



Report of Chief Officer Financial Services

Report to Executive Board

Date: 23rd June 2021

Subject: Financial Performance - Outturn financial year ended 31st March 2021

Are specific electoral wards affected? If yes, 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 members of the final outturn for the financial year 2020/21 in respect of both the General Fund revenue budget and the Housing Revenue Account. This report also sets out the financial outturn position for capital and includes expenditure on schools.
- The pre-audited accounts will be presented to the Corporate Governance and Audit Committee at its meeting on the 30th July 2021.
- As set out below, the final position on the General Fund shows an underspend of £1.1m after the creation of a number of earmarked reserves. When compared to the provisional outturn position received at Executive Board in April, the overall position has improved by £1.1m, and this underspend allows for a corresponding contribution to the Council's general reserve. As detailed in this report, there have been changes in individual directorate positions and in the proposed level of contributions to reserves. As a result, the planned contribution from Merrion House Capital Receipts is now no longer required.
- Throughout the year the Council has continued to incur additional expenditure and to lose income across services as a consequence of COVID-19. As a result Directorate dashboards highlight a COVID-19 related overspend of £99.9m before proposals to balance.

- The addition of projected losses of council tax and business rates income results in a total COVID overspend of £149.8m. In addition pension strain and severance costs associated with staff exiting the Council through the Early Leavers Initiative increases the overall overspend to £160.5m.
- As a result of taking account of non-COVID savings, the application of capital receipt flexibilities and additional Government funding the projected Directorate overspend reduced by £14.8m to £85.2m. When combined with corporate pressures the overall General Fund overspend was reduced from £160.5m to £145.8m.
- The Council received £72.2m of Government funding towards the costs of COVID-19 in 2020/21, of which £2.6m was applied in 2019/20, leaving £69.5m of available funding. A £27.4m Government contribution to lost income is also reflected. Application of this £97.0m of grant has reduced the financial pressure in 2020/21 to £48.8m.
- Since this reported position assumes that the estimated Collection Fund income shortfall of £49.9m will impact on the revenue position in 2021/22 and future years, the final financial outturn position for 2020/21 now reflects an underspend of £1.1m at the year end.
- An unfunded deficit of £36.7m has been declared in December 2020 on the Authority's Collection Fund in respect of business rates. The Government announced that the repayment of this deficit must be spread over the following three year years. The first third of this declared deficit, £12.2m, is reflected in the approved 2021/22 revenue budget and reduces the revenue funds available to the Council in that year. However since this deficit was declared in December a number of issues have been further clarified, including the treatment of a large number of appeals from ratepayers against their Rateable Value and claims for Empty Rate Relief during the pandemic which have improved the financial position. These developments will impact on the deficit that has to be funded in 2022/23 and will not impact on the 2021/22 budget.
- The outturn for the year on the Housing Revenue Account (HRA) shows a net underspend of £15.65m when compared against the 2020/21 budget. This is primarily due to the reduction in the revenue contribution required to support its capital programme and also savings in the repairs and maintenance budgets, both as a consequence of the impact of the pandemic. As the HRA operates as a ringfenced account, it is proposed these savings are largely appropriated to reserves.
- As at 1st April 2020 the level of general reserve was £31.5m. As per Table 7 at paragraph 6.1 the balance in the general reserve at 31st March 2021 is £27.8m. This position reflects the budgeted use of £10m of general reserve in 2020/21, but also contributions to the reserve totalling £6.2m. This reflects the impact of budgeted Treasury Management savings of £1m and the repayment of £4.1m of general reserve funds applied in 2019/20 to manage a shortfall in capital receipts in that year, as reported to this Board in April 2020. It also includes the 2020/21 year end underspend of £1.1m which has been transferred to this reserve.
- There are contributions to reserves in 2020/21 and this report seeks the Board's agreement for the creation of a number of new earmarked reserves.
- Given the ongoing uncertainty regarding the impact of COVID on the Council's financial position, including the potential impact on the Authority's Collection Fund, this higher level of reserves, will help to cushion the Council against variations to

budget assumptions in 2021/22 and beyond. This approach is consistent with the Council's strategy to increase reserves to ensure that the Council's financial position is robust, resilient and sustainable.

2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

- The 2020/21 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

- At final financial outturn Directorate dashboards reflect a projected overspend which largely relates to COVID-19 pressures of £99.9m which when combined with Corporate pressures results in an overall overspend of £160.5m. After application of government funding and a range of further measures, this report shows an underspend of £1.1m for 2020/21 which will be used as a contribution to the Council's general reserve.

Recommendations

Members of the Executive Board are asked to;

- a) Note the outturn position for 2020/21;
- b) Agree the creation of earmarked reserves as detailed in paragraph 6.7 and to delegate their release to the Chief Officer Financial Services;
- c) Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

1. Purpose of this report

- 1.1 This report sets out for the Board the Council's financial outturn position for 2020/21 for both revenue and capital. It also includes the Housing Revenue Account and expenditure on schools.
- 1.2 In addition, the report highlights the position regarding other key financial health indicators including Council Tax and Business Rates collection statistics, sundry income, reserves and the prompt payment of creditors.
- 1.3 It should be noted that, in accordance with proper accounting practice, any significant event which occurs prior to the audit sign-off of the accounts could impact on the Council's final published outturn position and hence on the level of reserves. This is known as a post balance sheet event and, should such an event occur, it will be reported back to this Board at the earliest opportunity.
- 1.4 The Council's unaudited accounts are scheduled to be placed on deposit for public inspection in August 2021.

2. Background information

- 2.1 Executive Board will recall that the net revenue budget for the general fund for 2020/21 was set at £525.7m.
- 2.2 Following the closure of the 2019/20 accounts, the Council's general fund reserve stood at £31.5m. The 2020/21 budget applied a net £9.0m from this reserve during the financial year, use of £10m netted down by a contribution of £1m relating to Treasury Management savings. However, as planned, there has also been a repayment of £4.1m of general reserve funds which were applied in 2019/20 to manage a shortfall in capital receipts in that year, reported to this Board in April 2020. The year end underspend of £1.1m has also been transferred to this reserve. Consequently, the balance at 31st March 2021 is £27.8m, a reduction of £3.8m when compared to the balance at 31st March 2020.
- 2.3 Financial monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, 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 final financial outturn position shows a COVID related overspend of £149.8m which, combined with the additional pension strain and severance costs associated with staff exiting the Authority through the Early Leaver's Initiative, results in an overall overspend position of £160.5m.
- 3.2 In response to the financial challenge for 2021/22 that was detailed in the Medium Term Financial Strategy report received by Executive Board in September, 845 employees left the Council through the Early Leaver's Initiative by the 31st March 2021. The salary savings resulting from these staffing reductions contribute towards the realisation of the budget savings proposals for 2020/21 received at this Board in September, October, November and December 2020.
- 3.3 Whilst the Council has incurred severance and pension strains costs of £17.5m in 2020/21, £12.4m of which relate to the new 2020/21 ELI scheme, it is projected that over the five year period covered by the Council's Medium Term Financial Strategy savings of £100.2m (before reconfiguration costs) will be realised through the deletion of the posts relating to the new scheme.
- 3.4 This overspend position of £160.5m also includes the estimated Collection Fund deficit of £49.9m resulting from a reduction in collection rates in respect of both Council Tax and Business Rates.
- 3.5 Details of the Directorate overspend due to COVID-19 are summarised in Table 1.
- 3.6 The Council received £72.2m of Government funding towards the costs of COVID-19 in 2019/20 and 2020/21, of which £2.6m was applied in 2019/20, leaving £69.5m available. In July 2020 Government announced a further package of financial support for Local Government to address income losses due to COVID-19, through which the Council has claimed £27.5m, of which £18.9m has been received to date. Application of this £97.0m of grant reduces the COVID financial pressure to £63.5m.

Table 1 - summary outturn position

Directorate	Director	(Under) / Over spend for the current period				COVID related	Non-COVID related	Prov Outturn Total	COVID related	Non-COVID related
		Staffing	Total Expenditure	Income	Total (under) /overspend					
		£000	£000	£000	£000					
Adults & Health	Cath Roff	229	58,556	(51,873)	6,683	6,683	0	7,114	7,114	0
Children and Families	Sal Tariq	(2,599)	3,256	3,958	7,214	5,714	1,500	8,092	8,092	0
City Development	Martin Farrington	(3,552)	8,384	11,876	20,260	24,210	(3,950)	22,026	25,180	(3,154)
Communities & Environment	James Rogers	1,847	31,385	(10,219)	21,166	25,025	(3,859)	23,659	26,724	(3,065)
Resources & Housing	Neil Evans	(1,377)	6,339	3,074	9,413	14,090	(4,677)	12,788	17,546	(4,758)
Strategic	Victoria Bradshaw	(397)	198,464	(178,046)	20,418	24,200	(3,782)	26,754	32,155	(5,400)
Strategic (Balancing Measures)	Victoria Bradshaw	10,705	(8,620)	(77,668)	(86,288)	(86,288)	0	(100,433)	(100,433)	0
Total Current Month (Dashboards)		4,856	297,763	(298,897)	(1,134)	13,634	(14,768)	0	16,377	(16,377)
Council Tax & Business Rates Losses (Declared)					49,890	49,890	0	49,890	49,890	0
					48,756	63,524	(14,768)	49,890	66,267	(16,377)

Previous month (under)/over in directorates	6,474	157,695	(157,695)	0
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Full details of the Directorate variations, budget action plans and risk areas for the year can be found in the financial dashboards attached at Appendix 1. The main directorate issues contributing to the outturn position are as follows:-

3.6.1 Adults & Health – As detailed on the dashboard, the final outturn position is an overspend of £6.7m. This is all attributable to COVID related pressures.

The picture of the year is heavily influenced by COVID in both provision of services and the management of £46.8m of ringfenced grants received to allow the directorate to support initiatives and the care market.

The pressure is related to a number of actions taken by the directorate in light of the pandemic and the resultant impact of those changing priorities on delivering a number of budgeted savings plans; £2.9m of savings plans have not been delivered during this financial year. It is noted that this is attributable to slippage and that once a return to 'normal' is achieved the work needed to deliver these plans will resume and the savings delivered.

The pressures that make up the remaining COVID cost include additional care packages to meet the needs of people affected by day centre closures and 'paying to plan' on home care. A net £2.3m has been spent in meeting pressures within the care sector. In line with national guidance to support the provider market the equivalent of a 10%, 5% and further 5% fee uplift, based on historic payments, has been paid to providers over each of the first three months of the year. In addition, a payment to reflect voids within the care home sector was established for a 6-week period, also at the beginning of the year. Additional support was also given to the care sector as a whole, though this was from the additional grants provided by the government.

The above is a £0.4m positive improvement from the reported position at Provisional Outturn, predominately due to expenditure on demand led budgets coming in lower than projected.

3.6.2 **Children & Families** – As detailed on the dashboard, the outturn position for the Children and Families directorate is an overspend of £7.21m, an improvement of £0.88m compared to the previously reported overspend of £8.09m at Provisional Outturn. £5.71m of the £7.21m is due to a number of pressures as a result of COVID, with the remaining £1.5m relating to repayment of previous borrowing against school reserves. The key variances since Provisional Outturn relate to an improved position on traded budgets, further savings on transport, carry forward of funding to 2021/22 and repayment of previous borrowing against school reserves. The £7.21m overspend is broken down as follows:

Expenditure	£m
• CLA placements	3.96
• Non-CLA (financially supported)	2.33
• Funding carried forward	1.82
• Repayment of borrowing	1.50
• Staffing related costs	(2.60)
• Transport and travel	(2.12)
• Other expenditure	<u>(1.63)</u>
	3.26
Income	£m
• Income from schools	0.95
• Childcare income	3.01
• School attendance penalty notices	0.37
• Other income	<u>(0.37)</u>
	3.96
Total overspend	7.21

As shown in the breakdown above, the key pressure within expenditure in 2020/21 related to Children Looked After (CLA) (£3.96m) and financially supported non-CLA (£2.33m). Although detailed benchmarking is not yet available, feedback from local authorities across the country is that many are currently seeing an overall increase in CLA numbers. In Leeds however there has been a decline in CLA numbers since the start of the year and overall, as at the end of March, there were 70 fewer placements than originally budgeted, despite the impact of COVID in the city.

Although CLA numbers in the city were less than the total amount assumed in the budget, the rates paid to providers increased during 2020/21 due to COVID and there were more external placements than assumed in the budget. In addition, within the non-CLA placements there was also a pressure on semi-independent living costs for over 16 year olds due to an increased number of placements compared to the budget. This reflects the difficulty with young people being able to move out of these placements in the current climate, as well as the impact of COVID on providers.

A further key impact of COVID on the Children and Families budget has been on income, and in total there was a £4.33m loss of income from children's centres, school trading and school attendance income. In line with principles laid out by Government, the Council has taken the approach that schools should be charged as normal for disrupted Council services for which they have a regular financial

commitment, as they have received funding to pay for these services. However there is still some net loss of income for ad hoc traded services to schools and those paid for through parental contributions, such as music services. This has been included on the Council's claim to Government for funding towards loss of income.

For 2020/21 there has also been an additional £1.82m of funding carried forward to 2021/22 for future expenditure. In addition this outturn position reflects a £1.5m payment to schools reserves which is the re-imburement of a contribution made in a previous financial year towards the costs associated with early intervention and preventative services in Children's Services.

Offsetting some of the pressures noted above are savings on staffing (£2.60m), transport (£2.12m) and other expenditure (£1.63m), due to COVID and the Council's ELI scheme.

3.6.3 City Development – At Outturn the Directorate position is an overspend of £20.26m, which is a favourable movement of £1.77m from the Provisional Outturn position previously reported to Executive Board, largely due to additional income in Highways and Planning and staffing and expenditure savings in Active Leeds, which equates to 0.65% of Gross Managed Budget for the Directorate. This includes the impact of COVID-19 of £24.21m. The Directorate's financial position was significantly affected by the lockdowns and other restrictions in place and the subsequent impact on the economy, with the vast majority of the overspend resulting from reduced income across a number of services.

The outturn position also includes additional costs of £935k for Winter Maintenance due to the particularly cold weather and the need for increased gritting.

The variances below include £0.38m of ELI savings realised by employees leaving before the 31st March 2021.

The most significant loss in income was in Active Leeds where some facilities only started re-opening on a staggered basis at the end of July but with reduced capacity, closing again due to the second and third lockdowns. The year-end financial position for Active Leeds is an overspend of £11.3m.

Other services that also faced reductions in income include:

- Arts and Heritage - £2.1m, net of running cost savings, following the closure of sites and cancellation of events.
- Asset Management and Regeneration - £3.1m from expected reductions and defaults in rental and other commercial income. This includes the shortfall against new commercial income included in the 2020/21 budget.
- Planning and Sustainable Development - £0.7m due to reduced planning application fees.
- Markets and City Centre Management - £2.4m from a reduction in rental and advertising income.
- Highways and Transportation - £0.92m through a reduction in chargeable fees and recovery of overheads in the Highways DLO.

Whilst the impact of COVID-19 on City Development has been mostly on income, some additional costs have also been incurred, totalling £0.74m for the year. The

impact of non-realisation of savings to fund the additional cost of the higher pay award in 2020/21 was £0.37m.

The outturn position includes staff savings of £3.2m on non-chargeable vacant posts net of the additional costs of the higher pay offer. Savings of £1.26m have also been achieved via reduced spend on general running costs and travel and subsistence.

3.6.4 Communities & Environment – the overall Outturn position for the directorate reflects an overspend of £21.2m which represents an improvement of £2.5m from the Provisional Outturn, largely due to revised income losses and other running cost savings in Customer Access, income from the Government income compensation scheme within the ring-fenced Taxi and Private Hire Licensing service and improvements in the reported position for Environmental Services and in respect of Car Parking income losses.

