

Financial Health Monitoring 2023/24 – Month 5 (August)

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2023/24 at Month 5 (August).
- 1.2 Budget monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations at Month 5 (August).

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2023/24 was set at £573.4m.
- 2.2 Following the closure of the 2022/23 accounts, the Council's general fund reserve stood at £33.2m. The 2023/24 budget assumes a £3m contribution to this reserve as part of measures taken to ensure financial robustness and sustainability in the future.
- 2.3 The Medium Term Financial Strategy assumes a balanced budget position for 2023/24 after the application of Government funding, the delivery of savings and the utilisation of earmarked reserves. Any adverse variation to a balanced budget position at the year end will require the identification of further savings in 2024/25.
- 2.4 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are deemed to be at risk, for example the implementation of budget action plans and those budgets which are subject to fluctuating demand and key income budgets. This is reinforced through specific project management based support and reporting around the achievement of key budget actions plans.

3. Main Issues

- 3.1 At Month 5 directorates are reporting an overspend of £29.6m (5.2% of the approved net managed budget), an improvement from the Month 4 position (£33.9m or 5.9%). This position needs to be understood within the wider national context - council finances are in a critical state and there is growing concern as an increasing number of councils are reporting overspends in the current financial year and significant estimated budget gaps in future financial years which provide a challenge to their financial sustainability. The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions.
- 3.2 The increasing cost of social care, particularly within Children's Services where the significantly higher costs resulting from increasing numbers of children in care, combined with the impact of pay and price pressures which are in excess of the level of resources provided for by Government, has not yet been recognised and has resulted in a number of local authorities issuing or raising the possibility of

issuing Section 114 notices, which give notice that a council cannot balance its budget.

- 3.3** As discussed, the reported position reflects the effects of the Employer’s 2023/24 pay offer, known inflationary pressures, demand and demographic pressures in Social Care and the wider impact of rising cost of living pressures on the Council’s financial position.
- 3.4** Any Collection Fund income shortfall arising in 2023/24 will impact on the Revenue Budget in 2024/25.
- 3.5** Directorate positions are summarised in **Table 1**.

Table 1: Summary Position Financial Year 2023/24 Month 5

Directorate	Director	(Under) / Over spend for the current period				Previous Reported Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Caroline Baria	(492)	19,957	(19,956)	0	0
Children and Families	Julie Longworth	932	29,032	(1,183)	27,848	25,195
City Development	Martin Farrington	(382)	(2,928)	2,246	(682)	(384)
Communities, Housing & Environment	James Rogers	2,171	11,546	(7,926)	3,620	3,791
Strategy & Resources	Mariana Pexton	7,901	1,713	2,333	4,046	5,215
Strategic	Victoria Bradshaw	(58)	(2,031)	(3,155)	(5,186)	104
Total Current Month		10,072	57,289	(27,641)	29,646	33,921

Previous reported (under)/over spend	7,473	50,168	(16,245)	33,921
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Managing the Overspend

As noted in **Table 1**, at Month 5 the Council is projecting an overspend of £29.6m, a 5.2% variation from the approved net budget for the 2023/24 financial year.

- 3.6** Where an overspend is projected Directorates, including the Housing Revenue Account, are required to present action plans to mitigate their reported pressures, in line with the Revenue Principles agreed by Executive Board in 2019.
- 3.7** In 2022/23 cross-directorate Task and Finish working groups worked with services projecting overspends to support them to reduce cost pressures. In order to monitor and identify progress on these working groups, savings action plans were developed to record pressures and proposals and to monitor improvement. This process will continue to be used in 2023/24 in both Children and Families and LBS and the outcome will be reported to future Executive Boards.
- 3.8** As previously reported, four key messages have been introduced in 2023/24 to advise and support the Council’s financial position:

- Stay within budget – reduce discretionary spend and minimise recruitment, including agency and overtime.
- Absorb in-year pressures – Directorates required to absorb all in-year pressures.
- Highlight issues early – use the budget monitoring process to raise issues with Finance colleagues as soon as possible.
- Robust monitoring is essential – includes detailed discussion at relevant monitoring meetings.

3.9 In addition, given the significant forecast overspend position being reported, the Council's Corporate Leadership Team agreed to continue the following two measures that were introduced in 2022/23:

Recruitment Freeze

To continue the freeze on recruitment, agency and overtime spend introduced in 2022/23 and further strengthen the controls through a post-by-post review to identify which posts meet agreed exceptions and can be excluded from the freeze. Unless an identified vacancy is for an excluded post, services will be required to identify how they will cover the costs of the post.

Non-essential Spend

To continue the non-essential spend freeze introduced in 2022/23, with the exceptions being spend on health & safety, to meet statutory service requirements, to prevent further costs, or to support income generation.

The directorate positions reported reflect the impact of the initial review of areas of non-essential spend and work will continue in this area. The September meeting of this Board approved the virement of identified non-essential spend budgets out of individual Chief Officer budgets and into specific strategic cost centres within each directorate as a measure to prevent further spend against these budgets where it has been identified that this reduction in spend is not detrimental to the delivery of services, and virement of £1.85m has now been actioned.

3.10 Work continues to review the Council's highest cost/spend areas, such as Children Looked After, Transport and LBS and all services are continuing to explore opportunities to maximise income, including a review of Fees and Charges to consider where these might be increased further in year. Asset reviews are underway to consider buildings, land, heritage assets and IT hardware to ensure the Council has the right numbers and mix of assets. Directorates are also considering where Service Review proposals identified as part of the Financial Challenge process supporting the MTFs 2024/25 – 2028/29 can be delivered sooner to generate savings during 2023/24.

Directorate Positions

3.11 The major Directorate variations in **Table 1** are outlined below, with additional detail provided on the Directorate dashboards at **Appendix A1** to this report.

3.11.1 Adults & Health

Adult Social Care 2023/24 Budget

Budget Overview

At Month 5 Adults Social Care is projected to deliver a balanced budget. The Net Managed Budget (NMB) for 2023/24 is £198.8m, comprised of £422.5m Gross Expenditure offset by £223.7m income. Reflected in the 2023/24 budget are Budget Action Plans totalling £16.19m of which £5.2m are still to be delivered; a reduction of £0.1m from Month 4. Significant risks remain to deliver this position and are outlined below, particularly around the demand and income budgets for Adult Social Care.

Social Care Grants

Included in the Adult Social Care budget for 2023-24 is additional social care grant funding of £27.6m. On 28th July the DHSC announced £5.04m of new in-year grant funding titled 'Market Sustainability and Improvement Fund – Workforce Fund Grant Determination (2023 to 2024)'. Subject to confirmation later, LCC are in line for further funding for 2024/25 of £2.83m. This funding comes with tight restrictions around use of the grant, with it being targeted specifically at three target areas:

- Increase fee rates for providers in local areas.
- Increase adult social care workforce capacity & retention.
- Reducing adult social care waiting times.

Reserves

The 2023/24 Budget assumes the use of £4.4m of Adult Social Care & Public Health reserves. At Month 5 the directorate is projecting to utilise an additional £4.15m: £2.6m Newton Europe Home First programme, £0.8m Leeds Older People's Forum for delivery of the Age Friendly programme which is funded by Health and £0.75m for investment in additional social work capacity and continuation of the winter 2022/23 support programme.

Budget Action Plans

At Month 5 there are concerns around the delivery of five Budget Action Plans with a forecast impact of £0.74m, comprising of £0.29m relating to the strategic review for Social Work due to slippage in recruiting staff, £0.12m relating to slippage in the budget action plan for the refurbishment of the 3 LCC run residential homes and their delayed refurbishment and £0.33m slippage in the delivery of commissioning savings. Offsetting this are two actions plans which are over-recovering: £0.5m Homecare commissioning programme and £0.24m additional income from the roll out of 'billing engine' and the recovery of client income contributions.

Demand Budgets

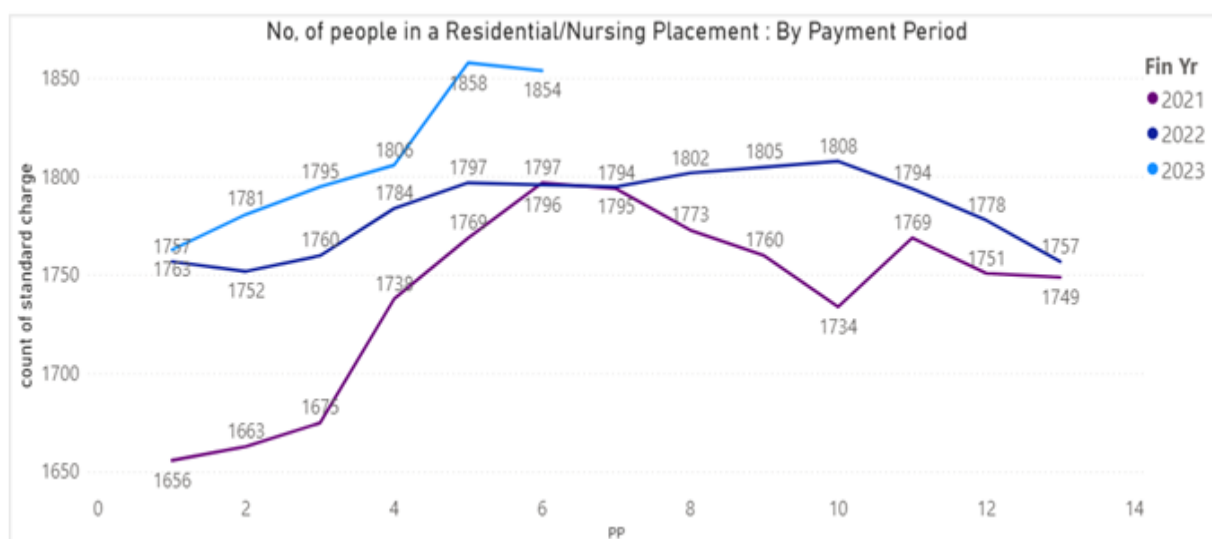
The 2023-24 demand related budgets reflect £29.83m additional funding for price inflation, and demand & demography growth, taking the overall size of the demand led budgets up to £280.17m before reducing to £277.33m after netting off £2.84m savings target reflected in the delivery of the 2023-24 budget action plans, principally the Strategic Review for Adult Social Work. The Month 5 projection is a pressure of £7.1m, and relates to the following:

- £2.2m Working Age Adults and Learning Disability
- £7.9m Residential and Nursing settings and includes £0.5m relating to delayed hospital discharge beyond 28 days.
- (£2.3m) Homecare

- (£0.7m) for Direct Payments and Individualised Care.

This pressure will be covered by staff savings and additional income. It should be noted that the projection for residential and nursing settings is based on the trend line for the 2021/22 financial year. Should trend be in line with 2022/23 then there would be a further in-year pressure of £1.4m. However, we will not see this come out in the data until Month 6 / 7. These trend lines are shown in Graph 1.

Graph 1: No. of people in a Residential/Nursing Placement April 2021 to date



There are further risks around:

- providers challenging the percentage uplift in fees, particularly within the Working Age Adult settings;
- delays in implementing the new delivery model for mitigating against delayed discharges > 28 days and the financial impact for Leeds City Council; and
- risk of increasing numbers and winter pressures in the health system.

Income

At Month 5 we are projecting:

- Additional government grant income of £7.8m; utilising £1.1m of the £5.0m Market Sustainability Improvement Fund grant mentioned above.
- Additional Health income £9.0m (of which £5.2m for Newton Europe programme mentioned in 'Other' below).
- Additional Income from Service Users £3.2m; £1.9m additional residential & nursing income (excluded from table below), £1.3m additional community-based income, £0.3m shortfall in Telecare income (offset by staff savings) and £0.3m shortfall Learning Disability income.

