spend of outside placements, top-up payments and place funding for Specialist Inclusive Learning Centres (SILCs) there is a significant increase in costs this year, with an overall forecast overspend on the HNB of £7.3m. This is expected to be partly offset by underspends of £0.9m on the Early Years Block and £1.0m on the Schools Block.

3.6.3 City Development – At Month 11 the City Development Directorate is forecasting a balanced budget position (an adverse movement of £0.45m from Month 10), whilst continuing to manage and balance a number of existing and emerging significant budget pressures. The £0.45m adverse movement is due to unforeseen delays in finalising capital receipts transactions and therefore realising the associated fee income from them.

The Markets Service faces another challenging year for a number of reasons, including continuation of the ongoing adverse retail climate and uncertain future for retail on the high street, growth in e-commerce and changing consumer spending preferences.

There are also two major building projects at the Market, one to build a hotel (2 year build) and the other to refurbish unlettable historic units and replace the roof in the 1875 block shops. The vacant units required for this work equate to £0.45m in lost revenue and the level of disruption to tenants has led to an increase in demand for rent concessions. The 20% rent concession for April 2019 to October 2019 equates to a further pressure on income of £0.2m.

The Directorate's Strategic Investment Fund requires further acquisitions in order to achieve the net budgeted return of £3.36m. The current shortfall has increased by £0.13m to circa £0.73m due to unforeseen delays in letting a warehouse. Further viable investment opportunities with the right risk profile continue to be sought and financially appraised. £0.15m of Round Foundry reserve has been identified as useable as it was not applied in previous years and has been brought in to aid the bottom line. A further pressure of £0.2m has arisen due to delays in realising asset rationalisation savings. Work is ongoing to progress this.

The Street Lighting LED conversion programme was planned to start in September 2019, however the Deed of Variation for the PFI contract is not expected to be signed off until March 2020 and full commencement of works cannot proceed until then. Some 'small works' instructions for lantern swaps have been issued to ensure energy savings are realised and at present there is no budget pressure arising from this delay. The projections include £0.5m of income from the PFI Street Lighting contractor that may be at risk if the Deed of Variation is not signed before the end of March, however all parties involved are committed to ensure this is achieved.

The Planning & Sustainable Development position has moved adversely by £146k to a projected overspend of £4k. This is due to an adverse movement on forecast income of circa £280k for Planning and Building Control fees, partially offset by reduced expenditure on staffing, supplies and services.

£1.258m of other balances will need to be applied to deliver the forecast balance budget. The Directorate has a schedule of balances that will be reviewed and approved by the Director and Chief Officers at year end once the final requirement is determined.

3.6.4 Resources & Housing – At Month 11 the Directorate is projecting an underspend of £0.23m. There are savings on business rates following the valuation of Merrion House being confirmed. The effect of the lower valuation and backdated refunds will deliver an in year saving of around £0.63m and, as previously reported to the Board, there are forecast savings in DIS of £0.37m primarily related to Microsoft costs. In addition, savings in Legal and Democratic Services of £0.22m, mainly in Members Allowances, and Strategy and Improvement of £0.26m are now anticipated.

However, offsetting these projected budget savings are pressures of £0.39m within Corporate Property Management, £0.14m on income in the Catering service, £0.24m on staffing costs in Shared Services and £0.5m in LBS due to the under-recovery of overheads from vacant posts.

3.6.5 Communities & Environment - the Directorate is projecting an overall underspend of £0.1m at this stage of the financial year. Within Customer Access there are pressures of £0.38m, mainly due to additional staffing costs associated with the improvement in call answer rates at the Contact Centre, additional premises costs including security costs at Hub sites and other staffing costs within the library service. There is also an anticipated pressure of £0.1m within Communities which reflects slippage on grant funded projects. Within the Waste Management service there are a number of pressures mainly in respect of the ongoing Refuse review which is progressing well, combined with additional costs relating to recovery. Partially offsetting these are overall net savings on waste disposal contracts, although there are pressures on the SORT disposal contract which reflect a deterioration in market prices for recycled materials, and overall the service is forecasting an overspend of £0.16m by the year end. However, offsetting these pressures are forecast underspends of £0.2m within Car Parking services, reflecting additional net car parking and penalty notice income, and savings within Electoral and Regulatory services of £0.2m which are due to a combination of expenditure savings and additional income across the service. In addition there are further anticipated savings of £0.1m within Welfare and Benefits, Cleaner Neighbourhood Teams (£0.15m) and Safer Leeds (£0.1m) contributing to the overall forecast underspend for the directorate.

3.6.6 Strategic & Central Accounts - At Month 11, the Strategic & Central budgets are projecting an overspend of £3.8m. This is largely because it is now expected that the MRP (Minimum Revenue Provision) charge to fund debt will be £5.1m higher than budgeted for, due to delays in realising some capital receipts. It is anticipated that there will be a reduction in the 2020/21 MRP charge, as a result of capital receipts falling into 2020/21 rather than 2019/20.

Following Executive Board approval in March, the impact of the variation in the level of capital receipts receivable, when compared to budgeted assumptions, will be funded through a corresponding release from the Council's general reserve. The position will be confirmed in the final outturn Financial Health report which is timetabled to be received at June's Executive Board.

The projected outturn position also includes an underspend of £2.6m in the external debt budget, reflecting lower than anticipated long term borrowing rates in the first half of the year, a projected improvement in internal revenue balances, and slippage against the forecast capital programme. The costs of borrowing have also been offset by additional capital receipts from the sale of vehicles. However there is an anticipated shortfall of £0.4m in prudential borrowing recharges to directorates. Other key variations are a projected shortfall of £0.6m in New Homes Bonus which is offset by S31 grant income for small business rates relief projected to exceed budget by £0.9m and an anticipated distribution of £0.5m from the surplus on the national Business Rates levy account. It has also been identified that £0.8m of the budget set aside for preparations for the City of Culture will not be required during 2019/20. Likely shortfalls of £0.9m in the target for general capitalisation and £1.3m in the target for schools capitalisation have also been recognised to reflect the risk in this area, and there is a projected shortfall of £0.15m in savings from prompt payment discounts.

It should also be noted that there is a projected additional use of £1.1m from the Insurance reserve as a result of a variation in the value of insurance claims and associated internal costs. This is a volatile budget and continues to be closely monitored.

3.7 Estimated Impact of Coronavirus (COVID-19) in 2019/20

3.7.1 Whilst it is anticipated that the main impact of Coronavirus (COVID-19) will be seen in the next financial year there will be a more limited impact in the final weeks of 2019/20. The reported position takes account of a new £2.5m pressure reflecting early indications of the financial impact in this financial year. Assessed impact by directorate is summarised at Table 2 and further detail is provided at Appendix 2. It is likely that these costs will increase as we continue to respond and provide the necessary services to our community, for example the recent decision to suspend all parking charges is not yet reflected. Work is ongoing to identify affected areas of service and to understand the financial consequences.

Table 2 - Initial Impact by Directorate:

Directorate/Service	£000s
Adult Social Care	-
Children & Families	340
City Development	1,000
Communities & Environment	487
Resources & Housing	675
Initial Estimated Impact 19/20	2,502

3.7.2 Government confirmed on the 24th March that they are making a payment of £3.4bn of grant funding to local authorities for the first phase of COVID-19 on Friday 27th March 2020. This £3.4bn consists of the already announced £1.6bn of support grant for local authorities for COVID-19 pressures and an initial £1.8bn grant for business rates reliefs. This is based on the rate relief data provided to Government in January 2020 and therefore does not reflect any of the new business rates measures introduced to deal with impact of the virus.

3.7.3 Leeds City Council's allocations are £21.96m of support grant and £22.61m of Section 31 grant for business rate reliefs. A letter received from the Secretary of State for Housing, Communities and Local Government on 20th March sets out that this funding is intended to help authorities address the pressures being faced in response to the Covid-19 pandemic across all the services being delivered. In particular this funding should enable authorities to:

- Meet the increased demand for adult social care and enable councils to provide additional support to social care providers.
- Meet the cost of extra demand and higher business-as-usual costs of providing children's social care, including as a result of school closures and the need for increased accommodation to address the need for isolation, including for unaccompanied asylum-seeking children.
- Provide additional support for the homeless and rough sleepers, including where self-isolation is needed.
- Support initial costs incurred by LAs in their critical role in supporting those within the most clinically high-risk cohort who also have no reliable social network (i.e. who are both at high risk clinically and socially).
- Meet pressures across other services, as a result of reduced income, rising costs or increased demand.

3.7.4 The provisional outturn position reported here assumes that any COVID-19 financial pressure realised in general fund services in 2019/20 will be funded in full by Government grant and will have a nil impact on the projected outturn position.

3.8 Other Financial Performance

3.8.1 Council Tax

The collection rate at 29 February 2020 is 92.99%, which is 0.27% lower than the forecast collection rate for the year. Therefore there continues to be a risk that the Council will not achieve the in-year target of 96.1%, which reflects income collection of approximately £365m. However, this lower-than-forecast collection rate is an in-year issue and we would normally expect to hit the overall collection target of 99% in the fullness of time. The impact of Coronavirus (COVID-19) on collection rates remains to be understood.