The Directorate's financial position has been significantly affected by the economic impact of lockdowns and other restrictions in place during the year and the overall financial impact of COVID-19 on the directorate during 2020/21 was £25.0m

The main areas of variation in respect of COVID-19 are as follows:

- Loss of car parking and enforcement income £7.5m
- Loss of Parks & Countryside income £4.3m. This includes income from visitor attractions, cafes, bereavement services, chargeable works within Parks Operations and Landscaping teams and the cancellation of planned events.
- Loss of Electoral and Regulatory Services income £1.5m. This includes Registrars, Entertainment Licensing, Taxi & Private Hire Licensing and Environmental Health activities. These income losses are partially offset by £0.4m savings resulting from the cancelled May 2020 local elections and £0.3m from the Government's income compensation scheme in respect of the ring-fenced Taxi and Private Hire Licensing service.
- Waste Management – net additional expenditure £6.8m. This includes the cost of providing additional crews and vehicles to deal with increased volumes of waste, the cost of disposing of the additional waste and the cost of providing staffing cover and PPE equipment across the service as well as income losses at Household Waste sites. As part of the Council's contract for waste disposal at the RERF, the Council is due to receive income of £0.6m resulting from the additional waste volumes processed by the RERF during the year and this one-off income has been transferred to the existing waste earmarked reserve to support the delivery of the Refuse route review and the developing waste strategy.
- Welfare & Benefits – additional expenditure of £0.7m in respect of the net cost of Housing Benefit claims for the vulnerable homeless in emergency accommodation and £0.9m net shortfall in budgeted Housing Benefit overpayment income. It is proposed that balance of funding (£0.8m) for the discretionary Test & Trace support scheme (self-isolation payments) will be carried forward in a newly created earmarked reserve to allow the scheme to continue in 21/22.
- The net cost to the Council of providing a temporary mortuary facility of £0.9m – this was created as part of the Council's emergency planning arrangements to deal with a potential increase in mortality rates over and above current capacity for Leeds and Wakefield.

- Other areas of income loss/additional expenditure across the directorate of £3.1m. This includes income losses from community centres, libraries/community hubs, bulky waste collections and from environmental enforcement. It also includes additional costs of providing PPE/ Cleaning/ Social distancing measures and software/equipment to support home working. Other costs incurred include a city wide mailout and staffing related costs in support of the Council's response to the crisis. In addition, the COVID-19 situation impacted on the ability to deliver the savings required to fund the additional 0.75% cost of the 2020/21 pay award which was £0.7m.
- An in year underspend on the Wellbeing budget of £0.4m has been transferred to the existing Wellbeing earmarked reserve for use in future years.

The overall position for the directorate also includes other net expenditure savings of £3.8m. These include savings from the implementation of tighter controls on recruitment, the part year impact of staff leaving the authority before 31st March 2021 under the Council's Early Leaver scheme (£1.7m) and net savings of £2.1m on all other expenditure/income budget headings across the directorate.

3.6.5 Resources & Housing – The Directorate has outturned with an overspend of £9.4m, which is an improvement of £3.4m compared to the Provisional Outturn position, which in the main reflects reductions in the forecast net cost of PPE, arising from additional health income, reductions in actual spend at outturn compared to forecasts and the requirement to account for stock in hand at 31st March on the balance sheet and charged to the revenue account in 2021/22 when it will be used.

In total £14m of pressures are COVID related, broadly summarised into the following areas across the Directorate's services:-

• Trading shortfall within Leeds Building Services (LBS)	£5.3m
• Additional PPE (LCC wide)	£0.9m
• Homelessness accommodation costs (net of grant)	£0.7m
• Catering income & emergency meals	£2.7m
• Other income reductions (capital / court fees)	£3.4m
• Delays to budget action plans	£0.3m
• Savings from Working home/buildings/car allowances - net	(£0.3m)
• Additional pay award	£0.8m

The total non COVID related savings are £4.6m and have arisen from a recruitment freeze, savings in non-essential spend, additional grant income and the impact on staffing costs of ELI leavers (£1.1m).

3.6.6 Strategic & Central Accounts - At financial Outturn, the Strategic & Central accounts position is an overspend of £20.4m, of which £24.2m is COVID related, before taking into account corporate actions to balance the 2020/21 budget.

The £20.4m overspend includes a £3.4m debit for the contribution to reserves of net non-COVID related underspends identified during the year across directorates. The outturn position also includes an overspend of £23.3m in MRP, as a result of a reduced level of capital receipts being available to repay debt as a consequence of the impact of COVID-19. This is an improvement on the provisional outturn position which did not assume a number of receipts received in March, for which the timing

had been uncertain. This overspend is partly offset by savings of £1.4m in the remainder of the debt budget.

An underspend of £2.1m has been included for a reduction in the business rates levy payable, as a result of reduced business rates income for the year. The position also reflects an additional £155.0m of S31 grants in relation to business rate reliefs awarded due to the impact of the pandemic. These grants will be carried forward in an earmarked reserve, as they are required to fund the 2020/21 Collection Fund deficit which will impact on the revenue position in 2021/22. Estimated grant income to be claimed under the Council Tax and Business Rates income guarantee schemes of £2.2m and £15.3m respectively have been accrued for and carried forward in reserves.

Following the government spending review, additional New Homes Bonus grant of £2.2m has been recognised.

There has been a shortfall of £0.9m in the target budget for general capitalisation, as overall restrictions on spending have reduced the potential for capitalisation. However this has been offset by a number of minor savings across other corporate budgets, totalling £1.4m.

Corporate actions to deliver a balanced budget position are also reflected in the Strategic position and the appended dashboard, and are discussed below.

Balancing COVID Pressures

3.6.7 Directorate dashboards highlight a COVID-19 overspend of £99.9m which combined with other pressures, including a variation in the Collection Fund, pension strain and the cost of severance results in a overspend of £160.5m.

3.6.8 In order to manage this overspend a range of proposals have been identified and reported throughout the year and these are detailed in Table 2 below.

Table 2 COVID Funding Gap

	Outturn 20/21	Mitigation- Savings including Salary	Other Funds	Total
Directorate/Service	£m	£m	£m	£m
Adults & Health	6.68	0.00		6.68
Children & Families	5.71	1.50		7.21
City Development	24.21	-3.95		20.26
Communities & Environment	25.03	-3.86		21.17
Resources & Housing	14.09	-4.68		9.41
Strategic & Central	24.20	-3.28	-0.50	20.42
Directorate dashboards	99.92	-14.27	-0.50	85.15
<i>Corporate pressures:</i>				
CT/BR Income Losses	49.89			49.89
Cost of Severance	9.39			9.39
Pension Strain	1.32			1.32
	60.60			60.60
Total General Fund Impact	160.52	-14.27	-0.50	145.75

	Outturn 20/21	Mitigation- Savings including Salary	Other Funds	Total
	£m	£m	£m	£m
Total General Fund Impact	160.52	-14.27	-0.50	145.75
Government Funding	-69.53			-69.53
Government Support for Income Losses	-27.47			-27.47
Net Position	-96.99			-96.99
Total GF Impact 2020/21	63.52	-14.27	-0.50	48.76
Council Tax/Business Rates	-49.89			-49.89
COVID-19 Funding Gap 2020/21	13.63	-14.27	-0.50	-1.13

- 3.6.9 The level of non-COVID savings, including those resulting from the deletion of posts as a consequence of staff exiting the Council through the Early Leaver's Initiative is £14.3m and this has contributed towards addressing the highlighted budget pressures.
- 3.6.10 This position also reflects use of £0.5m of capital receipts flexibilities, which contribute to meeting the costs of the new ELI scheme.
- 3.6.11 Previous Financial Health reports to this Board have highlighted the requirement to utilise the Merrion House capital receipt from the Usable Capital Receipts Reserve in order that the Council could deliver a balanced budget position in 2020/21. However because of the improved financial position for both directorates and Strategic and Central Accounts that is being reported there is no longer a requirement to use the Merrion House receipt to support the 2020/21 revenue budget and instead the balance will be carried forward into 2021/22.
- 3.6.12 As a result of the above proposals the Directorate overspend reduces to £85.2m which combined with a Corporate pressure of £60.6m reduces the overall level of overspend down to £145.8m.
- 3.6.13 To date the Council has received £72.2m of Government funding towards the general costs of COVID-19, of which £2.64m was applied in 2019/20, leaving £69.5m available. A £27.4m Government contribution to lost income is also reflected, of which £18.9m has been received to date. Application of this £97.0m of grant in 2020/21 reduces the COVID financial pressure to £48.8m.
- 3.6.14 Since the Collection Fund income shortfall of £49.9m does not impact on the revenue position until 2021/22, when it can be spread over 3 years, there is an underspend of £1.1m in 2020/21 which will be used as a contribution to the Council's general reserve.
- 3.6.15 Clearly there is ongoing uncertainty regarding the impact of COVID on the Council's financial position in 2021/22 and beyond, including the potential impact on the Authority's Collection Fund. The higher level of reserves as at 31st March 2021 discussed in Paragraph 6, will help to cushion the Council against COVID and other variations to budget assumptions in future years.
- 3.6.16 Table 3 summarises the movement from the Provisional Outturn position reported to Executive Board in April and the Outturn position presented in this report. The table clearly demonstrates the movements in the directorate and Strategic positions

detailed in this report, as a consequence of which the planned use of £16.4m of Merrion House Capital Receipts is now no longer required.

Table 3 - Movement from Provisional Outturn to Outturn

Directorate	Provisional Outturn (April Exec Board) £k	Final Outturn £k	Variance Provisional to Final Outturn £k
Adults & Health	7,114	6,683	(431)
Children & Families	8,092	7,214	(878)
City Development	22,026	20,260	(1,766)
Communities & Environment	23,659	21,166	(2,493)
Resources & Housing	12,788	9,413	(3,375)
Directorate Sub-total	73,679	64,736	(8,943)
Strategic & Central Accounts	(57,307)	(65,870)	(8,563)
Use of Merrion House Capital Receipt	(16,372)	0	16,372
	0	(1,134)	(1,134)

3.7 Early Leaver's Initiative

3.7.1 The Council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a reduction in the workforce and subsequent savings which have contributed towards the Council being able to deliver balanced budget positions. In 2020/21 approval has been given for 845 FTE's to leave the Authority through the new 2020/21 Early Leaver's Initiative and this will generate savings of £100.2m (before reconfiguration costs) over the five year period up to and including 2025/26.

3.7.2 Severance and in year pension costs totalling £17.5m have been incurred in 2020/21, for both old and new ELI schemes. Costs arising from the new 2020/21 ELI scheme of £12.4m have required £10.7m of corporate funding. Utilising capital receipt flexibilities that the Government introduced in 2016 the Council has funded £0.6m of Early Leaver costs associated with staff exiting the authority in 2020/21 both under the previous and new schemes.

4. Housing Revenue Account (HRA)

4.1 The outturn for the year on the HRA shows a net underspend of £15.65m when compared against the 2020/21 budget. This is primarily due to the reduction in the revenue contribution required to support its capital programme and also savings in the repairs and maintenance budgets. The reduction in spend in both of these areas arose from the impact of the pandemic. As the HRA operates as a ringfenced account, it is proposed these savings in the main be appropriated to reserves.

4.2 Total income received was £3.0m less than budgeted. Rental income was £1.6m lower than budgeted, mainly due to a temporary increase in the number of void properties due to COVID-19. Additionally, £1.9m of income is impacted by forecast lower staff charges to capital from vacant posts and the reduced capital programme for 2020-21. Also net external income was £0.5m higher than budgeted.

- 4.3 The cost of disrepair was an additional £2.4m. This was largely as a result of a combination of resolving an increased number of disrepair cases and increased costs in relation to cases. The total balance sheet provision for disrepair now totals £2.7m.
- 4.4 Against a budget of £49.8m, expenditure on maintaining and repairing the Council's housing stock was £4.7m under budget. This was due to the impact of COVID restrictions, including the ability to access tenants' properties during periods of lockdown.
- 4.5 Savings of £1.1m on staffing costs arose as a result of the authority's vacancy management strategy. This £1.1m underspend is the net saving after accounting for the funding of severance costs for those staff exiting the Authority on the Early Leavers Initiative (ELI) during 2020/21.
- 4.6 Premises costs were approximately £0.17m lower than budgeted for, principally due to savings from utility costs.
- 4.7 Supplies and Services underspent by £0.59m resulting from a detailed review of all expenditure as part of the Authority's response to budget pressures arising due to COVID.
- 4.8 Services commissioned from the Council were £0.34m below the budgeted level. Additional costs of Digital Information Services charges of £0.5m were offset with savings from other service charges including £0.38m on Grounds Maintenance and £0.28m from Strategic Housing.
- 4.9 The revenue contribution to the Capital Programme was £14.2m lower than budgeted due to a reduction in the programme as a result of the COVID restrictions. It is proposed to transfer £10.3m to the capital Major Repairs Reserve to support an ongoing programme of around £80m annually from 2021-22 onwards.
- 4.10 The unitary charge for the Housing Private Finance Initiative (PFI) schemes was £0.27m under budget due to a range of adjustments to the unitary charge model.
- 4.11 £0.16m has been saved on transport expenditure as a result of reduced travelling over the past year. Housing Advisory Panel expenditure was £0.04m under budget, and in line with existing policies this will be carried forward to 2021/22 through the appropriation account.
- 4.12 The Capital charges underspend of £0.3m reflects the interest charges for assets under construction being charged to the capital programme rather than revenue.
- 4.13 Following a review in the level of tenant arrears the provision for doubtful debts was increased by £0.4m. The total provision for bad debts is now £7.3m.
- 4.14 A £0.9m overspend on the PFI appropriation account reflects the impact of utilising less PFI sinking fund reserves than had been budgeted.
- 4.15 The budget assumed the use of £0.4m from the ELI reserve and £0.7m from the Welfare Change reserve. In addition there has been a transfer of £0.3m to the HRA General Reserve, £0.04m to the Housing Advisory Panel reserve and utilisation of £0.3m from the Sheltered Housing Reserve. Furthermore it is recommended that a £4.2m Repair/Disrepair reserve is created.
- 4.16 In summary, the above variations have produced an underspend on the HRA of £15.6m which will be transferred to reserves for future use.

Table 4 HRA Variance to Budget

	Variance to Budget £m
Rent / Other Income	3.0
Employees	(1.1)
Repairs /Disrepair	(2.3)
Running Costs	(1.0)
Revenue Contribution to Capital	(14.2)
	(15.6)
Transfer to Reserves	15.6

4.17 A summary of the HRA outturn reserves position is shown in Table 5.

Table 5 HRA Outturn Reserves Position

Financial Position on Reserves	Reserves b/f	Use of Reserves	Contribution to Reserves	Closing reserves
	£000	£000	£000	£000
HRA General Reserve	(6,495)	0	(292)	(6,787)
Earmarked Reserves				
Welfare Change	(807)	651	0	(156)
Housing Advisory Panels	(507)	0	(41)	(548)
Sheltered Housing	(2,777)	216	0	(2,561)
Early Leavers' Initiative	(408)	408	0	0
Wharfedale View	(23)	0	(10)	(33)
Changing the Workplace	(151)	0	0	(151)
ERDMS	(257)	0	0	(257)
Proposed Repair / Disrepair Reserve	0	0	(4,200)	(4,200)
	(4,930)	1,275	(4,251)	(7,906)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(1,474)	0	(1,397)	(2,871)
LLBH&H PFI Sinking Fund	(6,025)	723	0	(5,302)
	(7,499)	723	(1,397)	(8,173)
Capital Reserve				
MRR (General)	(8,278)	46,620	(51,927)	(13,586)
MRR (New Build)	(1,105)	961	0	(144)
	(9,383)	47,581	(51,927)	(13,730)
Total	(28,308)	49,579	(57,867)	(36,596)

5. Schools

5.1 The 2020/21 outturn position for schools is shown in table 6 below;

Table 6 Schools Outturn Position

Outturn	£m
Schools Reserves	
Balance Brought Forward	18.2
Net Contribution To / (From) Reserves	15.3
Balance Carried Forward	33.5
Extended Services & Partnerships	
Brought Forward	6.3
Net Contribution To / (From) Reserves	(1.1)
Balance Carried Forward	5.2
Dedicated Schools Grant	
Balance Brought Forward	(3.2)
Net Contribution To / (From) Reserves	1.2
Balance Carried Forward	(2.0)

- 5.2 As schools are funded from the Dedicated Schools Grant (DSG) their reserves are ring fenced and must be carried forward. At 31st March 2021, maintained school reserves stand at £33.5m.
- 5.3 The significant increase in schools balances of £15.3m is mainly attributable to a number of COVID-19 related factors. During the pandemic all schools continued to receive their core funding which was enhanced with additional COVID Specific funding, however as a result of reduced attendance in schools during lockdown general expenditure was significantly lower in schools.
- 5.4 During 2020/21, a contribution of £1.5m was paid from the Children and Families directorate which repays funding provided in previous financial years to resource early intervention and preventative services.
- 5.5 There are also other maintained school-related reserves totalling £2.3m, comprising a ring-fenced school reserve of £2.0m specifically relating to the carry forward of in-year PFI scheme balances, an SEND funding reserve of £0.04m and a School VER reserve of £0.25m.
- 5.6 Taking into account the maintained school reserves of £33.5m (see 5.2), the £2.5m of borrowing against these (see 5.4) and the £2.3m of other reserves (see 5.5), the net position for maintained school-related reserves is £33.3m as at 31st March 2021.
- 5.7 Extended Services & Partnerships reserves amount to £5.2m as at 31st March 2021. These include balances held by Area Inclusion Partnerships and Clusters.
- 5.8 At the start of 2020/21 the ring fenced DSG reserve had a deficit balance £3.2m. During 2020/21 there has been a net movement of £1.2m which is a result of an over spend on the High Needs Block (£2.3m), partly offset by underspends on the Schools Block (£1.8m), the Early Years Block (£2.2m) and the Central School Services block (£0.1m). In addition, £0.6m of the de-delegated DSG surplus brought forward was refunded to schools during 2020/21. In total a deficit balance of £2.0m will be carried forward to 2021/22, comprising a general DSG deficit of £3.1m with an additional surplus balance of £1.1m on the de-delegated DSG. This position will be reported to Schools Forum in June.