Table 2: Income Recovery Highlight Report Month 5

Income Recovery Board (finance) - highlight report							
Financial position reported : period 5 2023-24							
Description	Budget 2023-24	Actual YTD	Projection (period 5 2023-24)	Variance to Budget + pressure/- Saving	Assumption (remaining periods)	Projection (period 4 2023-24)	Movement in projection from previous period
Community Based Income (excluding LD & Telecare)	(14,540,000)	(5,537,449)	(12,072,741)	2,467,259	Based on latest period + increase in recovery in 2023-24 based on uplift in rates (FNC)	(12,170,664)	97,923
Community Based Income - Billing Engine		(630,083)	(3,788,020)	(3,788,020)	Action Plan value excluded from projection - overall reported position for community based income to budget.	(2,567,954)	(1,220,066)
Telecare	(2,291,000)	(1,305,324)	(1,986,000)	305,000	Income pressure matched to staffing savings reported. Actual income reduced in latest month due to credit notes	(1,986,000)	0
LD	(10,482,000)	(1,921,809)	(10,133,445)	348,555	Based on latest periods data.	(10,231,392)	97,947
Total	(27,313,000)	(9,394,665)	(27,980,206)	(667,206)		(26,956,010)	(1,024,196)

Pay

The impact of the employers pay offer is a pressure of £1.1m over and above the 4% pay award built into the 2023-24 pay budget. This will be covered by additional social care grant that was not reflected in the Adult Social Care budget. The potential impact could be more subject to the final pay settlement.

Adult Social Care at Month 5 is projecting pay savings of £0.5m principally around social workers and the national difficulty with recruitment and retention. Other savings on pay are in Provider Services with overall Employee cost savings of £5.5m. Some posts are being covered by Agency Staff and Overtime and the Month 5 projection reflects £5.0m additional costs.

Within the above figures the Agency & Overtime projection totals £6.8m, however some of the pressures in Agency are covered by income from Health and DHSC grant funding.

Other staffing issues are around retention payments for Social Workers £0.61m and Occupational Therapist and Well Being Workers £0.22m to be funded from the DHSC MSIF Workforce Development grant.

Other

Additional CEL charges of £1.3m have been reflected in the Month 5 projection – of which £1.0m is for passenger transport, £0.2m for catering charges and £0.1m vehicle hire. It should be noted that a further £0.27m of Month 5 Passenger Transport charges are not reflected in this position and the directorate is working with CEL to develop an action plan to mitigate this over the remainder of the financial year.

The Newton Europe, Home First programme commences in 2023/24. The cost of this programme is £7.8m, £2.6m is from Leeds City Council (funded from reserves above) and £5.2m from Health. Within the Month 5 projection we are assuming

£0.5m of savings from this programme. Significant future savings will be built into the Medium Term 2024/25 to 2028/29 programme.

Leeds City Council is the regional host for the Yorkshire & Humber International Recruitment fund. The grant awarded and received is £1.38m. The majority of funding allocated across the Yorkshire & Humber region on a relative need's basis and Leeds's allocation is £0.14m.

Public Health 2023/24 Budget

Public Health (PH) Grant funding for 2023/24 is £48.66m; this is an increase of £1.54m from 2022/23 (3.3%). After taking account of the Office for National Statistics population increase for Leeds, the actual increase per head of population is 3.1%. This is the first year of an announced two-year grant funding for Public Health. For 2024-25 the Public Health funding increases by 1.3% to £49.31m, which will be a challenge in the current inflationary environment. Public Health grant is a ring-fenced account and limited to specific terms and conditions. At Month 5 we are projecting a balanced position.

In 2022/23 Leeds was awarded additional Public Health funding for three years for 'Substance misuse funding for drug and alcohol treatment'. Leeds City Council received £2.79m for 2022/23 and is due to receive £4.45m for 2023/24 and £8.45m for 2024/25. It should be noted that 2023/24 is the second year of the programme and there are specific terms and conditions attached to this grant award.

3.11.2 Children and Families – At Month 5 the current year-end forecast for the Children and Families directorate is an overspend of £27.848m. This represents an increase of £2.653m from the position reported at Month 4. The main movements from Month 4 are:

- External residential placements £4.078m.
- An allowance to cover potential Social worker retention payments £1.324m.
- An allowance to cover potential Foster carer fee uplift £1.833m
- Transport Pressures £0.230m.
- Savings proposals 23/24 (£5.249m).
- Other movements £0.437m.

Overall, the main variations included within the Month 5 position are:

	£m
CLA: External Residential Placements	15.498
CLA: Semi Independent / Leaving Care	4.611
IFA Placements	2.854
Little Owls Nurseries	1.046
Secure Welfare	0.388
Transport	1.442
Projected Net Staff savings	(1.640)
Cost of additional pay award	1.225
Mitigation of pay award	(1.225)
Social Worker Retention Payment (allowance)	1.324
Foster Carer fee Uplift (allowance)	1.833
Learning Inclusion	0.747
EHCP Review	(0.200)

Reprofiling of School Balances	(0.500)
Non-Essential Spend Savings	(0.500)
Non-Delivery of Action Plans	0.719
Other Variances	0.226
Total	27.848

Whilst the Month 5 position reflects a General Fund forecast overspend of £27.8m, there remains a significant element of volatility in the number of children in high-cost residential placements and the cost of those placements. This reflects a national position of demand and demography challenges along with increasing costs, in part reflecting the wider cost of living challenges experienced more broadly in the economy.

- There has been a national increase in social care placements and costs for children and young people, especially since Covid.
- In Leeds the rate per ten thousand of Children Looked After (CLA) has remained lower than statistical neighbours since 2017, demonstrating the continued success of the Leeds approach to early help and prevention, in line with the Outstanding Ofsted rating. Although Leeds has still experienced the national increase in numbers and costs, the impact would have been higher without the continued focus and investment in prevention.
- The sequencing of cost increases for Leeds shows that whilst costs have increased by some £46m over 12 years more than half of that increase (£28m) has occurred over the two years since 2021/22. This reinforces the point that recent increases are in part due to growing demand and complexity of need, which is influenced by societal factors and increased pressures on families due to Covid and the cost of living. There are also inflation pressures and market challenges resulting in significant price increases, most notably in the external residential market where demand often exceeds supply, resulting in an increasingly broken market and at times a provider focus on profit.

Work continues within the Directorate on seeking to deliver effective practice which results in a lower number of children being subject to these high-cost placements. This continuing work is subject to significant scrutiny and any potential change in the forecast position will be highlighted.

In addition, the Directorate is participating in the Council's overall response to mitigating costs pressures and is engaging in corporate processes which seek to identify savings in non-essential spend, vacancy control and minimising recruitment (where possible) and income maximisation.

For the main areas of forecast overspend, an additional commentary is set out below:

External Residential Placements:

The External Residential budget for 2023/24 is £14.617m. Due to known inflation and demand pressures over and above what was assumed in the budget for 2023/24 there is a projected overspend of £15.498m. External Residential placements have increased from 95 at the start of the year to 140 at Month 5. The Month 5 position includes a further contribution from DSG of £0.82m to reflect the

increased external residential placements and a further £3.238m of 23/24 savings proposals. The projection also assumes the non-delivery of £2.966m of action plan savings against this budget including a proportion of Turning the Curve and the Commissioning Review which have experienced delays in delivery and a reassessment of potential deliverables.

Care Leavers: Semi-Independent Living:

The budget for Semi-Independent Placements is £6.78m. Currently there are 253 placements, including 108 placements for 16 and 17 year olds, which is an increase from previous years. A continued increase in demand and prices with particular reference to 16/17 year olds requiring higher support packages is seeing a pressure of £7.11m against this budget. Other Leaving Care costs including fees and allowances is projecting a saving of £0.03m. This pressure has been further mitigated with projected additional UASC income £1.8m and 23/24 saving proposals of £0.468m.

IFA Placements:

The number of Independent Fostering Agency placements have reduced from 209 to 206 since the beginning of 2023/24. The Month 5 projection assumes that £2m of action plan savings will not be delivered against this budget.

Little Owls Nurseries:

The Little Owls nursery settings are projecting a net pressure of £1.046m, a projected income pressure of £2.146m offset by projected staff savings of £1.1m. The Covid 19 pandemic had a significant impact on all Little Owls nurseries and whilst settings have reported increased recovery, income levels are still not back to pre-pandemic levels due to the change in working patterns, and a continued reduction in nursery capacity / opening hours due to ongoing staff shortages and recruitment difficulties.

To recognise increased costs, fees for Little Owls did increase by 5% in 2022/23 to £51.70 per day, an increase of £2.50 per day. For comparison, the average market rate in Leeds is between £45 and £58 per day. There is a more comprehensive review of the Little Owls provision ongoing.

Transport:

The overall transport budget is showing a projected overspend of £1.442m due to further increases in inflation and demand.

Learning Inclusion:

Within the Learning Inclusion service there is a projected budget pressure of £0.747m which mainly relates to the Education Psychologist Team. Due to increased demands on the statutory service and recruitment difficulties the service is projecting a reduction in its trading capacity and so a loss of trading income, in addition to increased locum costs.

Pay Award:

The projected differential between the 4% pay award assumed in the budget and the proposed NJC pay award of £1,925 equates to £1.225m. This pressure will be mitigated from an additional contribution of £1.225m from the Social Care Grant.

Social Care Worker Retention Payment:

The latest estimated cost of the proposed social worker retention payments equates to £1.324m. It should be noted that this Month 5 forecast includes this as an allowance as currently no formal decision has been taken on the payment.

Foster Carer Fee Uplift:

The proposed cost of the Foster Carer fee uplift for 2023/24 is £1.833m, this is based on a 5% fee uplift and 7% allowance uplift. It should be noted that this Month 5 forecast includes this as an allowance as currently no formal decision has been taken on the uplift.

In Year Savings Proposals 2023/24:

The Month 5 position assumes that all savings proposals put forward in year for 2023/24 will be delivered. These are in addition to the savings approved in the 2023/24 budget. The in year savings reflected in the Month 5 projections equate to £5.249m as summarised at **Table 3**:

Table 3: 2023/24 In Year Savings Proposals - Children & Families

Title	Description	£000s
Social Care costs	Placements - numbers/costs	(2,118)
	Financial support - S17 etc.	(67)
	Emergency accommodation	tbc
SEND	EHCP review	(200)
Other costs	Restrict budgets: Non-essential spend/transport/misc property budget	(570)
	Partnership contributions	(16)
Staffing/service changes	Staffing Reductions	(450)
	Restructure (Workforce Development)	(45)
	Service rationalisation (Little Owls)	(100)
Funding	Placements - ICB funding	(1,588)
	DSG funding for posts	(95)
Total		(5,249)

Budget Action Plans

The budget for 2023/24 included action plan savings of £18.486m. The Month 5 position assumes that £11.469m of these action plans will not be achieved as below:

- Diversifying Children's Residential and Fostering provision £3.479m: it has been agreed that this action plan will be slipped into 2024/25 and that the resulting pressure in 2023/24 will be funded corporately; as such it is not included as a C&F pressure in the P5 position.
- Review of Placement Commissioning £2.715m: only £1.285m of the £4m action plan savings is currently expected to be delivered however work continues on this workstream.
- Turning the Curve £3m.
- Review of Childrens Centres £0.35m.
- Review of Contracts £0.369m.

- Efficiencies across the directorate £1.556m.

Dedicated Schools Grants

The approved DSG budget for 2023/24 assumed a balanced in year budget. The position at Month 5 projects an in-year pressure of £0.924m on general DSG, which equates to 0.18% of the total DSG funding. This projected pressure is within the high needs block. This position excludes the de-delegated reserves position of (£0.233m) also included in the DSG dashboard at Appendix A1.

