

Public Document Pack

Strategy and Resources Scrutiny Board – 16 September 2024

**Supplementary Information – Agenda Item 7 - Financial Health
Monitoring 2023/24 - Month 4 (July)**

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Report author: Victoria Bradshaw

Tel: 88540

Financial Health Monitoring 2024/25 – July (Month 4)

Date: 18th September 2024

Report of: Chief Officer - Financial Services

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

1. The purpose of this report is to update the Executive Board on financial performance against the 2024/25 revenue budget, which has targeted resources towards the council's strategic priorities as set out in the Best City Ambition whilst also supporting our ongoing journey to strengthen the authority's financial resilience and sustainability. The report also updates the Board on the July (Month 4) position in respect of the Housing Revenue Account (HRA), the Schools Budget (DSG), the Council Tax and Business Rates Collection Fund and Treasury Prudential Indicators. For full details, please refer to **Appendices 1 to 4**.
2. A net revenue budget of £622.0m was approved by this Board in February 2024. At July (Month 4), we are forecasting a General Fund overspend of £22.2m or 3.6% of the approved 2024/25 net budget. Where known, pressures have been incorporated into the reported financial position, including those due to increased inflation, the resulting cost of living crisis, and demand and demography. In response to the reported position, the freeze on recruitment, agency and overtime spend and the freeze on non-essential spend first introduced in 2022/23 is continuing in 2024/25.
3. The budget for 2024/25 requires delivery of £63.9m of savings, with £15.9m of General Fund in year savings and £3.4m of savings relating to the DSG also identified. At July (Month 4) it is anticipated that most of these budgeted savings would be delivered or have mitigating actions found. However, £3.5m delayed delivery of General Fund savings has been identified, primarily within Children's social care. This delayed delivery is included within the £22.2m overspend being reported today but has been mitigated through the use of reserves which are included within the reported Strategic position. A £3.4m delay in delivery is forecast against in year DSG savings. Further details are provided in the appended directorate positions and detailed Budget Action Plans are provided at **Appendix 4**.
4. The reported overspend needs to be understood within the wider national context: local government finances are in a critical state and there is continuing concern as an increasing number of councils are reporting significant pressures in the current financial year and considerable estimated budget gaps in future financial years which provide a challenge to their financial sustainability. The increasing cost of social care, particularly within Children's Services where the increasing numbers of external placements and significantly higher costs of those placements, combined with the impact of pay and price pressures which are in excess of the level of government resources provided, has not yet been recognised. As a result, a number of local authorities have issued or are raising the possibility of issuing Section 114 notices, effectively giving notice that a council cannot balance its budget. This current and future financial climate for local government represents a significant risk to Leeds City Council's priorities and ambitions.
5. Within Leeds, work continues to review the highest cost / spend areas (notably Children Looked After, Transport and Leeds Building Services) and all services are continuing to explore opportunities to secure in-year savings (such as holding vacancies where this will not have a detrimental effect on critical services and on staff wellbeing) and maximising income. Asset reviews are underway to ensure the council has the right numbers and mix of assets.
6. The freeze on recruitment, agency and overtime spend introduced in 2022/23 within a framework of agreed exceptions remains in place, as does the freeze on non-essential spend, with further controls brought in to strengthen oversight and monitoring. Using our Team Leeds approach, working across the council and with partners, we will continue to take all action necessary to meet our legal requirement to deliver a balanced

7. Any forecast overspend at the year-end will require further savings to be identified for 2025/26.
8. Any Collection Fund income shortfall arising in 2024/25 will impact on the Revenue Budget in 2025/26.
9. At July (Month 4) the Housing Revenue Account is forecasting a balanced position.
10. At July (Month 4), the DSG budget is projecting an in-year pressure of £9.5m which equates to 1.71% of the total estimated DSG funding.
11. The Codes of Practice on Capital Finance and Treasury Management require that Prudential indicators are monitored at least on a quarterly basis as part of the Council's overall Financial Health monitoring. The report includes an analysis of the Prudential indicators set at the time of the budget in February 2024, showing a comparison to current projections and variances where appropriate.

Recommendations

Executive Board are asked to:

- a) Note that at July (Month 4) the authority's General Fund revenue budget is reporting an overspend of £22.2m for 2024/25 (3.6% of the approved net revenue budget) after application of reserves within a challenging national context, and that a range of actions are being undertaken to address this position.
- b) Note that at July (Month 4) the authority's Housing Revenue Account is reporting a balanced position.
- c) Note that known inflationary increases, including demand and demographic pressures in Social Care and known impacts of the rising cost of living have been incorporated into this reported financial position. The position assumes a pay settlement of 3.5%, with the final pay award for 2024/25 yet to be agreed. These pressures will continue to be reviewed during the year and reported to future Executive Board meetings as more information becomes available. Proposals would need to be identified to absorb any additional pressures.
- d) Note that where an overspend is projected, directorates, including the Housing Revenue Account, are required to present action plans to mitigate their reported pressures and those of the council's wider financial challenge where possible, in line with the Revenue Principles agreed by Executive Board in February 2024 through the annual Revenue Budget report (details at Appendix 11 of the linked document: 2024-25 Revenue Budget and Council Tax Report.)
- e) Note that the reported position reflects that the budgeted contribution to the General Reserve of £3m will be reduced to £1.5m and that the budgeted contribution of £3m to the Strategic Resilience Reserve will not be made in 2024/25. These planned contributions have been applied to the in year position to reduce the overspend due to the significant financial pressures the Council is facing. Provision is made in the Medium Term Financial Strategy for a base budget contribution of £3m to each reserve from 2026/27.

What is this report about?

- 1 This report updates the Board on financial performance against the council's 2024/25 General Fund revenue and Housing Revenue Account budgets for the first quarter of the financial year. 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 as at July (Month 4) 2024/25.
- 2 Executive Board will recall that the net revenue budget for 2024/25 was set at £622.0m. The Medium-Term Financial Strategy assumes a balanced budget position for 2024/25 after the application of Government funding, the delivery of savings and the utilisation of earmarked reserves.

- 3 As at 1st April 2024, the Council's general fund reserve stood at £36.2m. The reported position assumes a £1.5 contribution to this reserve as part of measures taken to ensure financial robustness and sustainability in the future.
- 4 At July (Month 4) directorates are reporting an overspend of £22.2m (3.6% of the approved 2024/25 net revenue budget), and the HRA is forecasting a balanced position. As noted in the summary above, this reflects a national picture whereby local government finances are in a critical state.
- 5 The Council's Medium Term Financial Strategy and the 2024/25 Revenue Budget report, approved by Council in February 2024, detail how the budget (both revenue and capital) aligns with the council's Best City Ambitions. With regard to this reported July (Month 4) revenue position and given the requirement to deliver a balanced budget position at year end, it is not considered that this current position will have any implications for the planned delivery of the Council's Best City Ambitions.
- 6 Directorate positions are summarised in Table 1:

Table 1: Summary position at July (Month 4), financial year 2024/25

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	(3,082)	11,792	(3,847)	7,946	7,947
Children and Families	Julie Longworth	(3,405)	24,002	(5,154)	18,847	17,920
City Development	Martin Farrington	(1,883)	(1,215)	1,214	0	0
Communities, Housing & Environment	James Rogers	(1,529)	(3,107)	3,109	0	0
Strategy & Resources	Mariana Pexton	3,302	(2,887)	5,832	2,946	1,426
Strategic	Victoria Bradshaw	0	(6,372)	(1,166)	(7,538)	(7,357)
Total Current Month		(6,595)	22,213	(11)	22,201	19,936
Previous reported (under)/over spend		(8,840)	24,720	(4,786)	19,936	

- 7 This position reflects the demand and demographic pressures being experienced in social care. It also reflects the latest projections with regard to known inflationary pressures in respect of the costs of electricity, gas, fuel and the impact of the cost-of-living pressures on our residents and businesses which has significantly affected the cost of goods and services the council procures, demand for support and welfare services the council provides, and the activity levels that support a wide range of income streams. These will continue to be monitored throughout the year, as will any further increases in interest rates and their impact on the council's financial position. The position shown reflects the budgeted assumptions regarding a 3.5% pay increase. Should the agreed pay increase exceed these assumptions, directorates will be required to mitigate these additional costs.
- 8 Four key messages will be reiterated to staff throughout 2024/25 to remind everyone of the part we all have to play in supporting the 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 Financial Management as soon as possible.
 - **Robust monitoring is essential** – includes detailed discussion at relevant monitoring meetings.
- 9 In addition, given the forecast revenue overspend position reported here, the council’s Corporate Leadership Team (comprising the Chief Executive and six directors) has agreed to continue the freeze on recruitment, agency and overtime spend introduced in 2022/23 and to further strengthen controls.
- 10 The reported position incorporates ongoing cross-directorate work to support and challenge the highest cost/spend areas, such as Children Looked After, Transport and LBS and actions by services to maximise income. Asset reviews continue to ensure the council has the right numbers and mix of assets and directorates continue to consider where future year savings options identified as part of the Financial Challenge to meet the MTFS funding gap could be brought forward to generate savings during 2024/25, including income generation, additional non-essential spend savings and savings resulting from reviews of key areas of expenditure which both reduce activity levels and rationalise service provision.
- 11 Corporate Leadership Team has also agreed to the continuation and strengthening of a range of measures which further reinforce controls on spending, including the following:
- No travel is being undertaken unless it is required for the essential delivery of a service or in very exceptional circumstances; all meetings, where possible, should be conducted remotely / in the employee’s place of business (with no travel costs incurred to attend a meeting if this meeting could be held remotely and; no conferences or training courses should be attended where these require travel either through mileage or public transport.
 - With a number of exceptions e.g., social work roles, a complete recruitment freeze is now in place.
 - Tighter controls are in place in respect of Agency and Overtime. All Agency Staff are being reviewed and Overtime needs to be consistent with the exception requirements to the recruitment freeze.
 - All spend that is not critical for the delivery of a service is not to be incurred. To deliver this requirement all orders need to be approved and no spend is to be incurred on Purchase Cards unless this is critical to the delivery of the service. Purchase Card Levels have been reduced to “zero” in the majority of cases and only those approved by the respective Directors remain in use;
- and these messages feature regularly in corporate, directorate and service communications.
- 12 Financial monitoring is 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. It is due to the robustness of this monitoring that the projected overspend was identified so early in the financial year, enabling action to be taken.

What impact will this proposal have?

- 13 The budget proposals contained in the 2024/25 Budget have, where appropriate, been the subject of the Council’s Equality Impact Assessment process and mitigating measures put in place or planned where appropriate. As such, an Equality Impact Assessment was provided at Appendix 6 to the 2024-25 Revenue Budget and Council Tax Report.

How does this proposal impact the three pillars of the Best City Ambition?

- Health and Wellbeing Inclusive Growth Zero Carbon

- 14 The Best City Ambition is the strategic plan which sets out the ambitions, outcomes and priorities for the City of Leeds and for the local authority. The Three Pillars of health and wellbeing, inclusive growth and

achieving zero carbon underpin this vision and these can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the council's policies against financial constraints. The Best City Ambition is the strategic plan which sets out the ambitions, outcomes, and priorities for the City of Leeds and for the local authority. The Three Pillars of health and wellbeing, inclusive growth and achieving zero carbon underpin this vision and these can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the council's policies against financial constraints.

- 15 This is the primary purpose of the Medium-Term Financial Strategy which provides the framework for the determination of the council's annual revenue budget. This report needs to be seen in the context of the requirement for the authority to be financially sustainable and deliver a balanced revenue budget position in 2024/25 so that resources can continue to be targeted at the council's priorities.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 16 This is a factual report and is not subject to consultation. Public consultation on the Council's revenue budget proposals was carried out between December 2023 and January 2024 and is detailed at Appendix 1 in the 2024-25 Revenue Budget and Council Tax Report presented to this Board in February 2024.

What are the resource implications?

- 17 This is a financial report and as such resource implications are detailed in both the report and the accompanying appendices.

What are the key risks and how are they being managed?