- 5.9 During 2019/20, changes were made to the School and Early Years Finance (England) Regulations 2020 to make it a statutory requirement that a deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the local authority not to do this.
- 5.10 A discussion will be held with Schools Forum in June on options for the use of the de-delegated surplus balance, as in previous years this may be distributed back out to schools pro-rata to their original contributions.
- 5.11 In line with previous years, during 2020/21 there was an underspend on Early Years funding, due to funding being based on the January census which has higher numbers of 2 - 4 year olds than the average of all censuses over the year. The council is looking at how this funding could be redistributed to support the Early Years sector with the challenges they are facing due to COVID, which will help to ensure the sufficiency of childcare in the city moving forward.

6. Reserves

- 6.1 A full statement of all Council reserves can be found at Appendix 2. A summary of the reserves is shown in Table 7. Overall, with Board approval, the Council's total reserves will increase to £345.0m, an increase of £209.0m when compared to the position at 31st March 2020. This includes an increase in General Fund earmarked reserves of £202.5m. It is important to note that this increase includes £155.0m of Section 31 Business Rates Relief grant funding and £17.5m of Tax Income Guarantee funding, all of which has been provided to compensate for COVID related Collection Fund losses in 2020/21 which impact on the revenue budget in 2021/22 and later years, when these funds will be applied to revenue to offset this impact.
- 6.2 The increase in General Fund earmarked reserves also reflects the contribution of £24.3m to the Strategic Contingency reserve which has been established to provide for any unforeseen events requiring additional resources in 2021/22. This contribution reflects the application of £20.7m of the Government's Contain Outbreak Management Fund (COMF) grant to expenditure that the Council incurred during 2020/21 which had been managed through the use of base budget. As a result of the release of the base budget a contribution to the Strategic Contingency Reserve has been made. The balance of the contribution to the reserve has been funded through £0.1m of New Burdens grant not applied in 2020/21 and £3.5m of non-COVID directorate savings realised during the year.
- 6.3 Total General Fund ringfenced and grant reserves have reduced by £16.0m to £11.6m.
- 6.4 Given the ongoing uncertainty regarding the impact of COVID on the Council's financial position, including the potential impact on the Authority's Collection Fund, this higher level of reserves, will help to cushion the Council against variations to budget assumptions in 2021/22 and beyond. This position is consistent with the Council's strategy to increase reserves to ensure that the Council's financial position is robust, resilient and sustainable.
- 6.5 As discussed at paragraphs 4 and 5, Schools ring-fenced reserves have increased by £18.0m and HRA reserves by £8.3m in 2020/21.

Table 7 Total Reserves

Reserves	Balance at 31.3.20 £m	Transfer to/(from) £m	Balance at 31.3.21 £m
General Fund:			
General Reserve	31.5	(3.8)	27.8
Earmarked Reserves	30.1	202.5	232.6
Ring-fenced & Grant Reserves	27.6	(16.0)	11.6
Total	89.2	182.7	271.9
Schools:			
Ring-fenced Reserves	18.5	18.0	36.5
Housing Revenue Account:			
General Reserve	6.5	0.3	6.8
Earmarked Reserves	21.8	8.0	29.8
Total	28.3	8.3	36.6
Total Reserves	136.0	209.0	345.0

6.6 General Reserve

6.6.1 Table 8 provides an explanation of the movement in the general reserve:

Table 8 General Fund Reserve

General Fund Reserve	£m
Opening Balance 1st April 2020	31.5
Budgeted Use	(9.0)
Contribution In Year	4.1
In-year Underspend	1.1
Closing Balance 31st March 2021	27.8

6.6.2 As at 1st April 2020 the level of general reserve was £31.5m. The 2020/21 budget assumed a net contribution from the general reserve of £9.0m - use of £10m offset by £1m of Treasury Management savings. During the year £4.1m of general reserve funds applied in 2019/20 to manage a shortfall in capital receipts in that year have been repaid and a year end underspend of £1.13m has also been transferred to this reserve. As per table 7 at paragraph 6.1 the amount of general reserve at 31st March 2021 is £27.8m.

6.6.3 This contribution to the Council's general reserve will continue to contribute to the Council's financial resilience, particularly in the context of the impact of COVID-19 which has added to the inherent uncertainty resulting from delays to the implementation of the Government's intended move to 75% business rate retention nationally and the outcome of the Government's Fair Funding Review. Adding to

this uncertainty is the continued delay in the publication of the Government's plans for social care which will hopefully provide greater certainty around their future funding intentions.

6.7 **Creation of New Earmarked Reserves**

It is recommended that the following earmarked reserves are created;

- A Section 31 Business Rates Reserve of £155.0m to carry forward S31 Business Rates relief grants received in 2020/21 to 2021/22, where the Leeds share of this income will be released in the 2021/22 budget.
- A Strategic Contingency Reserve of £24.3m to carry forward directorate savings to fund future unforeseen budget pressures and to ensure the Council becoming more financially resilient and sustainable. This includes a £20.7m contribution arising as a result of application of the Government's COMF grant to expenditure incurred during the year which had been managed through the use of base budget, £0.1m of New Burdens grant not yet applied and £3.5m of non-COVID directorate savings identified in year.
- A Council Tax TIG Reserve (£2.2m) and a Business Rates TIG Reserve (£15.3m), both of which are to carry forward government Tax Income Guarantee funding from Government to compensate in part for COVID related Collection Fund losses, and which will be applied to revenue over three years to match the impact of those losses.
- A Self Isolation Payment Reserve of £0.8m to carry forward Government funding.
- A Leeds Building Services Reserve of £0.3m to fund the implementation costs of the Connect system.
- A Revenue Repairs Reserve within the HRA of £4.2m, funded by savings in the same budget in 2020-21. This reserve will be used to help address any backlogs in cases that may have occurred during the pandemic.

6.8 For completeness, two new ringfenced reserves will be created. These reflect the conditions of use for the relevant funding and do not require the Board's approval:

- A Rapid Test Fund Reserve of £0.1m to carry forward funding from Government to support COVID testing of individuals.
- A Community Discharge Grant Reserve of £0.9m to carry forward funding from Government for transitions costs from Hospitals back to Community Settings.

7. Capital Programme

- 7.1 The actual capital expenditure for General Fund and HRA in 2020/21 is £404.1m, an underspend of £32.4m or a 7.4% variation against the February 2021 Capital Programme projected outturn.

General Fund

- 7.2 Table 9 shows the in-year actual General Fund capital expenditure against estimate, split by directorate:

Table 9

General Fund	Feb 21	May 21	Variation	
	Estimate	Outturn	£m	%
	£m	£m	£m	%
Adults & Health	2.8	2.6	(0.2)	(7.4%)
Strategic and Central	17.4	14.5	(2.9)	(16.9%)
City Development	199.1	199.5	0.4	0%
Children & Families	75.8	70.2	(5.6)	(7.4%)
Resources & Housing	50.9	40.5	(10.4)	(20.4%)
Communities & Environment	12.0	5.6	(6.4)	(53.2%)
Total Spend	357.9	332.8	(25.1)	(7.0%)
Financed by				
General Fund Borrowing	123.7	95.5	(28.2)	(22.8%)
General Fund Capital Receipts	2.0	1.7	(0.3)	(15.0%)
General Fund Specific Grants and Contributions	232.2	235.6	3.4	1.5%
Total Funding	357.9	332.8	(25.1)	(7.0%)

- 7.3 A full breakdown of the net variations is detailed in Appendix 3. Comments are also provided for schemes that have a material variation of greater than +/-£500k.
- 7.4 The general fund borrowing variation is £28.2m or 22.8% of the expected spend on borrowing. The treasury outturn position is presented as a separate report to this Executive Board.
- 7.5 The General Fund capital programme delivered £332.9m of expenditure including major works on our Annual maintenance programmes, Highways planned maintenance to our roads and streets network, Connecting Leeds Transport Investment Programme, East Leeds Orbital Road, Flood Alleviation, Street Lighting LED replacement programme, Learning Places programme, Clean Air and energy efficiency related schemes, District Heating Network, Digital & Information services programme, provision of Adaptations grants and moving towards an electric vehicle replacement programme which underpins the Council's emissions reduction and climate emergency programme.

Housing Revenue Account

7.6 Table 10 shows the in-year actual Housing Revenue expenditure against estimate:

Table 10

HRA	Feb 21	May 21	Variation	
	Estimate	Outturn	£m	%
	£m	£m	£m	%
Council Housing Growth Programme	15.9	16.2	0.3	2.0%
Housing Leeds Council House Programme	61.0	54.1	(6.8)	(11.18%)
BITMO Council House Programme	1.8	1.0	(0.8)	(45.8%)
Total Spend	78.6	71.3	(7.3)	(9.29%)
Financed by				
HRA Self-Financing	52.8	47.6	(5.2)	(9.8%)
HRA Capital Receipts RTBs	12.3	12.2	(0.1)	(0.8%)
HRA Specific Grants and Contributions	7.3	1.2	(6.1)	(83.6%)
HRA Borrowing	6.2	10.3	4.1	66%
Total Funding	78.6	71.3	(7.3)	(9.29%)

7.7 The HRA Capital programme delivered £78.6m of expenditure including £15.9m on the Council House Growth Programme and £55.1m on the refurbishment of our council house properties.

Capital Programme Resources

7.8 Table 11 details the overall capital financing position for the Council:

Table 11

	Feb 21	May 21	Variation	
	Estimate	Outturn	£m	
	£m	£m	£m	%
Net Capital Spend	436.5	404.1	(32.4)	(7.4%)
Financed by				
General Fund Borrowing	123.7	95.5	(28.2)	(22.8%)
General Fund Specific Grants and Contributions	232.2	235.6	3.4	1%
General Fund Capital Receipts	2.0	1.7	(0.3)	0%
HRA Self-Financing	52.8	47.6	(5.2)	(9.8%)
HRA Capital Receipts RTBs	12.3	12.2	(0.1)	(0.8%)
HRA Specific Grants and Contributions	7.3	1.2	(6.1)	(83.6%)
HRA Borrowing	6.2	10.3	4.1	66%
Total Funding	436.5	404.1	(32.4)	(7.4%)

7.9 Capital receipts of £1.65m have been utilised in 2020/21 to fund expenditure capitalised under the government's flexibility for funding transformational change via capital receipts. This includes expenditure on eligible projects such as the Core Systems Review, and the early leaver initiative (ELI) severance costs. In line with existing accounting policy £4.18m of receipts have been utilised to fund PFI liabilities, £21.9m have been used to repay debt and no general receipts have been applied to fund in year spend. Borrowing of £4.6m has been undertaken in lieu of

section 278 contributions.

7.10 HRA Council House Growth Programme, Housing Leeds and BITMO have utilised £47.6m of self-financing funding, £1.2m of external contributions and £12.2m of Right to Buy receipts and have borrowed £10.3m to fund the programme in 2020/21.

7.11 The net debt of the Council as at 31st March 2021 is £2.25bn. Further details of this and the debt financing costs will be presented in the 2020/21 Outturn Treasury Management report to this Executive Board.

8. Other Financial Performance

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

Table 12

	2010/11 Leeds Actual	2011/12 Leeds Actual	2012/13 Leeds Actual	2013/14 Leeds Actual	2014/15 Leeds Actual	2015/16 Leeds Actual	2016/17 Leeds Actual	2017/18 Leeds Actual	2018/19 Leeds Actual	2019/20 Leeds Actual	2020/21 Leeds Actual
Council Tax	96.70%	96.60%	96.60%	95.70%	95.70%	95.90%	96.00%	96.10%	96.10%	95.30%	95.23%
Business Rates	97.90%	97.50%	97.60%	97.10%	97.30%	97.80%	97.50%	98.00%	97.80%	97.29%	90.21%

Council Tax

8.2 Following the introduction of the Council Tax support scheme in 2013/14 a 19% contribution scheme was implemented for working age claimants and this was increased to 26% for 2014/15 but was then subsequently set at 25% for the years between 2015/16 and 2019/20.

8.3 In 2020 the Government announced a Hardship Fund to support Council Tax Support claimants with the economic impact of COVID-19. This fund was administered by councils and Leeds City Council were granted £8.9m to undertake this task on behalf of the precepting authorities. As a consequence Leeds City Council offered discretionary discounts to claimants who met the scheme's criteria. In some instances this had the effect of reducing the amount of Council Tax payable to zero. This funding was for one year only and has not been repeated in 2021/22.

8.4 The collection position for Council Tax at the end of March was as follows:

- Numbers of Council Tax Support claimants have increased significantly as a consequence of the financial impact of COVID-19. This particularly affects the Working Age claimants, where there were 46,391 claimants at 31st March 2021, against a budgeted position of 41,500. Application of the Hardship Fund has had the effect of artificially increasing the collection rate for those affected by the Council Tax Support Scheme, as noted below. This will also result in the general Council Tax collection rate being slightly higher than without the application of funding.
- Collection rate for those affected by Council Tax Support scheme – 78.1% (73.0% last year)

- Council Tax in-year collection rate – 95.23%, whilst this is below target (96.1%), the lower collection rate largely reflects the impact of COVID-19. During the year around 3,800 households were put on alternative payment arrangements, it was agreed to let those affected have the option to spread their first 3 instalments of 2020/21 over the remaining months of July to March. Whilst the collection on these accounts should now be resolved, the ongoing economic impact of COVID-19 has continued to affect collection rates. £370.9m has been collected in respect of 2020/21 bills, an increase of £6.6m when compared to the previous year.

Business Rates

- 8.5 The budgeted collection rate for business rates is to achieve an in-year collection target of 97.7%, collecting £363.2m of business rates income billed at 1st April. However, Cabinet will be aware that in response to the COVID-19 pandemic Government awarded significant additional business rates reliefs, reducing the income to be collected directly from businesses in Leeds to £229.1m. These reliefs will be funded in full by Government through Section 31 grants. Whilst this reduces the risk to the authority regarding non-collection of business rates income, the business rates collection at 31st March 2021 was 90.21% which is 7.08% behind the performance in 2019/20.
- 8.6 The total rateable value of business properties in Leeds has reduced from £935.2m at 1st April 2020 to £928.2m at the end of March 2021, a decrease of £7.0m. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the small business rates multiplier (49.9p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (49%), Central Government (50%) and West Yorkshire Fire Authority (1%). After allowing for the business rates deficit brought forward, Leeds share of projected business rates is £79.7m, which is £104.0m below budgeted expectations as at 31st March 2021. However much of this shortfall is accounted for by the Government's new extended reliefs for the retail and leisure sectors and children's nurseries. This results in grant funding associated with business rates some £76.3m above that forecast in the Council's budget. The Government has also announced that it will provide 75% compensation to local authorities for their 'irrecoverable losses' in business rates income. The Government only released details of the definition of 'irrecoverable losses' in May 2021 and the detailed calculation means that Leeds will receive a one-off payment from the Tax Income Guarantee Scheme of £15.3m, which will be placed in a reserve and will contribute to the declared unfunded deficit that will have to be repaid to the over the next three years.
- 8.7 The impact of the closing balance on the collection fund is complex because the authority has to treat different elements of the closing deficit of £104.0m differently. At the time of declaring the estimated deficit in December the authority declared a total deficit for business rates of £116.3m, which arose from three elements. These were £3.6m carried forward from 2019/20 and £76.0m which arose from the fully funded extended reliefs both of which have to be paid in 2021/22, and finally £36.7m which arose from other parts of the business rates system principally bad debts, a reduction in the tax base in Leeds, Empty Rate Relief and a large number of appeals against Rateable Value which were received in Leeds in 2020/21. The Government has told local authorities that they must spread the cost of this final £36.7m over three years and therefore a credit of two years instalments reduced the total deficit by £24.5m, bringing the deficit that has to be repaid in 2021/22 to

£91.9m. This is provided for in the 2021/22 budget and is now fixed so the improvement in the deficit since declaration will not impact on the 2021/22 budget position. The improvement was caused by various factors becoming clearer since declaration including that claims for Empty Rate Relief during the lockdowns would not be considered valid and the Government announcing in late February that appeals against Rateable Value on the grounds of COVID-19 related events would not be successful and result in lost income to the authority. The reduction in these costs will be carried forward into the amount that has to be repaid in 2022/23 reducing the opening deficit on the collection fund from the anticipated £12.2m (one third of the unfunded 2020/21 declared deficit) to a balanced position.