With regards to the surplus balance brought forward from 2022/23 of £9.010m, proposed options to passport a proportion of this balance back out to schools were considered at the Schools Forum held in July.

A proportion of the surplus came from previous contributions from maintained mainstream schools for de-delegated services. As a result, it was agreed £0.5m would be used to fund de-delegated services, thereby reducing contributions required from those schools. In addition, it was agreed £1.25m would be refunded to maintained mainstream schools pro-rata to their original contributions.

Other options were also considered for increasing school funding by effectively reversing the £3.127m schools block to high needs block transfer in 2022/23, which would need to be actioned within the 2024/25 funding formula. A review of the Funding for Inclusion (FFI) applications process was also considered. It was agreed that decisions on these options should wait until the 2024/25 ESFA funding announcement was received and the council's DSG MTFs had been updated in September, to reflect both the latest funding and forecasts for inflation and demand.

Taking into account the proposals for using £1.75m de-delegated contributions, plus the Month 5 pressure of £0.924m, DSG reserves at the end of 2023/24 are projected to be a surplus of £6.569m. This comprises £6.136m for general DSG and £0.43m contingency for de-delegated contributions.

3.11.3 City Development - the financial position for City Development at Month 5 is a projected underspend of £0.68m. This position includes the anticipated additional cost of the local government pay award which is currently estimated at £1m (net of amounts charged to capital and grant schemes) over and above the budgeted amount but it also includes additional savings which have been identified as part of the in-year directorate wide savings programme.

There are some areas of risk within individual service areas as described below but it is anticipated that these will largely be mitigated through the development of action plans to achieve the reported position at the year end.

The main variations forecast at this stage of the year are:

- **Active Leeds** – the service is projecting an underspend of £1.02m which reflects the cost of the additional pay award of £0.48m offset by expected running cost savings of £1.5m. Based on income achieved during the first few months of the year, there is a potential risk of £0.25m in respect of swimming income, although

this is subject to a degree of variability and current projections assume that it will recover as the year progresses.

- **Arts & Heritage** – the forecast underspend of £0.76m reflects the anticipated additional cost of the pay award of £0.27m, as well as projected income shortfalls in respect of Breeze pass charges and Pudsey Civic Hall car parking (£0.2m). These are offset by savings from vacant posts (£0.02m) and refunds received in respect of Business Rates appeals totalling £1.2m in respect of Heritage Assets.
- **Asset Management & Regeneration** – a shortfall to budget of £0.25m is currently projected which mainly reflects pressures in respect of the Strategic Investment Fund (£0.66m) and Estate Rationalisation savings targets (£0.55m), partially offset by staffing savings of £0.3m and other one-off sources of income of £0.7m such as release of restrictive covenants and fees relating to capital receipts.
- **Employment and Skills** – a projected underspend of £0.28m mainly reflects final balances in respect of programmes which have now concluded.
- **Highways and Transportation** – the overall position includes staffing vacancies offset by the associated loss of income recoveries and additional external spend required to deliver the work programs. In addition, there is an anticipated shortfall in income from the major schemes contractor procurement framework together with inflationary Plant and Material costs in the DLO and additional fleet costs across the service. However, further savings of £900k in respect of the capitalisation of Highways minor works have been identified as part of the directorate wide savings programme, meaning that the overall reported position for the service is now an underspend of £0.53m.
- **Markets and City Centre Management** – a shortfall of £0.65m in respect of Markets income is estimated which reflects vacant units mainly within the Kirkgate and Outdoor markets, partially offset by an assumption of additional income from the Block Shops redevelopment in the latter part of the financial year. In addition, income shortfalls of £0.3m are projected within City Centre Management in respect of city centre advertising income, income from street café licences and from hiring of event spaces in the city centre, which are partially offset by additional income anticipated from the Christmas market.
- **Planning & Sustainable Development** – the latest forecast position is an overspend of £1.3m which reflects staffing pressures of £0.4m due to the impact of the assumed pay award and a projected shortfall in meeting the budgeted vacancy factor. In addition, as highlighted in previous months, based on income received to date there is a significant risk that the budgeted level of planning fee income will not be achieved due to a reduction in planning applications and the forecast position now assumes a shortfall of planning fee income of £1m, although this is partially offset by £0.1m of additional income in other areas.
- **Resources and Strategy** – the forecast underspend of £0.65m relates to further savings identified as part of the in-year directorate wide savings programme. It is anticipated that savings of £0.15m can be achieved following the implementation of tighter vacancy release controls and a further £0.5m in respect of tighter restrictions on non-essential spending across the directorate.
- **Staffing** – within the overall reported position described above, there is an overall staffing underspend of £0.4m.

Key Budget Action Plans

The 2023/24 budget contained £10.9m of new savings plans. At this stage of the year, it is anticipated that most have been delivered or are on track to be delivered, with only minor shortfalls forecast within the overall directorate position. There remains a risk around the achievement of the £250k savings assumption relating to the national planning fee increase that is subject to confirmation by Government of the implementation timeframe.

In addition, there are also a number of savings plans relating to previous years which need to be delivered, in particular, as referred to above, the existing Strategic Investment Fund, Estate Rationalisation and Highways major scheme procurement framework budget savings plans. Although these may not be achieved within the current financial year as originally envisaged, mitigating savings will be identified where possible to offset these pressures.

3.11.4 Communities, Housing & Environment - At Month 5, an overspend of £3.62m has been projected for the directorate. This is an improvement of £0.2m from the position reported at Month 4, with an additional £0.3m forecast saving to the corporate contingency fund relating to Parking income.

The position includes £1.4m of new savings from the proposals considered by Cabinet in September (£0.7m Household Support Fund, £0.3m application of the Homelessness reserve for Temporary Accommodation, £0.25m library book capitalisation, £0.05m energy costs at Crematoria and £0.12m for parking fee increases), however adverse movements in other areas have offset some of these savings. The main demand led adverse variance movements have resulted in Supported Accommodation Housing Benefit subsidy income shortfalls +£0.3m, residual and trade waste volume increases +£0.4m and further recycling income price/disposal cost pressures +£0.4m.

This position includes the anticipated additional cost of the local government pay award which is currently estimated at £3.8m which can be netted down by £1.1m by passing on the impact of the pay award to capital schemes, HRA and grant funding. Other significant pressures have arisen due to changes in Waste Management legislation + (£1.7m) and Housing Benefits where the Council is unable to claim subsidy +£2.2m alongside other inflation and demand led service pressures. The staffing projections are primarily based on maintaining existing staffing levels with exceptions around the filling of grant funded/income generating posts. Actions over holding posts vacant, reducing non-essential spend (and other line by line savings), additional use of reserves and maximisation of income have been projected to deliver savings of £7.7m and are embedded within the projections for each service area.

The main variations anticipated are:

Waste Management +£3.3m – The service is facing a significant number of pressures, most of which only became known after the 2023/24 budget was approved.

New guidance has been received that the Environment Agency (EA) will regulate the disposal of upholstered furniture that contain POPs. These materials are now

required to be separated and disposed of in accordance with the new EA regulations, resulting in significantly higher disposal costs. Higher disposal charges are now being incurred for all collections (typically collections of bulky waste and the general waste skips at Household Waste sites) that contain any POPs materials. To mitigate the in-year cost to a forecast +£1.6m a temporary sorting solution has been identified.

In late June 2023 the Government announced an intention to remove the ability of Council's to charge for the disposal of inert waste (typically soil and rubble) at Household Waste Recycling Centres, possibly in the Autumn of this year – although as yet no date has been confirmed. The in-year pressure is likely to be a minimum of £0.2m, with a greater FYE in 2024/25.

Net income from Green Bin waste is now forecast to be £0.8m lower because the ongoing market price of recycled materials has dropped. Residual and trade waste demand led pressures are expected to be £0.6m for the year based on activity levels during the first four months of the year. An NNDR pressure of £0.1m is anticipated relating to the PFI contract. The impact of the pay award offer is forecast at £1.4m.

Offsetting these pressures is an additional £1.2m income relating to the Veolia RERF contract, £0.3m of which relates to a rebate from 2022/23 following the annual reconciliation of the PFI contract. A further £0.2m can be saved by utilising the Waste Strategy reserve to fund the costs of the glass collection pilot and £0.2m additional recycling income.

Cleaner Neighbourhoods Teams & City Centre +£1.1m. The variation reflects the impact of the pay offer at £0.5m, although there are significant pressures on overtime and achievement of vacancy factor targets within the service.

Welfare and Benefits +£1.5m. Pressures arising from placement of people in Supported Accommodation with providers who are not registered and placement of people in temporary accommodation. The forecast subsidy pressure is £3.5m, with assumed one off recovery of benefit overpayment income of £1.3m. Whilst this projection shows the continuing demand pressures on benefits subsidy income, it does reflect the fact the service has already delivered £0.25m of the budgeted action plan saving of £0.6m at Quarter 1, with a FYE of this action being £0.39m. £0.3m of non-essential spend and income maximisation savings assumed; along with £0.3m from use of the Homelessness reserve to cover Temporary Accommodation subsidy shortfalls.

Climate, Energy and Greenspaces -£0.1m. The service is experiencing pressures across several areas, which are mitigated by staff savings and non-essential spend savings. The key variances are inflationary pressures of +£0.2m on the cultural events programme, net pressures on estates and attractions +£0.3m, Bereavement services income pressures of +£0.3m and Parks operations income maximisation savings of -£0.3m. Within the figures above, the impact of the pay award is £0.7m, but this can be offset with charges to capital and management of vacancies within the service.

Elections, Licensing and Registration and Environmental Health +£0.0m – No significant variations are expected across these services. Operational spend savings and additional registrars income are offsetting the impact of the pay award.

Car Parking Services £0m. Income continues the recovery trajectory witnessed in 22/23; however, at Month 5 the projection suggests that receipts are projected to fall £0.3m below the budget. As full provision has been made within a corporate contingency for this amount, a nil income variance is reported. Staffing costs are £0.1m under after pay award and £0.2m of non-pay award related staffing pressures have been identified.

Safer Stronger Communities £0.1m – Staffing pressures +£0.3m are projected. However, this can be offset by a combination of additional grant income and passporting the pay award on to the HRA/grants.

Statutory Housing Services -£0.5m Staffing savings are projected to cover the cost of the pay award and deliver an overall underspend on employees of £0.3m. It is expected an additional (£0.2m) can be delivered by maximising charges of existing staffing into new grant income and maximise collection from other income streams.

Customer Access -£1.7m – Review of non-essential spend and grant income maximisation are projected to deliver net savings of £1.5m in 2023/24. NNDR costs are now expected to come in £0.2m below budget. The pay award pressure of £0.4m has been offset by charges to grant/HRA and holding posts vacant.

Budget Action Plans

£6.6m of budget action plans are being monitored each month with an overall minor positive variance against the plans reported at Month 5. £0.9m of plans have been marked as delivered in full.

3.11.5 Strategy & Resources - Based on an examination of key risk budgets, the Strategy and Resources Directorate is forecasting a pressure of £4.046m at this reporting at Month 5.

This is summarised into the following areas across the Directorate's services:

Finance £Balanced

A staffing overspend of £675k, which includes £208k to reflect the additional unbudgeted pay pressure based on the current offer. The total overspend is being offset by £487k additional income from the maximisation of grant funding, £125k from the covid recovery reserve and £63k savings from across operational budgets.

Integrated Digital Services -£1,000k

Staffing overspends of £0.9m, including pay award £1.05m, contractor projected costs of £1.5m and an assumed vacancy factor of £1.3m. Overspends across supplies and services of £1.5m are being offset by additional income of £2.4m, which includes use of £2.5m of unbudgeted Capital Receipts and a reallocation of £1m equipment costs from revenue to the Essential Services Programme capital scheme.