- 18 The reported budget position is considered in the context of risk to both the in year financial position and the potential impact on the Council's Medium Term Financial Strategy. These risks are included on the Council's corporate risk register, reported to this Board annually. At September 2023 both the risk of the in year financial position being in deficit and the Council being unable to balance the Medium-Term Financial Strategy were rated 'very high', reflecting the wider national context and the uncertainty of funding for future years.
- 19 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget judged to be at risk such as the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this approach, specific project management based support and reporting around the achievement of key budget actions plans continues to be in place for 2024/25.
- 20 This position reflects a budgeted 2024/25 pay increase of 3.5%. The agreed increase will not be known until later in the year and could exceed this budget. Further this position reflects the latest projections with regard to known inflationary pressures in respect of the increased cost of electricity, gas, fuel and the impact of the cost of living pressures on our residents or businesses which has significantly affected the cost of goods and services the Council procures, demand for support and welfare services the Council provides, and the activity levels that support a wide range of income streams. These will continue to be monitored throughout the year as will increases on interest rates and their impact on the Council's financial position.

What are the legal implications?

- 21 The council has a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.
- 22 Section 28 of the Local Government Act 2003 provides that the council has a statutory duty to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such remedial action as it considers necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year. The council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.
- 23 In addition, the council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The authority's Chief Finance Officer has established financial procedures to ensure the council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Executive Board to receive information about the revenue budget as set out in this report.
- 24 The monitoring of financial information is also a significant contributor to meeting the council's Best Value legal duty and, therefore, this report also demonstrates compliance with that legal duty.
- 25 Under Section 1 of the Local Government Act 2003 ("LGA") ("Power to borrow"), a local authority may borrow for any purpose relevant to its functions or for "the prudent management of its financial affairs".

Options, timescales and measuring success

What other options were considered?

- 26 Not applicable

How will success be measured?

- 27 Not applicable.

What is the timetable and who will be responsible for implementation?

- 28 Work continues to address the financial challenges outlined in this report and to identify savings to reduce the level of projected overspend. Further updates will be provided in future Financial Health Monitoring reports to this Board.
- 29 The responsibility for identification and actioning of the necessary measures to ensure the delivery of a balanced budget are the responsibility of the Chief Officer - Financial Services, working in conjunction with departmental directors. A balanced budget must be delivered at Financial Outturn 2024/25, with the outturn position due to be reported to the June 2025 meeting of this Board.

Appendices

- 30 The following appendices are attached to this report:
 - Appendix 1 - Financial Health Monitoring 2024/25 July (Month 4): detailed narrative regarding the financial outturn positions for directorates, the Housing Revenue Account HRA, Dedicated Schools Grant (DSG) Council Tax and Business Rates and Prudential Indicators.
 - Appendix 2 – Individual financial dashboards for directorates, DSG and the HRA

- Appendix 3 – Adults & Health Demand Budgets – Current Numbers and Trends
- Appendix 4 – Directorate Budget Action Plans

Background papers

31 None

Financial Health Monitoring 2024/25 Report– July (Month 4)

1. Directorate Positions at Month 4

- 1.1 The Directorate budget variations of £22.2m are summarised in **Table 1** and outlined below, with additional detail provided on the Directorate dashboards at **Appendix 2**.

Table 1: Summary position as at July (Month 4) Financial Year 2024/25

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	(3,082)	11,792	(3,847)	7,946	7,947
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Previous reported (under)/over spend		(8,840)	24,720	(4,786)	19,936	

1.2 Adults & Health

Adult Social Care 2024/25 Budget

Budget Overview

At July (Month 4) 2024/25, Adults and Health are projecting an in-year pressure of £7.9m. The Net Managed Budget (NMB) for 2024/25 is £199.4m, comprised of £461.2m Gross Expenditure offset by £261.8m income. This is a small increase of 0.33% from the Original Estimate NMB 2023-24 budget of £198.714m.

Gross Expenditure increased by £39m, £28m for ASC (£402m from £374m) and £11m for Public Health (£59m from £48m). For Adult Social Care this represents an increase of 7.5% in their spending power.

At Month 4 an in-year budget pressure of £7.95m has been identified with further details provided below. This is in line with the Quarter 1 budget monitoring report. Within the detail a reduction in the reported demand led pressures of £0.5m has been offset by increased pressures on agency costs in the Community Hubs of £0.3m and a reduction in Telecare income of £0.2m.

To maintain the £7.95m reported position, further delivery of £16.5m action plans needs to be achieved over the remainder of the financial year. This is a mix of currently identified failing 2024/25 budget action plans and additional in-year action plans to cover increased trend in the demand budgets. This is principally the increasing trend within the Working Age Adults cohort and specifically the Learning Disabilities and Mental Health groups that rolled through from Quarters 3 & 4 2023/24 financial year into 2024/25 and Quarter 1 2024/25 continuing growth.

The £16.5m is a mix of £14.6m demand management, £1.1m additional (client) income and £0.8m controlling agency and overtime spend. Significant risks remain, principally around the demand led budgets for which there is budgetary provision of £292m in 2024/25. Reflected in the 2024/25 budget are Budget Action Plans totalling £25.6m, of which £0.2m are rated 'high risk' and £11.3m rated 'some risk'. Further analysis is provided below.

Immediate action will be taken to mitigate this in-year pressure; freeze on non-essential spend and review overtime and agency usage. A key area will be around reviewing demand spend for both Working Age Adults and Older People, and reviewing client income and partner contributions, principally Continuing Healthcare (CHC) and s117 contributions due under the Mental Health Act.

Budget Action Plans

The 2024-25 Adults & Health budget has 31 Budget Action Plans to deliver, amounting to £25.6m, split £13.4m relating to demand and market management, £10.1m for additional income, primarily client income and £2.1m other budget savings.

At Month 4, 2 Budget Action Plans amounting to £0.2m have been identified as high risk or undeliverable. The directorate's Departmental Leadership Team is developing alternative options to mitigate the pressure.

Table 2 -Adults and Health Budget Action Plan 2024/25 Financial Year

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(5,214)	(5,714)	(500)
On track	(8,900)	(9,400)	(500)
Some risk	(11,322)	(11,322)	0
High risk	(200)	0	200
Cancelled	0	0	0
Total	(25,636)	(26,436)	(800)

A further 8 Budget Action Plans amounting to £11.3m have been identified as having some delivery risk attached to them over the remainder of the financial year - see the Adults and Health Month 4 Budget Action Plan at **Appendix 4** for full details.

Achieved Action plans and On Track plans are projected to over deliver by £1m and relate to higher than anticipated levels of client income. As such the summary position for the 2024/25 Budget Action Plans is an over recovery of £0.8m.

Demand Budgets

The 2024/25 demand related budgets reflect £28.9m of additional funding for price, inflation, and demand & demography growth, taking the overall size of the demand led budgets up to £305.9m before reducing to £291.4m after accounting for the £13.4m approved 2024/25 demand related Budget Action Plans above and £1.1m demand budget reinvested into front line social work staffing.

The Month 4 projection is a pressure of £15.9m and primarily relates to higher trend from 2023/24 continuing into 2024/25 plus further increased demand in Quarter 1 in the current financial year around the Working Age Adults (18 – 65 cohort) and more specifically the Learning Disability and Mental Health cohort. Also, the numbers for Older People (65+) are higher than the 2024/25 budget. It should be noted that the £15.9m pressure assumes further delivery of £14.6m of action plans which are not currently showing in our data. This is a £0.5m reduction in the in-year pressure from the Quarter 1 financial health monitoring report and is a mix of a reduction in the Learning Disability pressure by £1.3m offset by trend pressures in Older People of £0.7m and Working Age Adults Physical Impairment of £0.1m.

The table below presents the pressures based on spend by category and shows movement from the reported Quarter 1 position.

Table 3: Demand Budgets Projections

	LE 24-25 £	Month 4 £	Variance £	Q1 Proj. £	M/ment £
Head of Service - (Working Age Adults)					
Learning Disability	118,313,000	133,820,408	15,507,408	135,086,118	(1,265,710)
Mental Health (WAA)	24,628,000	27,914,372	3,286,372	27,906,773	7,599
Learning Difficulty	735,000	749,669	14,669	838,718	(89,049)
Staffing & Running costs (MH / LD)	457,000	457,000	0	457,000	0
Total Working Age Adults Demand Budgets	144,133,000	162,941,449	18,808,449	164,288,609	(1,347,160)
Head of Service - (Older People)					
Older People	118,334,000	129,843,095	11,509,095	129,141,049	702,046
WAA PI	28,210,000	28,708,808	498,808	28,607,300	101,508
Drugs, Alcohol & Other	2,587,000	2,261,470	(325,530)	2,244,354	17,116
DP Audit Recovery Income	(2,600,000)	(2,600,000)	0	(2,600,000)	0
Staffing & Running costs (PI / Older)	94,000	144,000	50,000	144,000	0
Total Older People Demand Budget	146,625,000	158,357,373	11,732,373	157,536,703	820,670
TOTAL DEMAND	290,758,000	321,298,822	30,540,822	321,825,312	(526,490)
Figures above prior to Action Plan Credits					
Action Plan entries		0	(14,592,000)	(14,592,000)	0
Month 2 Reported Demand Pressure	290,758,000	306,706,822	15,948,822	307,233,312	(526,490)

The modelling for Older People assumes numbers at Month 4 continuing at that level for the remainder of the year: one in one out. For Working Age Adults, the modelling takes current numbers, accounts for adolescents transferring into adulthood from Children & Families and the full-year effect of people who came into

care in 2023/24 financial year. This is prior to the £14.6m action plan adjustment in the **Table 3**.

Appendix 3 provides a series of graphs showing current trend for Month 4 2024/25 and trend for the previous three financial years and sets out the assumptions and risks in the reported position.

Income

At Month 4, Adult Social Care is projecting additional client income of £3.1m. This includes delivery of a £1.1m action plan over the remainder of the year and around increased collection of client contributions. Provider Services is primarily due to a shortfall in Telecare income.

Table 4 Service User Income Month 4 – 2024/25

Service User Income (942) - Period 4				
Level 3 Description	Current Budget	Actual to Date	BMO Projected Year End Spend	Total (Under) / Over Spend
▲				
Health Partnerships	0	0	0	0
Provider Services	-3,901,000	-1,654,059	-3,363,330	537,670
Resources & Strategy	-382,000	0	-332,000	50,000
Social Work & Social Care Services	-56,880,000	-4,448,855	-60,631,459	-3,751,459
Strategic Commissioning	-65,000	0	-37,000	28,000
Total	-61,228,000	-6,102,914	-64,363,789	-3,135,789

As most of this income relates to a financially assessed charge there is a continuing risk that this level of income will not be achieved.

Pay

Adults and Health at Month 4 are projecting pay savings of £3.5m, principally around Social Worker and Provider Services pay costs. Recruitment of key skilled workers is still a significant operational challenge, principally around Social Workers, Occupational Therapists and Wellbeing Workers. The £3.5m is comprised of savings on basic pay £7.5m, offset by additional spend on Agency £3.5m and Overtime £0.5m. This assumes delivery of £0.8m in-year action plan savings on agency and overtime. Other pay costs are £0.5m over budget but this is covered by additional grant income.

This projection includes a provision for £2m to cover increased capacity for Social Workers and occupational therapist teams £0.9m, the second payment of the social worker loyalty payment of £1,500 paid in June'24 £0.6m and the implementation of the Person Record Team and introduction of the Single Care Record system £0.5m.

Other

Included in the Demand led pressures above are Civic Enterprise Leeds (CEL) pressures of £0.6m for Passenger Transport and other CEL pressures of £0.1m relating to catering costs for in-house provision and £0.2m for cleaning and vehicle charges.

Public Health 2024/25 Budget

Public Health (PH) Grant funding for 2024/25 is £49.7m; an increase of £1.0m from 2023-24 (2.1%). This is the second year of an announced two-year grant funding settlement for Public Health. Public Health grant is a ring-fenced account and limited to specific terms and conditions. Other funding streams for 2024/25 are £8.4m Additional Substance and Misuse funding and £1.0m Stop Smoking funding. At Month 4 we are projecting a balanced position.