3.8.2 Business Rates

The business rates collection rate at the end of December was 94.31% which is 0.02% behind performance in 2018/19. The forecast is to achieve the 2019/20 in-year collection target of 97.7%, collecting some £381m of income. Again, the impact of Coronavirus remains to be understood.

The total rateable value of business properties in Leeds has increased from £930.2m at 1st April 2019 to £935.9m at the end of February 2020, an increase of £5.7m. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the national business rates multiplier (49.1p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (74%), Central Government (25%) and West Yorkshire Fire Authority (1%). After allowing for the business rates deficit brought forward, Leeds' actual business

rates income is currently in the region of £272.0m, which is £1.6m below budgeted expectations.

3.8.3 Business Rates Appeals

The opening appeals provisions for 2019/20 were £21.0m, made up of £13.8 relating to appeals received against the 2010 ratings list and £7.2m estimated costs in relation to the 2017 ratings list. Under the 75% Business Rates Retention pilot, Leeds' budget is affected by 74% of any appeals provision made in this year but provisions brought forward from 2018/19 were made at 99%.

On the 1st February 2020, there were 1,123 appeals outstanding against the 2010 ratings list. During January 9 appeals have been settled, of which 2 have not resulted in changes to rateable values. 2 new appeals were received in January. At 31st January there are 1,116 outstanding appeals in Leeds, with 9.7% of the city's total rateable value in the 2010 list currently subject to at least one appeal.

Only 2 appeals have been received to date against the 2017 list, with only 3.4% of the city's total number of hereditaments in the 2017 list currently subject to either an appeal or a 'check' or 'challenge', the pre-appeal stages of the appeals process introduced in 2017.

3.8.4 Business Rates Surplus/Deficit

At Month 11, it is projected that Leeds' share of the closing Business Rates deficit will be £7.3m on 31st March 2020. As Leeds declared a deficit of £5.5m for 2019/20, which will be reimbursed to the collection fund in 2020/21, this would result in an opening deficit for 2020/21 of £1.8m (Leeds share), a cost to the 2021/22 Budget. Again, the impact of Coronavirus remains to be understood.

3.8.5 Impact of Coronavirus (COVID-19) on the Collection Fund

Any impact of Coronavirus (COVID-19) on the collection of council tax and business rates income in 2019/20, where not compensated by Government through Section 31 grants to compensate for new business rate reliefs, Hardship grant to support council tax payers and other measures, will result in an increase in the year end deficit position on the Council's Collection Fund and will impact on the revenue budget in 2021/22.

Looking forward, any uncompensated impact of the virus on collection in 2020/21 will not impact on the budgeted contribution to the Council's revenue budget in 2020/21. This would also result in an increase in the declared and year end deficit positions on the Council's Collection Fund and would impact on the revenue budget in 2021/22 and 2022/23 respectively.

4. Housing Revenue Account (HRA)

4.1 At the end of Month 11 the HRA is projecting a balanced position and no contribution to general reserve is assumed.

4.2 Estimated Right to Buy sales for 2019-20 are 610 and this is contributing to a forecast reduction in rental income of around £0.5m compared to the budget, which

had assumed 530 sales. However, the additional usable capital receipts generated by the sales will result in a projected saving of £1.2m in the revenue contribution to the Major Repairs Reserve (MRR).

- 4.3 Repairs, including disrepair, are forecast to be £1.5m over budget based on year to date spend.
- 4.4 These pressures are offset by staffing savings from vacant posts and turnover, forecast at a net £1.6m
- 4.5 To recognise the investment in the contact centre resource to improve call answering times in relation to tenants' calls, an additional £0.3m will be spent whilst a further £0.1m will be incurred to support the commitment to ensure that the Leeds Living Wage is paid to employees of the Council's horticultural maintenance contractor.
- 4.6 All other variations within the £250m budget amount to around £0.4m under budget.
- 4.7 As with directorate positions above, the position reported here does not reflect any impact of Coronavirus (Covid-19). Work is ongoing to identify affected areas of service and to understand the financial consequences.

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 2019/20 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 27th February 2019.

5.3 Council policies and the Best Council Plan

- 5.3.1 The 2019/20 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 Climate Emergency

- 5.4.1 Since this is a factual report detailing the Council's financial position for 2019/20 there are no specific climate implications.

5.5 Resources, procurement and value for money

- 5.5.1 This is a revenue financial report and as such all resources, procurement and value for money implications are detailed in the main body of the report.

5.6 Legal implications, access to information, and call-in

5.6.1 There are no legal implications arising from this report.

5.7 Risk management

5.7.1 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, such as the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans is in place for 2019/20.

5.7.2 Throughout the financial year there has been a risk that a balanced budget position is not delivered 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.

5.7.3 An analysis of budget risks has continued throughout the year and has been subject to monthly review as part of the in-year monitoring and management of the budget. Any significant and new risks/budget variations have been included in the financial health monitoring reports that have been brought to Executive Board.

6. Conclusions

6.1 This report informs the Executive Board of the provisional financial outturn position for the Authority in respect of the revenue budget, which projects an overspend of £4.4m.

6.2 The reported position reflects the impact of the variation in the level of capital receipts receivable, when compared to budgeted assumptions, which will be funded through a corresponding release from the Council's general reserve. It also takes account of the financial impact of Coronavirus (COVID-19) in 2019/20, which will be funded by Government grant, with work ongoing to identify the affected areas of service and to identify the potential financial consequences.

6.3 The provisional financial outturn for the Housing Revenue Account projects a balanced budget position.

7. Recommendations

7.1 Executive Board are asked to note the projected provisional outturn for the Authority.

7.2 In regard to the projected outturn position projected in this report, Executive Board are asked to approve the use of the Council's general reserve to fund any overspend when compared to budgeted assumptions once the final position is known. Any amount required from the general reserve will be confirmed in the final

outturn Financial Health report which is timetabled to be received at June's Executive Board. The officer responsible for the implementation of this recommendation is the Chief Officer - Financial Services.

- 7.3 Executive Board are asked to note that financial pressures arising as a consequence of Coronavirus (COVID-19) will be met from the Government's COVID-19 support grant allocation to the authority.
- 7.4 Executive Board are asked to note that the Children & Families directorate projects a variance of £3.8m against the CLA Budget for 2020/21 based on projections of CLA numbers. Executive Board are recommended to request that the Director of Children and Families identify proposals to address the projected overspend and that these proposals will be incorporated into the next Financial Health Monitoring report to be received at Executive Board.

8. Background documents¹

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 - 2019/20 Financial Year

Month 11 (February 2020)

The directorate is projected to deliver a balanced position.

Budget Action Plans are required to deliver £13.1m of savings. At Period 11, 110% for BAPS have effectively been delivered, even though there has been some slippage in the demand and partner income BAPS.

The main variations at Period 11 across the key expenditure types are as follows:

Staffing (-£0.4m)

There are pressures within resources and services transformation but underspends within Commissioning and Health Partnership more than mitigate these.

Community Care Packages (+£2.9m)

Pressures are expected within Learning Disability, Home Care and Supported Accommodation. Underspends are projected within residential and nursing care and direct payments as numbers continue to fall. There are also demand based savings within Commissioning which are offset by increased spend on timely transfers of care.

Public Health Commissioning (+£0.3m)

The Public Health grant underspend from last year of £185k will be used to cover fluctuations arising from the prescribing and dispensing costs for drug treatment following the introduction of a new tariff for the drug buprenorphine in April 2018. £102k will be used for children's bereavement programmes (funding is shown within the appropriation account).

General Running Costs (+£0.1m)

Due to early repayment of debt there are savings of £0.30m and saving from non essential spend of £0.14m, which are offset by other running costs, in particular increased transport costs which are the impact of higher priced tenders for private hire routes; increased cost of computer equipment (including licences); premises cost for waterside; and additional charges from CEL for catering and cleaning.

Appropriation Accounts

a) Winter Pressures Funding (-£0.2m) to fund social workers to support the transfers from Community Beds and (-£0.2m) for rapid response (homecare).

b) The £0.28m saving from the early repayment of debt and £0.2m of additional income from the Disabilities Facilities Grant that is to be transferred to reserves.

c) Public Health (-£0.3m) – representing underspends from last year to be spent in this year: the Public Health grant (£0.2m) and children's bereavement programmes (£0.1m).

d) An additional £0.5m is receivable from the Better Care Fund representing a late agreement on the level of inflation to be applied to the sum the Council receives. In line with the directorate's budget plans this sum will be transferred to reserves and forms a part of the 2020/21 budget planning.

e) Utilising reserves to fund additional cost for timely transfers of care (-£0.4m).

f) The in year savings identified from non-essential spend will be transferred to reserves (+£0.1m).

Income (-£3.0m)

Income is above target due to additional client contributions and additional external income in particular the additional £0.5m receivable as an inflationary uplift to the Better Care Fund; (£0.2m) from charging the Disabilities Facilities Grant for staff time and additional income (£0.3m) from the CCG to contribute towards the additional costs associated with timely transfer of care work.