Procurement £90k

Staffing overspends of £90k to reflect the additional unbudgeted pay pressure based on the current offer.

Legal Services £154k

Staffing overspends of £140k and other additional pressures of £105k offset by additional reimbursement income from a legal case of £91k.

Democratic Services £17k

Staffing overspends of £45k, this includes £37k to reflect the additional unbudgeted pay pressure based on the current offer, are being offset by expenditure savings of £28k.

Shared Services £1,506k

Staffing overspends of £2,461k including the current offer of pay award, income pressure of £180k on electronic goods salary sacrifice scheme, are being offset by income mitigations of £520k, additional funding of £250k and other expenditure savings of £365k.

Strategy and Improvement £24k

Staffing overspends of £119k and a pressure of £150k of budgeted savings on communications and marketing are being offset by £136k savings on expenditure and £109k additional income.

Human Resources £256k

Staffing overspends of £772k and £348k expenditure pressures, are being offset by additional funding from Adults and Health for HR support of £93k, income mitigations of £292k, use of reserves of £479k.

Leeds Building Services (LBS) £1,228k

The pressure reflects the current understanding of the level of work likely to be commissioned by clients relative to the £80.9m required turnover and the consequent impact on the rate of return. There remains a risk that any variance from the current understanding of client budget will impact to the LBS business plan. LBS are also working to forecast all the inflationary pressures which have been seen throughout the industry which may further adversely impact the position.

Corporate Property Management £12k

Staffing overspends of £12k to reflect the additional unbudgeted pay pressure based on the current offer.

School Crossing Patrol -£50k

Staffing savings of £50k.

Catering £444k

The additional unbudgeted pay pressure based on the current offer results in a projected staffing overspend of £712k, also an increase in food costs of £46k, which the service is partially mitigating through additional income of £314k.

Cleaning £223k

The additional unbudgeted pay pressure based on the current offer results in a projected staffing overspend of £173k and an increase in transport charges of £50k.

This is the net pressure after actions taken by the service to mitigate the overall pressure through increased charges.

Fleet £650k

The Fleet position reflects the ongoing 2022/23 pressure of an aging fleet resulting in increased demand and inflationary pressures leading to increased occasional hire costs to maintain front line service operations. The use of vehicles across the authority is subject to review.

The 2023/24 Fleet Services budget contains a savings target of £1.3m, the achievement of which has been overshadowed by a combination of the impact of inflation on vehicle parts, fuel, and occasional hire together with the impact of maintaining an ageing fleet. In addition, increased demand for services such as passenger transport has resulted in the requirement for more vehicles and hence greater maintenance costs. Together these factors have impacted on the capacity for directorates to absorb the £1.3m savings target. Executive Board have approved the use of £1.3m from the Strategic Contingency Reserve to address this in year pressure and the reported position reflects this contribution from reserve.

Security £70k

The additional unbudgeted pay pressure based on the current offer results in a projected staffing overspend of £70k.

Presto £240k

Staffing overspends of £20k to reflect the additional unbudgeted pay pressure based on the current offer as well as £120k income pressure on the Meals and Home service. The service is seeing a reduction in demand following an increase during Covid. There is a £100k income pressure on the Civic Flavour service.

Facilities Management £184k

Staffing overspends of £74k to reflect the additional unbudgeted pay pressure based on the current offer, £75k pressure for additional security and £50k pressure for front of house staffing costs, offset by £15k saving due to a reduction in drivers.

Budget Action Plans

A total of £9.2m of budget action plans are being monitored each month. Against which a shortfall of £0.5m is forecast in respect of Staffing efficiencies £0.28m, Communications & Marketing synergies £0.15m and BSC Shared Cost Salary Sacrifice £0.08m.

3.11.6 Strategic & Central Accounts - At Month 5 the projection for the Strategic and Central Accounts is an underspend of £5.2m. The most significant factor within this position is a projected £5.1m of savings which reflects corporate actions identified where the incidence across directorates has not yet been determined.

The Strategic and Central Accounts position also includes a projection that the debt budget will underspend by £0.2m. Although interest rate rises have been higher than was anticipated when the budget was approved, the borrowing requirement has reduced due to anticipated capital programme slippage and the fact that revenue balances have remained robust. This projection assumes that short term borrowing will be obtainable at an average of 5.25% during the year. However, although recent data on inflation has been encouraging and the Bank of England

chose not to raise interest rates at its September meeting, there does remain a risk that interest rates could peak at a higher rate than this, which could further increase the Council's borrowing costs.

A pressure of £0.3m has been recognised in the levy payable to WYCA (the West Yorkshire Combined Authority). This arises because, although WYCA's overall budget has remained unchanged, the proportion which is charged to the Council has increased due to changes in the relative population sizes of the five West Yorkshire councils. This pressure has been partly offset by the recognition of £0.2m of residual Covid sales, fees and charges compensation grant income, which had previously been uncertain but is now expected to be received during the current year.

3.11.7 Directorate dashboards highlight a projected overspend of £29.6m or 5.2% variation to net budget of £573.4m. As discussed in this report a range of actions are being undertaken or are proposed to achieve a balanced budget position. Ongoing pressures identified in the current year have been built into the Medium Term Financial Strategy, elsewhere on today's agenda, and will be included in the 2024/25 budget.

3.12 Budget Action Plans

The budget for 2023/24 requires the delivery of £58.6m of savings. In addition, directorates have identified a further £7.2m of savings actions since the Budget was agreed. Detailed budget action plans have been developed to identify how these savings will be achieved and progress against these action plans will continue to be monitored and reported throughout the year. Further detail is provided at **Appendix A2**.

At Month 5 it is anticipated that most savings will be delivered in full through the identified saving plans or through mitigating actions identified by each Directorate, however a £12m shortfall has been identified and is reflected in the reported directorate positions except where noted:

- Children & Families - £11.5m shortfall on the budgeted level of savings from the following projects: diversifying Children's Residential and Fostering provision £3.479m; review of Placement Commissioning £2.715m; Turning the Curve £3m; review of Children's Centres £0.350m; review of Contracts £0.369m and efficiencies across the directorate £1.556m. More detail is provided at paragraph 3.11.2, where it is noted that the target for Children's Residential and Fostering provision £3.479m, which is included in the £11.5m shortfall reported, will be funded corporately and so does not appear in the projected Month 5 position.
- Strategy and Resources – £0.5m shortfall in the budgeted level of savings from the following projects: £0.277m Staffing efficiencies, £0.15m Communications & Marketing synergies and £0.08m BSC Shared Cost Salary Sacrifice.

As discussed at paragraph 3.11.5, the Strategy and Resources savings position outlined here reflects the use of £1.3m from the Strategic Contingency Reserve to fund budgeted fleet savings which are not deliverable across the Council in year

due to the impact of inflation, costs of maintaining an ageing fleet and increased demand for services, as approved at September Executive Board.

Although other directorates have indicated shortfalls in regard to fully meeting their targeted budget action plans, they have identified other mitigating measures to offset these shortfalls.

3.13 Inflationary Pressures

3.13.1 At the end of Month 5 an overspend of £29.8m is projected against the Council's 2023/24 revenue budget.

3.13.2 Pay Inflation – The 2023/24 budget allows for £38.9m of pay inflation. The increase provides for the following elements: £18.8m which reflects the Employer's final offer for 2022/23 and which was not agreed until after approval of the 2022/23 budget; £18.2m for an assumed 2023/24 pay award incorporating a 4% pay award for all other staff and the Real Living Wage of £10.90 at pay scale points 1 and 2 announced in September 2022; £0.3m in regard to the pay impact of the additional day of leave included in the 2022/23 pay award to be implemented from 2023/24; and £1.6m for the additional cost of Enhancements. The forecast position reflects a projected 2023/24 NJC pay award of £1,925 and the agreed JNC pay award of 3.5%. If the pay award is higher than the current forecasts, then directorates will be required to implement contingency savings to offset any additional cost. Directorates have included any identified pay award mitigation measures in their 2023/24 budget action plans.

3.13.3 Energy – The Government's Energy Bills Discount Scheme, which runs for 12 months from 1 April 2023 to 31 March 2024 for businesses and other non-domestic energy users (including charities and public sector organisations), sets a much higher price threshold above which organisations become eligible for relief than was in effect over the Winter 2022/23, and, for the most part, the Council does not expect to benefit from any discounts based on its forward purchases and current market forecasts. However, the Government has set a lower threshold for relief for what they term as 'energy trade intensive industries', which include libraries, museums, historical sites and botanical and zoological gardens, and there may therefore be some eligibility for the Council.

The 2023/24 budget allows for £10.7m or a 53.21% increase in energy costs for gas and electricity. Since the budget was set in February 2023 energy prices have stabilised, with short term commodity prices currently around twice the historical levels (prior to the energy crisis) on average, which, although still high, are much lower than the extremes seen over the last two years. Recent advice from the Council's energy advisors has largely been to hold off temporarily from forward purchasing energy as the markets have continued to ease, and as such the LCC unsecured volume over recent months has been attracting lower spot market prices and reducing the overall unit price. Alongside the purchasing strategy, actions continue to be taken to review energy usage and implement measures across the

Authority's estate in order to reduce the pressures associated with increased energy costs.

Whilst acknowledging the ongoing volatility of energy prices, recent forecasts indicate that costs could be as much as £3m lower than allowed for in the 2023/24 General Fund budget. At July's meeting Executive Board approved in principle that any underspend on energy would be transferred to the Strategic Contingency Reserve to support the Council to deal with pressures in other areas.

3.13.4 Fuel – The average UK pump prices for diesel and unleaded petrol saw decreases of 11.4% and 16.2% respectively between August 2022 and August 2023. The 2023/24 budget has allowed for an increase of £1.2m, largely attributable to the significant price increases in 2022/23. Fuel costs will continue to be monitored throughout the year.

3.13.5 Cost of Living Pressures – Further to the inflationary pressures detailed here, there has been a wider inflationary impact to the Council due to the severity of increased cost of living on our residents and businesses. As expected, we have seen the impact of this in increased costs to the Council for the goods and services that we procure, increased demand for support and welfare services, and reduced income across a range of services as Leeds residents and visitors choose to spend differently. The position will continue to be closely monitored.

3.14 Reserves

General Reserves

3.14.1 Following the closure of the 2022/23 accounts, the Council's general fund reserve stands at £33.2m. The 2023/24 budget assumes a £3m Strategic Contingency Reserve contribution to this reserve during the current financial year.

Strategic Contingency Reserve

3.14.2 The 2023/24 budget includes use of reserves to support the Council's General Fund, including use of the Strategic Contingency Reserve which was established in 2020/21 to fund future unforeseen budget pressures and to ensure the Council becomes more financially resilient.

3.14.3 The opening balance on the Strategic Contingency Reserve for 2023/24 is £19.9m with budgeted use of the reserve being £14.3m with a further £0.6m committed to support Covid backlog recovery. As discussed at paragraph 3.11.5, September's meeting of the Executive Board approved the use of £1.3m from this reserve to fund budgeted fleet savings. The available balance in this reserve is currently forecast to be £3.7m at 31st March 2024.

4. Other Financial Performance

4.1 Council Tax

The Council Tax in-year collection rate at the end of August 2023 was 44.11%. Whilst this is a slight decrease from the August 2022 in-year collection rate of 44.69% it should be noted that this can be attributed to application of around £4m in £150 cost of living 'rebates' to Council Tax accounts in July 2022, thereby artificially increasing the amount collected at that point in the year and impacting on the comparison.