1.3 Children and Families

The current year-end forecast for the Children and Families directorate is an overspend of £18.847m. This represents an increase of £0.927m from the position reported at Quarter 1. The main movements from Quarter 1 are:

- Children Looked After (CLA) External Residential Placements (£2.633m) – additional DSG contributions of £1.3m with further mitigations of £1.4m due to reunification and small group living savings based on latest plans
- CLA Independent Fostering Agency (IFA) Placements £0.603m
- Other CLA movements £0.736m
- Social care staffing £2.222m which includes social worker retention payments and additional agency costs
- Transport pressures £0.217m
- Other movements (£0.218m)

Overall, the main variations to budget included within this July (Month 4) position are:

	£m
CLA: External Residential Placements	11.284
CLA: Staffing savings	(1.953)
CLA: IFA Placements	3.130
Semi Independent Living	0.517
Secure Welfare	(1.227)
Other CLA	0.347
Transport	3.749
Learning	0.857
Children's Centres	0.730
Child Health and Disabilities (CHAD)	0.543
Social Care Staffing	0.456
Legal	0.400
Other Variances	0.014
Total	18.847

The Month 4 position reflects a General Fund forecast overspend of £18.847m. This position is based on current CLA placement numbers and costs, therefore this methodology results in cost increases over and above the established budget but does not reflect any further increases in placement numbers or cost.

The number of children looked after has continued to increase in a time of further austerity and pressure on public sector finances. Children and young people's needs are complex and there are not always enough of the right homes and support

at the right time to accommodate needs. Children looked after need good quality care, close to their communities, but there is currently not the right mix of care available for these children. Children and Families have developed a CLA Sufficiency Strategy which was agreed by Executive Board in June 2024. This will support the investment in early help, family-based solutions, permanency planning, fostering and local children's homes, to ensure there is greater control of the future cost, quality and outcomes for children and families.

The Sufficiency Strategy includes a three-year implementation plan focusing on fostering, residential and semi-independent ambitions. The plan will set out the direction of travel for the next three years and detail target numbers required for each type of provision. The implementation plans will outline what is needed, by when and who is responsible. These plans will be monitored monthly and financial projections will be updated based on progress against the delivery of these plans.

In addition, the Directorate continues to participate in the council's overall response to mitigating cost 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.

External Residential Placements:

The External Residential budgets for 2024/25 is £37.704m. Due to known inflation and demand pressures over and above what was assumed in the MTFs for 24/25 there is a projected overspend of £11.284m. External Residential placements are currently at 149 against budgeted placements of 102. This pressure is partially offset by CLA staff savings against the Small Group Living staff budgets. This position includes (£3.013m) of mitigations to be delivered in the remainder of the year. Of these (£1.6m) of reunification savings have been identified. The remaining (£1.413m) of mitigations will include further reunification and small group living savings based on latest plans.

CLA Staff Savings:

The pressure against External Residential Placements has been offset by savings across CLA staffing budgets (£1.953m). The majority of this saving is due to the timescales for the development and opening of the new small group living homes.

IFA Placements:

The Independent Fostering Agency placement budget is projecting an overspend of £3.130m. As at Month 4 there are 233 IFA placements.

Transport:

The overall transport budget is showing a projected overspend of £3.749m due to increases in demand and a shortfall against budgeted savings.

Learning:

Within Learning there is an overall projected overspend of £0.857m. This mainly relates to pressures against both the Education Psychologist team of £0.175m and the SENSAP team of £0.151m, in addition to income pressures against traded income of £0.172m and reduced DSG contributions of £0.262m.

Budget Action Plans

The budget for 2024/25 included general fund action plan savings of £23.050m which includes 24/25 budget savings, new 24/25 mitigating savings plans and any carried forward unachieved savings from 23/24. The Month 4 position assumes that £16.215m of the general fund savings will be achieved and the remaining £5.440m will not be delivered. Of those currently assumed as achieved the following risks are highlighted:

- The VLS target of £2.25m is assumed fully achieved. The full-year effect of savings will achieve this target in 25/26, however in 24/25 due to the part-year effect of savings there is a £720k gap. Further work is being carried out to identify one-off mitigating savings to offset this. At this stage this is assumed to be achievable within the projections.
- The commissioned services target of £1.569m is assumed to be fully achieved; however there is currently a shortfall of £549k in 24/25. £180k of this shortfall is due to the part-year effect of savings achieved during 24/25. Further work is ongoing to identify mitigating savings and at this stage this is assumed to be achievable within the projections.
- The non-essential spend target of £1m is assumed fully achieved, but this will need to be delivered against multiple budgets during the year so there is a degree of risk this may not be achieved.

For awareness the budget action plan savings reported at Quarter 1 also included unbudgeted pressures which did not have a defined action plan. For clarity of reporting only the agreed savings targets are now included against budget action plans in line with the general reporting across directorates. Any unbudgeted pressures are now discussed in the general financial position.

Dedicated Schools Grants

The approved DSG budget for 2024/25 assumed a balanced in year budget. The position at July (Month 4) projects an in-year pressure of £9.495m which equates to 1.71% of the total estimated DSG funding.

This projected pressure is within the high needs block and assumes the non-delivery of a £3.4m action plan saving.

DSG reserves at the end of 2024/25 are projected to be a deficit of £7.039m. This comprises a deficit of £7.730m for general DSG offset with a £0.691m contingency for de-delegated contributions.

1.4 City Development - The projected year end financial position for City Development at July (Month 4) is a balanced budget across the directorate.

At this stage of the year a number of assumptions have been made and there are therefore 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 currently anticipated to the year end are:

- **Active Leeds** – the service is projecting a year end underspend of £0.57m. This largely reflects assumptions around additional income at facilities in respect of memberships and swimming lessons (£0.65m), although income forecasts are subject to a degree of variability throughout the year. Additional staffing costs of £0.23m including the use of additional overtime at facilities are expected to partially offset this additional income, although further running cost savings of £0.15m across facilities are also anticipated.
- **Arts & Heritage** – a balanced budget is currently forecast. This reflects anticipated income shortfalls totalling £0.37m in respect of café/retail income at Museums and Galleries sites, Breeze card charges, box office income and room hire charges offset by savings of £0.2m from vacant posts across the service. In addition, work is ongoing to identify further running cost/income savings of £0.15m to achieve the forecast balanced position.
- **Asset Management & Regeneration** – a balanced position is currently projected for the service. Although there are pre-existing pressures in respect of the Strategic Investment Fund (£0.66m) and Estate Rationalisation savings targets (£0.43m), these are expected to be partially offset by net staffing savings of £0.1m, additional fees relating to capital receipts (£0.7m), additional rental income (£0.1m) and an assumption that the remaining shortfall will be achieved from additional one-off sources of income (£0.25m).
- **Employment and Skills** – a projected underspend of £0.53m reflects final balances in respect of programmes which have now concluded and savings from vacant posts.
- **Highways and Transportation** – pressures totalling £0.8m are currently forecast across the service including a shortfall in fee income from capital schemes resulting from vacancies, particularly in respect of Civil Engineering and the West Yorkshire Mass Rapid Transit scheme, a shortfall in budgeted income from the major scheme contractor procurement framework and slippage in planned savings from the Voluntary Leavers Scheme. However, the service will identify actions to mitigate these shortfalls with a view to achieving a balanced budget at the year end. These potentially include the recruitment to fee earning posts, the generation of additional fee income where possible and the identification of running cost savings.
- **Markets and City Centre Management** – a variation to budget of £0.62m for the Markets service mainly reflects an estimated shortfall of Markets income resulting from vacant units mainly within the Kirkgate and Outdoor markets. In addition, total income shortfalls of £0.35m are projected within City Centre Management in respect of city centre advertising income, income from street café licences and from promotional event spaces in the city centre.
- **Planning & Sustainable Development** – the forecast position at this stage of the year is an overspend of £0.87m. This includes staffing pressures of £0.45m, mainly due to the projected shortfall in meeting the budgeted vacancy factor. In addition, based on income received in the first four months of the year, it is likely that the budgeted level of planning fee income will not be achieved. Although income received to date represents an improvement over the same period last year, a shortfall to budget of £0.4m is currently forecast which represents an optimistic outlook based on an anticipated increase in activity levels., The

income is subject to a degree of variability month to month and should the increase in activity not continue, this shortfall could deteriorate over the course of the year. The position will continue to be closely monitored as the year progresses.

- **Resources and Strategy** – an underspend of £0.7m is currently forecast. This reflects the identification of additional actions across the directorate to mitigate service pressures and achieved a balanced budget at the year end. These include:
 - reviewing areas of non-essential spending (£0.25m)
 - reviewing the level of fees and charges where appropriate (£0.2m)
 - maintaining strict vacancy controls (£0.26m)
- **Staffing** – within the overall reported position described above, net staffing savings of £0.2m (after taking account of the associated impact on income) are projected across all services.

Budget Action Plans

The 2024/25 budget included £7.8m of new savings plans. It is anticipated that whilst there are a number of areas which involve an element of risk, most are on track to be delivered and where the savings will not be achieved in full, mitigating savings will be found wherever possible.

In addition, further in-year actions have been identified within individual service areas to mitigate service pressures as well as further cross-cutting actions shown within Resources & Strategy to help achieve an overall balanced budget at the year end.

- 1.5 **Communities, Housing & Environment** – At July (Month 4), the directorate is projected to manage net spend within the approved budget despite a number of challenging pressures that have arisen. There are some areas of risk that will be monitored closely as the year progresses – most notably in relation to the costs of pay inflation, waste disposal, benefit subsidy loss and external funding streams.

For consistency of reporting purposes, the nationally negotiated staff pay award has been projected to be in line with the 3.5% uplift assumed in the budget, although it is recognised that the result of the negotiations is unlikely to be exactly 3.5% across all service areas.

The staffing projections are generally based on an assumption that existing staffing levels will be maintained for the remainder of the financial year (apart from known VLS leavers and a couple of specific action plans), with only essential vacancies subject to release.

The majority of CHE service areas are expected to be on or below their budgetary provision for 2024/25, but for this to happen a number of specific budget actions will need to be achieved. The main issues within each service area are:

- **Environmental Services +£1.2m** – The volume of tonnes presented for disposal or recycling through kerbside collections or at Household Waste Recycling Centres (HWRC) each month is extremely volatile. Likewise, the prices received for different types of recyclable goods can significantly vary

month by month. The Month 4 projection is based on three months of tonnage data, and at this early stage of the year a disposal cost underspend of £0.1m has been projected against the budgeted tonnes/prices. This underspend position does assume that the savings identified from starting to collect glass in green bins and through better sorting at HWRC are delivered. The Cleaner Neighbourhood and City Centre teams appear to be on track to deliver the £0.6m budget action plan target for staffing/transport reductions with a £0.3m staffing underspend projected. Refuse collection and Household Waste Recycling Centre staffing costs are higher than budgeted for the first four months of the year, and an overspend of £1.1m has now been projected for 2024/25. A £0.1m pressure has emerged for city wide weed spaying with a further £0.4m of pressures identified at closed landfill sites.

- **Welfare and Benefits £0.0m** - Like many other Local Authorities, over recent years the council has experienced significant growth in the Housing Benefit subsidy loss arising from an increased need to place people in Temporary Accommodation or in Supported Accommodation with providers who are not registered. The latest Housing Benefit caseload for claims in payment suggest that the budget is sufficient for current demand, however a significant number of additional claims are expected to be processed in the coming weeks. The Household Support Fund is assumed to run for 12 months in the budget and projection; however funding has only been confirmed for the first six months of the year – further balancing actions of around £0.8m would need to be identified if the funding were to cease mid-year.
- **Statutory Housing Services £0.0m** – Projected staffing underspends of £0.3m are accompanied with a corresponding £0.3m reduction in income. Significant growth in the number of families requiring support with temporary accommodation could be expected to increase costs by £1.8m, however actions are being undertaken to reduce the scale of the financial pressure in the final months of the year alongside utilisation of a number of one off funding sources to avoid a budgetary pressure in 2024/25.
- **Safer Stronger Communities £0.0m** – Staffing pressures at Leeds Watch (+£0.1m) and community centre site closure income pressures (+£0.1m) have been offset by other staffing underspends and utilisation of new funding streams.
- **Elections, Licensing and Registration and Environmental Health -£0.1m** – Income pressures have been identified on Land and Property Searches (+£0.1m) and pest control (+£0.1m), these costs are expected to be fully offset by staffing underspends on Entertainment Licensing and Registrars and other one off savings.
- **Customer Access -£0.1m** - Expected £0.3m of cost pressures from non-achievement of the vacancy factor at the Contact Centre. This has been offset by staffing underspends at community hubs, central library and on the welfare rights team, giving a small underspend overall.