- 8.8 Against a budget of £500k in 2020/21 some £320k of local discounts were approved under the Council's own Discretionary Business Rate Relief Scheme which is intended to support the creation of employment and economic growth and to increase the business rates base.

Prompt Payment of Creditors

- 8.9 The prompt payment result at the year-end was 91.65% of undisputed invoices processed within 30 days or within contract terms (93.87% in 2019/20).

9. Corporate considerations

9.1 Consultation and engagement

- 9.1.1 This is a factual report and is not subject to consultation.

9.2 Equality and diversity / cohesion and integration

- 9.2.1 The Council's revenue budget for 2020/21 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 26th February 2020.

9.3 Council policies and the Best Council Plan

- 9.3.1 The 2020/21 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget in support of our Best Council ambition of offering value for money through being an efficient and enterprising organisation.

Climate Emergency

- 9.3.2 Since this is a factual report detailing the Council's financial outturn position for 2020/21 there are no specific climate implications.

9.4 Resources, procurement and value for money

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

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

9.5.1 There are no legal implications arising from this report.

9.6 Risk management

9.6.1 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, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans was in place for 2020/21.

9.6.2 Given the ongoing uncertainty regarding the impact of COVID on the Council's financial position, including the potential impact on the Authority's Collection Fund, this higher level of reserves reported at paragraph 6 will help to cushion the Council against variations to budget assumptions in 2021/22 and beyond.

10. Conclusions

10.1 The 2020/21 financial outturn position for General Fund services, which is a £1.1m improvement when compared with the provisional outturn position reported to April's Executive Board, allows for a £1.1m contribution to the Council's general reserve. As a result the level of general reserve at 31st March 2021 is £27.8m.

10.2 In the Annual Audit Letter for Leeds City Council for the year ended 31st March 2020 Grant Thornton highlighted "weaknesses in the level of General Fund Reserves to deal with significant unforeseen circumstances resulting from the Council's arrangements for financial management. Except for this matter, the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources". This reported outturn position with contributions to both general and earmarked reserves, combined with projected contributions to the general reserve which are contained in the Council's approved Medium Term Financial Strategy, demonstrate the Council's commitment to make its revenue budget robust, resilient, sustainable and affordable.

10.3 The outturn for the year on the HRA shows a net underspend of £15.65m when compared against the 2020/21 budget, primarily due to the reduction in the revenue contribution required to support its capital programme and also savings in the repairs and maintenance budgets, both as a consequence of the impact of the pandemic. As the HRA operates as a ringfenced account, it is proposed these savings in the main be appropriated to reserves.

10.4 At 31st March 2021, mainstream school reserves stand at £33.5m. Extended Services & Partnerships reserves amount to £5.2m as at 31st March 2021, including balances held by Area Inclusion Partnerships and Clusters. As a result of an over spend on the High Needs Block, partly offset by underspends on other blocks, and a refund of de-delegated DSG surplus brought forward to schools during 2020/21, a deficit balance of £2.0m will be carried forward on the DSG reserve to 2021/22.

10.5 Expenditure in respect of the General Fund Capital Programme was £32.4m or 7.4% lower than that assumed in the February 2021 Capital Programme projected outturn.

11. Recommendations

- 11.1 Members of the Executive Board are asked to;
- a. Note the outturn position for 2020/21
 - b. Agree the creation of earmarked reserves as detailed in paragraph 6.7 and to delegate their release to the Chief Officer Financial Services;
 - c. Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

12. Background documents¹

- 12.1 There are no background documents relating to this report.

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

ADULTS AND HEALTH

Financial Dashboard - 2020/21 Financial Year

Outturn

The directorate has overspent its budget by £6.7m. The overspend represents the impact and additional costs of the impact of Covid on the directorate. A number of budget action plans were directly impacted and slippage of £2.9m was recorded.

The picture of the year is heavily influenced by Covid in both provision of services and the management of £46.8m of ringfenced grants received to allow the directorate to support initiatives and the care market.

Staffing (+£0.1m): the impact of the pay award which was above the budgeted assumptions, the impact and cost of the Council ELI initiative and funded additional posts in key areas has largely been offset by the savings generated from maintaining vacant posts in other areas.

Buildings (-£0.1m): a net saving of £0.1m is the effect of buildings maintenance and utility savings offset by the NNDR bill for Waterside which was the site for the temporary morgue and PPE distribution centre.

Supplies and Services (1.9m): overspends within this area are related to Covid costs, these are primarily incurred by Public Health in coordinating the attempts to control the outbreak, all of which was funded by government grant. This area also includes the additional equipment purchased to facilitate the early discharge of patients from their hospital setting.

Transport (-£0.2m): a small saving largely through the restrictions on travel for social workers and assessors.

Social Care and Care Market protection (+£22.4m): the social care market was significantly impacted by Covid, with additional packages of care put in place for those affected by day care closures; an increase in the number and size of home care packages was noticed and it is considered that these were related to a general nervousness for people going into care homes; it was also noted that significant numbers of deaths within the care home sector necessitated financial support to ensure stability in the market.

Public Health - Covid (+£25.6m): Public Health managed £26.4m of government grant to contain the Covid Outbreak; there were a number of other savings that were a result of Covid restructure annual programmes.

Appropriation (+£8.7m): the highly unusual year meant that transfers from reserves were not needed to the degree expected when the budget was set. It is also noted that a number of unspent ring-fenced grants and partner contributions have been added to reserves.

Income (+£51.7m): a number of Covid funding streams were received in the year NHS Early Discharge funding (£3.3m), Contain Outbreak Management Fund (£26.5m), Infection Control Fund (£13.5m), Rapid Testing funding (£1.8m) and Workforce Capacity funding (£1.7m).

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	1,496	(964)	532	(149)	2	37	(4)	24	(107)	0	0	238	40	(92)	(52)
Social Work & Social Care Services	288,249	(54,725)	233,523	346	(89)	427	(197)	(118)	5,236	(867)	0	2,393	7,132	(4,463)	2,669
Service Transformation	2,379	(387)	1,991	(53)	0	4	(3)	0	(55)	0	0	0	(107)	(68)	(175)
Commissioning Services	24,201	(64,476)	(40,274)	144	(6)	(778)	(9)	3,350	14,920	0	0	3,904	21,525	(17,840)	3,685
Resources and Strategy	6,726	(1,781)	4,944	129	(1)	95	(17)	95	(50)	0	0	87	338	217	555
Public Health (Grant Funded)	45,293	(44,949)	344	(187)	12	2,153	(7)	27,226	(1,649)	0	0	2,080	29,628	(29,628)	0
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	368,343	(167,283)	201,061	229	(82)	1,938	(237)	30,576	18,296	(867)	0	8,702	58,556	(51,873)	6,683

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.	Review of Learning Disabilities	Caroline Baria		R	1.0	1.2
2.	Review of Physical Impairment and home care efficiency	Shona McFarlane		R	0.1	0.1
3.	Review of home care efficiency	Shona McFarlane		R	0.1	0.1
4.	Demand - continuation of strengths-based approach	Shona McFarlane		G	0.7	0.0
5.	Recover unspent Direct Payments (based on trends)	Shona McFarlane		G	0.9	0.0
6.	Enablement Service - improvements in productivity	Shona McFarlane		R	0.5	0.5
7.	Review billing and collection of assessed client contributions and trends	Steve Hume		R	1.9	0.5
8.	Assistive technology to a city-wide self-pay market	Shona McFarlane		R	0.2	0.2
9.	Occupational Therapists: grant contribution funding from the DFG	Shona McFarlane		B	0.2	0.0
10.	Section 117 and CHC clients - review cost allocations	Max Naismith		B	0.1	(0.2)
11.	CHC - LD: client transport costs/ staffing costs	Max Naismith		G	0.4	0.1
12.	Client transport - route and efficiencies	Steve Hume		G	0.3	0.0
13.	Spring Budget (end of time limited schemes)	John Crowther		B	2.5	0.0
14.	Meals on Wheels	Steve Hume		G	0.2	0.0
15.	Contract management efficiencies	Caroline Baria		G	0.8	0.0
16.	iBCF - Health Funding to support social care & Inflation	Steve Hume		R	3.3	1.4
17.	Staffing - vacancy factor/turnover	Shona McFarlane		G	0.4	(0.0)
B. Other Significant Variations						
1.	Staffing	All	relating to staffing turnover and slippage in employing new staff			0.2
2.	Commissioned services - care and Public Health	VE/CB	anticipated variation - largely related to one-off funding (see income below)			15.7
3.	General running costs	All	Savings of £0.7m are reduced due to Covid-19 costs			32.2
4.	Use of reserves	All	Carry forward of Public Health underspend (£0.62m), carry forward of Leeds Plan underspend (£0.16m), reduced requirement of reserve funding within commissioning (£0.5m) and carry forward of Adult Safeguarding (£0.03m)			8.7
5.	Income	All	Includes Infection Control Grant (£13.5m), Early Discharge funding (£3.3m), COMF funding (£26.5m), Workforce Development Fund (£1.7m) and Rapid Test Funding (1.8m) all of which are shown as being offset by matching spend			(54.0)
					Adults and Health Directorate - Forecast Variation	
					6.7	

CHILDREN & FAMILIES 2020/21 FINANCIAL YEAR FINANCIAL DASHBOARD - Outturn

Overall Summary - At Outturn the directorate is reporting a pressure of £7.214m, all of which is attributable to Covid-19. The overspend includes a net £5.714m additional expenditure and loss of income attributable to Covid-19. The remaining £1.5m is related to repayment of previous borrowing against school reserves. The outturn is a positive movement of £0.878m from the reported £8.092m P11 / provisional outturn statement.

Children Looked After (CLA): - The budget for 20-21 is £43.8m, an increase of £1.45m from 19-20. The budget supports 1,346 CLA placements; including 58 External Residential (ER) and 183 Independent Fostering Agency (IFA). Actual CLA figures as at 21st March were 1,276, which is 70 less than the budgeted number. Despite total CLA numbers being less than budgeted for, an overspend of £3.962m (-£0.25m from P11) is projected as there is a higher proportion of more costly placements than assumed in the budget and rates charged by providers have increased due to Covid. In house CLA placements are 99 lower than budgeted and external placements are 29 greater than budgeted. Within the external placements pressure, there have been increased numbers in Secure Justice & Welfare settings. Latest ER numbers are 62 (+4 against budget) and IFA 207 (+24 against budget)

Non CLA Financially supported: - The non-CLA financially supported budget was increased by £1.0m to £13.9m in the 2020/21 budget. Budgeted 20-21 numbers are 950 placements (+46 20-21 -v- 19-20); current numbers are 1,052, creating a pressure of £2.327m. This includes the increase in the rate for Care Leavers allowances and the impact on semi-independent living as young people have not been able to move on from this accommodation due to COVID and £0.325k s17 payments (Non-Recourse to Public Funds (NRPF)).

Staffing: - Pay savings of £2.6m have been realised. £1.0m for Learning for Life Early Start Little Owls LCC run Children Centres and their inability to open and run at full capacity. £1.65m pay savings realised from in-year vacancy control being implemented and utilising the LCC ELI programme. £0.7m savings on former teacher retirement costs and staff training. Offset by £0.735m pay pressure in Social Care for LCC run establishments.

Transport: - Passenger Transport savings of £0.811m realised by CEL

Trading and Commissioning: - The directorate have incurred losses of income due to Covid for Children's Centres (£1.945m net figure; £3m fee income shortfall offset by £1m pay saving and detailed in table below) and trading with schools, £1.3m

Supplies & Services & Internal Charges:- Savings on Other Expenditure of £1.273m have been realised, primarily Travel and Subsistence, Legal and Internal Charges.

Other Income / Projects : Overall additional income of £0.4m.

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	21,079	0	21,079						(1,462)				(1,462)		(1,462)
Independent Fostering Agency	7,681	0	7,681						1,047				1,047		1,047
External Residential	12,096	(3,995)	8,101						3,748				3,748		3,748
Other Externally placed CLA	2,967	0	2,967						629				629		629
Non CLA Financially Supported	13,872	(5,610)	8,262						2,327				2,327		2,327
Transport	15,586	(897)	14,689			150	(811)						(661)		(661)
Sub total Demand Led Budgets	73,282	(10,502)	62,780	0	0	150	(811)	0	6,289	0	0	0	5,628	0	5,628
Other Budgets															
Partnerships & Health	5,873	(2,328)	3,545	(491)		(204)	(860)	0	(27)	3		(22)	(1,601)	390	(1,211)
Learning	35,580	(30,366)	5,213	(754)	50	(500)	(192)	(383)	2,228	18		2,099	2,566	(841)	1,725
Social Care (Excl. Early Start & H&W)	71,726	(32,065)	39,660	335	114	(2,592)	(210)	334	404	(1,263)		1,706	(1,172)	682	(490)
LfL - Early Start & H&W	67,531	(61,571)	5,959	(1,049)	53	(383)	(28)	(323)	0	607		0	(1,123)	3,006	1,883
Resources and Strategy	67,570	(61,755)	5,815	(640)	(223)	(329)	(22)	0	0	(238)		410	(1,042)	721	(321)
Sub total Other Budgets	248,280	(188,086)	60,194	(2,599)	(6)	(4,008)	(1,312)	(372)	2,605	(873)	0	4,193	(2,372)	3,958	1,586
Total	321,562	(198,588)	122,974	(2,599)	(6)	(3,858)	(2,123)	(372)	8,894	(873)	0	4,193	3,256	3,958	7,214

Key Budget Variations:		Additional Comments	
A. Key variances			£m
Staffing	- Delivery of £2m Staffing Action Plans	£1.0m savings in LfL Children Centres and linked to shortfall in £3.0m income. £1.65m due to vacancy release control and in-year ELI programme.	(2.649)
	- Direct impact of Covid	Additional staffing within LCC run residential homes, 4 x Service Delivery Managers for 6 months and Adel Beck pay pressures re Agency & Overtime.	0.735
	- Other employee costs	Within Resources & Strategy - £0.7m Central Overhead Account savings on former teacher severance and pension costs and £0.2m underspend on staff training.	(0.685)
Children Looked After & Financially Supported Non-CLA Demand Budgets	- Delivery of actions within Exec Board report to address £3.8m pressure identified Feb'20.	Significant in-year pressure on CLA placements for out of area; ER £3.7m and IFA £1m. Placement numbers have reduced throughout the year, down to 60 ER and 207 IFA. Other impact increased weekly rates due to impact of covid. Budget assumed £4,000 per week, Actual was £4,550. Some will be linked to complexity as well.	3.301
	- assessed impact on CLA numbers and budget specifically relating to covid-19.		3.173
Non-Staffing	- Insourcing of Independent Travel Trainer contract	Impact of COVID on in-sourcing ITT contract	0.150
	- assessed impact on non-staffing related expenditure directly due to covid-19	£0.8m private hire savings from CEL Passenger Transport, £0.51m savings on travel & subsistence and £0.55m on Legal charges. £0.4m savings on supplies & services related to School Brokerage Grant.	(0.769)
Income (including Grant funding)	- impact on 20-21 income not directly due to covid-19	Shortfall of £0.324m reduction in Troubled Families Grant. Due to slippage in delivery of the SFPC Programme £1m of grant income transferred to earmarked reserve. £0.244m CCG income shortfall for ER placements. £1.2m lower usage of DSG income, Early Years funding.	2.539
	- assessed impact on income directly due to covid-19	£3.0m Income shortfall for LfL Children centres and £1.3m shortfall in income from trading with schools; predominately around the activity centres and 0-19 School Improvement.	4.360
	- New grant funding for covid related schemes	DfE PiP 20-21 funding. Due to uncertainty of continuation of the programme late 2019-20 financial year, the 20-21 budget assumed not continuing.	(2.941)
Children and Families Directorate - Outturn Variation			7.214

CHILDREN & FAMILIES 2020/21 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - OUTTURN

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.

For 2020/21 DSG was £1,827k underspent, which includes a surplus on de-delegated budgets of £1,006k. De-delegated budgets are ringfenced, and excluding these the DSG was underspent by £821k. In relation to COVID pressures, £100k of the costs on the High Needs Block have been identified as due to increased provider rates on outside placements due to the impact of COVID.