The current collection rate is still significantly lower than the August 2019 in-year collection rate of 45.60%, however the profile of taxpayers' payments has changed significantly since the pandemic, with many more residents choosing to pay their council tax over twelve months rather than ten. Due to the challenging conditions following the pandemic, the target collection rate in the fullness of time was reduced for 2022/23 to 98.5%, at a cost to the Council's share of the Collection Fund deficit of £2.0m. It has been assumed collection rates will return to the normal 99% recovery rate from 2023/24 onwards.

The opening deficit on the Collection Fund is £8.901m, which includes the deficit from 2022/23 and the final instalment of the deficit from 2020/21, which the Government mandated had to be spread over three years. At the time of declaration these elements were estimated to be £8.778m and are to be repaid by the Council, the Fire Authority and the Police in 2023/24.

This repayment of the 2020/21 and 2022/23 deficits would be expected to generate a surplus on the collection fund, however current projections, based on historical trends of growth and movements in discounts and local council tax support, are that an in-year surplus of only £6.764m will be generated in 2023/24 leaving of projected closing deficit on the collection fund of £2.136m. Leeds share of this projected closing deficit would be £1.795m, with the remainder being paid by the Fire Authority and the Police.

New charges in addition to the original billing at the start of the year have been lower than assumed in projections, which, if repeated throughout the year, will be the most significant underlying cause generating the projected deficit. However, this projected position only reflects five months of data and close monitoring of the growth in council tax liabilities in the city will be required in the coming months.

4.2 Business Rates

The Business Rates collection rate at the end of August 2023 is 47.23% which is significantly higher than the August 2022 in-year collection rate of 44.69% but slightly lower than the August 2019 in-year collection rate of 47.71% before the pandemic. As with Council Tax, the profile of ratepayers' payments has changed after the pandemic with many more local businesses choosing to pay their rates bill over twelve months rather than ten. The budgeted collection rate for business rates is to achieve an in-year collection target of 97.8%, collecting £347.4m of business rates income. The collection rates will continue to be closely monitored in the current year and into future years.

The total rateable value of business properties in Leeds has decreased from £954.44m at the time of the 2023/24 budget to £952.59m as at 31st August 2023, a decrease of £1.85m. Around £840k of this reduction is due to hereditaments undergoing redevelopment or major works and so it is anticipated that in time the rateable value of these properties will increase. The 2023/24 budget includes an expected increase in Rateable Value of £2.5m for the full year. The size of the Business Rates tax base in Leeds continues to be monitored closely.

Leeds' share of the declared Business Rates deficit from 2022/23 (at 31st December 2022) has been incorporated into the 2023/24 budget. The total declared deficit on the Business Rates Collection Fund was £7.16m. Leeds' share of the unfunded declared deficit from 2020/21 was £36.7m, which has been spread over three years in accordance with Government legislation. The final of the three repayments of £12.2m will be paid in 2023/24 and is fixed and included in the £7.16m declared deficit.

After reassessing the level of the bad debt and appeals provisions for end-of-list appeals and reduction in the multiplier cap compensation, the actual closing deficit for 2022/23 was £9.08m; a worsening of £1.93m from the position declared. This will be carried forward as a loss to the 2024/25 budget.

In 2023/24, an in-year surplus of £0.79m is projected, driven mainly by a large reduction in the demand for Empty Rate Relief in the first two months of the year compared to the years immediately after the pandemic, in addition to an improvement in the projected bad debt provision. When combined with the £1.93m worsening in the closing position for 2022/23 it is currently forecast that there will be a total closing deficit of £1.85m, which will have to be repaid to the collection fund by the Council in 2024/25.

4.3 Business Rates Appeals

The opening appeals provisions for 2023/24 are £36.8m, made up of £4.6m relating to appeals received against the 2010 ratings list and £32.3m estimated costs in relation to the 2017 ratings list. Under 50% Business Rates Retention, Leeds' budget is affected by 49% of any appeals provision made in this year.

On 31st August 2023, there were 29 appeals outstanding against the 2010 ratings list. 29 2010 appeals have been settled in this financial year. No new appeals have been received in 2023/24.

Before the COVID-19 public health crisis, the introduction of the new Check Challenge Appeal system on 1st April 2017 saw a significant reduction in the number of appeals submitted by ratepayers against their Rateable Value on the 2017 ratings list compared to the 2010 ratings list. Only thirteen appeals have so far been submitted to the Valuation Tribunal, the final stage of the new process.

The 2017 ratings list came to an end on 31st March 2023. In most cases this sees the end of the ratepayers' right to appeal against their Rateable Value on that list. As such the number of Checks received by the Valuation Office Agency increased significantly in the last few months of 2022/23. The increase was even greater than expected and although an allowance had been included in the forecast of the declared deficit further provisions were made to outturn at an additional cost of £4.2m to the General Fund and £1.93m worse than projected at declaration.

As at 31st August 2023, the Council is providing for a net of 629 Checks and Challenges against the 2017 ratings list. The position will be monitored closely over the coming months to ensure that the Council's provisions for the 2017 list remain adequate. There are also 181 Checks and Challenges against the new 2023 ratings list. It is anticipated that because of the move to 3 yearly revaluations from 2023 (previously 5 years) the valuation lists will necessarily be more representative of the current commercial property market, and it is expected that there will be fewer challenges to the lists going forward. The level of appeals against the 2023 ratings list, and the losses incurred, will also continue to be closely monitored in the coming months.

In addition, the Authority has made provisions for specific issues such as the removal of ATMs located in shops from the 2017 list, expected reductions to hospitals, ambulance and fire stations and expected reductions to several GP surgeries which will be reassessed quarterly.

4.4 Impact of Covid 19 and cost of living on the Collection Fund in 2023/24 and beyond

Collection of Business Rates can be seen to be improving following the lifting of restrictions in place due to the Covid 19 crisis. However, the pressures of the cost of living crisis and the long-term impact on collection rates and the tax base will require close monitoring.

5 Housing Revenue Account (HRA)

At Month 5 the HRA is projecting a pressure of £2.998m or 1.09% of gross budget.

As a result of significant pressures on the repairs budget a virement was input at period 3 to reduce the capital investment programme in 2023/24 to fund these pressures.

At this stage the HRA is not able to produce a balanced budget. The position on repairs and capital budgets will be closely monitored over the next quarter and an action plan will be worked up to bring the budget into balance should this position remain.

The key projected variations are:

Dwellings Rent £709k – a forecast reduction in rental income due to the number of void properties being higher than budgeted and an increase in the projected number of Right to Buy sales compared with the budget.

Service Charges (£106k) – an additional £106k mainly reflecting the impact of Gascoigne House.

Employees Net (£11k) - there is a forecast underspend against the employee budget of (£951k) due to vacant posts, this position includes a projection for the current employer pay award offer. However, this underspend on employee costs is offset with a reduction in capitalised salaries of £723k and a £217k pressure regarding internal services for recharged staff in the Council House Growth Programme.

Premises (£161k) – reflects the projected costs of utilities following recent reductions in energy costs.

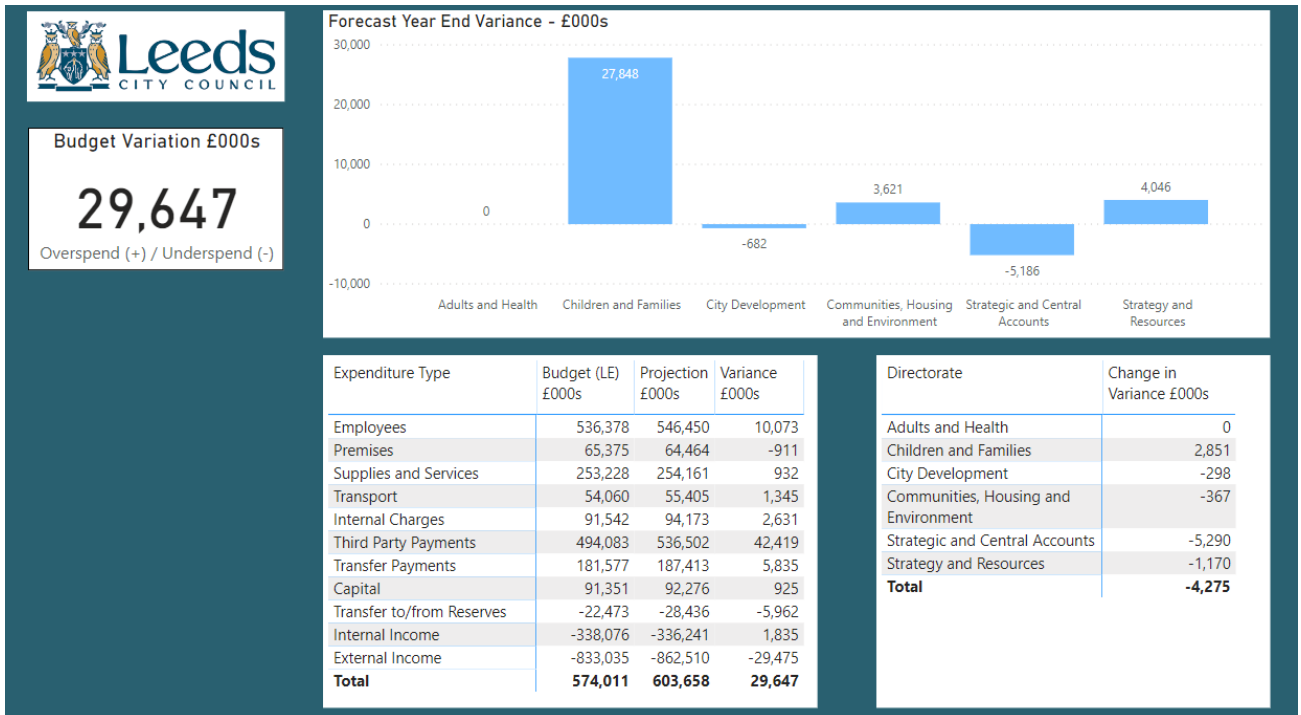
Internal Services £324k – This pressure reflects the impact of the current employer pay award offer of £1925 per FTE on charges from internal LCC services.

Contribution to the capital programme £2,115k – the current forecast level of overprogramming on the capital programme 2023/24.