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	1,535	(994)	541	(103)	0	3	(3)	(12)	0	0	0	0	(115)	81	(34)
Social Work & Social Care Services	273,246	(47,934)	225,312	(33)	3	109	6	132	4,408	(2,076)	0	2	2,551	(1,913)	637
Service Transformation	1,508	(15)	1,493	20	0	7	(1)	1	14	0	0	0	40	(130)	(90)
Commissioning Services	28,559	(54,597)	(26,038)	(325)	(77)	121	0	0	656	0	0	146	521	(994)	(474)
Resources and Strategy	5,734	(1,178)	4,557	83	8	(37)	22	(168)	0	0	0	163	71	(112)	(40)
Public Health (Grant Funded)	43,886	(43,542)	344	(44)	0	0	0	0	329	0	0	(287)	(1)	1	0
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	354,468	(148,260)	206,208	(403)	(66)	203	25	(46)	5,407	(2,076)	0	24	3,067	(3,067)	(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, Advonet Grant, Social Care Grant	B	7.3	0.0
2.	Demand Based Savings - Ld	S McFarlane		G	0.3	0.0
3.	Demand Based Savings - Mental Health	S McFarlane		G	0.1	0.0
4.	Demand Based Savings - Telecare	S McFarlane		R	0.1	0.1
5.	Demand Based Savings - Reablement	S McFarlane		R	0.1	0.1
6.	Demand Based Savings - Chc / 117	S McFarlane		B	0.3	(0.5)
7.	Prudential Borrowing - Recovery Hubs	S McFarlane		B	0.2	0.0
8.	Ld - Funded Nursing Care Paid By Lcc On Chc Funded People	S McFarlane		G	0.1	0.0
9.	Premises Running Cost Savings	S McFarlane		G	0.1	0.0
10.	Demand Based Savings - Demand Mgt	S McFarlane		G	0.3	0.0
11.	Managing Budget Reductions	S Hume		G	0.1	0.0
12.	Demand Budgets (Commissioning)	C Baria		G	0.2	0.0
13.	Staffing	Various	primarily use of vacancy factors	G	0.8	(0.1)
14.	Income	Various	better collection of assessed income and recovery of monies from partners	G	2.2	(0.5)
15.	Public Health	V Eaton	review of commissioned services and use of reserves	B	1.0	0.0
B. Other Significant Variations						
1.	Staffing	All	relating to staffing turnover and slippage in employing new staff			(0.3)
2.	Community care packages	Various	anticipated variation			3.6
3.	General running costs	All	Savings relating to non-spend of debt budget and non essential spend offset by increased other running costs such as transport, catering and cleaning			0.1
4.	Use of reserves	All	net contribution to reserves (iBCF inflation, additional income from DFG, debt savings offset by transfers from reserves for Community Beds, Winter Pressures, timely transfer of care and Public Health)			0.0
5.	Income	S. McFarlane	client contributions and CCG contribution to CHC transport costs and additional BCF income			(2.5)
Adults and Health Directorate - Forecast Variation						0.0

CHILDREN & FAMILIES 2019/20 FINANCIAL YEAR FINANCIAL DASHBOARD - Period 11

Overall Summary - At period 11 the directorate is projecting an overspend of **£0.89m** against a gross expenditure budget of £295m which equates to an overspend of 0.3%. This is an adverse movement of £0.19m from the P10 reported position. Predominantly comprised of; £1.05m further CLA Demand pressure, £0.15m Adel Beck pay and £0.075m additional internal recharges for occasional vehicle hire, offset by £0.26m further utilisation of DfE grant funding to support directorate in-year pressures, £0.575 further grant / one-off additional funding from UASC / YJS and OPCC VRU programmes and £0.25m DSG funding for Personal Travel.

Children Looked After (CLA): - The Children Looked After budget (CLA) was increased by £1.5m to £42.4m in the 2019/20 budget. The budget took into account the level of supported children in the autumn of 2018, 1,284 and there are currently 1,341; increase of 9 from the reported position at Period 10. This has resulted in pressures on the 19-20 External Residential (ER) and Independent Fostering Agencies (IFA) budgets, with the trend over the last 6 months being for increased external placements. Current ER numbers are 73 compared to the budgeted number of 58, whilst the number of Independent Fostering Agencies (IFA) is 204 compared to the budgeted number of 184 taking the overall reported pressure to £3.6m an increase of £1.05m from P10. Secure Justice numbers currently at 10 against budget of 4. There is still a risk that there will be further budget pressure increases in 2019-20.

Non CLA Financially supported: - The non-CLA financially supported budget was increased by £0.5m to £12.9m in the 2019/20 budget. Budgeted 19-20 numbers are 867 placements; current numbers are 899; increase of 12 from the reported position at Period 9. A pressure of £0.15m relating to Special Guardianship Orders and Staying Put Arrangements was reflected from P7 onwards.

Staffing: - The staffing budget for 19-20 is £87.4m. At P10 the directorate reported a pay savings target of £0.3m. At P11 this has been revised down to £0.15m; adverse movement of £0.15m due to emerging pay pressures in Adel Beck secure unit.

Transport: - No change from the reported position at P9; pressure of £0.525m.

Trading and Commissioning: - At P10 the reported pressure within Learning for Life was increased to £0.65m. There is no change at P11.

Supplies & Services & Internal Charges:- At P10 the reported savings target was £0.36m. For P11 this has been reduced by a further £0.075m due to occasional vehicle hire recharges.

Other Income / Projects: - At P10 the directorate was reporting additional income of £2.28m. At P11 further income amounting to £1.085m has been reflected and includes £0.26m additional utilisation of DfE grant monies, £0.25m DSG grant for Personal Travel payments and £0.575m additional income from YJS, YOS and the OPCC VRU funding and UASC grant income.

Dedicated Schools Grant - There is a separate Dashboard for the DSG

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	
Demand Led Budgets:															
In House placed CLA	20,352	(3,648)	16,704	0	0	0	0	0	(450)	0	0	0	(450)	0	(450)
Independent Fostering Agency	7,546		7,546	0	0	0	0	0	1,050	0	0	0	1,050	0	1,050
External Residential	11,913		11,913	0	0	0	0	0	2,700	0	0	0	2,700	0	2,700
Other Externally placed CLA	2,566		2,566	0	0	0	0	0	300	0	0	0	300	0	300
Non CLA Financially Supported	12,883	(3,514)	9,369	0	0	0	0	0	150	0	0	0	150	0	150
Transport	15,062	(617)	14,445	0	0	0	525	0	0	0	0	0	525	0	525
Sub total Demand Led Budgets	70,322	(7,779)	62,542	0	0	0	525	0	3,750	0	0	0	4,275	0	4,275
Other Budgets															
Partnerships & Health	4,977	(1,231)	3,746	(50)	0	0	0	40	0	0	0	0	(10)	(485)	(495)
Learning	31,500	(26,906)	4,594	300	0	0	0	0	0	0	0	0	300	(665)	(365)
Social Care	123,422	(77,400)	46,022	(100)	0	(50)	0	175	100	(200)	0	(500)	(575)	(1,300)	(1,875)
Resources and Strategy	65,291	(60,427)	4,864	(300)	0	0	0	(100)	0	0	0	(250)	(650)	0	(650)
Sub total Other Budgets	225,190	(165,964)	59,226	(150)	0	(50)	0	115	100	(200)	0	(750)	(935)	(2,450)	(3,385)
Total	295,512	(173,743)	121,769	(150)	0	(50)	525	115	3,850	(200)	0	(750)	3,340	(2,450)	890