- **Car Parking Services -£0.5m** - Income has continued on a significant recovery trajectory since COVID lockdowns, and based on three month of data appears to be on track against the budget for 2024/25 in overall terms. Car Parking income surpluses of -£0.3m are offsetting PCN/BLE pressures of +£0.3m with a -£0.2m underspend expected on staffing. Price increases are planned from 1/10/24 which are hoped to raise an additional £0.3m in 2024/25.
- **Climate, Energy and Greenspaces -£0.6m** - Significant income pressures across several areas have been experienced, which are mitigated by projected savings on staffing. Income from Bereavement Services is projected to be £0.3m below the budgeted level due to increased use of Direct Cremations. Attractions income is trending £0.3m below the budgeted level due in part to the fire at the Temple Newsam Play Barn which has delayed opening. Expenditure/income pressures of £0.2m have been experienced in Forestry. and Public Rights of Way. However, underspends on staffing are expected to fully offset these pressures and an underspend of £0.6m has been projected for 2024/25.

Budget Action Plans

£8.1m of budget action plans are being monitored each month and at this very early stage of the year it has been assumed that a small pressure of £0.1m will be experienced. The progress can be summarised as:

- £2.9m marked as 'achieved' as the action has been taken and there is no reason to believe that it won't deliver the required saving
- £2.9m marked as 'on track' as the action has been implemented (or is in progress for implementation) but the level of savings will not be known until later in the year – and for these actions there is no reason to think that the savings will not be achieved
- £2.4m marked as 'some risk' but the projection does assume that the saving will be achieved in full in 2024/25 as there is not sufficient risk to assume otherwise. Specific actions still need to be finalised and implemented to deliver savings from the introduction of new car parking charges at Parks attractions and disposal of glass as part of the green bin collections. Extended funding for the Household Support Scheme has been assumed. The scale of income generated through the charge for a second bulky waste collection is unlikely to be known until much later in the year.

1.6 **Strategy and Resources** - Based on an examination of key risk budgets, the Strategy and Resource Directorate is forecasting a pressure of £2,946k at this reporting period. This is summarised into the following areas across the Directorate's services:

- **Financial Services £0k Balanced:** The service is projecting a balance position. Court Fee Income remains a risk as it can be volatile each year and dependent upon the number of cases.

- **Integrated Digital Services £0k Balanced:** The service is currently projecting a balanced budget, including mitigations to resolve pressures of around £400k. Staffing underspends are offset by agency and contract staff costs.
- **Legal and Democratic Services (£179k):** Much of this underspend is related to staffing following the implementation of vacancy controls, along with restrictions on supplies and services spending.
- **Shared Services £0k Balanced:** At this stage of the year the service is projecting a balanced budget although the delivery of savings plans in the context of increasing demand for administration services remains a risk.
- **Strategy and Improvement (£29k):** A small saving is projected As a result of staff savings due to vacancies held.
- **Human Resources £79k:** The projected overspend is broadly due to additional Occupational Health expenditure in response to essential requirements.
- **School Crossing Patrol (£25k):** A small underspend in relation to staffing is currently anticipated.
- **Leeds Building Services (LBS) £1407k:** The pressure reflects the current understanding of the level of work likely to be commissioned by clients relative to the £80.2m required turnover and the consequent impact on the rate of return. This projection is at risk if client departments reduce their planned expenditure. The projection is also based on an examination of non-chargeable time and an assessment of accruals taken at the last year end. The projection includes the funding of £359k from Strategic Contingency for accruals taken at the end of the last financial year as an examination has determined the income for these accruals had already been received in 23/24. The current position will be carefully monitored throughout the financial year to ensure the ongoing mitigation of underlying risks.
- **Corporate Property Management £600k:** This continued pressure reflects work on buildings to ensure health and safety compliance, statutory inspections and backlog repairs. The projection assumes that £600k will be funded by Strategic Contingency to reflect the pressure on the statutory elements of expenditure.
- **Catering (£72k):** At this early stage of the year, the service is projecting an underspend against budget. Early indication of school meal numbers suggests that they are continuing to increase.
- **Cleaning £0k Balanced:** A balanced position is currently anticipated, although this requires mitigation for the remainder of the year against staffing budget pressures.
- **Fleet £900k:** The Fleet position reflects the ongoing pressure of an aging fleet and inflation, the consequence of which is increased occasional hire costs to maintain front line service operations. There is pressure on the income budget, particularly in relation to MOT income. The use of vehicles across the authority is subject to review.
- **Security £0k Balanced:** A balanced position is currently projected, although this requires mitigation for the remainder of the year against staffing budget pressures.
- **Presto £265k:** This reflects a projected shortfall of income in relation to the Civic Flavour element of Presto.
- **Facilities Management £0k Balanced:** A pressure in relation to the Joint Service Centres of £800k due to increased rent charges being greater than the grant income received under the Public Private Partnership (PPP) arrangement has been recognised and is to be funded from the Strategic Contingency Reserve. The remaining £250k pressure (£150k is due to a property savings

target applied in previous years on the expectation of a centralisation of property services, and £100k due to an increase in the service charge for Merrion House) is also recognised as a corporate pressure outside the control of CEL and will be funded from Strategic Contingencies.

Budget Action Plans

A total of £10.7m of budget action plans are monitored each month. At this stage of the year all are considered to be on track, but with some risk attached to the delivery of the £2m savings within Shared Services due to increasing demand for administration resource in some directorates and £80k of targeted income in the CEL service.

- 1.7 **Strategic & Central Accounts** - The projection for the Strategic and Central Accounts at July (Month 4) is an underspend of £7.5m. This largely reflects the release of £7.315m of reserves to revenue at Quarter 1 to offset anticipated delays in the delivery of savings in both Adults & Health (£0.675m) and Children & Families (£6.640m), where it is anticipated that these savings will be delivered by 2025/26.

Within Strategic budgets, the debt budget is projected to underspend by £0.2m. There are also a number of other minor variations across Joint Committees, Strategic and Miscellaneous, amounting to a net nil effect.

1.8 **Budget Action Plans**

The budget for 2024/25 requires the delivery of £63.9m of savings. In addition, directorates have identified a further £15.9m of General Fund savings actions since the Budget and £3.4m relating to DSG. Detailed budget action plans have been developed to identify how these savings will be achieved and progress against these action plans will be monitored and reported throughout the year. Further detail is provided at **Appendix 4**.

At July (Month 4) it is anticipated that the majority of savings will be delivered in full through the identified saving plans or through mitigating actions identified by each Directorate, however £3.5m delayed delivery of savings has been identified against General Fund action plans and is reflected in the reported directorate positions except where noted:

- **Children & Families** – A £5.4m delay in delivery is forecast in the General Fund - £3.2m against budgeted actions and £2.3m against other savings measures.

Delays in budgeted savings relate to the Adolescent Support Service invest to save proposal £1.3m, review of Children's Centres £1.0m, Transport service review £0.8m, Unaccompanied Asylum Seeker Children Housing invest to save proposal £0.5m, review of Traded Services £0.3m, WYCA transport cost and income sharing £0.1m, and Transport including independent travel training £0.02m, but offset by CLA: Small Group Living (£0.8m)

Delays in other savings measures relate to the Turning the Curve 23/24 savings £3.0m, Efficiency targets 2023/24 £1.3m, Childrens Centres: 2023/24 savings £0.3m, and Passenger Transport allowances for foster carers £0.05m, offset by Reunification (£2.0m) and New complex needs home (£0.4m).

It should be noted that £12.6m of unbudgeted savings plans shown in Quarter 1 Budget Action Plans are no longer included but are discussed in the directorate's general financial position at paragraph 1.3.

The anticipated delays will be offset by use of £6.6m of reserves as mentioned at paragraph 1.7.

- **City Development** – A £0.5m delay in delivery of budgeted savings, which includes Highways & Transportation review £0.3m and Mass Transit - additional income associated with MT team £0.2m is more than offset by a surplus of (£1.7m) forecast against other savings measures.
- **Adult & Health** – the overall position is a surplus of (£0.8m), whereby achieved Action plans relating to higher than anticipated levels of client income are projected to over-deliver by £1.0m, offset by £0.2m of projected delays on 2 Budget Action Plans which will not be delivered in year: review of the supported bank account contract (direct payments) £0.15m and the Invest to save proposal for Deputy and Appointeeships team £0.05m.

These delays have been offset by use of £0.7m of reserves as mentioned above at paragraph 1.7.

Dedicated Schools Grants – A £3.4m delay in delivery of planned savings is reported against the DSG High Needs Block savings target as discussed at paragraph 1.3.

Where other directorates have indicated shortfalls regarding fully meeting their targeted budget action plans, they have identified other mitigating measures to offset these shortfalls, as explained in paragraphs 1.2 to 1.7. Some of the undelivered action plans will continue to be pursued in 2025/26.

1.9 **Measures to address the 2024/25 overspend position:**

Throughout the year, staff are continuously reminded of their role in supporting the financial position, through ensuring they stay within budget, identifying ways to absorb in year pressures, highlighting any issues early and supporting robust monitoring.

The council's Corporate Leadership Team has agreed to continue the freeze on recruitment, agency and overtime spend introduced in 2022/23 and have further strengthened vacancy controls.

The annual cross-directorate work is underway and continues to support and challenge the highest cost/spend areas. Asset reviews continue to ensure the council has the right numbers and mix of assets and directorates continue to consider where future year savings options identified as part of the Financial Challenge to meet the MTFs funding gap could be brought forward to generate savings during 2024/25.

Corporate Leadership Team has also agreed to the continuation and strengthening of a range of measures which further reinforce controls on spending, including the following:

- No travel is being undertaken unless it is required for the essential delivery of a service or in very exceptional circumstances; all meetings, where possible, should be conducted remotely / in the employee's place of business (with no travel costs incurred to attend a meeting if this meeting could be held remotely and; no conferences or training courses should be attended where these require travel either through mileage or public transport).
- With a number of exceptions e.g., social work roles, a complete recruitment freeze is now in place.
- Tighter controls are in place in respect of Agency and Overtime. All Agency Staff are being reviewed and Overtime needs to be consistent with the exception requirements to the recruitment freeze.
- All spend that is not critical for the delivery of a service is not to be incurred. To deliver this requirement all orders need to be approved and no spend is to be incurred on Purchase Cards unless this is critical to the delivery of the service. Purchase Card Levels have been reduced to "zero" in the majority of cases and only those approved by the respective Directors remain in use.

2. Inflationary Pressures

- 2.1 **Pay Inflation** – The council's Budget allows for £25.3m of pay inflation in 2024/25. This increase includes £28.2m for the following elements: the agreed pay awards for 2023/24 and the provision for 3.5% annual pay awards for both NJC and JNC staff in 2024/25. This Budget provides for the recently announced Real Living Wage increase to £12.00, with an hourly rate of £12.00 at pay scale point 2 in 2024/25. A further £0.8m is provided for the additional cost of Enhancements, £0.6m regarding LBS pay standardisation and £0.08m for Member's Pay, offset by mitigation plans of (£4.5m). However, the current pay offer is 2.5% for JNC and £1,290 for NJC. The JNC element is agreed but the NJC element has not yet been agreed. If agreed the offer will exceed budget by an estimated £2.2m. Any additional costs will need to be managed within the current approved budget.
- 2.2 **Voluntary Leaver's Scheme (VLS)** – 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 2024/25 to date, approval has been given, and reaffirmations have been received from staff, for 176.73 FTEs to leave the Authority in the current year through the Voluntary Leaver's Scheme (VLS) and Flexible Retirement (FR) as part of restructuring exercises. This will generate savings of £26.573m (before reconfiguration costs) over the five-year period up to and including 2029/30.
- 2.3 **Energy** – The council's 2024/25 Budget assumes a (£2.8m) reduction in costs - a reduction of 18.6% is assumed on gas and 10.6% on electricity in 2024/25 compared to the base budget in 2023/24, which provided for a significant increase in energy costs by 118.5% for gas and 64.0% for electricity at an additional cost of £10.7m. As energy costs are still higher than precedent times, the council continues to address these costs through an ongoing programme of work to reduce energy consumption including: further LED installations; enhanced building management controls; further permanent or temporary building closures and partial building shutdowns; focused action at high energy consuming sites; delivery of further energy efficiency and decarbonisation capital schemes; progressing the delivery of major local renewables generation schemes.

The council's forward purchasing of energy continues to hedge the council significantly against the impacts of further volatility in the global markets but does not relate to the on costs such as distribution and transmission network charges, government levies.