Overall Summary Sheet

Month 5 (August 2023)

Financial Dashboard 2023/24 Financial Year



Financial Dashboard 2023/24 Financial Year

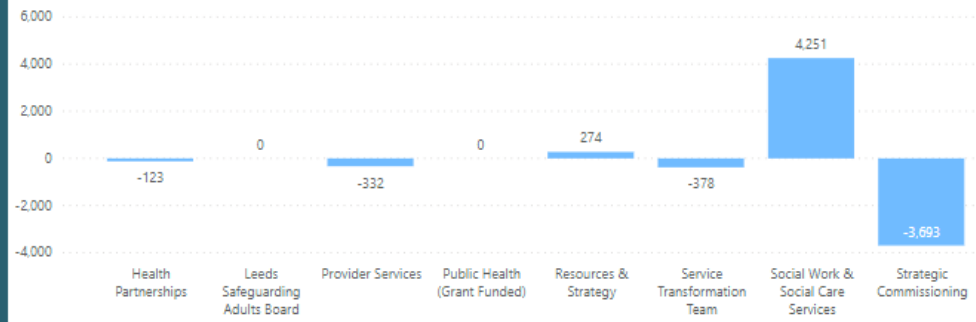


Budget Variation £000s

0

Overspend (+) / Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	70,427	69,935	-492
Premises	1,381	1,375	-6
Supplies and Services	5,987	14,284	8,297
Transport	1,011	1,028	17
Internal Charges	14,119	15,598	1,479
Third Party Payments	320,681	336,254	15,573
Transfer Payments	13,488	12,731	-757
Transfer to/from Reserves	-4,521	-8,675	-4,154
Internal Income	-4,972	-4,717	255
External Income	-218,776	-238,988	-20,211
Total	198,826	198,826	0

Directorate	Change in Variance £000s
Adults and Health	0
Total	0

Financial Dashboard 2023/24 Financial Year

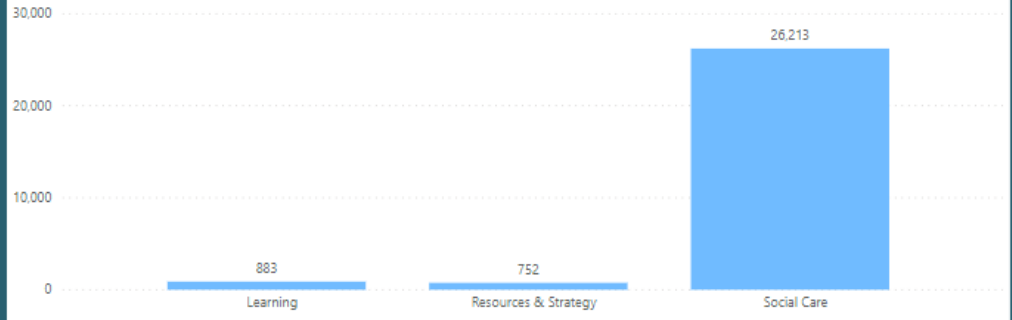


Budget Variation £000s

27,848

Overspend (+) / Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	110,279	111,211	932
Premises	4,724	4,670	-54
Supplies and Services	65,609	66,225	616
Transport	11,793	11,941	148
Internal Charges	36,153	37,637	1,484
Third Party Payments	113,928	140,379	26,452
Transfer Payments	3,886	3,437	-449
Capital		0	0
Transfer to/from Reserves	-819	-916	-97
Internal Income	-35,733	-35,334	399
External Income	-168,414	-169,996	-1,582
Total	141,405	169,253	27,848

Directorate	Change in Variance £000s
Children and Families	2,851
Total	2,851

Financial Dashboard 2023/24 Financial Year

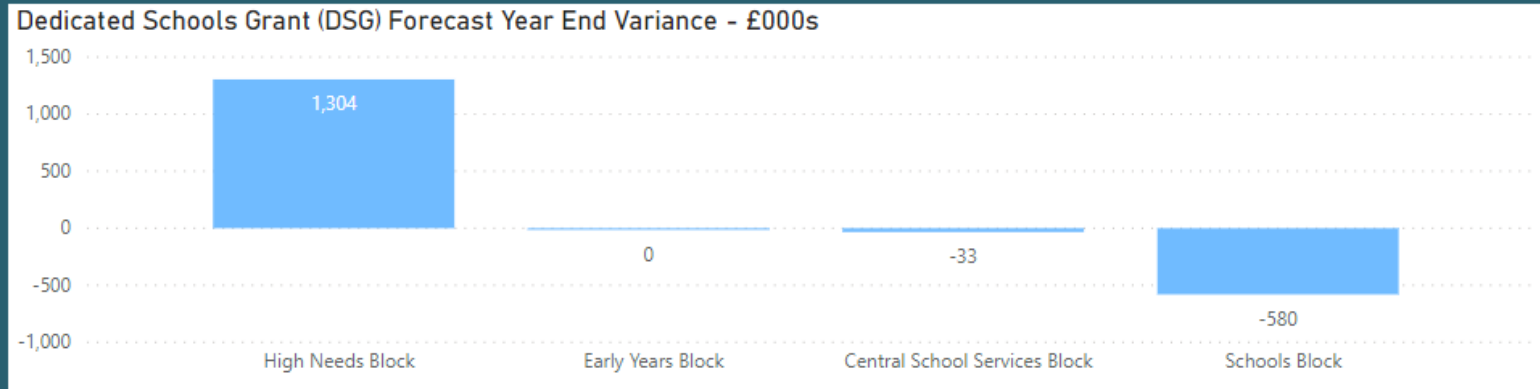
Back



DSG Variation £000s

691

Overspend (+) / Underspend (-)



Net Variations against the Approved Budget

DSG Block	Income Budget	Income Projection	Income Variance	Expenditure Budget	Expenditure Projection	Expenditure Variance	DSG Budget (LE)	DSG Projection	DSG Variance
Schools Block	-341,721	-339,322	2,399	341,721	338,742	-2,979	0	-580	-580
High Needs Block	-117,035	-117,171	-136	117,035	118,475	1,440	0	1,304	1,304
Early Years Block	-57,538	-61,989	-4,451	57,538	61,989	4,451	0	0	0
Central School Services Block	-5,106	-5,106	0	5,106	5,073	-33	0	-33	-33
Total	-521,400	-523,588	-2,188	521,400	524,279	2,879	0	691	691

DSG Reserves

Reserve Type	Balance b/fwd	Net contribution to(-)/from (+) balances	Budgeted Deficit (+) / Surplus (-) c/fwd	Projected in year under(-)/over(+) spend	Planned use of reserves	Projected Deficit (+) / Surplus (-) c/fwd
De-delegated	-1,950	500	-1,450	-233	1,750	-433
General	-7,060	0	-7,060	924	0	-6,136
Total	-9,010	500	-8,510	691	1,750	-6,569

Financial Dashboard 2023/24 Financial Year

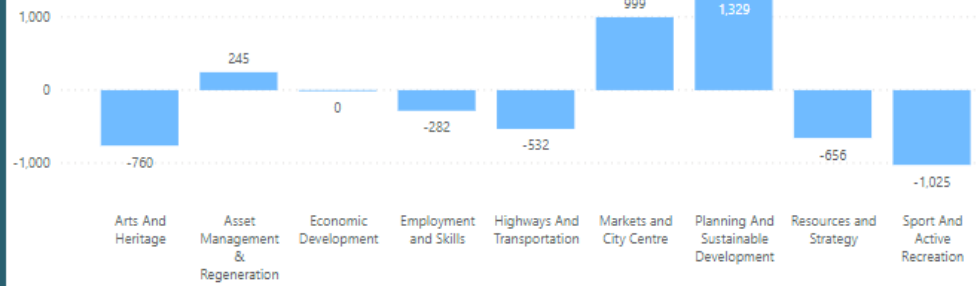


Budget Variation £000s

-682

Overspend (+) / Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	75,728	75,345	-382
Premises	31,499	31,046	-452
Supplies and Services	49,472	48,008	-1,463
Transport	6,837	7,455	618
Internal Charges	10,566	10,605	39
Third Party Payments	188	188	0
Transfer Payments		0	0
Capital		0	0
Transfer to/from Reserves	-3,550	-4,837	-1,288
Internal Income	-46,364	-45,866	498
External Income	-81,981	-80,233	1,748
Total	42,394	41,711	-682

Directorate	Change in Variance £000s
City Development	-298
Total	-298

Financial Dashboard 2023/24 Financial Year



Budget Variation £000s

3,620

Financial Year

2023/24

Cost Period

5

Officer Selection

All

Directorate, Service

All

Division, Costcentre & ...

All

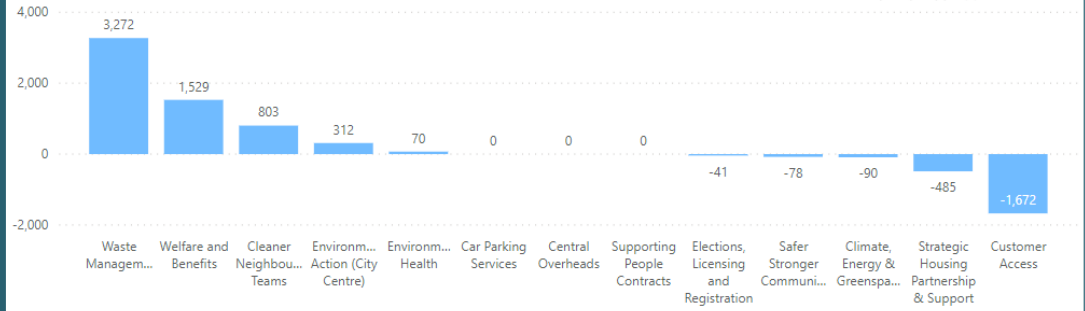
CostCentre RAG

All

Managed In/Outside Se...

Managed Budget

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	108,731	110,903	2,171
Premises	11,794	11,375	-419
Supplies and Services	65,367	68,727	3,361
Transport	11,340	11,473	133
Internal Charges	20,811	20,367	-444
Third Party Payments	22,052	22,145	93
Transfer Payments	163,007	170,054	7,047
Capital		0	0
Transfer to/from Reserves	-1,574	-1,969	-396
Internal Income	-43,788	-43,657	131
External Income	-263,450	-271,507	-8,057
Total	94,292	97,911	3,620

Directorate	Change in Variance £000s
Communities, Housing and Environment	-369
Total	-369

Change to Table

For Reporting

Financial Dashboard 2023/24 Financial Year



Surplus (-) / Deficit (+) £000s

2,998

HRA Income	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▲				
Dwelling Rents	-230,240	-229,531	709	445
Non Dwelling Rents	-3,347	-3,306	41	2
Service Charges	-9,551	-9,657	-106	5
Internal Income	-9,349	-8,678	671	242
Grants	-21,385	-21,385	0	0
External Income	-1,778	-1,678	100	0
Total	-275,650	-274,235	1,415	694

HRA Expenditure	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▲				
Disrepair Provision	4,500	4,500	0	0
Repairs to Dwellings	65,103	65,103	0	0
Employees	33,708	32,757	-951	-514
Premises	11,732	11,571	-161	0
Supplies and Services	5,185	5,225	40	0
PFI Unitary Charge	12,662	12,783	122	122
Transport	304	304	0	0
Internal Services	39,315	39,855	540	153
BITMO Management Fee	3,524	3,524	0	0
Provision for Doubtful Debts	1,136	1,136	0	0
Capital Charges	46,666	46,666	0	0
Contribution to Capital Programme	51,891	54,006	2,115	-500
Total	275,726	277,430	1,704	-740

Surplus (-) / Deficit (+)	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▼				
Net Position	76	3,196	3,120	-45
Appropriation: Sinking Funds	-326	-448	-122	-122
Appropriation: Reserves	250	250	0	0
Total	0	2,998	2,998	-167

Financial Dashboard 2023/24 Financial Year

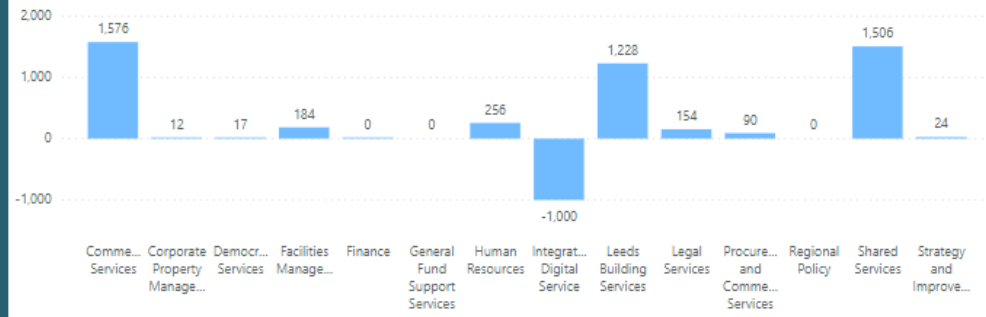


Budget Variation £000s

4,046

Overspend (+) / Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	166,482	174,384	7,901
Premises	15,977	15,997	20
Supplies and Services	63,469	57,572	-5,897
Transport	23,080	23,509	429
Internal Charges	4,931	4,924	-7
Third Party Payments	28	28	0
Transfer Payments	66	61	-5
Transfer to/from Reserves	-74	-802	-728
Internal Income	-172,701	-170,067	2,634
External Income	-17,938	-18,239	-301
Total	83,321	87,366	4,046