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation £m
A. Significant Variations				RAG	£m	£m
	Children Looked After & Financially Support Non-CLA Demand Budgets.	Steve Walker / Sal Tariq	The budget supports an average of 58 ER and 184 IFA Placements. Currently at 73 ER and 204 IFA Placements. Partly impacted due to reduced capacity in LCC run homes; currently at 20 against potential 28 when 7 mainstream homes fully operational. Luttrell Children Home reopened beginning of October. At P11 increased the overall pressure by further £1.05m to £3.75m reflecting upward trend and higher external placement mix over last 6 months.	R		3.750
	Staffing Related Costs	C&F Leadership Team	P10 shows a projected variation of £0.15m underspend. Reduction of £0.15m due to higher pay costs with Adel Beck secure unit.	G		(0.150)
	Learning For Life - Early Start & Youth Services	Sal Tariq / Andrea Richardson	At P9 reported pressure £0.4m. At P10 revised pressure by further £0.25m due to fee income being lower than forecast.	R		0.650
	Passenger Transport	Sue Rumbold	Continuation of increasing demand within LCC run Passenger Transport. Whilst the strategy provided £0.7m additional funding, there is a further pressure of £0.525m due to increasing demand and prices via commissioning. Impact of new demand and tenders for private hire arising from the commencement of the academic year will be crucial; a reduction of £0.1m from the reported position at P8.	R		0.525
	Income (Incl. Grants)	C&F Leadership Team	At P10 reported additional income (including grant income) of £2.280m. At P11 further adjustment of £0.835m comprised of:- £0.26m further DfE grant utilised to support directorate pressures, £0.575m further ad-hoc grant re UASC, YJS and YOS OPCC VRU funding.	G		(3.115)
	Supplies & Services and Internal Charges	C&F Leadership Team	At P10 reported savings target of £0.36m. At P11 revised target down to £0.285m (decrease £0.075m) saving comprised of £0.075m occasional vehicle hire charges.	A		(0.285)
B. Key Budget Action plans (BAP's)						
Transport	Pasenger Transport - Other Transport savings	Sue Rumbold	Savings from WYCA and additional schools swimming income. Further savings of £0.25m due to full cost recover from DSG for Personal Travel plans.	G	(0.30)	(0.250)
Social Care	Achieve running cost savings from former Partner in Practice funded activities	Sal Tariq	review non-staffing expenditure previously funded through the PiP grant	G	(0.15)	0.000
Social Care	Make savings on Independent Support workers within CHAD.	RuthTerry	Based on 2018/19 spend this should be achievable	G	(0.05)	0.000
Social Care	Achieve running cost savings in Learning for Life	Andrea Richardson	cease commissioned service with ASHA - saving £50k	G	(0.05)	0.000
Resources & Stratgey	Reduction in Prudential borrowing charges	Tim Pouncey	Savings achieved - borrowing repaid	G	(0.05)	0.000
Social Care	Achieve increased charges at Adel Beck	Sal Tariq	Income target not achieved.	G	(0.20)	0.400
Social Care	Achieve other additional income targets	All COs	Includes £0.2m secured from Housing capital for the capitalisation of part of the costs of the CHAD team	G	(0.40)	0.000
Social Care/Transport	Additional income from moving towards full the recovery of appropriate costs from the Dedicated Schools Grant	Tim Pouncey	Should be achievable depending on the total costs incurred	G	(0.60)	0.000
C. Contingency Plans						
	Use of strategic contingency fro Children Services.	Steve Walker	Request release from strategic budget to support the directorates financial position			(0.500)
	Further service action plans	Steve Walker & Leadership Team	In line with reported position at P9.			(0.135)
Children and Families Directorate - Forecast Variation						0.890

CHILDREN & FAMILIES 2019/20 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - PERIOD 11

Overall Summary - 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 11 there is a projected in year overspend of £5,420k on general DSG and an in year underspend of £278k on de-delegated services. This position includes the impact of the additional funding for the high needs block announced by the Secretary of State for Education on the 17th December 2018.

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. When this happens, there is a reduction in grant income which is largely matched by reduced expenditure, though overall there is an underspend as a result of recoupment adjustments on NNDR and growth funding in respect of schools which have converted to academies during 2019/20. There are a number of de-delegated services where schools have agreed for the local authority to retain funding 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). There is additional de-delegated income of £242k due to the way de-delegated budgets are dealt with when a school becomes an academy and a further underspend of £200k on schools contingency. This is partly offset by increased costs on maternity pay and SIMS licences giving an overall projected underspend of £278k. The Growth Fund budget is part of this block and is currently projected to be £1,161k underspend which means that the £400k of the DSG surplus brought forward from 2018/19 which had been earmarked for this is no longer needed.

Schools Forum have previously queried the significant level of reserves on de-delegated budgets and have requested a payment be made to schools from this reserve. A proposal was taken to the October Schools Forum to repay the 2018/19 underspend of £462k back to schools pro-rata to the amount of de-delegated funding paid in that year. This was agreed and payment has now been made.

Central School Services Block

This block 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). The admissions service is currently projecting an underspend of £58k due to vacancies and delays in recruitment.

Early Years Block - This element is concerned with provision to pre-school children. The final grant amount received is largely based on the January 2020 census and so will not be confirmed until the 2020/21 financial year. Following the significant underspend in the past 2 years, the unit rates paid to providers has been increased for both 2 year old and 3 & 4 year old providers. However based on the summer term activity, it is still expected that there will be an underspend of £883k. This is due to an expected difference between the number of hours funded and the number of hours paid to providers.

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. The main variances in this block are:-

- a lack of suitable places in Leeds is expected to result in an overspend on outside placements of £3,083k.
- an increase in special school places required from September 2019 is expected to result in an overspend of £756k on SILC funding.
- a general increase in the FFI top-up to mainstream schools and academies is projected to result in an overspend of at least £2,332k based on the FFI database at the end of December along with an overspend of £272k on additional place funding for schools with more high needs pupils. There is a risk that costs could increase over the remainder of the year.
- there has been a significant increase in early years FFI top-ups which is expected to result in an overspend of £603k
- the North West SILC is not now expected to become an academy until 2020/21 which means that additional funding needed to ensure that NW SILC is in a sustainable financial position going forward is not now required in 2019/20.

There is also a risk around a disapplication request which is to be submitted around top-up funding in respect of the SEMH provision. If unsuccessful, there is a potential additional cost of approximately £0.9m which is not included in the above projections.

Reserves - There is a surplus reserve brought forward from 2018/19 of £1,097k and a de-delegated reserve of £587k. As a result of the variations detailed above, there is expected to be an overall in year overspend of £5,420k which means that there is a projected deficit on general DSG carried forward to 2020/21 of £4,323k. Following the repayment of part of the accumulated reserves, the de-delegated reserves are expected to be a surplus of £403k.

There have been some recent changes to the DSG conditions of grant. The first is that local authorities are required to carry forward overspends to their DSG into future years. They can apply to the Secretary of State to disregard this requirement if they want to fund some or all of the overspend from other sources. The second change is that the requirement to submit a deficit recovery plan if the overall deficit is greater than 1% of the gross DSG allocation has been removed. Instead, any local authority that has an overall deficit on its DSG account at the end of the 2019 to 2020 financial year, or whose DSG surplus has substantially reduced during the year, must co-operate with the Department for Education (DfE) in handling that situation. This will involve providing a plan on how the deficit will be funded and regular updates on how that plan is working. It would also involve meetings with DfE officers to discuss any issues.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(301,877)	(299,347)	2,530
Individual Schools Budgets	295,939	293,193	(2,746)
De-delegated budgets	4,438	4,160	(278)
Growth Fund	2,900	1,739	(1,161)
Contribution to /from reserves	(1,400)	(1,000)	400
	0	(1,255)	(1,255)
Central School Services Block			
DSG Income	(4,725)	(4,725)	0
CSSB Expenditure	4,725	4,667	(58)
	0	(58)	(58)
Early Years Block			
DSG Income	(55,877)	(56,436)	(559)
FEEE 3 and 4 year olds	45,708	45,169	(539)
FEEE 2 year olds	7,312	7,442	130
Other early years provision	2,857	2,942	85
	0	(883)	(883)
High Needs Block			
DSG Income	(66,389)	(66,294)	95
Funding passported to institutions	59,524	66,902	7,378
Commissioned services	1,702	1,702	0
In house provision	4,605	4,470	(135)
Prudential borrowing	558	558	0
	0	7,338	7,338
Total	0	5,142	5,142

Latest Estimate

Balance b/fwd from 2018/19
Net contribution to/from balances
Balance c/fwd to 2020/21

Projected Outturn

Balance b/fwd from 2018/19
Projected in year variance
Net contribution to/from balances
Balance c/fwd to 2020/21

General £'000	De-delegated £'000	Total £'000
(1,097)	(587)	(1,684)
400	0	400
(697)	(587)	(1,284)
(1,097)	(587)	(1,684)
5,420	(278)	5,142
0	462	462
4,323	(403)	3,920

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					
B. Significant Variations					
Schools Block		Projected underspend on Growth Fund (net of reduced call on reserves)			(0.76)
Schools Block		Underspend due to adjustments made as part of the academy conversion process			(0.22)
Schools Block		Net underspend on de-delegated services.			(0.28)
Central School Services Block		Underspend on admissions service.			(0.06)
Early Years Block		Projected underspend on early years block mainly as a result of funding received for additional hours.			(0.88)
High Needs Block		Increased cost of outside and residential placements.			3.08
High Needs Block		Increase in funding to special schools			0.76
High Needs Block		Increase in FFI top-up and place funding to mainstream schools and academies			2.90
High Needs Block		Increase in early years FFI top-up.			0.60

Dedicated Schools Grant - Forecast Variation

5.14

CITY DEVELOPMENT 2019/20 BUDGET FINANCIAL DASHBOARD - MONTH 11 (APRIL - FEBRUARY)

At Period 11 the City Development Directorate is forecasting a balanced budget position (an adverse movement of £450k from Period 10), whilst continuing to manage and balance a number of existing and emerging significant budget pressures. The £450k adverse movement is due to unforeseen delays in finalising capital receipts transactions and therefore realising the associated fee income from them.

The Planning & Sustainable Development are position has moved adversely by £146k to a projected overspend of £4k. This is due to an adverse movement on forecasted income of circa £280k for Planning and Building Control fees [partially offset by reduced expenditure on staffing and supplies and services.

Economic Development has a minor overspend mainly due to a shortfall in income.