2.4 **Fuel** – The average UK pump prices for diesel and unleaded petrol saw increases of 2.88% and 0.04% respectively between July 2023 and July 2024. The 2024/25 budget had assumed a saving of (£1.0m), as fuel prices had fallen significantly during 2023/24. As usual this will continue to be monitored and reported to this board.

2.5 **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.

3. Reserves and Funding from Other Sources

General Reserve

3.1 Following the closure of the 2023/24 accounts, the council's general fund reserve stood at £36.2m. A contribution of £1.5m is forecast to be made to the General Reserve in 2024/25. This is a reduction to the budgeted figure of £3m due to the significant financial pressures the Council is facing. The available balance in this reserve is currently forecast to be £37.7m at 31st March 2025. This position will be reviewed during the year and a contribution to the General Reserve may not be possible this year.

Earmarked Reserves

3.2 A balance of £23.0m was brought forward on the Strategic Contingency Reserve at 1st April 2024. This reserve was established in 2020/21 to fund future unforeseen budget pressures and to ensure the Council becoming more financially resilient. There is currently a planned net in year contribution of £2.0m to this reserve: a budgeted contribution of £5.9m and planned use of £3.8m relating to addressing the EHCP backlog in Children's Services (£0.7m), meeting increased PFI costs in respect of Joint Services (£0.8m), addressing social care demand pressures (£1.1m), funding new Health and Safety Worker posts across the authority (£0.5m), LBS pressures identified through updated reporting (£0.4m), Merrion House rent increase (£0.1m), a pressure on Facilities Management property review savings (£0.2m) provision of internship funding (£0.2m) and additional costs to support closure of the accounts by the statutory backstop deadline (£0.1m). After the use detailed here, the available balance in this reserve is forecast to be £25.0m at 31st March 2025.

3.3 The 2024/25 Budget established a £6.2m Social Care Contingency reserve in response to the significant risks regarding demand and cost pressures in both Adult and Children's Social Care. This reserve has been applied in full in this reported position to offset anticipated delays in the delivery of savings in both Adults &

Health and Children & Families as detailed in paragraph 1.8, where it is anticipated that these savings will be delivered by 2025/26.

- 3.4 The budget for 2024/25 also included a contribution of £3.0m to establish a new Strategic Resilience Reserve. This planned contribution has been applied to the in year position to reduce the overspend due to the significant financial pressures the Council is facing, however provision is to be made in the MTFs to contribute £3m to this reserve from 2026/27.

4. Other Financial Performance

4.1 Council Tax

The Council Tax in-year collection rate at the end of July 2024 was 36.29%. This is 0.4% behind the July 2023 in-year collection rate of 35.65% and 1.6% behind the May 2019 in-year collection rate of 36.91%. Collection rates continue to be impacted by the cost of living crisis but have been mitigated by introduction of the new automated Direct Debit sign-up process which allows taxpayers to sign up to Direct Debit payment more quickly and easily. Direct debit payments have been higher than in previous years at this early stage. However, collection rates continue to be lower than pre-pandemic levels and the collection rate target for 2024/25 has now been lowered to 98% in the fullness of time from the pre-pandemic levels of 99%, which is a cost to the council of £4.2m. Collection rates will continue be monitored throughout the year.

The opening deficit on the Collection Fund is £5.592m, which includes the deficit from 2023/24. At the time of declaration these elements were estimated to be £2.298m and this amount will be repaid by the council, the Fire Authority and the Police in 2024/25.

Based on historical trends of growth, movements in discounts and local council tax support, it is projected that an in-year surplus of £2.450m will be generated in 2024/25 leaving a projected closing deficit on the collection fund of £8.042m. Leeds share of this projected closing deficit would be £6.755m, with the remainder being paid by the Fire Authority and the Police.

4.2 Business Rates

The Business Rates collection rate at the end of July 2024 is 38.88%, which is slightly higher than the July 2023 in-year collection rate of 38.86% but 0.17% lower than the July 2019 in-year collection rate of 39.03%, before the pandemic.

The budgeted collection rate for business rates is to achieve an in-year target of 97.7%, collecting £365.6m 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 increased from £947.78m at the time of the 2024/25 budget to £950.12m as at 31st July 2024, an increase of £2.3m. The 2024/25 budget includes an expected increase in Rateable Value of £6.9m 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 2023/24 (at 31st December 2023) has been incorporated into the 2024/25 budget. The total declared deficit on the Business Rates Collection Fund was £3.18m.

After reassessing the level of the bad debt and appeals provisions and an unexpected prior-year adjustment to Mandatory Charity Relief to year end, the actual closing deficit for 2023/24 was £0.13m; an improvement of £3.04m from the position declared. This will be carried forward as an adjustment to any 2024/25 deficit in the 2025/26 budget.

In 2024/25, an in-year deficit of £2.3m is projected, driven mainly by a projected shortfall in growth and a higher than expected demand for Small Business Rates relief and extended retail relief. However, the council receives compensation for these reliefs (at 69.1% and 100% respectively). When combined with the £3.04m improvement in the closing position for 2023/24 it is currently forecast that there will be a total closing surplus of £0.8m, which will have to be transferred to the general fund of the council in 2025/26.

4.3 Business Rates Appeals

The opening appeals provisions for 2024/25 are £18.6, made up of £17.7m relating to appeals received against the 2017 ratings list and £0.8m estimated costs in relation to the 2023 ratings list. Under 50% Business Rates Retention, Leeds' budget is affected by 49% of any appeals provision made in this year.

The 2010 ratings list is now closed and there are no appeals left outstanding.

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 fifteen 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 at 31st July 2024, the council is providing for a net of 367 Challenges against the 2017 ratings list and 337 Checks and Challenges against the 2023 ratings list. It is anticipated that because of the move to 3 yearly revaluations from 2023 the valuation lists will necessarily be kept more accurate and up to date. It is therefore expected that there will be fewer challenges to lists going forward. The level of appeals, and the losses incurred, will continue to be closely monitored in the coming months.

In addition, the Authority has made provisions for specific issues such as the 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 2024/25 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

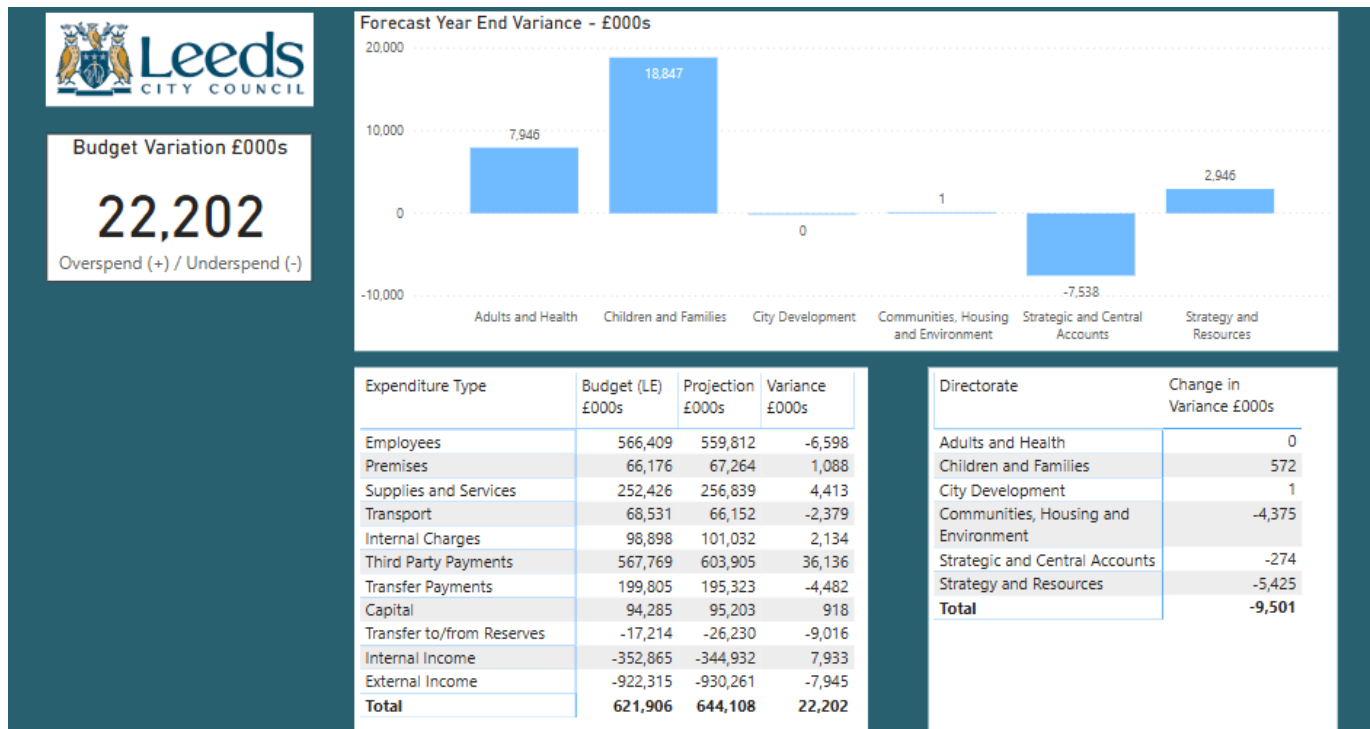
of living crisis and the long-term impact on collection rates and tax base will require continued close monitoring.

5. Housing Revenue Account (HRA)

At July (Month 4) the HRA is projecting a balanced position. The key projected variations are:

- Dwelling Rent (£900k) – a forecast increase in rental income due the projected Right to Buy (RtB) sales dropping to 400 against a budget of 550. The number of void properties is below the budgeted level of 1%.
- Non-Dwelling Rent £43k – the pressure on garage rents.
- External Income (£120k) – telecoms income higher than budgeted.
- Employees Net (£390k) - there is a forecast underspend against the employee budget of (£1,403k) due to vacant posts in the service. The underspend on employee costs is offset with a reduction in capitalised salaries of £1,008k and a £5k pressure on internal services for recharged staff in the CHG programme.
- Supplies and Services £163k – pressure due to the increase in the Ombudsman fees for 24-25.
- Capital Charges (£229k) – reflects debt savings from slippage in the CHG programme.
- Appropriation to Reserves £1,4562k – projected underspends will be transferred to the HRA reserves.

Financial Dashboard 2024/25 Financial Year

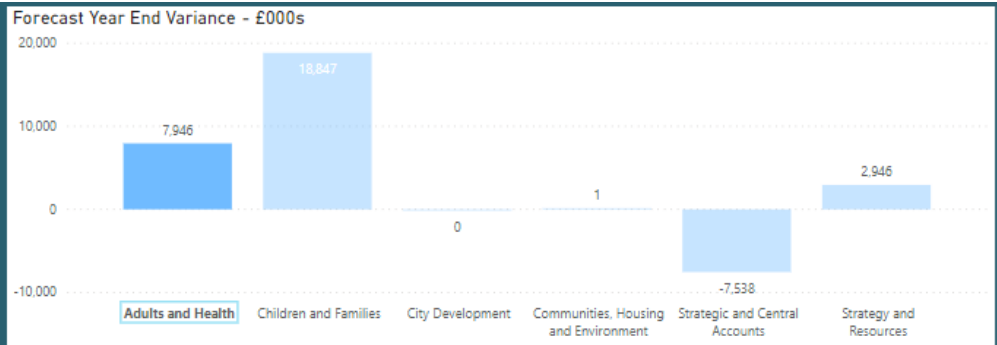


Financial Dashboard 2024/25 Financial Year



Budget Variation £000s

7,946



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	75,082	72,000	-3,082
Premises	1,227	1,305	78
Supplies and Services	5,248	7,457	2,209
Transport	906	910	4
Internal Charges	15,814	16,153	339
Third Party Payments	347,832	363,626	15,794
Transfer Payments	15,176	13,286	-1,890
Transfer to/from Reserves	-147	-1,807	-1,660
Internal Income	-3,963	-4,022	-59
External Income	-257,825	-261,613	-3,788
Total	199,350	207,296	7,946