Directorate	Change in Variance £000s
Strategy and Resources	-1,170
Total	-1,170

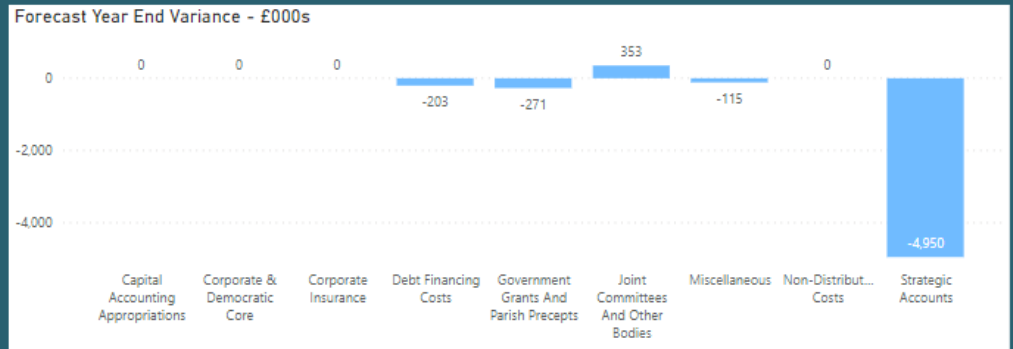
Financial Dashboard 2023/24 Financial Year



Budget Variation £000s

- 5,186

Overspend (+) / Underspend (-)



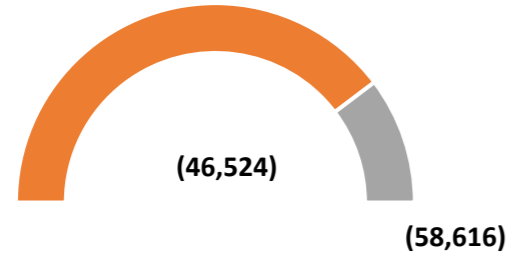
Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	4,729	4,671	-58
Premises		0	0
Supplies and Services	3,325	-656	-3,981
Internal Charges	4,962	5,043	81
Third Party Payments	37,207	37,508	302
Transfer Payments	1,130	1,130	0
Capital	91,351	92,276	925
Transfer to/from Reserves	-11,936	-11,236	700
Internal Income	-35,171	-37,254	-2,083
External Income	-82,476	-83,547	-1,072
Total	13,121	7,935	-5,186

Directorate	Change in Variance £000s
Strategic and Central Accounts	-5,290
Total	-5,290

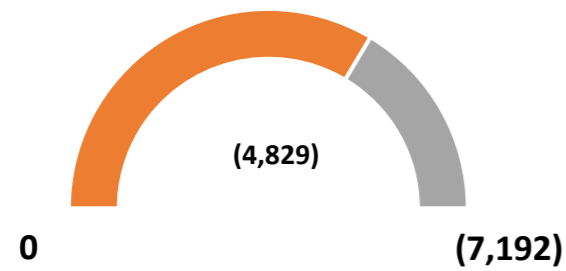
2023/24 BUDGET ACTION PLANS
August (Month 5)

Appendix A2

Projected Savings vs Budgeted



Projected Savings vs Budgeted



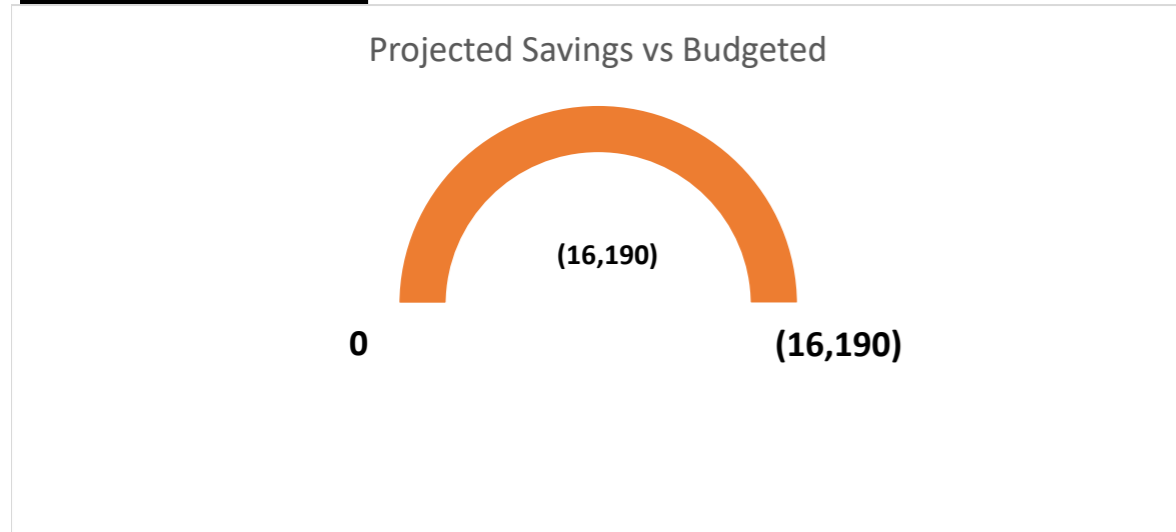
LEEDS CITY COUNCIL - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(12,482)	(12,482)	0
On track, no issues	(18,174)	(18,624)	(450)
Some risk	(12,415)	(12,234)	181
High risk	(15,545)	(3,184)	12,361
Cancelled	0	0	0
Total	(58,616)	(46,524)	12,092

LEEDS CITY COUNCIL - Other Savings Measures

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track, no issues	(3,325)	(3,325)	0
Some risk	(1,420)	(1,320)	100
High risk	(2,447)	(184)	2,263
Cancelled	0	0	0
Total	(7,192)	(4,829)	2,363

August (Month 5)



ADULTS & HEALTH - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(7,685)	(7,685)	0
On track, no issues	(3,625)	(3,625)	0
Some risk	(2,900)	(3,635)	(735)
High risk	(1,980)	(1,245)	735
Cancelled	0	0	0
Total	(16,190)	(16,190)	0

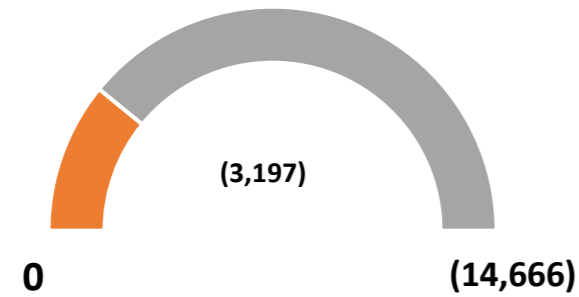
Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted Savings	BAU	Enhance awareness/desirability of in-house provision to encourage attendance and reduce external procurement (against fixed running cost)	Shona McFarlane	High risk	(160)	(40)	120	LBS struggling to let contracts re low interest. One of three properties will have f.y.e. one, half year effect and one little impact next year. Detailed action plan can only be completed once details of works have been obtained. Shortfall will be contained within budget or via reserves as this is slippage and not non-delivery (JC 15/2/23).
Budgeted Savings	BAU	Impact of telecare growth plan	Shona McFarlane	Some risk	(200)	(200)	0	0
Budgeted Savings	BAU	Improved collection of assessed client income (billing engine)	Shona McFarlane	Some risk	(1,000)	(1,235)	(235)	Analysis of client charges suggests there is more than £1m which could be achieved

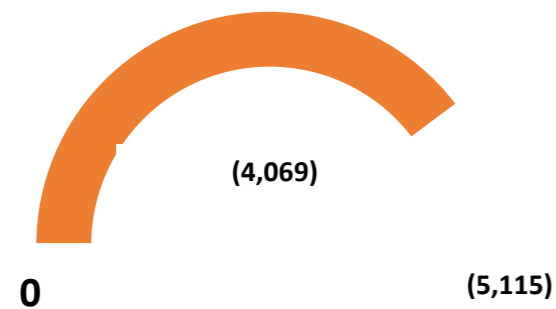
Budgeted Savings	SR	Strategic Review of Adult Social Work provision	Shona McFarlane	High risk	(1,120)	(830)	290	risk associated with social work and OT recruitment and therefore f.y.e. Aiming for new model to start May. Potential to be impacted by getting the service ready for the CQC inspection. At Q1 assume 25% non-delivery but in all likelihood could be more.
Budgeted Savings	BAU	Review mid-price range Learning Disability packages	Shona McFarlane	Some risk	(500)	(500)	0	0
Budgeted Savings	BAU	Develop a direct payment plan that is easy to administer for social workers to become the default option; will improve client contributions and reduce instances of incorrect billing	Shona McFarlane	Some risk	(200)	(200)	0	Plan shared with Max & Nyoka. Target setting session with front line social work and targets set for each team.
Budgeted Savings	BAU	Review of mental health placements (s117 health contribution)	Caroline Baria	High risk	(100)	(75)	25	Alternative savings of £65k identified, Touchstone and their outreach offer which is expensive. WRAP?
Budgeted Savings	BAU	Individualisation of block contracts	Caroline Baria	High risk	(500)	(250)	250	Slow progress re individualisation of block contracts with Aspire and
Budgeted Savings	BAU	Invest to save proposal for Home care - performance management	Caroline Baria	Some risk	(1,000)	(1,500)	(500)	Report approved to recruit 2 new staff. Expected to overachieve against BAP
Budgeted Savings	BAU	Review supported bank account contract (direct payments)	Caroline Baria	High risk	(100)	(50)	50	contract renewal late than originally thought. Sum will be contained within budget - or use of reserves as this is slippage and not non-delivery

August (Month 5)

Projected Savings vs Budgeted



Projected Savings vs Budgeted



Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted	SR	Diversifying children's residential and fostering provision	Farrah Khan	High risk	(3,479)	0	3,479	While the project still delivers savings over the longer term, the timing has changed and the original 23/24 savings are likely to be delivered later. This is to be cashflowed to reflect change in phasing of

CHILDREN & FAMILIES - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track, no issues	(212)	(212)	0
Some risk	(1,396)	(1,046)	350
High risk	(13,058)	(1,939)	11,119
Cancelled	0	0	0
Total	(14,666)	(3,197)	11,469

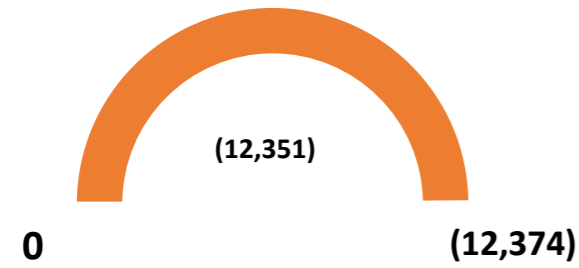
CHILDREN & FAMILIES - Other Savings Measures

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track, no issues	(2,695)	(2,695)	0
Some risk	(1,220)	(1,220)	0
High risk	(1,200)	(154)	1,046
Cancelled	0	0	0
Total	(5,115)	(4,069)	1,046