Asset Management and Regeneration are managing a number of pressures. The Strategic Investment Fund (SIF) requires further acquisitions to be made in order to achieve the net income target of £3.36m and the current shortfall has increased from £592k to £728k. This £136k increase is the net pressure from unforeseen delays in the lettings of the three new Trilogy warehouses. These pressures have been partially offset by the assumed use of the £130k SIF reserve and the slipping of some prudential borrowing charges. Further investment opportunities continue to be sought and financially appraised.

There is a further pressure of £200k on the Asset Rationalisation savings target. Major staffing relocations and asset rationalisations of Hough Top Court and Navigation House have been successfully completed, however due to the accounting requirements of the HRA some of the savings achieved are not realisable to City Development. To partially offset these pressures £150k from the Round Foundry reserve has been identified as useable (unapplied in previous years) and £86k historic new burdens funding for Self and Custom Build Housing also not applied in previous years. Employment and Skills are projecting a minor underspend.

The Highways and Transportation Service is projecting a small underspend arising from minor variations across the service. The Street Lighting LED conversion programme was planned to start in September 2019 however the Deed of Variation for the PFI contract is not expected to be signed off until March 2020 and full commencement of works cannot proceed until then. However some 'small works' instructions for lantern swaps have been issued to ensure energy savings are realised and at present there are no budget pressures arising from this delay. The forecast includes a £500k payment from the PFI Street Lighting contractor which can only be accounted for in 2019/20 if the Deed of Variation is signed before the end of March, however all Senior partners have collaborated to ensure all relevant parties are available to sign the paperwork by March 2020.

At Kirkgate Market traders have been granted a 20% rent discount for 7 months (April to October) as footfall continues to be an issue in the market, which comprises £200k of the forecast £782k shortfall in income, the rest is due to vacant or unlettable units within the market, and rent free periods on new lettings.

A budget Action Plan of £1,098k is required to deliver the balanced budget forecast position. The Directorate has a schedule of options prepared that will be reviewed and approved by the Director and Chief Officers at year end when the final requirement is determined.

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	9,605	(7,659)	1,946	(375)	(55)	182	(5)	5	0	0	0	0	(248)	252	4
Economic Development	2,211	(538)	1,673	11	2	(13)	8	11	0	0	0	0	19	31	50
Asset Management & Regeneration	17,434	(20,691)	(3,257)	(974)	502	(152)	5	(23)	0	(81)	0	0	(723)	1,316	593
Employment & Skills	6,145	(4,451)	1,694	(50)	19	6	0	0	0	0	0	0	(25)	0	(25)
Highways & Transportation	65,521	(48,410)	17,111	(1,098)	(502)	831	(60)	213	0	0	0	0	(616)	503	(113)
Arts & Heritage	20,767	(9,897)	10,870	287	(134)	3	(1)	30	13	0	0	0	198	(133)	65
Active Leeds	25,627	(20,489)	5,138	132	(34)	(221)	12	10	0	0	0	0	(101)	(24)	(125)
Resources & Strategy	1,008	0	1,008	(87)	0	(46)	0	(3)	0	0	0	0	(136)	(1,118)	(1,254)
Markets & City Centre	3,410	(3,702)	(292)	(5)	(43)	(16)	(1)	(3)	0	0	0	0	(68)	873	805
Total	151,728	(115,837)	35,891	(2,159)	(245)	574	(42)	240	13	(81)	0	0	(1,700)	1,700	0

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£'000	£'000
A. Budget Action Plans						
		Lead Officer	Additional Comments			
1.	Asset Management & Regeneration	Angela Barnicle	Purchase of commercial assets to generate additional rental income over and above the annual costs of borrowing and other land-lord related costs	R	(1,000)	728
2.	Asset Management & Regeneration	Angela Barnicle	Asset Rationalisation	R	(250)	200
3.	Highways & Transportation	Gary Bartlett	LED Street Lighting Conversion	G	(700)	0
4.	Highways & Transportation	Gary Bartlett	Fees Capitalisation	G	(400)	0
5.	Active Leeds	Cluny MacPherson	Sport Income	G	(220)	(24)
6.	Active Leeds	Cluny MacPherson	Sport Efficiencies	G	(150)	(101)
Total Budget Action Plan Savings					(2,720)	803
B. Other Significant Variations						
1.	Markets & City Centre	Phil Evans	Markets net rental income re 20% rent reduction and loss of income re vacant/unlettable units			782
2.	Asset Management & Regeneration	Angela Barnicle	Use of Round Foundry balance and historic new burdens funding for Self and Custom Housing not applied in previous years.			(236)
3.	Asset Management & Regeneration	Angela Barnicle	Vacancy savings net of income generating posts			(235)
4.	All	All	Other minor variations (net).			(16)
C. In Year Budget Action Plans						
1.	Resources & Strategy	Phil Evans	Action Plan to balance Directorate budget - review and application of appropriate balances.			(1,098)
City Development Directorate - Forecast Variation						0

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2019/20 FINANCIAL YEAR

PERIOD 11

Overall

The Directorate's month 11 forecast position is a projected underspend of £230k, a small reduction of £7k from the month 10 reported position of £223k. The main reasons for the net change in the forecast position is that LBS is now projected to be £525k short against the budgeted surplus, an increase of £125k from the month 10 position. The deterioration in the LBS position is more than offset by an improvement of £136k across the forecast positions of Strategy and Improvement, HR, Legal Services and Civic Enterprise Leeds (CEL). Budget pressures remain within Corporate Property Management (CPM) at just below £400k. However, these are more than offset by the overall savings in CEL through business rates following the confirmation of the business rates valuation and a backdated refund at Merrion House.

Resources

The budget requires the delivery of over £3.2m of savings in this area of which approximately £2m are staffing savings. After a number of years of reductions in support services, this figure is becoming increasingly challenging to achieve without fundamental change to the way some of these services are provided. There may be a timing issue to deliver all the savings as planned. There are likely to be overall pressures in Shared Services of just over £0.4m. The assumptions around savings through staff turnover within Shared Services are lower than initially projected and will be closely monitored for the remainder of the financial year. Offsetting this are savings from a review of accruals, forecast to be (£0.2m). There are also forecast savings within Digital and Information Services relating to expenditure on Microsoft licences of £320k and a further £50k from other expenditure and in Democratic services, savings in Members Allowances and general running costs of around £155k and projected savings of £2258k within Strategy and Improvement from vacant posts and other expenditure.

Housing Services

There are continuing pressures within the CPM function which are estimated at around £0.4m. This is after assuming additional capitalisation of building maintenance and staffing costs. At this stage there are no significant variations to report within the remainder of the Housing General Fund and Supporting People services.

Civic Enterprise Leeds (CEL)

There is a projected saving of £625k within Facilities Management due to savings in business rates following the confirmation of the valuation of Merrion House by the VOA. This saving is partly offset by a £134k pressure (reduced from £175k at month 10) in the Catering service covering income and staffing across elements of the service. Following a number of high profile events and protests at the Civic Hall, the service is trying to manage additional security cost pressures of £24k for the financial year. Within School Crossing Patrol savings on staffing mean that the service is projecting a £20k saving overall and the remaining services within CEL are expected to be in line with the budget. Although not affecting the bottom line for CEL, savings of over £100k (through reduced staffing and running costs) have been delivered for Community Centres against the 2018/19 charges and will help deliver the 2019/20 budgeted savings included within the Communities & Environment directorate.

Leeds Building Services

The budget assumes delivery of an £11m surplus with a turnover of £69.3m. At Period 11, it is projected that the service will be around £525k (4.8%) short against the budgeted surplus. This is mainly due to a combination of a shortfall in achieving the budgeted turnover level (£69.3m) and front line vacant posts which will affect the overall recovery position. It is assumed that work will be sub contracted to minimise the adverse impact on the business plan turnover levels.