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

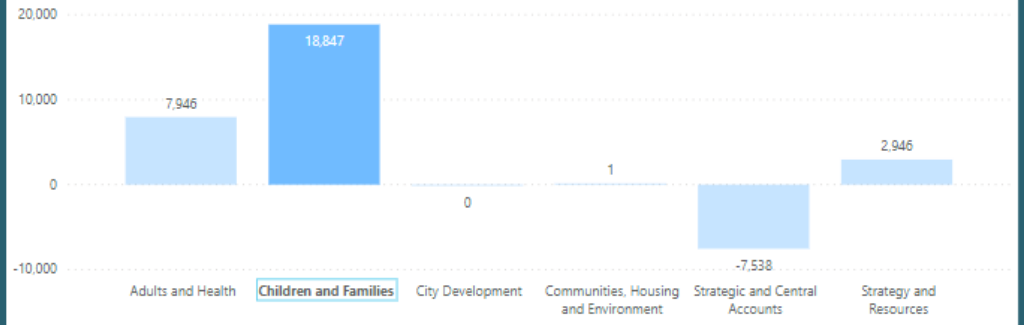
Financial Dashboard 2024/25 Financial Year



Budget Variation £000s

18,847

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	121,587	118,182	-3,405
Premises	4,358	4,365	7
Supplies and Services	62,037	64,415	2,378
Transport	14,606	17,570	2,964
Internal Charges	39,838	41,166	1,328
Third Party Payments	160,155	180,622	20,467
Transfer Payments	3,558	3,881	323
Transfer to/from Reserves	-1,689	-1,749	-60
Internal Income	-37,384	-36,864	520
External Income	-209,645	-215,319	-5,674
Total	157,421	176,268	18,847

Directorate	Change in Variance £000s
Children and Families	572
Total	572

Financial Dashboard 2024/25 Financial Year

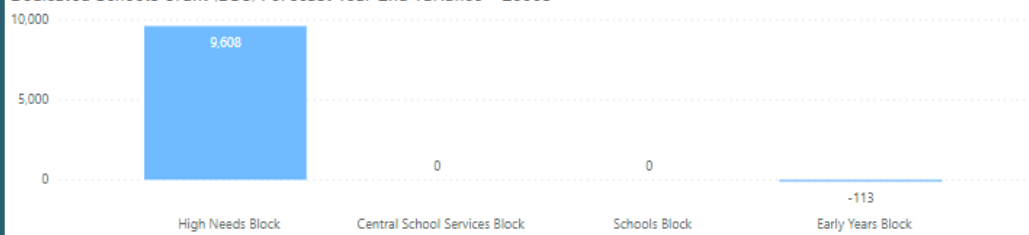


DSG Variation £000s

9,495

Overspend (+) / Underspend (-)

Dedicated Schools Grant (DSG) Forecast Year End Variance - £000s



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	-349,305	-341,415	7,890	349,305	341,415	-7,890	0	0	0
High Needs Block	-127,648	-127,821	-173	127,648	137,429	9,781	0	9,608	9,608
Early Years Block	-80,877	-80,990	-113	80,877	80,877	0	0	-113	-113
Central School Services Block	-5,125	-5,125	0	5,125	5,125	0	0	0	0
Total	-562,955	-555,351	7,604	562,955	564,846	1,891	0	9,495	9,495

DSG Reserves

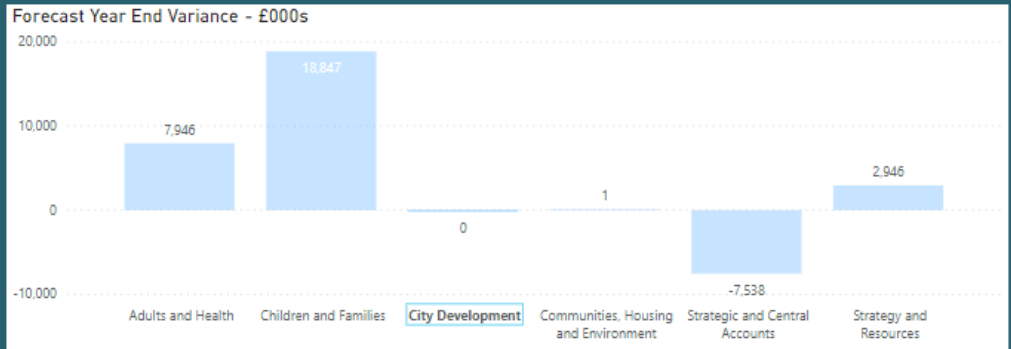
Reserve Type	Balance b/fwd	Net contribution to(-)/from (+) balances	Budgeted Deficit (+) / Surplus (-) c/fwd	Projected in year under(-)/over(+) spend	Planned use of reserves	Projected Deficit (+) Surplus (-) c/fwd
De-delegated	-1,191	500	-691	0	500	-691
General	-5,265	3,500	-1,765	9,495	3,500	7,730
Total	-6,456	4,000	-2,456	9,495	4,000	7,039

Financial Dashboard 2024/25 Financial Year



Budget Variation £000s

0



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	78,671	76,788	-1,883
Premises	32,805	33,316	511
Supplies and Services	46,347	46,029	-318
Transport	6,730	7,091	361
Internal Charges	10,392	10,555	163
Third Party Payments	221	221	0
Transfer Payments		0	0
Transfer to/from Reserves	-685	-734	-49
Internal Income	-47,614	-46,742	872
External Income	-88,967	-88,625	342
Total	37,900	37,900	0

Directorate	Change in Variance £000s
City Development	1
Total	1

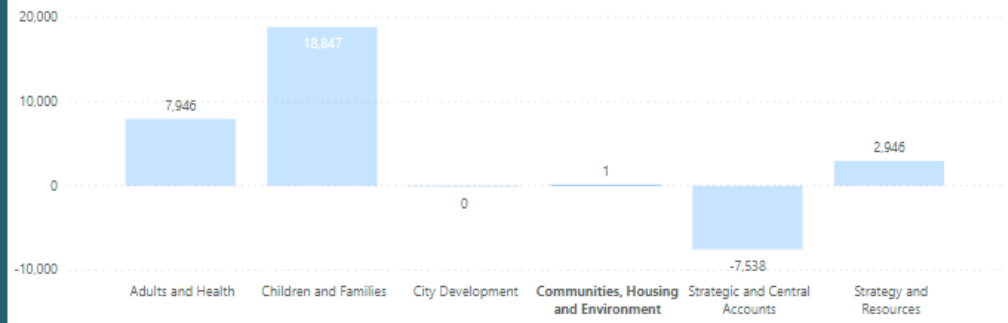
Financial Dashboard 2024/25 Financial Year



Budget Variation £000s

1

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	120,466	118,937	-1,529
Premises	11,575	11,733	158
Supplies and Services	67,552	68,600	1,048
Transport	13,158	13,169	11
Internal Charges	23,400	23,504	104
Third Party Payments	21,825	21,825	0
Transfer Payments	179,539	176,640	-2,899
Capital		0	0
Transfer to/from Reserves	-6,654	-6,654	0
Internal Income	-44,007	-43,361	647
External Income	-274,268	-271,805	2,462
Total	112,587	112,588	1

Directorate	Change in Variance £000s
Communities, Housing and Environment	-4,375
Total	-4,375

Financial Dashboard 2024/25 Financial Year



Surplus (-) / Deficit (+) £000s

0

HRA Income	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
Internal Income	-9,305	-8,297	1,008	42
Non Dwelling Rents	-3,392	-3,349	43	9
Grants	-21,385	-21,385	0	0
Service Charges	-10,347	-10,371	-24	-35
External Income	-1,667	-1,787	-120	-120
Dwelling Rents	-244,924	-245,824	-900	-147
Total	-291,020	-291,012	8	-251

HRA Expenditure	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
Disrepair Provision	4,000	4,000	0	0
Repairs to Dwellings	62,952	62,952	0	0
Employees	35,712	34,309	-1,403	-124
Premises	12,350	12,350	0	0
Supplies and Services	5,742	5,905	163	0
PFI Unitary Charge	14,348	14,348	0	0
Transport	300	300	0	0
Internal Services	35,435	35,440	5	0
BITMO Management Fee	3,721	3,721	0	0
Provision for Doubtful Debts	1,136	1,136	0	0
Capital Charges	47,361	47,132	-229	-229
Contribution to Captial Programme	68,017	68,017	0	0
Total	291,074	289,610	-1,464	-353

Surplus (-) / Deficit (+)	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
Net Position	54	-1,402	-1,456	-604
Appropriation: Sinking Funds	-1,054	-1,054	0	0
Appropriation: Reserves	1,000	2,456	1,456	604
Total	0	0	0	0

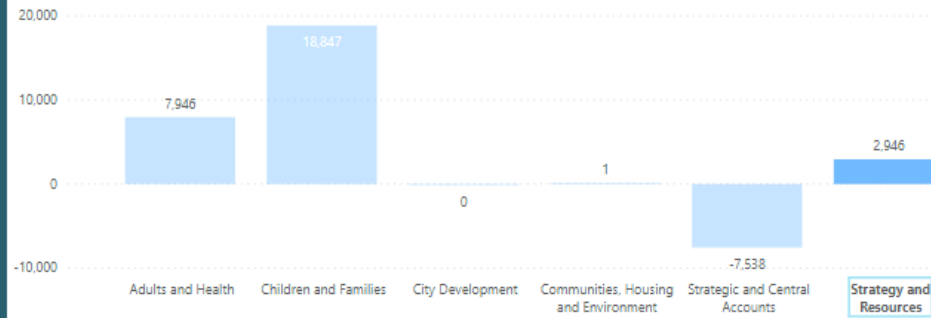
Financial Dashboard 2024/25 Financial Year



Budget Variation £000s

2,946

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	165,913	169,216	3,302
Premises	16,211	16,544	333
Supplies and Services	68,186	67,131	-1,054
Transport	33,131	27,411	-5,720
Internal Charges	4,123	4,324	201
Third Party Payments	28	28	0
Transfer Payments	66	50	-16
Transfer to/from Reserves	-74	-7	67
Internal Income	-185,030	-179,077	5,953
External Income	-15,661	-15,782	-121
Total	86,893	89,839	2,946

Directorate	Change in Variance £000s
Strategy and Resources	-5,425
Total	-5,425

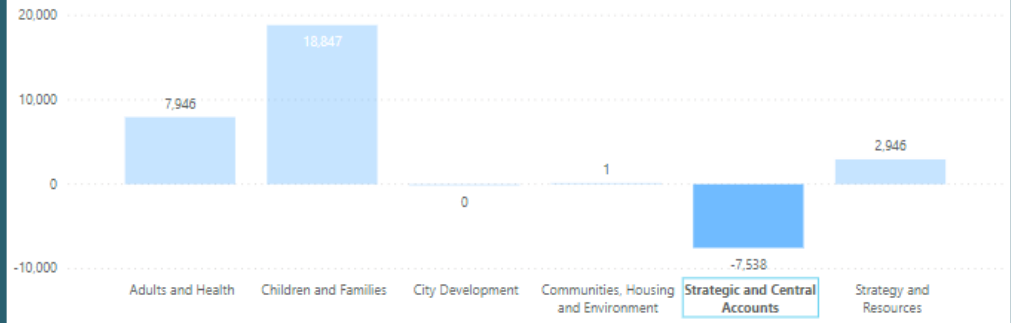
Financial Dashboard 2024/25 Financial Year



Budget Variation £000s

-7,538

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	4,689	4,689	0
Premises		0	0
Supplies and Services	3,039	3,189	150
Transport		0	0
Internal Charges	5,328	5,328	0
Third Party Payments	37,708	37,583	-125
Transfer Payments	1,466	1,466	0
Capital	94,285	95,203	918
Transfer to/from Reserves	-7,965	-15,280	-7,315
Internal Income	-34,867	-34,867	0
External Income	-75,950	-77,116	-1,166
Total	27,735	20,197	-7,538

Directorate	Change in Variance £000s
Strategic and Central Accounts	-274
Total	-274