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. Since the budget was set, there have been a number of academy conversions which reduces the grant received and the school funding paid out. Following these conversions, there is a small one off saving in the year in which it occurs. 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). As there were fewer schools converting to an academy by 1st September 2020, there was additional de-delegated income of £286k and the schools contingency fund had a net nil expenditure which resulted in an underspend of £999k. This is partly offset by overspends of £319k on maternity and suspended staff pay and £29k on SIMs licences. Overall the de-delegated underspend was £1,006k. The Growth Fund budget remains part of this block and was £531k underspent. This underspend is earmarked for use to fund growth requirements in 2021/22.

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). There was an underspend of £143k as a result of vacancies in the admissions service.

Early Years Block - This element is concerned with provision to pre-school children. The uncertainty and changing requirements as a result of COVID19 made accurate projections on this block difficult. The impact on 2020/21 has been mitigated by a slight change in the way the income due is calculated. For 2020/21 only, the January 2021 early years census will only affect the income due for 3 months of the year, rather than the usual 7 months. This should reduce the potential volatility of the grant due, though the final grant will not be confirmed until November 2021. In line with the 8p per hour increase in the unit rate received, the unit rates paid to providers has been increased for both 2 year old and 3 & 4 year old providers by 8p. The final position on the early years block was an underspend of £2,228k. In line with previous budget monitoring reports and reports to Schools Forum, it is proposed to make a one off exceptional payment to providers to 3 and 4 year olds totalling £2,000k in 2021/22.

High Needs Block - This element is used to support provision for pupils and students with special educational needs and disabilities. The year end position was an overspend of £2,327k. The largest areas of variance are as follows:

- Mainstream top-ups and additional blocks overspend of £2,305k as a result of an increase in the number and complexity of pupils in mainstream schools.
- An increase in the number of pupils requiring post 18 places resulted in an overspend of £604k.
- Outside placements was overspent by £2,234k due to a shortage of specialist places in Leeds.
- When the budget was set, it was known that there were a number of high needs pupils where special school places had not at that time been identified. Now that they have been and are reflected in the above overspends, that budget of £2,106k was no longer required.
- The high needs block services provided by Leeds City Council were underspent by £604k.
- At the start of the year, a number of elements of the grant allocation were not confirmed. These have now been confirmed and will result in an additional £120k of grant income.

Reserves - There is an overall deficit brought forward from 2019/20 on general DSG of £3,955k and a de-delegated surplus of £722k. The reserves carried forward into 2021/22 are a deficit on general DSG of £3,134k and a surplus on de-delegated services of £1,158k. In line with the School Forum request in October, the 2019/20 underspend on de-delegated services of £596k has been refunded to schools pro-rata to the de-delegated income received from the school.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(314,877)	(306,600)	8,277
Individual Schools Budgets	307,309	298,786	(8,523)
De-delegated budgets	4,568	3,562	(1,006)
Growth Fund	3,000	2,469	(531)
	0	(1,783)	(1,783)
Central School Services Block			
DSG Income	(4,867)	(4,867)	0
CSSB Expenditure	4,867	4,724	(143)
	0	(143)	(143)
Early Years Block			
DSG Income	(64,216)	(59,247)	4,969
FEEE 3 and 4 year olds	50,897	46,363	(4,534)
FEEE 2 year olds	10,147	7,699	(2,448)
Other early years provision	3,172	2,957	(215)
	0	(2,228)	(2,228)
High Needs Block			
DSG Income	(79,831)	(79,951)	(120)
Funding passported to institutions	72,329	75,382	3,053
Commissioned services	1,921	1,919	(2)
In house provision	5,023	4,419	(604)
Prudential borrowing	558	558	0
	0	2,327	2,327
Total	0	(1,827)	(1,827)

General £'000	De-delegated £'000	Total £'000
3,955	(722)	3,233
3,955	(722)	3,233
3,955	(722)	3,233
(821)	(1,006)	(1,827)
	596	596
3,134	(1,132)	2,002

Latest Estimate

Balance b/fwd from 2019/20
Net contribution to/from balances

Balance c/fwd to 2021/22

Projected Outturn

Balance b/fwd from 2019/20
Projected in year variance
Use of reserves

Balance c/fwd to 2021/22

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					
Transfer funding to High Needs Block		Transfer of £2.65m from the schools block and £350k from the central school services block to the high needs block as detailed in report to Schools Forum in January 2020.	B	3.00	0.00
B. Significant Variations					
Schools Block		In year underspend of £1,032k on de-delegated services			(1.01)
Schools Block		Underspend on growth fund			(0.53)
Schools Block		Underspend as a result of academy conversion adjustments			(0.25)
Early Years Block		Underspends within early years block			(2.23)
High Needs Block		Increase in high needs funding at mainstream schools			2.31
High Needs Block		Increase in outside placement costs			2.23
High Needs Block		Increase in cost of post 18 placements			0.61
High Needs Block		Budget for new places from September 2020 no longer required (part funds overspends above)			(2.10)
High Needs Block		Underspends on services provided by LCC			(0.60)
High Needs Block		Final confirmation of grant due for 2020/21			(0.12)
CSSB		Underspend on admissions service			(0.14)

Dedicated Schools Grant - Forecast Variation

(1.83)

CITY DEVELOPMENT 2020/21 BUDGET FINANCIAL DASHBOARD - OUTTURN

Directorate Summary - The 2020/21 Outturn position for City Development is an overspend of £20.26m which includes the overall impact of Covid 19 on the Directorate's budgets which is 24.21m. This does not include or reflect any compensation due from the Government for sales, fees, and charges losses. This is a favourable movement of £0.75m from the Period 12 Dashboard which is due to additional savings being realised across services.

The Directorate's financial position has been significantly affected by the current restrictions in place as a result of Covid 19 and by the severe impact on the economy. Active Leeds and Arts and Heritage have been directly impacted by the loss in income from the closure of all sites and the uncertainty and restrictions on recovery. In other service areas the anticipated economic downturn has impacted on income from the commercial property portfolio, Markets, advertising, planning and building fees and in Highways from reduced fee recovery as a result of some of the workforce self-isolating and other staff absences.

Staffing – The outturn staffing position is an underspend of £4.05m. In Highways and Transportation most staff costs are chargeable and any vacancies will lead to reduced income or additional contractor costs. Some staff in Asset Management and Regeneration are also chargeable. Allowing for this the staff savings have contributed a net saving of £3.18m. This also allows for the additional costs from a higher pay award than budgeted for at a cost of £375k although some of this cost will be charged out. There is a further saving of £378k across all services due to staff leaving via the ELI Scheme prior to the 31st March 2021, after accounting for income generating posts and any interim costs.

Other running cost savings - Where cost savings directly relate to closure of facilities and events then these have been accounted for in the net income loss figures. Additional savings in supplies and services and travel costs of £1.26m have been realised across the Directorate's services.

Additional Covid 19 costs - Whilst the impact of Covid 19 on City Development is mostly on income, some additional costs are being incurred to ensure services are Covid compliant, assist City Centre Management and other related public health and health and safety measures. This has amounted to £0.74m across the Directorate.

Planning and Sustainable Development - both planning application and building control fee income were adversely impacted at the start of the pandemic but then started to improve from June onwards but with noted volatility. The final position for 2020/21 is a 10.9% deficit against budget for Planning Fees and a 4.2% over achievement against budget for Building Control Fees. The planned implementation of revised pre-application charges was initially postponed due to lockdown but has now started. The 2020/21 budget included additional income of £250k for these charges and the delay has resulted in a shortfall of £50k. The overall shortfall in income of £704k has been partially offset by £0.32m of staffing, transport and supplies and services savings.

Economic Development - The service is forecasting a reduction of income and additional costs of £30k for the year, mainly reduced income from Conference Leeds and reduced recovery of staff costs where staff were working on Covid 19 related work. This also includes some additional grant income that has been received, and some minor offsetting savings in transport costs.

Asset Management and Regeneration - Due to the economic uncertainties arising from COVID-19 no new strategic acquisitions were made in 2020/21, therefore the Outturn position includes a £1.35m shortfall in income from the non-achievement of budget action plans in relation to the Strategic Investment Fund. It is anticipated that there will be an impact on the collection of rental income from the Non-Prime Commercial Portfolio as some businesses continue to struggle financially. The service has developed a strategy around rental income and how the service responds to requests from businesses seeking support. However due to the restrictions on debt recovery action implemented by the Government in response to the Pandemic, and financial reporting standards and principles, the full impact of this will not be fully realised until late 2021/22 at the earliest. Therefore the outturn position includes a £1.3m increase to the Bad Debt Provision.

Employment and Skills - All the major grant schemes that the service manages have been delivered as expected. Savings of £375k have been achieved across staffing and supporting budgets.

Highways and Transportation - The outturn position for Highways is an overall overspend of £793k, which is comprised of several major variations. One of these is the major variation on the amount of highways maintenance work that the DLO was able to complete due to a reduced available workforce. This resulted in reduced chargeable works which lead to a reduction in income and the recovery of overheads of £917k. The very cold winter led to an overspend of £935k due to the number of additional grittings required. These additional costs were partially offset by over achievement of income targets and/or underspends in other areas of the service, in particular in Transport Planning at £1.237k.

Arts and Heritage - As facilities were closed during the early part of the financial year and again for Lockdown 2 and 3 the service has suffered significant shortfalls in income. The net position of this is an overspend of £1.81m. This includes the £300k saving from postponing the Triathlon and the Tour de Yorkshire and will be significantly offset by the Central Government Sales Fees and Charges recompense scheme.

Active Leeds – This service was severely impacted by the pandemic and the resulting lockdowns, as reported previously. The final outturn position for the service is a net overspend of £11.3m of which £12.9m are the reported losses in income due to the pandemic. This will be significantly offset by the Governments Sales, Fees and Charges compensation scheme.

Resources and Strategy – additional costs that were being incurred as a result of Covid 19 and the original lockdown are being recorded in the Resources and Strategy budget, totalling £0.74m.

Markets and City Centre – Open Market traders were not billed for rent for April to June as part of a Covid support package at a monthly loss of £40k. Indoor Market traders continue to be billed but provided with a rental support scheme (rent reductions) for July to September, this scheme was extended for a further three months (October to December). Whilst most indoor traders are eligible for support through the Government business support scheme there has been an increase in voids in the Market and contributing to the 38% shortfall in income. Due to Lockdown 3 a further package of support measures were introduced and therefore a £300k bad debt provision has been made in respect of this. Furthermore a £700k shortfall against budgeted income for Advertising, including the £200k additional income assumed in the 2020/21 budget, is recognised also.

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	9,560	(7,877)	1,684	(262)	(56)	(52)	(51)	21	0	85	0	0	(316)	704	388
Economic Development	2,358	(627)	1,731	21	0	14,322	(25)	119	0	0	0	(253)	14,185	(14,156)	30
Asset Management & Regeneration	17,629	(20,788)	(3,159)	(834)	472	(309)	(16)	(33)	0	(384)	0	112	(991)	4,703	3,712
Employment & Skills	6,245	(4,532)	1,713	(471)	0	(102)	(11)	(110)	108	42	0	0	(544)	170	(375)
Highways & Transportation	65,569	(47,660)	17,909	(329)	329	490	168	345	0	2	0	0	1,005	(212)	793
Arts & Heritage	21,731	(9,350)	12,380	(480)	(212)	(3,342)	(31)	(95)	(1)	280	65	(295)	(4,111)	5,921	1,810
Active Leads	26,626	(20,453)	6,172	(1,562)	(738)	(731)	(27)	(161)	(147)	197	0	1,016	(2,154)	13,457	11,303
Resources & Strategy	1,045	(484)	562	383	112	159	8	275	0	0	0	610	1,547	(1,104)	443
Markets & City Centre	3,542	(4,607)	(1,064)	(18)	(159)	(51)	2	(11)	0	0	0	0	(237)	2,393	2,155
Total	154,306	(116,378)	37,928	(3,552)	(252)	10,384	17	349	(40)	222	65	1,191	8,384	11,876	20,259

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments		£m	£m
A. Budget Action Plans						
1.	Planning & Sustainable Development	David Feeney	Pre-Application fee income in Planning - delayed implementation	A	(0.25)	0.05
2.	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	(0.75)	0.75
3.	Asset Management & Regeneration	Angela Barnicle	Asset Rationalisation	R	(0.20)	0.20
4.	Highways & Transportation	Gary Bartlett	LED Street Lighting Conversion	G	(0.43)	0.00
5.	Highways & Transportation	Gary Bartlett	Site Development	G	(0.25)	0.00
6.	Highways & Transportation	Gary Bartlett	Utility Permits	A	(0.20)	0.00
7.	Markets & City Centre Management	Phil Evans	Advertising Income	R	(0.20)	0.20
8.	Resources & Strategy	Phil Evans	Use of Balances/One Off Income	G	(0.50)	0.42
Total Budget Action Plan Savings					(2.78)	1.62

B. Other Significant Variations

1.	Planning & Sustainable Development	David Feeney	Planning Application and Building Control Fees	0.65
2.	Asset Management & Regeneration	Angela Barnicle	Additional Capital Receipt Fee Income	(0.41)
3.	Asset Management & Regeneration	Angela Barnicle	Commercial Rental Income & Asset Activities	3.00
4.	Highways & Transportation	Gary Bartlett	Highways Maintenance	0.65
5.	Arts & Heritage	Eve Roodhouse	Net loss of income due to closure of venues	2.56
6.	Arts & Heritage	Eve Roodhouse	Postponement of Tour de Yorkshire and the Triathlon	(0.30)
7.	Active Leeds	Phil Evans	Loss of income due to closure of Leisure Centres and reduced income once they re-open.	13.46
8.	Active Leeds	Phil Evans	Covid related savings in Leisure Centres	(0.60)
9.	Markets & City Centre Management	Phil Evans	Markets, Advertising, and Licences Income	2.39
10.	All Services	All	Staffing Vacancies (excluding income funded posts)	(3.18)
11.	All Services	All	Savings on running costs across the Directorate	(1.26)
12.	All Services	All	Additional Pay Award	0.38
13.	All Services	All	Additional spend as a result of Covid 19	0.74
14.	Highways & Transportation	Gary Bartlett	Winter Pressures	0.94
15.	All Services	All	Net ELI savings across all services	(0.38)
City Development Directorate - Forecast Variation				20.260

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2020/21 FINANCIAL YEAR

Outturn 2020/21

The overall position is an overspend of £21,166k. Of this net position, £25,025k relates to the impact of Covid-19. The overall position includes the impact of tighter recruitment and expenditure controls and the Council's Early Leavers Initiative (ELI) which have contributed to non-COVID net savings of £3,859k being achieved.

Communities (£383k overspend)

Covid-19 related costs total £382k which includes a £401k loss of Community Centre income, £30k delays to planned savings from Community Centres offset by running cost savings of £79k, and £27k cost of the additional 0.75% pay award. Other net expenditure variations of £4k include a net £143k overspend on staffing largely offset by other running cost savings. An in year underspend on the Wellbeing budget of £391k has been transferred to the wellbeing earmarked reserve for use in future years.

Customer Access (£793k overspend)

Covid-19 costs of £1,174k include the cost of software and equipment to support home working (£83k), PPE/Social distancing measures and additional cleaning at Hub sites (£435k), projected net income losses of £379k across the service, additional cost of overtime £100k and the pay award of £171k. Other variations include a net staffing overspend of £127k offset by all other non-COVID expenditure/income savings of £508k.

Elections, Licensing and Registrars (£66k underspend)

The majority of fee earning activities - Registrars, Entertainment Licensing and Taxi & Private Hire Licensing - have been impacted significantly during the year. The combined impact on income is £1,457k, with a further £17k cost relating to the pay award, although these are partially offset by other net savings of £647k, mainly from the cancelled May elections and additional grant income in respect of compliance and enforcement activities. Further net savings of £893k across the service include £313k on staffing, £210k of operational running cost savings within TPHL and £299k from the income compensation scheme in respect of TPHL which partially offsets the in-year income shortfall.

Environmental Health (£206k underspend)

The year end position reflects Covid related costs of £59k, mainly due to income losses from a reduction in activities across the service and the pay award of £10k, offset by £265k net savings in respect of all other staffing, running cost and income variations.

Welfare and Benefits (£1,904k overspend)

The year end position includes Covid-19 related expenditure in respect of the net cost of Housing Benefit claims for rough sleepers (£698k), the net impact on HB overpayment income (£909k) and the estimated cost of the pay award (£33k). All other variations total £264k and include the impact of the final HB subsidy claim (£1.035k - which includes the net cost of supported accommodation cases), staffing variations of +£103k, partially offset by additional new burdens income. It is proposed to carry forward the balance of funding (£844k) for the discretionary Test & Trace support scheme (self-isolation payments) in an earmarked reserve to allow the scheme to continue in 21/22.