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	98,531	(31,261)	67,270	2,486	(23)	(541)	(24)	(12)	0	(38)	0	74	1,922	(2,555)	(633)
LBS	58,336	(69,345)	(11,009)	(2,181)	0	2,932	0	(226)	0	0	0	0	525	0	525
Housing	26,243	(12,898)	13,345	2	802	19	74	123	(5)	0	0	0	1,015	(624)	391
CEL	81,283	(68,722)	12,561	(12)	(365)	(152)	561	12	0	0	0	0	44	(557)	(513)
Directorate Action Plan				0		0							0		0
Total	264,393	(182,226)	82,167	295	414	2,258	611	(103)	(5)	(38)	0	74	3,506	(3,736)	(230)

Key Budget Action Plans and Budget Variations:				RAG	Action Plan Value	Forecast Variation against Plan/Budget
Service	Budget Action	Lead Officer	Comments		£m	£m
HOUSING						
Housing	Review of housing general fund staffing costs	Jill Wildman	To be controlled through effective management of vacancies; No issues currently anticipated	G	(0.10)	
CEL						
Cleaning /Catering	Additional income	Sarah Martin	Awarded window cleaning contract for Barnsley Council & headquarter clearance of Harrogate Council. Plans to expand Civic Flavour.	G	(0.07)	
Facilities Management	Review of Entry systems at Civic Hall	Sarah Martin	Quotes obtained for installation of speedgates from LBS, awaiting a slot from LBS for the work to be done. This will enable a review of staffing levels.	G	(0.04)	
Facilities Management	Energy savings	Sarah Martin	More timely meter readings, use of energy efficient lighting & movement sensors & better use of Trend system to remotely control heating systems.	G	(0.03)	
Facilities Management	In-sourcing of Waste and Voids contracts	Sarah Martin	Proposals to vire budgets have been submitted to HoF. Virement codes received and virement to be completed.	G	(0.06)	
CEL Management	Staffing restructure	Sarah Martin	ELI case has been completed which will partially deliver savings	G	(0.08)	
Fleet Services	Operational Savings	Sarah Martin	Plans being developed and implemented to use capital funding to reduce spend on operational spend	G	(0.05)	
Leeds Building Services	To deliver an improved surplus of £1.4m from additional turnover; efficiencies and productivity.	Sarah Martin	Forecast shortfall of surplus mainly due to vacant front line posts. (Permanent advert is out for these trades)	A	(1.40)	0.52
RESOURCES						
DIS	Procurement efficiencies targeted to deliver £0.5m of contract savings	Dylan Roberts	£346k secured and savings realised; £180k under review; £20k pressure re HYDRA to be found	G	(0.55)	
DIS	Staffing reductions	Dylan Roberts	£245k savings completed; Remaining £75k relates to review of App Support team	G	(0.32)	
DIS	Secure net additional income from charges to Capital and external income	Dylan Roberts	External income has been completed; Capital programme reflects these proposals - staff have been recruited to PM roles. Ongoing review of activity	G	(0.40)	
Financial Services	Deliver £0.3m staffing savings to balance the 19/20 budget	Victoria Bradshaw	Total staffing pressure circa £500k; Some savings from maternities and leavers since budget. Projected £166k over on staffing, offset by £159k income; Expected to balance	G	(0.30)	0.05
HR	Deliver £0.09m staffing savings to balance the 19/20 budget	Andrew Dodman	Budget should be delivered through management of releases	G	(0.09)	(0.13)
HR	Development of ULEV scheme	Andrew Dodman (Alex Watson)	Initial Communications and promotion has gone out;	A	(0.06)	0.05
HR	Secure £150k of income chargeable to the Apprentice Levy	Andrew Dodman (Alex Watson)	Income not achievable through this plan, but service budget is expected to be balanced for 19-20 from savings in other areas.	R	(0.15)	0.15
Legal Services	To identify £206k of external legal costs that can be brought in house	Catherine Witham (Nicole Walker)	Delivered through staffing savings 19/20; Virement for 20/21 required	G	(0.21)	(0.03)
Shared Services	Deliver £0.79m staffing savings to balance the 19/20 budget	Mariana Pexton	Requires around 8% VF to deliver; Current staffing levels suggests £600k pressure after additional income for funded posts; Careful management of turnover required.	R	(0.79)	0.15
Shared Services	Electronic Processing of Invoices	Mariana Pexton	Unlikely to deliver project this Financial Year.	R	(0.15)	0.15
Strategy and Improvement	Deliver £0.255m staffing savings to balance the 19/20 budget	Mariana Pexton	Potential to use some new one off external funding to help offset pressures - circa £100k; Balance to be delivered through management of vacancies.	G	(0.26)	(0.26)
B. Other Significant Variations						
1	CPM	Sarah Martin	Pressures on the maintenance budget (net of £0.4m additional capitalisation)	R		0.39
2	Finance -Court Fees	Victoria Bradshaw	Budget reduced to £2m in 19/20. No variation at Month 10	G		0.00
3	Resources - Schools Income	All	No variation assumed from traded income with schools	G		0.00
4	Facilities Management	Sarah Martin	VOA - Valuation of Merrion House finalised - in year saving £600k from 18/19 accrual and some backdating	G		(0.63)
4	All Other Variations	All	£370k savings mainly from DIS relating to Microsoft; £155k projected savings in Democratic Services , £134k Catering pressure; Review of accruals £200k and other minor variations	G		(0.65)
					Resources and Housing Directorate - Outturn Variation	
					(0.23)	

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2019/20 FINANCIAL YEAR

Period 11 (February 2020)

Overall Position (£60k under budget)

Communities (£100k overspend)

The projected overspend relates to the under recovery of grant in relation to Community-Led Local Development (CLLD) projects.

Customer Access (£379k overspend)

The service is currently projecting an overspend of £379k. This is partly attributable to additional staffing costs within the Contact Centre (£450k) due to recruitment to improve call answer rates, although this is largely offset by funding of £300k secured from Housing Leeds in respect of Housing enquiries. Additional premises costs of £143k are projected which includes increased security costs and business rates at Hubs. All other costs including additional staffing costs within the library service are projected at a net £86k.

Electoral and Regulatory Services (£211k under budget)

Elections, Licensing and Registrars (£77k under budget)

The service is projecting an underspend of £77k which is partly due to increased income projections across all functions and net expenditure savings.

Environmental Health (£134k under budget)

The Environmental Health service is projecting a saving of £134k, due to both staffing and operational savings across the service.

Welfare and Benefits (£119k under budget)

The service is currently projecting an underspend of £119k. This saving is mainly due to additional grant funding within the Benefits service, partially offset by staffing variations within Council Tax. There remains an ongoing area of risk around the achievement of the budgeted level of overpayment income.

Parks and Countryside (nil variance)

The service is projecting a balanced position. Although there is currently a net pressure across Attractions and the Arium of £0.5m, it is anticipated that these pressures will be offset by expenditure savings and additional income in other areas of the service.

Car Parking (£206k under budget)

The service is currently projecting a saving of £206k. Projected expenditure variations of £137k are offset by overall additional income of (£343k). Whilst there is a projected shortfall against budget in respect of 'on street' parking income (+£331k), this is offset by additional 'off street' and PCN income.

Cleaner Neighbourhoods Teams (£155k under budget)

The service is projecting a net saving of £155k which is due to projected staffing and expenditure savings, partially offset by additional vehicle costs.

City Centre (£42k overspend)

The service is projecting an overspend of £42k mainly due to increased staffing cost (including the cost of covering of events).

Waste Management (£162k overspend):

Pressures within the Refuse service relating to the ongoing Refuse review combined with additional costs of recovery are anticipated to be offset by residual waste disposal contract savings. There are net pressures of £128k within Waste Operations, mainly due to staffing variations. There are also pressures on the SORT disposal contract of £270k, mainly due to market income prices, and also pressures on a number of re-let waste stream contracts due to price increases (+£112k), although these are partially offset by residual waste disposal contract savings.

Community Safety (£52k under budget)

Community Safety is currently projecting an underspend of £52k which is mainly due to staff / expenditure savings across the service.

Budget Management - net variations against the approved budget;

Summary By Service

				Period 11 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	17,436	(12,080)	5,356	0		(1)	(66)	0	35	0	0	0	0	0	0	0	(32)	132	100
Customer Access	24,294	(4,291)	20,003	847	195		339	18	0	0	0	0	0	0	0	0	1,399	(1,020)	379
Electoral & Regulatory Services (including Environmental Health)	8,327	(5,913)	2,414	(211)	29		92	(9)	(42)	0	0	0	0	39			(102)	(109)	(211)
Welfare And Benefits	265,394	(261,088)	4,306	(62)	(13)		197	(7)	86	0	0	0	0	0	0	0	201	(320)	(119)
Car Parking Services	4,874	(13,155)	(8,281)	(80)	25		(70)	1	20	0	0	0	0	0	0	0	(104)	(102)	(206)
Community Safety	9,811	(7,423)	2,388	(293)	0		97	18	52	0	0	0	0	0	0	0	(126)	74	(52)
Waste Management	42,737	(7,703)	35,034	1,986	25		(406)	279	(408)	0	0	0	0	0	0	0	1,476	(1,314)	162
Parks And Countryside	33,164	(26,101)	7,063	(136)	155		768	(71)	(125)	0	0	0	0	0	0	0	591	(591)	0
Environmental Action (City Centre)	2,079	(427)	1,652	37	3		74	(1)	(4)	0	0	0	0	0	0	0	109	(67)	42
Cleaner Neighbourhood Teams	12,773	(4,287)	8,486	(207)	26		(70)	282	(126)	0	0	0	0	0	0	0	(95)	(60)	(155)
Directorate wide	0	(1)	(1)	0	0		0	0	0	0	0	0	0	0	0	0	0		0
Total	420,889	(342,469)	78,420	1,881	444		955	510	(512)	0	0	0	0	39			3,317	(3,377)	(60)