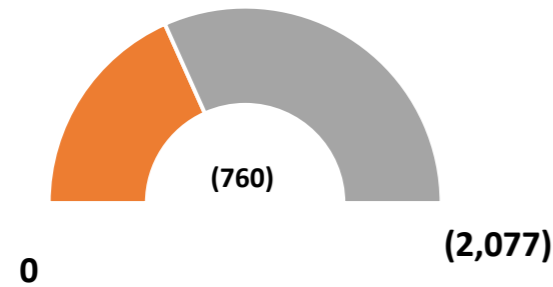
Budgeted	SR	Contracts: reduce costs and build on LCC's regional 'lead' role to maximise opportunities for income generation through additional investment in commissioning, contract management and placement reviews.	Phil Evans	High risk	(4,000)	(1,285)	2,715	Original savings plans assumed delivery of £4,750k savings with £750k investment in staffing. Savings plans are in place. However significant risk for delivery due to scale of savings and likely lead in period for delivery.
Budgeted	SR	Turning the curve – range of workstreams to reduce the forecast increase in Children Looked After number	Farrah Khan	High risk	(3,000)	0	3,000	Original plans required investment in an Edge of Care service to deliver the net savings of £3,000k. However this savings target overlaps with the fostering and residential plans, so is not expected to lead to additional savings in 23/24
Budgeted	BAU	Transport: Including independent travel training, personal transport allowances, use of private hire, commissioning an external review	Tim Pouncey	some risk	(946)	(946)	0	High risk budget due to level of control over demand and inflation and data available for projections. Therefore savings could be overtaken by additional costs. However progress is being made by C&F and CEL on implementation of savings proposals.
Budgeted	SR	Review of Children's Centres and Commissioned Family Services	Farrah Khan	some risk	(450)	(100)	350	Unlikely the full £450k will be achieved in 23/24.
Budgeted	SR	Efficiencies in commissioned services through review of a range of contracts.	Phil Evans	High risk	(500)	(131)	369	Work ongoing to identify further savings
Budgeted	SR	Efficiencies across the Children & Families directorate, potentially including staffing reductions	Julie Longworth	High risk	(1,710)	(154)	1,556	Details being worked through, including a review of vacant posts
Budgeted	BAU	Staffing efficiencies: Social Care - Attendance and performance management	Farrah Khan	high risk	(369)	(369)	0	Reduced use of agency staff

August (Month 5)

Projected Savings vs Budgeted



Projected Savings vs Budgeted



CITY DEVELOPMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(3,760)	(3,760)	0
On track, no issues	(8,083)	(8,083)	0
Some risk	(531)	(508)	23
High risk	0	0	0
Cancelled	0	0	0
Total	(12,374)	(12,351)	23

CITY DEVELOPMENT - Other Savings Measures

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track, no issues	(630)	(630)	0
Some risk	(200)	(100)	100
High risk	(1,247)	(30)	1,217
Cancelled	0	0	0
Total	(2,077)	(760)	1,317

Amber & Red Risk Areas

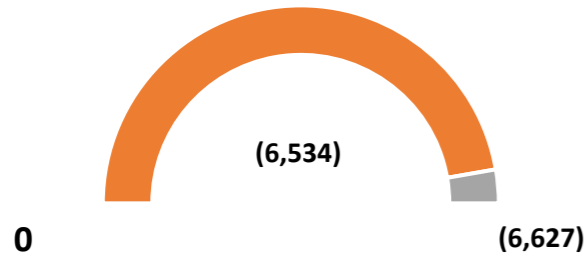
Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted	SR	Leeds Museums & Galleries Invest to Save: relocation of Café	Eve Roodhouse	Some risk	(90)	(67)	23	0
Budgeted	BAU	Additional income from new contractor framework implemented in 22/23	Gary Bartlett	Some risk	(25)	(25)	0	0

Budgeted	SR	Street Lighting: Adaptive lighting via a Central Management System (CMS)	Gary Bartlett	Some risk	(166)	(166)	0	0
Budgeted	BAU	Planning & Levelling Up Bill: National fees	David Feeney	Some risk	(250)	(250)	0	0
Other	BAU	Estate Rationalisation	Angela Barnicle	High risk	(583)	(30)	553	0
Other	BAU	Strategic Investment Fund	Angela Barnicle	High risk	(664)	0	664	0

Other	BAU	Contractor Procurement Framework	Gary Bartlett	Some risk	(200)	(100)	100	0
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August (Month 5)

Projected Savings vs Budgeted



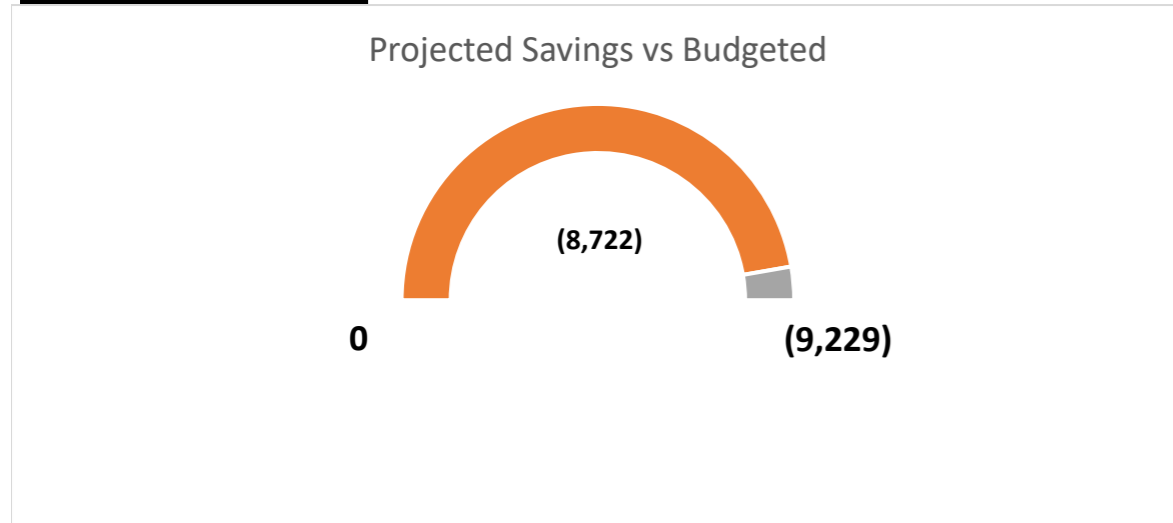
COMMUNITIES, HOUSING & ENVIRONMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(922)	(922)	0
On track, no issues	(4,108)	(4,558)	(450)
Some risk	(1,597)	(1,054)	543
High risk	0	0	0
Cancelled	0	0	0
Total	(6,627)	(6,534)	93

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted	BAU	Parks attractions income	Polly Cook	Some risk	(192)	(192)	0	Attractions income is trending towards a pressure at Lotherton where £100k of budgeted savings targeted. However café income is projected to exceed the
Budgeted	BAU	Benefits - Subsidy - target Supported Accommodation	Lee Hemsworth	Some risk	(600)	(600)	0	Action plan in place with the aim is to reduce or maintain existing pressure. However this is dependent on scale of new growth in legitimate supported accommodation
Budgeted	BAU	Community Centres - strategy to reduce the current subsidy to nil	Lee Hemsworth	Some risk	(32)	(32)	0	Amended charges have been approved - one major client (LCHT) and dependant upon them accepting the increase.
Budgeted	BAU	Recycling Disposal costs	Paul Money	Some risk	(33)	(33)	0	Reduced income. Consideration as to whether Net Nil strategy is right. Linked to wider locality asset review.

August (Month 5)



STRATEGY & RESOURCES - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(115)	(115)	0
On track, no issues	(2,616)	(2,616)	0
Some risk	(5,991)	(5,991)	0
High risk	(507)	0	507
Cancelled	0	0	0
Total	(9,229)	(8,722)	507

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted	BAU	Additional LBS turnover as a result of capital work in the civic estate	Sarah Martin	Some risk	(1,500)	(1,500)	0	Will need to ensure future years' capital programme provision is recurrent in order to sustain the surplus.
Budgeted	BAU	Corporate Property Management - Various initiatives including: maximising Salix funding & review of building maintenance funding.	Sarah Martin	Some risk	(250)	(250)	0	To be regulary reviewed as part of ongoing internal budget strategy review.
Budgeted	BAU	Cleaning / Facilities Management/Security: Review of cleaning materials procurement, pricing, Presto offer and insourcing.	Sarah Martin	Some risk	(200)	(200)	0	To be regulary reviewed as part of ongoing internal budget strategy review.
Budgeted	BAU	Catering: Before and After School Clubs, target increased take up, review high school offer to include cross border training, procurement.	Sarah Martin	Some risk	(165)	(165)	0	To be regulary reviewed as part of ongoing internal budget strategy review.
Budgeted	BAU	Fleet Services' efficiencies: including reduction in maintenance spend, introduction of new vehicle types, greater utilisation of existing fleet and an enhanced focus on supplier spend and emerging markets.	Sarah Martin	Some risk	(488)	(488)	0	To be regulary reviewed as part of ongoing internal budget strategy review.

Budgeted	BAU	CEL Increased Productivity	Sarah Martin	Some risk	(345)	(345)	0	0
Budgeted	BAU	Cleaning/Facilities Management/Security - Increased productivity	Sarah Martin	Some risk	(30)	(30)	0	To be regulary reviewed as part of ongoing internal budget strategy review.
Budgeted	BAU	Civic Flavour - Armley Sports Centre Café	Sarah Martin	Some risk	(20)	(20)	0	To be regulary reviewed as part of ongoing internal budget strategy review.
Budgeted	BAU	Civic Flavour - Weddings	Sarah Martin	Some risk	(20)	(20)	0	To be regulary reviewed as part of ongoing internal budget strategy review.
Budgeted	BAU	Staffing efficiencies: CEL: Corporate Property Management / Facilities Management	Sarah Martin	Some risk	(163)	(163)	0	To be regulary reviewed as part of ongoing internal budget strategy review.
Budgeted	BAU	Commercial Services: Improving attendance	Sarah Martin	Some risk	(225)	(225)	0	To be regulary reviewed as part of ongoing internal budget strategy review.
Budgeted	BAU	Passenger Transport: Improving attendance	Sarah Martin	Some risk	(110)	(110)	0	To be regulary reviewed as part of ongoing internal budget strategy review.
Budgeted	BAU	Passenger Transport: Review all routes to ensure contracted hours aligned with routes to give maximum efficiency	Sarah Martin	Some risk	(75)	(75)	0	To be regulary reviewed as part of ongoing internal budget strategy review.
Budgeted	BAU	Staffing efficiencies: Finance	Victoria Bradshaw	Some risk	(414)	(414)	0	0
Budgeted	BAU	Staffing efficiencies: Human Resources	Andy Dodman	Some risk	(440)	(440)	0	0
Budgeted	BAU	Staffing efficiencies: Integrated Digital Services: additional 2% vacancy factor	Leonardo Tantari	Some risk	(500)	(500)	0	Both IDS DAPs to be consolidated into one.

Budgeted	SR	Review of Network Management Centre	Leonardo Tantari	Some risk	(370)	(370)	0	This is a full year's cost - any delay will be mitigated by further IDS vacancy factors.
Budgeted	BAU	BSC Shared Cost Salary Sacrifice- This would generate Employer NI savings (as well as savings for the individual).	Andy Dodman	High risk	(80)	0	80	0
Budgeted	BAU	Staffing efficiencies: Business Support Centre	Gemma Taskas	Some risk	(276)	(276)	0	0
Budgeted	BAU	Staffing efficiencies: Contact Centre	Gemma Taskas	Some risk	(125)	(125)	0	0
Budgeted	BAU	Staffing efficiencies: Business Administration Service: additional 2% vacancy factor	Gemma Taskas	Some risk	(275)	(275)	0	0
Budgeted	BAU	Staffing efficiencies: Strategy and Improvement	Mariana Pexton	High risk	(277)	0	277	0
Budgeted	BAU	Communications & Marketing: Synergies from a co-ordinated approach to marketing and promotion	Mariana Pexton	High risk	(150)	0	150	0
0	0	0	0	0	(6,498)	(5,991)	507	0