Parks and Countryside (£4,355k overspend)

The overall impact of Covid-19 on the service is £5,280k. Income losses at income generating facilities such as Tropical World, Temple Newsam Home Farm, Lotherton Wildlife World, the Arium, Cafes, Golf courses and concessions in parks are £2,915k. In addition, shortfalls in income from the reduction in chargeable works activities within Parks Operations and Landscaping total £1,339k and losses of income resulting from restrictions within bereavement services are £373k. A further £142k shortfall of income is due to the cancellation of events held in parks although savings of £424k from the cancellation of the West Indian Carnival and bonfires offset this. Other COVID related expenditure of £806k relates to measures in Parks to facilitate Safer Public Spaces and the cost of PPE equipment and cleaning. The cost of the pay award is £129k, although offsetting this are total other net savings of £925k, mainly comprising staffing savings.

Car Parking (£6,846k overspend)

Covid-19 related net income losses of £7,488k across the service have been experienced. This reflects the impact of the Council's decision to suspend all car parking charges and enforcement activity until 4th July and the further reduction in income levels as a result of the subsequent lockdowns. This includes £3,052k in respect of on-street parking, £2,856k for off street parking and £1,315k for income from PCNs. These income losses have been partially offset by staffing savings of £319k and other net expenditure savings of £323k.

Community Safety (£112k underspend)

The impact of the Covid-19 (£5k) and the impact of the pay award (£53k) has been offset by net expenditure savings elsewhere in the service of £171k, including staffing savings from the ELI scheme, general expenditure savings and additional income across the service.

Waste Management (£6,490k overspend):

Within the Refuse service, additional expenditure of £3,205k has been incurred which reflects the cost of providing additional crews and vehicles to deal with increased volumes of waste and to provide necessary staffing cover and PPE equipment. Additional volumes of waste resulted in additional disposal costs of £2,683k, although under the contract arrangements with the RERF, the Council will receive income of £596k resulting from this additional waste. It is proposed to transfer this one-off income to the waste earmarked reserve to support the delivery of the Refuse route review and the developing waste strategy. A further £942k was incurred at Household Waste Sites for the cost of providing PPE equipment, staffing cover and security at the sites as well as net income losses from inert waste charges and from the Revive shops. The cost of the pay award is £155k giving a total Covid related pressure of £6,986k. These additional costs are partially offset by ELI savings of £71k and other net savings of £425k, mainly relating to prudential borrowing savings, additional bin sales to developers and additional weighbridge volume trend income.

Cleaner Neighbourhoods Teams (£437k underspend)

Covid-19 related costs of £242k reflect the loss of income from bulky waste collections, additional costs of cover for staff in self isolation, litter bin stickers, PPE equipment and the cost of the pay award. However, these are offset by staffing savings of £485k and other operational savings of £194k.

City Centre (£39k overspend)

Covid-19 related costs of £157k include the loss of environmental enforcement income, additional cost of cover for staff in self isolation and the pay award, although staffing savings of £75k and other net operational savings of £42k partially offset these costs.

Directorate Wide (£1,177k overspend)

The directorate incurred additional Covid-19 related costs of £855k in respect of a temporary mortuary facility created as part of the Council's emergency planning arrangements to deal with a potential increase in mortality rates over and above current capacity for Leeds and Wakefield. Other covid related costs include a city wide mail out in respect of accessing support (£134k) and staffing costs incurred in response to the crisis. Other non-Covid costs include £124k for the impact of changes to the directorate wide provision for bad and doubtful debts.

Budget Management - net variations against the approved budget;

Summary By Service

				Projected variances												Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Communities	18,087	(13,235)	4,852	197	(84)	1,186	(9)	210	758	0	102	376	2,736	(2,353)	383	
Customer Access	27,849	(5,420)	22,429	557	18	776	(105)	(20)				1,369	2,595	(1,802)	793	
Electoral & Regulatory Services (including Environmental Health)	8,295	(6,431)	1,864	(691)	(146)	(314)	(17)	(227)				1,167	(228)	(44)	(272)	
Welfare And Benefits	193,030	(191,334)	1,696	182	(13)	3,771	(20)	67		6,809		1,542	12,338	(10,434)	1,904	
Car Parking Services	4,867	(12,291)	(7,424)	(295)	294	(432)	2	(161)					(592)	7,438	6,846	
Community Safety	9,376	(7,149)	2,227	12	10	(267)	(12)	363	5			625	736	(848)	(112)	
Waste Management	44,279	(9,794)	34,485	3,371	4	3,283	409	(200)				6,858	13,725	(7,235)	6,490	
Parks And Countryside	33,915	(26,781)	7,134	(1,142)	(229)	11	(136)	(237)			8	725	(1,000)	5,355	4,355	
Environmental Action (City Centre)	2,119	(427)	1,692	(18)	(3)	(81)	12	(13)				44	(59)	98	39	
Cleaner Neighbourhood Teams	12,762	(4,377)	8,385	(368)	(86)	172	(126)	(21)				80	(349)	(88)	(437)	
Directorate wide	0	0	0	42	43	1,398	0	0					1,483	(306)	1,177	
Total	354,579	(277,239)	77,340	1,847	(192)	9,503	(2)	(239)	763	6,809	110	12,786	31,385	(10,219)	21,166	

Key Budget Action Plans and Budget Variations:

	Lead Officer	Additional Comments	RAG	Action Plan Value (£000s)	Forecast Variation against Plan/Budget
Communities					
Communities Team	Communities Team - achievement of staffing efficiencies	Shaid Mahmood	G	(75)	
Community Centres	Community Centres - asset transfer savings and general efficiencies within the service	Shaid Mahmood	A	(100)	30
Communities	Achievement of base budget vacancy factor	Shaid Mahmood	A	(166)	143
Customer Access					
Contact Centre	Secure invest to save funding to partly offset additional staffing	Lee Hemsworth	G	(150)	
Customer Access	Achievement of base budget vacancy factor	Lee Hemsworth	A	(646)	127
Welfare & Benefits					
Housing Benefits	Achievement of staffing reductions	Lee Hemsworth	G	(200)	
Welfare and Benefits	Achievement of base budget vacancy factor	Lee Hemsworth	A	(194)	103
Electoral and Regulatory Services (incl Environmental Health)					
Elections	Charge PCC for share of elections	John Mulcahy	G	(400)	(379)
All	Achievement of base budget vacancy factor	John Mulcahy	G	(177)	
Car Parking					
Car Parking	Increase charges at Woodhouse Lane car park by 50p for a full day	John Mulcahy	R	(100)	100
Car Parking	Achievement of base budget vacancy factor	John Mulcahy	G	(148)	
Waste Management					
Refuse	Secure agreement from DEFRA re revision to waste contract	John Woolmer	G	(2,200)	
Waste Management - all	Achievement of management structure staffing savings	John Woolmer	G	(50)	
Waste Management - all	Achievement of base budget vacancy factor	John Woolmer	G	(290)	
Parks and Countryside					
Parks and Countryside	Additional funding from Children's Funeral Fund	Sean Flesher	G	(120)	
Parks and Countryside	Staffing savings - achievement of vacancy factor	Sean Flesher	G	(1,398)	

Community Safety						
Community Safety	Maximisation of external funding	Paul Money		G	(175)	
Community Safety	Achievement of staffing efficiencies	Paul Money		G	(17)	
Community Safety	Achievement of base vacancy factor	Paul Money		G	(335)	

Directorate Wide

Other Significant Variations						
All	Covid-19 related	All	Covid-19 expenditure/income variations not already shown in action plans above			25,274
All	Staffing	All	Other staffing savings not shown above			(2,035)
All	Other	All	All other variations			(2,197)

Communities & Environment - Variation	21,166
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RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2020/21 FINANCIAL YEAR

OUTTURN

Overall

The Directorate has an outturn of £9.4m over for the 2020/21 financial year which reflects an improvement of around £3.4m since the draft outturn was reported to Members in April. Within these figures, the total COVID related cost/loss of income is £14m is partially offset by savings/income of £4.6m comprising staff savings, additional income and savings in non essential expenditure across all services.

Resources

There is an overspend of just over £1.1m across the Resources group of services, £4.5m of this is due to the adverse impact of COVID partially offset by non COVID savings/income of just over £3.4m.

The most significant items are a loss of court fees in Finance/Legal of £2.5m, £0.4m estimated cost of operating and providing meals from the Food Warehouse, £0.8m reduction in income to capital projects and other charges. Delays to the implementation of Budget Actions Plans and other COVID pressures in Shared Services are around £0.2m.

There are net savings on non COVID related areas of £3.4m, being a combination of savings against vacant posts, savings from ELIs, non essential spend and other running cost savings

Housing Services

There is an overspend of £0.9m in Housing. Of this £0.8m is the additional net costs of supporting homelessness and rough sleeping activity during the pandemic. Gross spend was in excess of £3m. However, income from Housing benefit and government grants have reduced this pressure.

Civic Enterprise Leeds (CEL)

The division has overspent by £6.5m with £7.8m attributable to COVID with partially offsetting savings of £1.3m from additional income and reduced operating costs

Of the £7.8m COVID pressure £5.3m is within LBS due to a reduction in income as a consequence of COVID. The position in LBS is an improvement on previously monthly forecasts by approx £0.3m.

The other main area of COVID pressures are within Catering, where the impact of school closures upon meals, the provision of emergency meals and the closure of commercial catering has cost approx £2.4m, although compensating savings in Catering of £1m and other parts of CEL £0.3m have helped mitigate.

CEL has operational responsibility for the delivery of the Passenger Transport and has delivered outturn savings of £1.1m and £0.3m for the Childrens and Families and Adult and Health directorates respectively which will be reported separately within the outturn dashboards for these directorates.

The Authority wide net expenditure on the delivery of PPE is £0.9m.

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	100,415	(32,613)	67,802	2,600	326	183	(119)	53	0	(54)	0	3,139	6,128	(5,002)	1,126
Housing	23,148	(15,657)	7,491	(610)	63	2,095	30	(342)	1,507	0	0	1,957	4,700	(3,804)	896
CEL	148,396	(140,366)	8,030	(3,609)	212	(5,817)	(617)	(114)	0	0	0	736	(9,209)	15,677	6,468
PPE			0	242	914	2,547	94					923	4,720	(3,797)	923
Total	271,959	(188,636)	83,323	(1,377)	1,515	(992)	(612)	(403)	1,507	(54)	0	6,755	6,339	3,074	9,413

Key Budget Action Plans and Budget Variations:

Service	Budget Action	Lead Officer	Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
HOUSING						
Housing	Additional Charges to DFG	Jill Wildman	New structure in Health and Housing in place. No issues expected, but need to keep under review re level of capital spend to justify charges to scheme	G	(0.21)	
CEL						
Leeds Building Services	To ensure the delivery of the targeted return (£10.655m) and ensure service developments and effective productivity improvements.	Sarah Martin	Turnover approx £14m lower due to pandemic and reduction in HRA Cap prog	R	0.00	5.26
CPM	Additional charges to capital (staffing)	Sarah Martin	New structure in place during 19/20.	G	(0.04)	
Facilities Management	Insourcing of Office waste and Voids	Sarah Martin	Insourcing of general waste contract completed, insourcing of voids slipped.	G	(0.08)	
Facilities Management	Review of servicing offer at Merrion House	Sarah Martin	Savings to come from fewer meetings etc as a result of WFH.	G	(0.06)	
Fleet Services	Electric Vehicle replacement and reduction in hire	Sarah Martin	EV vehicle replacement on track and service working to reduce hire.	A	(0.33)	
Fleet Services	Generate additional external income from maintenance of external vehicles	Sarah Martin	Covid-19 epidemic has delayed savings and income	G	(0.21)	0.09
Catering	Generate net additional income from expanding commercial offer	Sarah Martin	Commercial catering all but closed in 20-21	R	(0.03)	
Catering	Target saving from reduced reliance on meat based dishes	Sarah Martin	Affected school closures. Catering pressures reported on COVID line	R	(0.04)	
RESOURCES						
DIS / Shared Services	Mail and Print Review - Printer rationalisation	Bev Fisher	This has been done printers required will be in place for end of March and paid from ESP budget 2019/20;	G	(0.25)	
DIS / Shared Services	Mail and Print Review - Reductions in the volume of printing (Colour)	Bev Fisher	Work in progress to get volumes down – given that the vast majority of staff are wfh there will be significant reductions in printing. Assuming WFH continues into 2020/21 will bring reduced printing costs in the new year.	G	(0.15)	
DIS / Shared Services	Mail and Print Review - new Print Unit Equipment and LCC wide cost reduction on external spend	Sonya McDonald	Procurement exercise completed. Contract due to be awarded	R	(0.14)	0.07
DIS	DIS Breakfix - reduced external spend	Bev Fisher	This is done - past six months trends show a reduction in costs – no reasons this wouldn't continue.	G	(0.06)	
DIS	Staffing Reduction - DIS Service Desk	Bev Fisher	Not actioned – given the current demand/volume of calls cannot reduce staffing levels in the service desk in the near future or maybe at all. Need to identify alternative actions to offset	G	(0.05)	
DIS	DIS - Health and City Partnerships	Bev Fisher	Done and agreed – signed 12 months contracts with health partners	G	(0.25)	
HR	Staffing reductions	Andrew Dodman	ELI Business case approved. Staff leaving between Mar and Oct; Savings net of ELI costs	G	(0.13)	
HR	Income HR	Andrew Dodman	Charges to academies. Agreed	G	(0.02)	
HR	Ultra Low Emission Vehicles (ULEV)	Andrew Dodman	Anticipate around £10k LCC wide on existing ULEV take up	R	(0.05)	0.05
HR	Apprenticeship Levy (Rolled over 19/20)	Andrew Dodman	This income has not been received. Alternative savings in HR	R	(0.15)	0.15
Shared Services	E Invoices	Sonya McDonald	Procurement exercise for technical solution completed	R	(0.15)	0.15
Shared Services	Servicing of meeting savings	Louise Snowden	£200k initial savings; £60k been identified elsewhere. £140k potential issue	R	(0.14)	0.07
DIRECTORATE WIDE						
Directorate Wide	Line by Line Reductions	Various COs	HR £44k (Staff shop, Serv Devt); Legal £100k; Pru Borrowing £60k; S&I £50k; IN year monitoring of spend	G	(0.31)	
Directorate Wide	Staffing reductions	Various COs	Passengers £87k ELI done; Housing Options £90k (split GF/ HRA)	G	(0.13)	
Directorate Wide	Impact of Covid-19		Additional expenditure/loss of income as a result of pandemic net of £1.3m HB income	R		6.69
	Impact of Covid-19		Pay Award	R		0.84
Directorate/LCC Wide	Impact of Covid-19		PPE Expenditure	R		0.92
B. Other Significant Variations			Net pressures, vacancy freeze and non essential spend savings			
Directorate/LCC Wide	All Other variations			G		(4.88)

Resources and Housing Directorate - Outturn Variation

9.41

**STRATEGIC & CENTRAL ACCOUNTS - 2020/21 FINANCIAL YEAR
FINANCIAL DASHBOARD - OUTTURN**

Overall :

The overall outturn position for Strategic & Central Accounts shows an underspend of £65.9m.

The dashboard includes a separate row for corporate Covid-related pressures and income, with a total net credit of £86.3m. This position includes £69.5m of government grant support awarded to the council for the impact of Covid (of which £19.3m was received in March 2020 and carried forward in reserves) and a projected £27.5m compensation grant for lost sales, fees and charges income during the pandemic. It also reflects the estimated £11.7m cost of the corporate Early Leavers scheme, less £0.5m to be funded from the flexible use of capital receipt. Following improvements to directorate positions, it has not been necessary to make use of capital receipts brought forward arising from the Merrion House capital distribution.

The dashboard recognises a shortfall of £23.3m in capital receipts generated in year, as a result of the shutdown in the economy due to the Covid 19 lockdown, which would require a corresponding increase in the level of MRP chargeable to revenue. This is net of an additional £4.1m target for capital receipts which has enabled a contribution to the general fund reserve. There has been an underspend of £1.9m in the budget for external interest costs and investment income, partially offset by a reduction of £0.5m in prudential borrowing costs recovered from directorates.

As a result of the impact of Covid 19 on the local economy, the council has received significantly more S31 grants as compensation for the additional business rates reliefs given during the year. There will be a corresponding impact on the Collection Fund deficit which the council will have to fund in 2021/22 as a result of these additional reliefs, and thus the additional income (£155.0m) will be fully required in 2021/22 and will therefore be carried forward in an earmarked reserve. Projected grant income under the Council Tax and Business Rates income guarantee schemes of £2.2m and £15.3m respectively have been accrued for and carried forward in reserves. A reduction of £2.1m has also been recognised in the council's projected business rates levy for the year, as a result of reduced business rates income. Following the 2020 government spending review, an additional £2.2m of New Homes Bonus grant income has also been recognised.