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	RAG	Action Plan Value (£000s)	Forecast Variation against Plan/Budget
Communities						
Communities team	Achievement of staffing efficiencies	Shaid Mahmood	£40k of this to be delivered by the saving of 2 posts through ELL.	G	(75)	0
Community Centres	Asset transfer savings and general efficiencies within the service	Shaid Mahmood	Asset transfers should generate £70k. Delivery of additional savings targets are to be considered by Facilities Management.	G	(100)	0
Community Centres	Achievement of base income pressure	Shaid Mahmood	The actual pressure at outturn 18/19 was £40k, options remain to review and increase prices. This will be reviewed alongside the Facilities Management savings.	G	(100)	0
Third Sector Infrastructure Fund	10% saving on Third Sector Infrastructure Fund	Shaid Mahmood	Agreed to taper the relief over the year with Voluntary Action Leeds.	G	(30)	0
Communities	Achievement of base budget vacancy factor	Shaid Mahmood	Service to review current staffing arrangements and look at where they can offset existing staffing costs against grant income. Service may also consider holding some posts vacant.	G	(175)	0
Customer Access						
Libraries	Staffing efficiencies achieved through the planned restructure of the Libraries and Information service	Lee Hemsworth	Structure to be agreed with the Unions. Currently have a significant number of vacant posts.	R	(200)	127
Libraries	Review and reduce the provision of publications in Libraries	Lee Hemsworth	Awaiting outcome of review regarding what publications should be available at Library sites. Any shortfall in savings will be delivered from elsewhere within the budget.	G	(40)	0
Libraries	Retender Library management system contract as single contract (18/19 saving)	Lee Hemsworth	Retender process has now taken place and forecast savings will be delivered in year. A data Migration process is required to facilitate the new support contract, this should be funded out of savings delivered but may also need some capital resource.	G	(50)	0
Customer Access	Achievement of base budget vacancy factor	Lee Hemsworth	Most of this has already been delivered but there is some concern about achievability in Hubs.	G	(646)	0
Customer Access	Achievement of base budget efficiencies (18/19 channel shift saving)	Lee Hemsworth	Agreed additional funding with HRA of £300k to improve performance. May potentially overspend by £150k.	R	(310)	150
Welfare & Benefits						
Welfare and Benefits	Achievement of staffing efficiencies	Lee Hemsworth	A restructure has been approved, now projecting to achieve this efficiency due to a vacancy freeze and keeping posts vacant.	G	(150)	0
Welfare and Benefits	Local Welfare Support Scheme - passport the costs of carpets / flooring	Lee Hemsworth	On target to deliver	G	(100)	
Welfare and Benefits	Achievement of base budget vacancy factor	Lee Hemsworth	On target to deliver but will be affected by a restructure.	G	(47)	0
Elections, Licensing, Regulatory Services (incl Environmental Health)						
Registrars	Implement fee review in respect of non-statutory charges	John Mulcahy	Fee review implemented - to be monitored in year.	G	(100)	
Elections	Shared cost of local elections in 19/20	John Mulcahy	To be delivered.	G	(100)	
All	Achievement of base budget vacancy factor (including Environmental	John Mulcahy	To be delivered.	G	(100)	0
Waste Management						
Refuse	Progress route review to deliver £1.1m savings in the base budget	Helen Freeman	Route review ongoing, anticipated to be offset by other savings across the service.	A	(1,100)	0
Waste Management - all services	Achievement of base budget vacancy factor	Helen Freeman	Progress to be monitored in year.	G	(83)	0

Environmental Action Services (incl Parking)						
Car Parking	Increase charges at Woodhouse Lane car park by 50p for a full day	Helen Freeman	Increase has been implemented mid April 19. Need to monitor income levels during the year.	G	(110)	0
Car Parking	Increase Sunday / Evening charges by 10%	Helen Freeman	Price increases including Sunday / evening charges are currently under review.	G	(60)	0
Environmental Action Services (incl Parking)	Achievement of vacancy factor (Car parks £145k, CC £23k, CNT £139k)	Helen Freeman	Progress to be monitored in year.	G	(310)	0
Parks and Countryside				G		0
Parks and Countryside	Maximise further commercial income generating opportunities	Sean Flesher	Progress to be monitored in year.	G	(50)	0
Parks and Countryside	Review and standardise leedscard discounts at Attractions	Sean Flesher	Following initial review and implementation the decision to standardise the leedscard discounts has now been reversed pending further review.	R	(30)	30
Parks and Countryside	Identify appropriate staffing costs to charge to Capital	Sean Flesher	Progress to be monitored in year.	G	(65)	0
Parks and Countryside	Staffing savings - achievement of vacancy factor (5% all services, 9% Parks Operations)	Sean Flesher	Progress to be monitored in year.	G	(1,181)	0
Community Safety						
Community Safety	Identify efficiencies in use of external funding (£50k 18/19 + £60k 19/20)	Paul Money	Use of external funding has identified £80k to contribute to savings, further work to identify the remaining £30k is on going.	G	(110)	
Community Safety	Replacement of CCTV infrastructure	Paul Money	Delays in the project.	R	(50)	50
Community Safety	PCSO staffing savings - achievement of vacancy factor above base	Paul Money	Will be based on actuals once quarterly invoices are received	G	(10)	0
Community Safety	Achievement of base vacancy factor	Paul Money	Progress to be monitored in year	G	(312)	
Directorate Wide						0
Other Significant Variations						
All services			Other expenditure variations			(417)
					Communities & Environment - Forecast Variation (60)	

**STRATEGIC & CENTRAL ACCOUNTS - 2019/20 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 11**

Overall :

At month 11 Strategic & Central Accounts are expected to outturn in a deficit position of (£3.8m) compared to the budget, with the main variations being -

- As a result in delays in realising some capital receipts, it is now expected that an additional Minimum Revenue Provision of £5.1m will be required to ensure that a prudent amount of debt is repaid for the year.
- There is a projected underspend of £2.2m on debt costs after taking into account that the proposed release of £1.0m from reserves to fund the move from short term to long borrowing is no longer required. The costs of borrowing have also been offset by additional de-minimus capital receipts from the sale of vehicles.
- There is a projected shortfall in income from the New Homes Bonus grant of £0.6m
- The current projection for Section 31 grant income is £0.9m higher than budget. In addition to this, the Council anticipates receiving £0.5m as its share of the surplus on the national Business Rates levy account.
- There is a projected shortfall of £0.9m in the target for general capitalisation, and a projected shortfall of £1.3m in the target for schools capitalisation.
- The procurement exercise for insurance cover generated savings of £0.6m to offset the projected overspend of £1.7m on insurance claims.

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	(2,534)	(18,998)	(21,532)	90		1,552							1,642		1,642
Debt	21,859	(17,376)	4,483			54					3,200		3,254	(273)	2,981
Govt Grants	6,001	(36,209)	(30,208)										0	(778)	(778)
Joint Committees	35,902	(7)	35,895						16				16		16
Miscellaneous	5,836	(833)	5,003	(100)		1							(99)	55	(44)
Insurance	10,470	(10,470)	0			1,810		(651)				(731)	428	(428)	0
Total	77,534	(83,893)	(6,359)	(10)	0	3,417	0	(651)	16	0	3,200	(731)	5,241	(1,424)	3,817

STRATEGIC & CENTRAL ACCOUNTS - 2019/20 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:

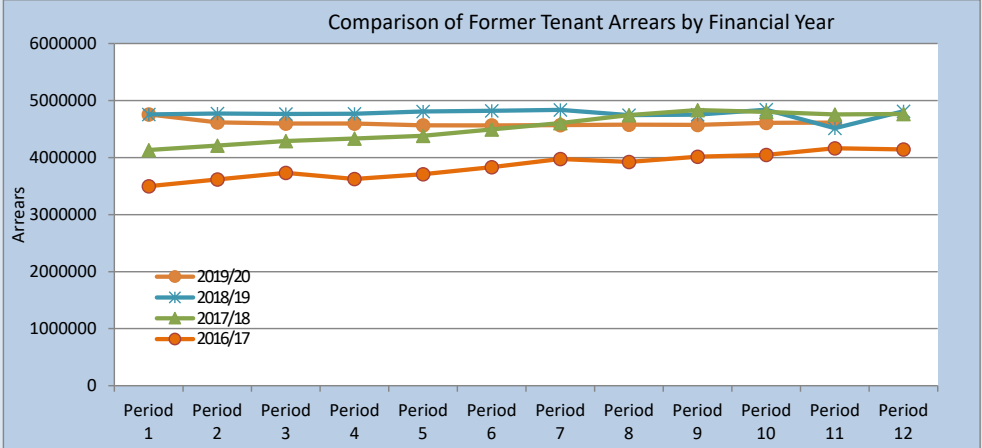
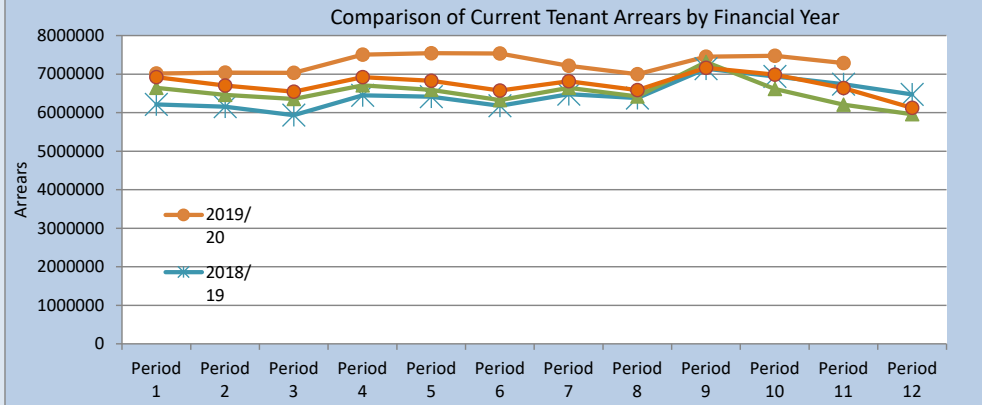
				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Victoria Bradshaw	Variation anticipated at Period 11 plus replacement of short term with long term borrowing to take advantage of low long term interest rates. Increase in de minimis capital receipts.	G	19.6	(2.6)
2.	Minimum Revenue Provision	Victoria Bradshaw	Additional cost of £5.1m expected due to delays in capital receipts	R	1.0	5.1
3.	New Homes Bonus	Victoria Bradshaw	Current forecast is £571k below budget	R	(9.9)	0.6
4.	Business Rates (S31 Grants & retained income)	Victoria Bradshaw	Current forecast is (£888k) above budget and £500k expected from national pool distribution	G	(26.0)	(1.4)
5.	S278 Contributions	Victoria Bradshaw	(£3,250k) income achievable, uncertainty over remaining (£250k).	A	(3.5)	0.0
6.	General capitalisation target	Victoria Bradshaw	Forecast is now £900k shortfall against budget.	R	(2.8)	0.9
7.	Schools capitalisation target	Victoria Bradshaw	The current forecast is a £1,300k deficit.	R	(4.0)	1.3
8.	Joint Committees	Victoria Bradshaw	Minor variation anticipated at Period 11	G	35.9	0.0
B. Other Significant Budgets						
1.	Insurance	Victoria Bradshaw	Cost of insurance claims offset by lower external premiums and higher than budgeted income from schools. 9 large claims settled but replaced by 10 new large claims with an estimated cost of £2,264k.	A	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Current forecast is £442k below budget	A	(16.1)	0.4
3.	Miscellaneous	Victoria Bradshaw	Minor variation anticipated at Period 11	G	5.0	0.1
4.	Strategic Accounts	Victoria Bradshaw	Shortfall of £150k on prompt payment target and £90k on apprenticeship levy income.	A	(11.2)	0.2
5.	City of Culture	Victoria Bradshaw	An underspend of £0.8m in the budget for preparations for the City of Culture event	G	1.5	(0.8)
Strategic & Central Accounts - Forecast Variation						3.8

Housing Revenue Account - Period 11 Financial Dashboard - 2019/20 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	(209,496)	(208,995)	501	19/20 budgeted RtB sales were 530. 18/19 Outturned 615 and assuming 610 19/20.	504
Service Charges	(7,976)	(8,043)	(67)	£113k Sheltered budget assumed 3.3% uplift - charge same as 18/19. [£-48k] Multi Story Flats. [£-140k] Leaseholder income based on 1819 outturn. £8k heating.	(73)
Other Income	(34,083)	(33,591)	492	£251k Reduced capitalisation due to staffing savings, £118k Reduction in Telecom Income - Lease renewals and £40k reduction in Switch 2 income. £46k reduction in RtB admin fee due to reducing projected RtB's in year. £19k other reduction in Housing Mgt partly offset by internal charges. Retirement Life income reduction £13k.	446
Total Income	(251,556)	(250,629)	926		878
Expenditure					
Disrepair Provision	1,400	2,600	1,200	Projected overspend based on period 11 actuals.	1,100
Repairs to Dwellings	44,791	45,094	303	£80k for Mears overhead. [£-720k] Gain share income. £693k projected o/spend on Repairs. £250k Mears due to February weather.	153
Council Tax on Voids	680	852	172	Includes 3 months charges from 18-19.	90
Employees	30,806	28,905	(1,901)	£70k Technical, [£-916k] Housing Management, [£-255k] Housing Growth and [£-800k] Property and Contracts.	(1,565)
Premises	8,716	8,676	(39)	£140k Potential Navigation Dilapidation Settlement. Review of utilities expenditure [£-148]	(41)
Supplies & Services	4,100	4,136	36	Insurance claims.	19
Internal Services	41,451	42,180	729	£300k Contact Centre staffing, £390k Disrepair legal (inc £100k for external outsourcing to Swinburne Maddison), £100k Horticultural Maintenance, £265 Supporting People, [£-136k] Insurance and [£-123k] ICT Savings. [£-50k] Court fees reduction partly offset in other income. £67k RtB legal. [£-28k] PPPU PFI. £38k Technical Legal costs. [£-95k] various other savings.	691
Capital Programme	62,441	61,298	(1,143)	Use of additional usable capital receipts from RtB sales. Reduced in line with reduced sales assumption.	(1,143)
Unitary Charge PFI	9,685	9,512	(173)		(173)
Capital Charges	44,776	44,776	-		101
Other Expenditure	6,192	6,203	12		13
Total Expenditure	255,037	254,233	(804)		(755)
Net Position	3,481	3,603	122		123
Appropriation: Sinking funds	(2,345)	(2,414)	(69)	LLBH PFI	(69)
Appropriation: Reserves	(1,137)	(1,190)	(53)		(53)
(Surplus)/Deficit	(0)	(0)	(0)		0
Proposed New Reserves			-		-
Transfer to Capital Reserve			-		-
Total Current Month	(0)	(0)	(0)		0

Housing Revenue Account - Period 11 Financial Dashboard - 2019/20 Financial Year



Change in Stock	Budget	Projection
Right to Buy sales	(530)	(610)
Right of First Refusals/ Buybacks	0	41
New Build (Council House Growth)	0	0
Total	(530)	(569)

Right to Buy Receipts	2018/19 Actual	2019/20 Projection
Total Value of sales (£000s)	32,969	33,977
Average Selling Price per unit (£000s)	53.6	55.7
Number of Sales*	615	610
Number of Live Applications	1,428	1,374
* Sales to end P11: 544		

Arrears	2018/19	2019/20	Variance
	£000	£000	£000
Dwelling rents & charges	2018/19 Week 39	2019/20 Week 39	
Current Dwellings	6,205	6,586	381
Current Other	736	889	153
Former Tenants	4,839	4,609	(230)
	11,780	12,084	304
Under occupation	2018/19 Week 52	2019/20 Week 40	
Volume of Accounts	3,650	3,141	(509)
Volume in Arrears	1,316	1,247	(69)
% in Arrears	36.1%	39.7%	3.6%
Value of Arrears	295	196	(99)
Collection Rates	2018/19 Week 52	2019/20 Week 40	
Dwelling rents	97.27%	96.20%	-1.1%
Target	97.50%	97.50%	0.0%
Variance to Target	-0.23%	-1.30%	-1.1%

Housing Revenue Account - Period 11 Financial Dashboard - 2019/20 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)			(6,495)
Earmarked Reserves				
Welfare Change	(1,372)	575		(797)
Housing Advisory Panels	(410)			(410)
Sheltered Housing	(2,921)	180		(2,741)
Holdsworth Place - land purchase	(64)	64		0
Early Leavers' Initiative	(408)	82		(326)
Wharfedale View	(15)			(15)
Changing the Workplace	(235)	92		(143)
ERDMS	(262)			(262)
	(5,687)	993	0	(4,694)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(5,092)	3,801		(1,291)
LLBH&H PFI Sinking Fund	(4,617)		(1,387)	(6,004)
	(9,709)	3,801	(1,387)	(7,295)
Capital Reserve				
MRR (General)	(21,814)	70,198	(58,990)	(10,606)
MRR (New Build)	(2,179)	574		(1,605)
	(23,992)	70,772	(58,990)	(12,211)
Total	(45,883)	75,565	(60,377)	(30,695)

Directorate/Service	£000s
Adult Social Care	
No anticipated impact for the current financial year.	
Children & Families	
Trading with Schools	200
Children Centres loss of fee paying income	90
Income in Youth Service Projects	20
WYCA - swimming costs and the costs of home to school transport provided	20
School attendance penalty notices	10
	340
City Development	
Income for Museum, arts and venues	200
Sport income	500
Capital receipts fee income	300
	1,000
Communities & Environment	
Communities	
Community Centres income	12
Customer Access	
Contact centre - licences to facilitate home working	94
Electoral and Regulatory Services	
Land and Property Search Service income	10
Registrars income:	
- Weddings	14
- Birth/Death/marriages registration	20
Waste	
Weighbridge income	10
Costs of Personal Protective Equipment	2
Car Parking income/PCN and Bus Lane enforcement income	152
Parks & Countryside	
Tropical World - closure	83
Home Farm & Wildlife World, (admissions/ retail)	20
Cafés at Golden Acre, Temple Newsam, Lotherton House	45
Arium - retail and café	25
	487
Resources & Housing	
Additional costs cleaning materials	100
Events income	14
School meals income	460
LBS - reduced recovery of costs/return.	102
	675
Total Estimated Impact 19/20	2,502