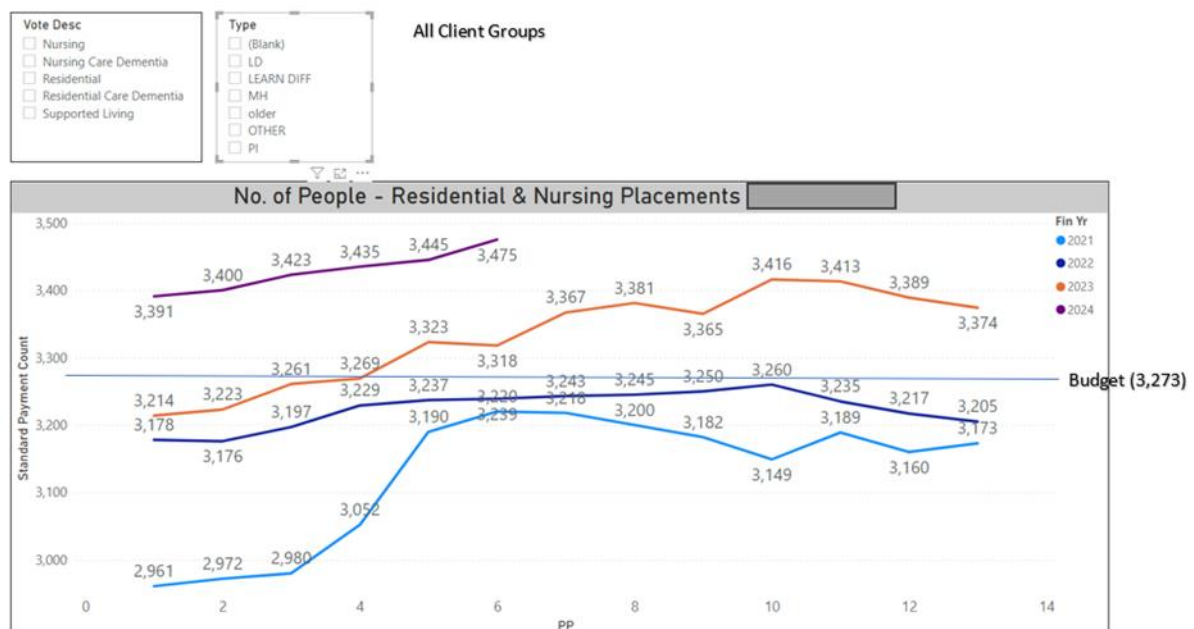
Financial Health Monitoring 2024/25 Report– Month 4

Adults & Health Demand Budgets – Current Numbers and Trends

1. The modelling for Older People assumes numbers at Month 4 continuing at that level for the remainder of the year. For Working Age Adults, the modelling takes current numbers and takes account of adolescents transferring into adulthood from Children & Families and the full-year effect of people who came into care in the 2023/24 financial year. This is prior to the £14.6m action plan adjustment in Table 3 at **Appendix 1**. Detailed below are a series of graphs showing current trend for Quarter 1 2024/25 and trend for the previous three financial years.

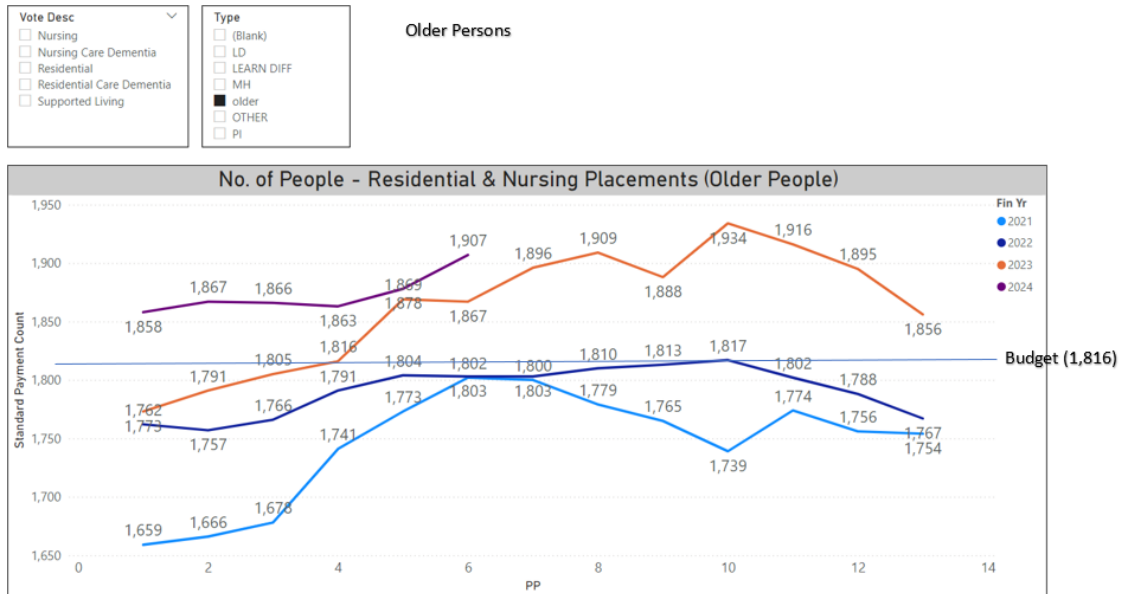
Graph 1 shows numbers across all settings. The increasing trend over the 2023/24 financial year is clearly visible, with a slight fall off towards year-end, but at the start of the new financial year, 2024/25, numbers have risen and are above trend.

Graph 1- Trend Analysis for Working Adults Month 4 2024/25



2. **Graph 2** shows the trend for Older People. Numbers were steady for the first five payment runs in 2024-25, however the most recent pay run 6 shows a sharp increase of 29, 1,878 to 1,907 +1.5% at a projected cost for 2024-25 of £0.7m and a full year effect of £1.25m, The Older People trend started from a higher position than previous years. The month 4 projection assumes stable numbers over the remainder of the year. There is a potential risk if last year's trend is repeated alongside unknown winter pressures. For month 4 the reported pressure on the Older People demand budgets has increased by £0.7m. Note, there are 13 pay runs in the financial year and this reported position uses 6 pay runs. As such 46% of demand related pay runs have been processed this financial year.

Graph 2 – Trend Analysis for Older People Month 4 2024/25



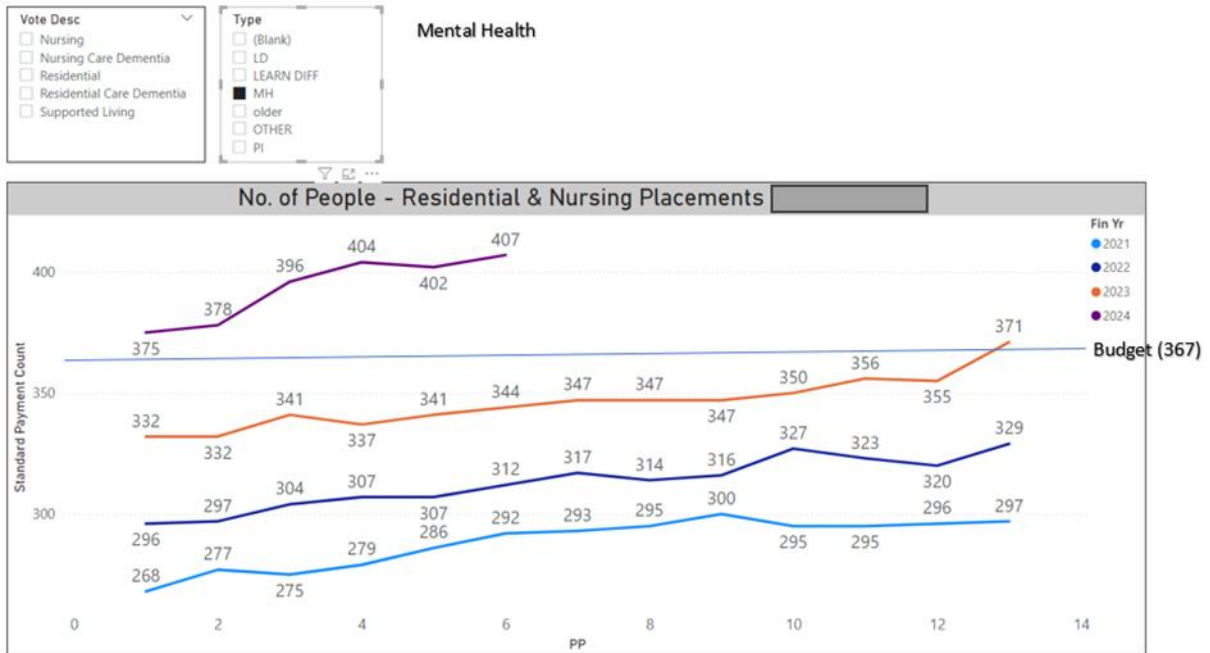
3. **Graph 3** covers the Learning Disability cohort of clients. From last Autumn the trend increased month on month up to 985 clients by year end. Pay run six in 24/25 had 987 clients, as such the numbers have stabilised but are still higher than the same time period last year. This trend has created the £15.5m pressure identified above; a £1.2m improvement from the reported Quarter 1 position. It should be noted that the basis for the 2024-25 budget was on the Quarter 1 & 2 2023 trend figures during the summer months, therefore without the expectation for the upturn in demand in the autumn and winter period 2023-24. The numbers in the graph are gross and do not account for any reduction for joint funded packages between Leeds City Council and West Yorkshire Integrated Care Board.

Graph 3 – Trend Analysis for Learning Disability Cohort Month 4 2024/25



4. **Graph 4** shows the trend in numbers for Mental Health. A gradual increase over 2023-24 until Spring 2024 and this has continued sharply in the current financial year. Intelligence and Finance Teams are working with colleagues in Social Work teams to understand the trend and potential wider implications for future years budget setting. Month 4 saw a continuing increase in clients over the 2024-25 financial year.

Graph 4 – Trend Analysis for Mental Health Month 4 2024/25



LEEDS CITY COUNCIL - SUMMARY

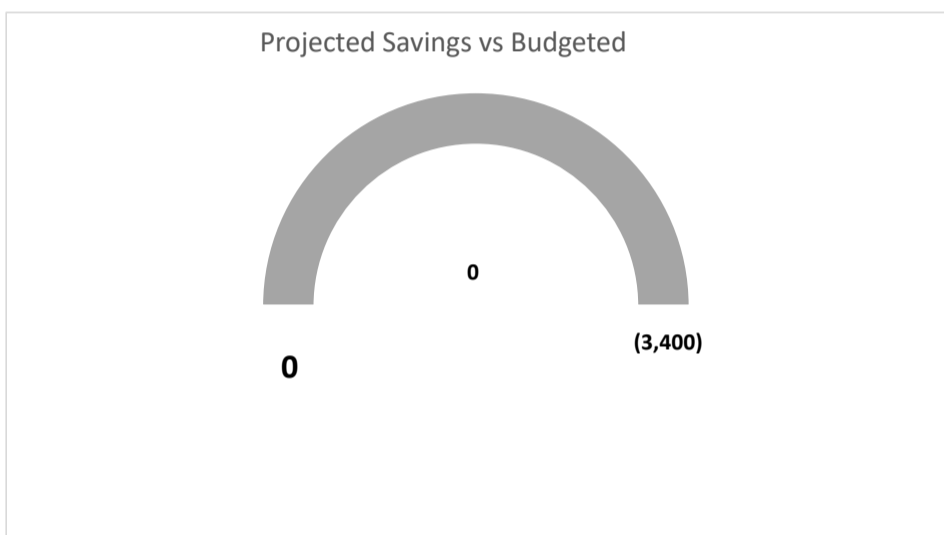
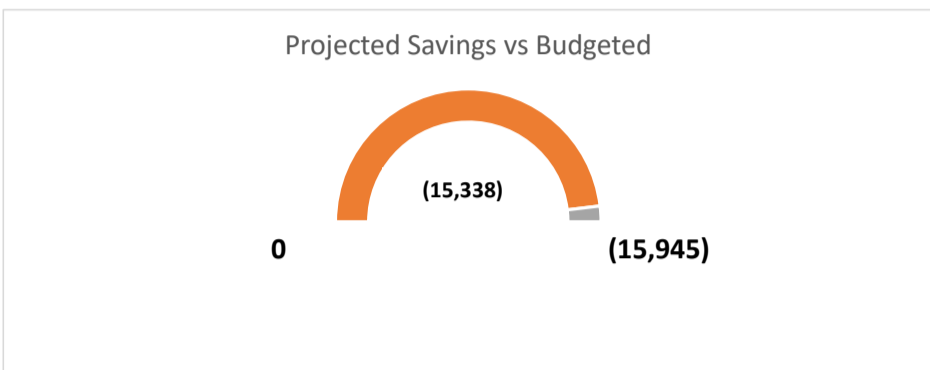
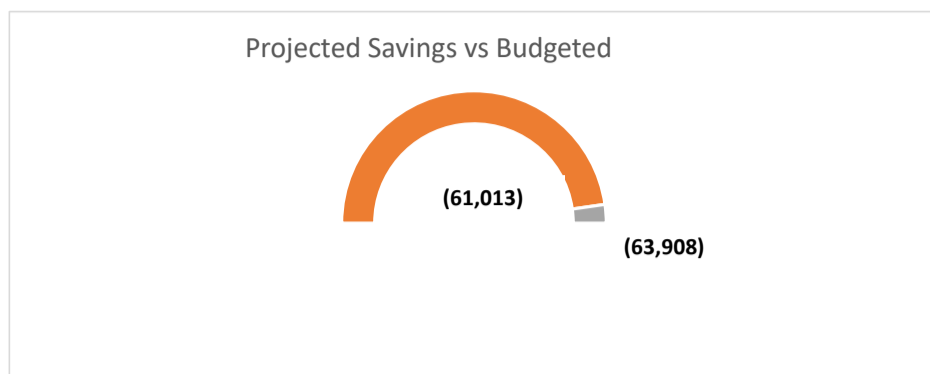
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(9,716)	(10,216)	(500)
On track	(25,292)	(26,487)	(1,195)
Some risk	(25,450)	(24,127)	1,323
High risk	(3,450)	(183)	3,267
Cancelled	0	0	0
Total	(63,908)	(61,013)	2,895