The general capitalisation budget target has not been met, and reflects a shortfall of £0.9m, however this has been more than offset by other minor savings totalling £1.4m. Non-covid related underspends of £3.4m in the overall corporate position are shown as a contribution to earmarked reserves.

Budget Management - net variations against the approved budget

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	PROJECTED VARIANCES										Total (under) / overspend £'000	
				Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000		Income £'000
Strategic Accounts	(12,988)	(20,089)	(33,078)	(228)		1,234						4,025	5,031	(1,327)	3,704
Corporate Covid issues	0	0	0	10,705							0	(19,325)	(8,620)	(77,668)	(86,288)
Debt	35,747	(17,881)	17,866			(512)					16,999	5,229	21,716	94	21,810
Govt Grants	2,161	(27,581)	(25,420)									172,550	170,527	(175,199)	(4,672)
Joint Committees	35,201	0	35,201						(67)					(67)	(67)
Miscellaneous	5,746	(794)	4,952	(169)		(95)			(36)					(300)	(357)
Insurance	8,764	(8,764)	0			1,205		(137)				489	1,557	(1,557)	0
Total	74,630	(75,109)	(479)	10,308	0	1,832	0	(137)	(103)	(2,023)	16,999	162,968	189,844	(255,714)	(65,870)

STRATEGIC & CENTRAL ACCOUNTS - 2020/21 FINANCIAL YEAR

<u>Key Budget Action Plans and Budget Variations:</u>				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Victoria Bradshaw	There has been an underspend on external debt cost.	G	20.2	(1.9)
2.	Minimum Revenue Provision	Victoria Bradshaw	The budget relies on the use of capital receipts to repay some debt. Due to the slowdown in economic activity, a reduced level of capital receipts were realised, requiring additional MRP from revenue.	R	14.2	23.3
3.	New Homes Bonus	Victoria Bradshaw	Forecast increased following recent Government Spending Review	G	(4.7)	(2.2)
4.	Business Rates (S31 Grants & retained income)	Victoria Bradshaw	There has been an additional £155.0m of S31 grant income in relation to business rates. However this will be required to fund the Collection Fund deficit expected to be carried forward to 2021/22, and so will be carried forward in an earmarked reserve.	G	(22.7)	0.0
5.	S278 Contributions	Victoria Bradshaw	Section 278 capital spend and funding is was in line with the budget.	G	(4.6)	0.0
6.	General capitalisation target	Victoria Bradshaw	Reductions in non-essential spend reduced the potential for capitalisation.	A	(3.5)	0.9
7.	Schools capitalisation target	Victoria Bradshaw	The outturn position was in line with the budget.	A	(3.7)	0.0
8.	Joint Committees	Victoria Bradshaw	Minor net variations.	G	35.2	(0.1)
9.	Covid support grants	Victoria Bradshaw	General Covid support grants totalling £69.5m have been recognised, together with £27.5m of grant in compensation for lost sales, fees & charges income	G	0.0	(97.0)
10.	Early leavers costs	Victoria Bradshaw	Estimated severance costs of £9.5m and pension strain costs of £1.3m have been included in respect of the corporate ELI scheme	R	0.0	11.2
11.	Use of capital receipts	Victoria Bradshaw	Following improvements in the position across directorates it has not been necessary to use the capital receipt recognised in relation to Merrion House	G	0.0	0.0
12.	Flexible use of capital receipts	Victoria Bradshaw	It is intended that £0.5m of the Early Leavers costs included in item 10 above will be capitalised under the flexible use of capital receipts provisions	G	0.0	(0.5)
B. Other Significant Budgets						
1.	Insurance	Victoria Bradshaw	New large claims, partially offset by schools income, have driven an overspend of £489k to be funded from insurance reserve.	A	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Shortfall due to slippage in caital spend.	G	(16.6)	0.5
3.	Business Rates Levy	Victoria Bradshaw	Based on provisional outturn, the council's levy payable is expected to be below budget	G	2.1	(2.1)
4.	Contributions to earmarked reserves	Victoria Bradshaw	Potential underspends of £3.4m in the overall corporate position will be contributed to earmarked reserves.	G	0.0	3.4
5.	Other government grants	Victoria Bradshaw	Minor net variations	G	4.9	(0.3)
6.	Miscellaneous	Victoria Bradshaw	Minor net variations	G	4.9	(0.4)
7.	Strategic - other budgets	Victoria Bradshaw	Minor net variations	G	0.0	(0.7)
Strategic & Central Accounts - Forecast Variation						(65.9)

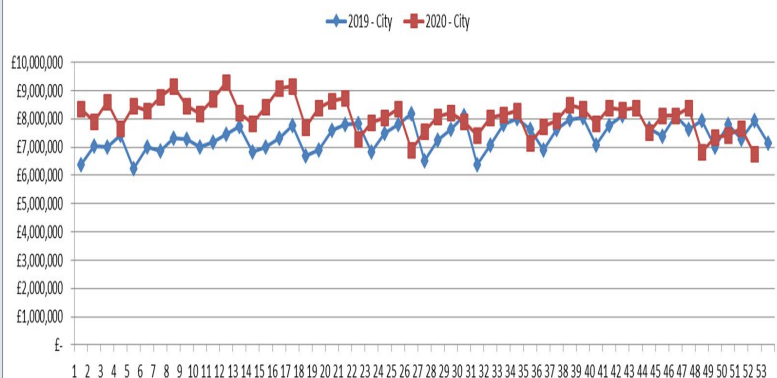
Housing Revenue Account - Outturn Financial Dashboard - 2020/21 Financial Year

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

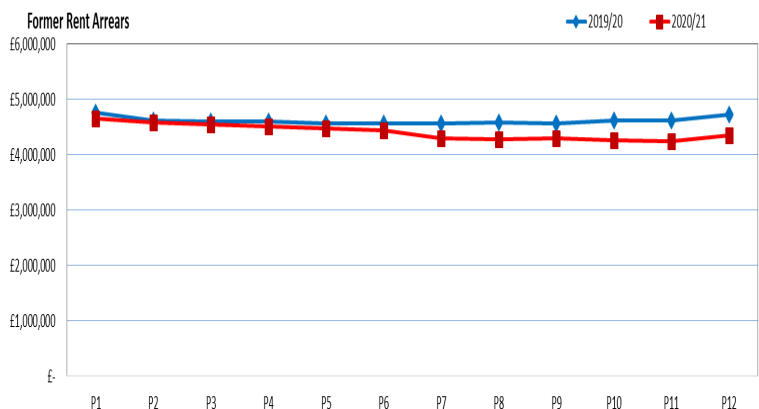
Directorate	Current Budget	Outturn Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
Income					
Rents	(212,140)	(210,495)	1,646	£1,028k Increase in Voids due to Covid 19. £365k pre-covid trend void rate moved from 0.75 to 0.92. £197k Net impact of reduction in RtBs sales offset by ROFR delays. Garages rent pressure £77k.	1,738
Service Charges	(8,484)	(8,484)	(1)		3
Other Income	(33,772)	(32,457)	1,315	£304k RtB admin income due to Covid 19. £45k Technical cap sals. £626k Civica project team not charged to capital. £250k staff not working on capital schemes due to Covid 19. £642k vacant posts in P&I not charged to cap schemes. £412k Hsg growth posts vacant - offset in emp costs. £200k reduction in Court income due to Covid 19 - offset in Internal Charges. Leeds Pipes pressure £191k. £(300)k Telecoms income. £(840)k Gainshare income. £(204)k App Levy grant.	1,571
Total Income	(254,396)	(251,437)	2,960		3,313
Expenditure					
Disrepair Provision	1,400	3,774	2,374	Increase in case numbers and average costs.	2,130
Repairs to Dwellings	49,786	45,107	(4,679)	Covid 19 impact.	(4,200)
Council Tax on Voids	778	1,124	346	Covid 19 impact due to void level.	346
Employees	31,402	30,378	(1,024)	Hsg Mgt £(1,508)k, P&I £(708)k, Hsg Growth £(370)k, Technical £(18)k. £1,201k Severance costs and £150k pension strain for employees leaving before end of 20/21. £204k App Levy costs.	(1,452)
Premises	8,202	8,034	(168)	£140k Navigatn House Delapidation work. Electricity and water savings £(227)k. £(37)k Crabon reduction levy ended.	(37)
Supplies & Services	3,835	3,254	(581)	£(169)k ICT savings review. £(75)k Environ budgets, £(44)k Tenant mobility scheme, £(39)k income mgt costs plus WFH and line by line review savings.	(547)
Internal Services	44,064	43,725	(339)	£480k Civica DIS staff not charged to capital. £(194)k reduction in charges for Court cost - offset in internal Income. £(35)k PFI movement. £(153)k Leeds pipes reduction in consumption. £(117) Community safety recharge. £309k Disrepair legal costs. £(378)k grounds maintenance. £102k Community Hubs. £(283)k startegic hsg recharges.	(311)
Capital Programme	55,845	41,627	(14,218)	£14.2m reduction in transfer to capital due to slippage in the programme. £10.3m transfer to capital reserve, £3.9m funding other pressures.	(14,186)
Unitary Charge PFI	10,417	10,143	(274)	To reflect movement on PFI.	(274)
Capital Charges	44,334	44,049	(285)	£(278)k to fund capitalised interest for assets under construction.	(1)
Other Expenditure	5,739	5,980	242	Provision for bad debt £388k pressure. £(163)k transport saving due to Covid 19. £(103)k Reduced Community Payback payments due to Covid 19. £(41)k HAP offset in appropriation entry. £216k Sheltered hsg scheme charge to reserve. £(33)k DHP.	(1)
Total Expenditure	255,800	237,194	(18,606)		(18,532)
Net Position	1,404	(14,243)	(15,647)		(15,220)
Appropriation: Sinking funds	(216)	674	890	Movement in PFI - offset above.	881
Appropriation: Reserves	(1,188)	3,268	4,456	£129k to EIT reserve. £4,200k Transfer to Repair / Disrepair reserve. £41k HAPs reserve. £(216)k Sheltered reserve. £292k to General reserve.	4,039
(Surplus)/Deficit	0	(10,300)	(10,300)		(10,300)
Transfer to Capital Reserve		10,300	10,300	Transfer to Capital Reserve	10,300
Total Current Month	0	(0)	(0)		0

Housing Revenue Account - Outturn Financial Dashboard - 2020/21 Financial Year

Current Rent Arrears HMA1 £



Former Rent Arrears



Change in Stock	Budget	Outturn
Right to Buy sales	(645)	(411)
Right of First Refusals/ Buybacks	65	51
New Build (Council House Growth)	80	75
Total	(500)	(285)

Right to Buy Receipts	2019/20 Actual	2020/21 Outturn
Total Value of sales (£000s)	33,931	23,551
Average Selling Price per unit (£000s)	55.4	57.3
Number of Sales	612	411
Number of Live Applications	1,333	1,503

Arrears	2019/20	2020/21	Variance
	£000	£000	£000
Dwelling rents & charges	2019/20 Week 53	2020/21 Week 52	
Current Dwellings	7,142	6,765	(376)
Former Tenants	4,716	4,356	(360)
	11,858	11,122	(736)
Under occupation	2019/20 Week 53	2020/21 Week 52	
Volume of Accounts	3,051	2,687	(364)
Volume in Arrears	1,198	838	(360)
% in Arrears	39.3%	31.2%	-8.1%
Value of Arrears	197	121	(77)
Collection Rates	2019/20 Week 53	2020/21 Week 52	
Dwelling rents	96.43%	96.70%	0.3%
Target	97.50%	97.50%	0.0%
Variance to Target	-1.07%	-0.80%	0.3%

Housing Revenue Account - Outturn Financial Dashboard - 2020/21 Financial Year

Financial Position on Reserves	Reserves b/f	Use of Reserves	Contribution to Reserves	Closing reserves
	£000	£000	£000	£000
HRA General Reserve	(6,495)	0	(292)	(6,787)
Earmarked Reserves				
Welfare Change	(807)	651	0	(156)
Housing Advisory Panels	(507)	0	(41)	(548)
Sheltered Housing	(2,777)	216	0	(2,561)
Early Leavers' Initiative	(408)	408	0	0
Wharefedale View	(23)	0	(10)	(33)
Changing the Workplace	(151)	0	0	(151)
ERDMS	(257)	0	0	(257)
Proposed Repair / Disrepair Reserve	0	0	(4,200)	(4,200)
	(4,930)	1,275	(4,251)	(7,906)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(1,474)	0	(1,397)	(2,871)
LLBH&H PFI Sinking Fund	(6,025)	723	0	(5,302)
	(7,499)	723	(1,397)	(8,173)
Capital Reserve				
MRR (General)	(8,278)	46,620	(51,927)	(13,586)
MRR (New Build)	(1,105)	961	0	(144)
	(9,383)	47,581	(51,927)	(13,730)
Total	(28,308)	49,579	(57,867)	(36,596)

Directorate	Description of Reserve	Balance at 1st April 2020 £k	Transfers To & From Reserve £k	Balance at Outturn 2020/21 £k	Reason for Reserve
GENERAL FUND		(31,520)	3,761	(27,759)	
Adults & Health	S256 funding for Health Inequalities	(1,823)	0	(1,823)	Specific funding from Leeds South and East CCG for tackling health inequalities.
Adults & Health	Health & Social Care (CCG)	(4,165)	(1,056)	(5,221)	To fund Health and Social Care priorities
Adults & Health	Prisons Reserve	(126)	0	(126)	CCG funding for social work in prisons
Adults & Health	Drugs Commissioning	(133)	0	(133)	Carry forward of external income for drug and alcohol priorities
Adults & Health	Transforming Care	(2,766)	373	(2,393)	Provision to mitigate against costs associated with the NHS England led transfer of care packages to a community setting, in accordance with 2017/18 budget report
Adults & Health	Social Care Development Reserve	(976)	0	(976)	Provision to meet costs associated with development of social care models e.g. Recovery Model in accordance with 2017/18 budget report
Adults & Health	Resilience Reserve	(627)	627	0	Provision to mitigate against unforeseen demand pressures e.g. caused by hot summers, cold winters, flu outbreaks etc., in accordance with 2017/18 budget report
Adults & Health	Safeguarding (Adults)	(266)	(16)	(282)	Independent Safeguarding Board - carry forward of partner contributions.
Adults & Health	Spring Budget	(7,600)	(723)	(8,323)	Carry forward of Spring Budget monies from DCLG.
Adults & Health	Skills For Care	(192)	0	(192)	To provide funding for training of Care Workers
Children & Families	Health Innovations	(745)	241	(504)	Monies given by Health Service for a number of joint initiatives around commissioning & children's centres
Children & Families	Safeguarding (Children's)	(230)	12	(218)	Independent Safeguarding Board - carry forward of partner contributions to fund serious case reviews
Children & Families	BS Scheme	(20)	20	0	Funding from the CCG to continue the Intensive Positive Behaviour Service in 20/21
City Development	Armed Forces Day	(6)	0	(6)	Funding for Armed Forces Days
Communities & Environment	Casino License	(216)	26	(190)	Reserve for creation of Social Inclusion Fund as per licence bid
Communities & Environment	NEW - Self-Isolation Payment Reserve	0	(844)	(844)	Self-Isolation Payment funding to carry forward
Communities & Environment	Economic, Social and Environmental Wellbeing fund	(209)	(182)	(391)	Carry forward balances on the wellbeing budgets of Community Committee.
Communities & Environment	Communities Innovation Fund	(20)	(12)	(32)	To fund work with the 3rd Sector to develop future financial sustainability in the sector.
Communities & Environment	Waste Management	(540)	(157)	(697)	Balance of waste disposal contract savings secured in 19/20 to support the delivery of the Refuse route review and the developing waste strategy.
Resources & Housing	Homelessness Prevention Fund	(1,047)	28	(1,019)	To fund Homelessness prevention
Resources & Housing	Lord Mayor	(10)	0	(10)	Balance of budget carried forward.
Resources & Housing	Members club	(8)	0	(8)	Surplus on the Members Club.
Resources & Housing	Low Carbon Programme	(8)	(150)	(158)	To support delivery of work on Air Quality
Resources & Housing	NEW - Connect Implementation 2021-22	0	(300)	(300)	To fund the implementation costs of the Connect system in LBS.
Resources & Housing	Section 256	(360)	68	(292)	Funding from the CCG to be utilised by DIS to fund development of Digital Solutions for Personalised Care
Resources & Housing	Energy Efficiency Reserve - LCC	(221)	0	(221)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic & Central	General Insurance	(3,278)	(2,699)	(5,977)	To help fund cost of future insurance claims
Strategic & Central	Mutual Municipal Insurance	(11)	0	(11)	Reserve to fund potential claw backs of past insurance receipts from MMI.
Strategic & Central	Legal Cost of VAT claims	(63)	0	(63)	Funds set aside from £8.4m VAT claim refund received in 10/11 (originally £100k) to help fund legal costs for remaining VAT cases
Strategic & Central	Capital Reserve	(1,745)	(226)	(1,971)	Directorate contributions towards borrowing costs of capital schemes. Contributions received over life of asset and released back to revenue to cover debt costs over life of loan. Reserve now exhausted.
Strategic & Central	NEW - Merrion House Reserve	0	(2)	(2)	Reserve to fund the future costs of the Merrion House lease
Strategic & Central	NEW - S31 Business Rates Reserve	0	(155,019)	(155,019)	Reserve to carry forward S31 NDR relief grants received in 20/21 to 21/22
Strategic & Central	NEW- Strategic Contingency Reserve	0	(24,338)	(24,338)	Non Covid directorate savings - to fund future unforeseen budget pressures and to ensure the Council becoming more financially resilient
Strategic & Central	NEW - Council Tax TIG reserve	0	(2,234)	(2,234)	Income guarantee for lost C Tax in 20/21, to be spread over next 3 years.
Strategic & Central	NEW - Business rates TIG reserve	0	(15,297)	(15,297)	Income guarantee for lost NDR in 20/21, to be spread over next 3 years.
Strategic & Central	Invest to Save	(444)	(1,231)	(1,675)	Fund to get projects off the ground to generate future revenue savings.
Strategic & Central	Business Rates Distribution	(2,206)	568	(1,638)	To carry forward 2018/19 Business Rates Pool surplus and funding allocated to projects.
Sub-total Earmarked Reserves		(30,061)	(202,522)	(232,583)	
Total non-ring fenced Reserves		(61,581)	(198,761)	(260,342)	

Directorate	Description of Reserve	Balance at 1st April 2020 £k	Transfers To & From Reserve £k	Balance at Outturn 2020/21 £k	Reason for Reserve
Schools	Extended Schools Balances	(6,252)	1,054	(5,198)	Surpluses on extended school activities carried forward
Schools	Schools Balances	(15,398)	(17,838)	(33,236)	Schools balances net of VER, Children's Services and BSF PFI borrowing
Schools	Dedicated Schools Grant	3,233	(1,231)	2,002	Carry forward of ring fenced DSG funding.
Schools	SEND Fund	(100)	58	(42)	Funding received for work with children with Special Educational Needs and Disabilities
Adults & Health	NEW - Rapid Test Fund	0	(115)	(115)	Funding from Central Government to support COVID rapid testing of individuals
Adults & Health	NEW- Community Discharge Grant	0	(855)	(855)	Funding from Central Government for transitions costs from Hospitals back to Community Settings
Adults & Health	Public Health Grant	0	(1,191)	(1,191)	Public Health grant carried forward
Communities & Environment	Taxi & Private Hire Licensing Surplus	(246)	(14)	(260)	Ring fenced reserve for taxi and private hire licensing service.
Strategic	Energy Efficiency Reserve - Salix	(510)	11	(499)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic	Revenue grants	(26,852)	18,195	(8,657)	Revenue grants carried forward as per IFRS requirements (see note 1 below)
	Sub-total General Fund Ring-fenced Reserves	(46,125)	(1,926)	(48,051)	
	Note 1: Revenue Grants				
Adults & Health		(270)	0	(270)	Revenue Grants Carried Forward
Children & Families (Partners in Education)		(1,615)	566	(1,049)	Revenue Grants Carried Forward - DfE Partners In Practise funding.
Children & Families (Other)		(864)	291	(573)	Revenue Grants Carried Forward
City Development		(1,403)	(1,573)	(2,976)	Revenue Grants Carried Forward
Communities & Environment		(51)	0	(51)	Revenue Grants Carried Forward
Resources & Housing		(3,138)	(414)	(3,552)	Revenue Grants Carried Forward
Strategic Accounts (Brexit)		(186)	0	(186)	Revenue Grants Carried Forward
Strategic Accounts (COVID-19 Grant Reserve)		(19,325)	19,325	0	Revenue Grants Carried Forward - MHCLG COVID Support Grant
	Sub-total Revenue Grants	(26,852)	18,195	(8,657)	
	HRA RING FENCED RESERVES				
	HRA General Reserve	(6,495)	(292)	(6,787)	
	Welfare Reform	(807)	650	(157)	To fund pressures arising from welfare reform.
	Housing Advisory Panels (HAPs) Reserve	(507)	(40)	(547)	To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.
	Sheltered Housing	(2,777)	216	(2,561)	To fund investment in sheltered housing schemes which will contain shared bathing facilities and fund improved access for people with mobility issues.
	Early Leavers' Initiative	(408)	408	0	To fund the cost of approved severance payments
	Wharfedale View SF	(23)	(11)	(34)	Contribution from shared owners towards future costs of replacing furniture and carpets at Wharfedale View Extra Care facility
	Changing the Workplace	(151)	0	(151)	To fund the cost of 'new ways of working' for staff in Housing Leeds as office moves are completed.
	eFiles Box It Project	(257)	0	(257)	Principally to fund the scanning of Housing Management paper files to electronic files - to assist the Housing Service in the preparation for moving to Community Hubs.
	Swarcliffe PFI	(1,474)	(1,396)	(2,870)	PFI Sinking Fund
	LLBH&H PFI Sinking fund	(6,025)	723	(5,302)	PFI Sinking Fund
	NEW - Revenue Repairs Reserve	0	(4,200)	(4,200)	Carry forward of in year underspend due to COVID
	Major Repairs Reserve	(9,384)	(4,346)	(13,730)	Ring-fenced to fund capital expenditure or redeem debt.
	Sub-total HRA Reserves	(28,308)	(8,288)	(36,596)	
	Total Ring-fenced Reserves	(74,433)	(10,214)	(84,647)	
	TOTAL RESERVES	(136,014)	(208,975)	(344,989)	

CAPITAL PROGRAMME - 2020/21 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2021 and the final outturn 2020/21 as at 14th May 2021. The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	Feb 2021 £000s	2020/21 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Adults & Health	All Schemes	2,776.7	2,570.0	(206.7)	No material variances on the 23 schemes delivered within Adults and Health.
		2,776.7	2,570.0	(206.7)	

CAPITAL PROGRAMME - 2020/21 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2021 and the final outturn 2020/21 as at 14th May 2021. The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	Feb 2021 £000s	2020/21 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Strategic & Central	PFI Lifecycle costs	9,389.4	8,280.1	(1,109.3)	Delays in undertaking lifecycle works significantly reduced by £1.1m the financial model figures that could be capitalised.
	Transformational Change, General Capitalisations, Capitalisation of Interest	5,986.0	5,320.1	(665.9)	The transformational change programme assumed a higher level of early leaver initiative £0.35m. On general capitalisations funding of £0.2m was transferred / utilised for additional Schools Capitalisation. The capitalisation of interest on assets under construction is under by £0.1m due to slippage within the overall programme.
	Revolving Infrastructure Fund (RIF)	1,040.9	0.0	(1,040.9)	Delays in finalising loan agreements has resulted in slippage of new drawdowns against the RIF.
	Other schemes	974.6	855.9	(118.7)	No material variances on Future Ways of Working programme and within the Ward Based Initiative schemes within Strategic and Central.
		17,390.9	14,456.1	(2,934.8)	

CAPITAL PROGRAMME - 2020/21 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2021 and the final outturn 2020/21 as at 14th May 2021. The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	Feb 2021 £000s	2020/21 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
City Development	Highways	183,552.6	190,011.6	6,459.0	Highways accounts for 47% of the total general fund capital programme in 2020/21 and 92% of the overall 2020/21 City Development programme. Highways has delivered and progressed schemes totalling £190m. Main variances occurred on Connecting Leeds Public Transport Initiative, a DFT grant funded programme where the full year projection of £67.2m was not adjusted and remained as reported to DFT. The programme achieved £75.8m of spend which accounts for most of the Highways variance in 2021/22. During the COVID pandemic low levels of traffic, general fair weather conditions and more resources supplied on the ground has allowed us to over deliver in excess of planned works on some of the directorates high priority schemes - particularly the City Centre Gateways £24m which are transforming the city centre including schemes on the Headrow, Infirmary St and Corn Exchange - Park & Ride schemes have delivered £21m with key achievements and progress being made at Stourton £19m and the completion of Elland Road P&R. Other notable programmes which have progressed and achieved more than the estimates are Street Lighting LED replacement programme £3.1m, Regent St Flyover £1m and the Flood Alleviation programme £1m. Some programmes and schemes resulted in being under the estimated provision £3m with the other major projects programmes being East Leeds Orbital Road £1.6m, Corridor improvement programme £1m due to the late swap of 3 schemes transferred from LPTIP and £0.4m on the development of schemes from WYCA funded programmes. Other highways schemes within the 345+ schemes delivered in year have no material variances within this report.
	Asset Mgt	4,479.0	4,135.8	(343.2)	The main variance to report in Asset Management was Redhall Demolition £0.3m due to the complexity around utility connection terminations which have delayed some of the demolition works. While no other material variances to report there have been some over and underspends within the remaining 31 schemes delivered.

Culture and Sport	4,611.3	1,760.9	(2,850.4)	The development of the Parklife schemes have been delayed as a direct result of COVID resulting in slippage of £1m at outturn. West Yorkshire Playhouse estimate didn't reflect the position at the time of the setting of the capital programme resulting in a £788k slippage, the scheme will be completed early in the new financial year. While no overall material variances within the Culture and Sport programme there have been some minor over and underspends on the 26 schemes delivered in 2019/20.
Economic Development	3,634.3	2,342.4	(1,291.9)	Late decision to drawdown loans to Leeds Studios of £1m were paid out in March for the TV & Film Studio loan scheme over the estimated provision within the scheme. This was offset by City Centre Management public realm scheme delays of £1.3m and Markets schemes £0.7m with delayed implementation of the 1875 Roof and block shops and the new hall units. While no overall material variances within the remaining schemes delivered within Economic development there have been some over and underspends on the 50+ schemes delivered in 2020/21.
Regeneration	2,831.6	1,246.5	(1,585.1)	This variance is mainly due to Lower Kirkgate grant scheme provision remaining unchanged at the capital programme setting resulting in £1m of slippage. The Local Centre Programme has encountered delays in the development of the programme resulting in £0.5m slippage to 2021/22 however we aspire to deliver this programme in the next 18 months. The remaining schemes in Regeneration are offset with over and unders resulting in no other material variances.
	199,108.8	199,497.2	388.4	

CAPITAL PROGRAMME - 2020/21 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2021 and the final outturn 2020/21 as at 14th May 2020. The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	Feb 2021 £000s	2020/21 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Children & Families	Learning Places	46,883.3	43,819.9	(3,063.4)	The main variances within the Learning Places Programme were down to some delays in designing up schemes, difficulty in sub contractors procuring materials and delays in agreeing final accounts which we assumed would be settled in year. There have also been some minor over and underspends on the 67 schemes delivered in 2020/21.
	Schools Capital Maintenance and Health & Safety	21,534.1	19,156.4	(2,377.7)	Benton Park HS redevelopment achieved 86% of the projected spend at the setting of the capital programme which has resulted in £2.1m of slippage to 2021/22. There have been some minor over and underspends on the 44 remaining schemes within the programme in 2020/21.
	Other Children's Services Schemes	7,371.6	7,214.4	(157.2)	Variances within the remaining 70 schemes within Children and Families have been offset by the over and underspends within the year which has resulted in no net material variance.
		75,789.0	70,190.7	(5,598.3)	

CAPITAL PROGRAMME - 2020/21 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2021 and the final outturn 2020/21 as at 14th May 2020. The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	Feb 2021 £000s	2020/21 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Resources & Housing General Fund	District Heating Network, Fuel poverty fund and Clean Air Zone	9,467.2	10,601.5	1,134.3	SECC was successful in a bid worth £25m to the Government's public sector decarbonisation programme after the capital programme was set and contributed to the £2.2m spend over estimates within the energy efficiency programme in 2020/21. This has been offset by net underspends of £1m mainly due to the Clean Air Zone grant being repurposed with discussions ongoing with Government on what similar energy efficiency and climate related schemes we can progress in 2021/22.
	CPM - works to Corporate buildings, Backlog Maintenance Fire Risk assessment works and Demolitions	6,546.6	4,383.5	(2,163.1)	A large part of the underspend £1.1m has taken place within backlog maintenance and this has now slipped to 2021/22. No other individual material variances have occurred within the programme where there have been some minor over and underspends on the 140 schemes delivered in 2020/21.
	Vehicle Replacement Programme	6,789.9	3,555.3	(3,234.6)	The vehicle replacement programme is moving to a majority electric fleet and through lockdown we have taken the opportunity to slow the planned replacements £2m and extend the life of some vehicles. This allows us to look at service needs moving forward taking account of the fast changing specifications of electric vehicles together with the infrastructure needed across the city. The Electric trial scheme £1m was also stalled with private sector businesses slow to come forward, there were also difficulties encountered with loaning out vehicles during lockdown.
	Digital Information Services and Finance	14,433.4	13,037.8	(1,395.6)	Some budgets realigned within the essential services programme and while kit has been ordered it will now arrive in May in the new financial year £0.7m. On the Full Fibre Network the external provider has encountered delays in connecting the planned sites scheduled with £0.3m slipped to future years. DIS are also reassessing equipment requirement needs in services with the large take up in ELLs across the council £0.2m.

Housing Supported Loans, Adaptations programme, private sector renewal and Travellers Sites.	13,618.8	8,881.7	(4,737.1)	The new supply affordable and supported housing loans scheme underspent as a result of delays in taking up loans available £2.1m. Holbeck Group Repair Ph2 which will deliver works to 150 properties encountered delays in signing up these properties and will now be delivered in 2021/22 utilising getting building funding £2.65m and private sector contributions. Adaptations resulted in being £0.6m under estimates as a direct result of the pandemic with difficulties in delivering works in peoples homes. No other individual material variances within the remaining R&H programme.
	50,855.9	40,459.8	(10,396.1)	

Directorate	Programme/ Scheme	Feb 2021	2020/21 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Communities & Environment	Parks Main Programme	6,697.6	1,841.2	(4,856.4)	The replacement of Parks Equipment and Machinery £0.8m while ordered will now be delivered early in the new financial year. A number of COVID related pressures resulted in reduced capacity and therefore scheme delays leading to slippage into 21/22 financial year.
	Cemeteries & Crematoria	1,010.3	59.6	(950.7)	Options to identify localised expansion of cemetery provision continue to be explored. Schemes under development were delayed in 20/21 due to technical and capacity related reasons that were exacerbated by COVID and as consequence this has lead to slippage into 21/22 financial year.
	Community Hubs and Customer Access systems	1,569.4	1,521.9	(47.5)	While no overall material variances within the programme there have been some over and underspends on the 18 schemes delivered in 2020/21.
	Waste Operational	1,617.2	1,200.5	(416.7)	The main underspend within Waste relates to the scheme for the build of a new citywide Environmental Services depot/offices. This was delayed due to finalising the site requirements and contractual details, together with some groundwork issues. In addition, provision remains in the garden waste wheelie bins scheme for future new builds/developments that have been factored into the route review.
	Other E&H General Fund	1,073.9	974.3	(99.6)	No other material variances on remaining 143 schemes within Communities and Environment.
		11,968.4	5,597.5	(6,370.9)	
Total General Fund Variances		357,889.7	332,771.3	(25,118.4)	

CAPITAL PROGRAMME - 2020/21 HRA, HOUSING LEEDS & BITMO OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2021 and the final outturn 2020/21 as at 14th May 2021.

The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	Feb 2021 £000s	2020/21 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Resources and Housing HRA	Council Housing Growth Programme	15,904.1	16,225.5	321.4	No material variances on the schemes being delivered within the programme and overall managed well within the overall budget available.
	Housing Leeds & Other HRA	60,959.4	54,154.1	(6,805.3)	Housing Leeds outturn is £6.8m below projections mainly due to estimations remaining unchanged at the setting of the capital programme in February. Some of the schemes encountered delays and didn't deliver as much as expected and these have been slipped to 2021/22. Movements in year between budgets have generally been contained within budget provision and while there have been overs and unders on some budget headings during the year HL have managed the 2020/21 programme within the existing overall funding available under extenuating circumstances throughout the year.
	BITMO	1,785.2	961.7	(823.5)	Some of the main schemes delivery have been affected by delays down to COVID and have slipped into 2021/22. While no overall material variances within the programme there have been some over and underspends on the 34 schemes delivered in 2020/21.
Total HRA Variances		78,648.7	71,341.3	(7,307.4)	
Total Capital Program Variances		436,538.4	404,112.6	(32,425.8)	