LEEDS CITY COUNCIL - Other Savings Measures

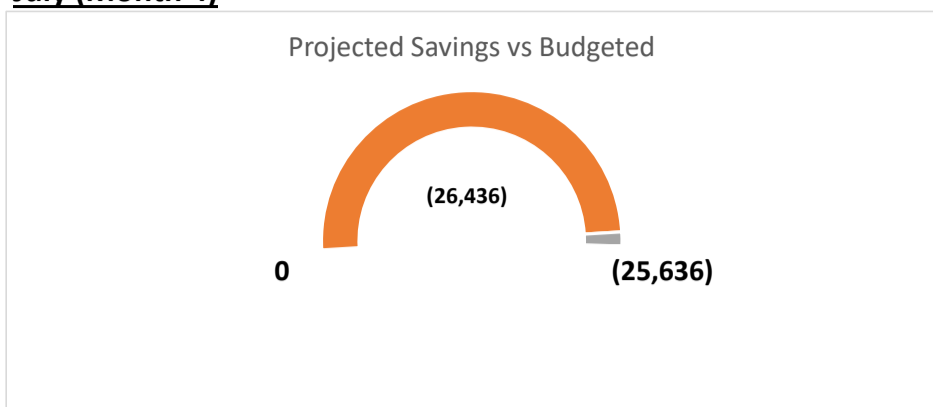
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track	(9,006)	(11,905)	(2,899)
Some risk	(313)	(2,513)	(2,200)
High risk	(3,626)	(920)	2,706
Cancelled	(3,000)	0	3,000
Total	(15,945)	(15,338)	607

Ring Fenced DSG Fund - Savings Measures

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
High risk	(3,400)	0	3,400
Total	(3,400)	0	3,400



July (Month 4)



ADULTS & HEALTH - SUMMARY

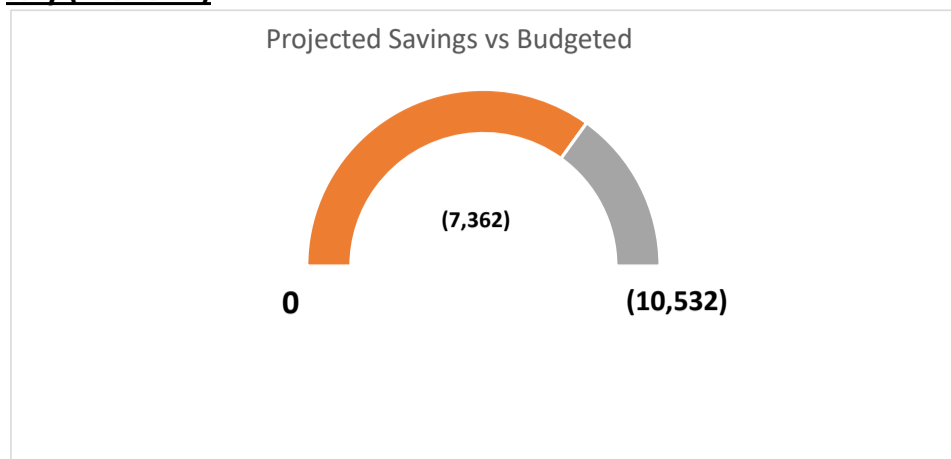
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(5,214)	(5,714)	(500)
On track	(8,900)	(9,400)	(500)
Some risk	(11,322)	(11,322)	0
High risk	(200)	0	200
Cancelled	0	0	0
Total	(25,636)	(26,436)	(800)

Amber & Red Risk Areas

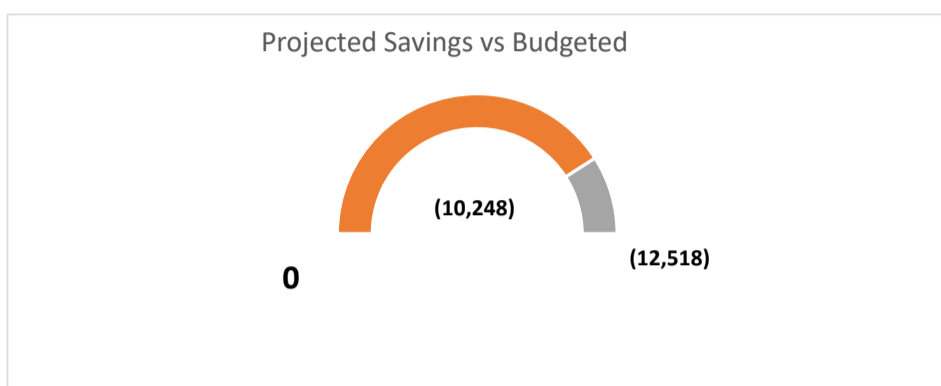
Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Review supported bank account contract (direct payments)	Tony Meadows	High risk	(150)	0	150	Contract will not be operational till 25-26. Need to identify alternative savings.
Budgeted savings	BAU	Invest to save proposal for Deputy and appointeeship's team	John Crowther	High risk	(50)	0	50	Ombudsmen decision means unable to charge. Need to identify alternative savings.
Budgeted savings	BAU	Additional recovery of unspent direct payments	Shona McFarlane	Some risk	(400)	(400)	0	Current recovery levels below action plan target. To assess end of Q2.
Budgeted savings	SR	Review of existing charges and introduction of new charges for adult social care activities	John Crowther	Some risk	(150)	(150)	0	Service Review completed. Go Live Q2 onwards.
Budgeted savings	BAU	Impact of telecare growth plan	Shona McFarlane	Some risk	(200)	(200)	0	Service Transformation Team supporting service area to deliver.
Budgeted savings	BAU	Newton Europe - Home First Programme	Shona McFarlane	Some risk	(3,000)	(3,000)	0	0
Budgeted savings	SR	Review of commissioned and Leeds City Council-provided day services and opportunities	Shona McFarlane / Tony Meadows	Some risk	(1,350)	(1,350)	0	Delay in implementing review but assume over recover in remainder of the financial year. Programme delivery in 2nd half of financial year. Assume still deliverable.
Budgeted savings	BAU	Demand / market management: reviewing fee setting, care package review, in-house and commissioned services	Shona McFarlane / Tony Meadows	Some risk	(3,622)	(3,622)	0	Links with overall management of trend affecting both Working Age Adults and Older People cohort. Expansion of Value for Money reviews. Expand principles for Older People and Out of Area.
Budgeted savings	BAU	General management of market to include value for money and package prices outside framework price range	Tony Meadows	Some risk	(2,000)	(2,000)	0	Links with overall management of trend affecting both Working Age Adults and Older People cohort. Homecare and implement Electronic Recording Management (ECM) system to reduce homecare package size.
Budgeted savings	BAU	Remove quality premium from independent sector care home placements	Tony Meadows	Some risk	(600)	(600)	0	Prolicy not implemented in 24-5. Some savings from identifying providers no longer eligible for the premium payment.

July (Month 4)

CHILDREN & FAMILIES - SUMMARY

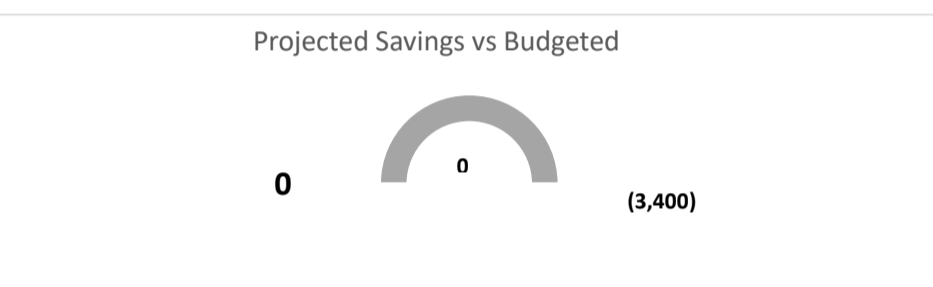


RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track	(350)	(1,045)	(695)
Some risk	(6,932)	(6,134)	798
High risk	(3,250)	(183)	3,067
Cancelled	0	0	0
Total	(10,532)	(7,362)	3,170



CHILDREN & FAMILIES - Other Savings Measures

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track	(6,676)	(9,065)	(2,389)
Some risk	(313)	(263)	50
High risk	(2,529)	(920)	1,609
Cancelled	(3,000)	0	3,000
Total	(12,518)	(10,248)	2,270



DSG Savings Measures

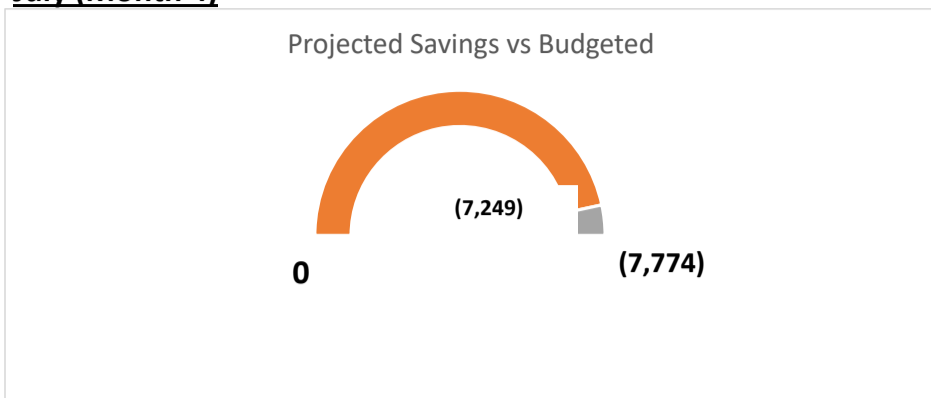
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
High risk	(3,400)	0	3,400
Total	(3,400)	0	3,400

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	Non-essential spend savings	Julie Longworth	Some risk	(1,000)	(1,000)	0	To be closely monitored across all services aligned to corporate messaging re non essential spend reductions
Budgeted Savings	SR	Staffing reductions	Julie Longworth	Some risk	(2,250)	(2,250)	0	Further VLS options to be considered
Budgeted Savings	SR	Review of commissioned activity	Julie Longworth	Some risk	(1,200)	(1,200)	0	Reviewing further options to mitigate any shortfalls against this saving
Budgeted Savings	BAU	Review of Children & Families' traded services to break even position (nil General Fund Support)	Julie Longworth	Some risk	(347)	(84)	263	Review of traded activity currently ongoing
Budgeted Savings	SR	Adolescent Support Service invest to save proposal	Farrah Khan	High risk	(1,250)	0	1,250	Service currently developing a plan for Family Help
Budgeted Savings	SR	Review of Children's Centres	Farrah Khan	High risk	(1,000)	0	1,000	Plan to be developed
Budgeted Savings	SR	Unaccompanied Asylum Seeker Children Housing invest to save proposal	Farrah Khan	Some risk	(1,820)	(1,300)	520	Delay outside of LCC's control. Lease start date anticipated shortly.
Budgeted Savings	BAU	Passenger Transport	Dan Barton	Some risk	(200)	(200)	0	Ongoing review of personal transport allowances
Budgeted Savings	BAU	Transport: Including independent travel training, personal transport allowances, use of private hire, commissioning an external review	Dan Barton	Some risk	(115)	(100)	15	Ongoing review of 1:1 transport

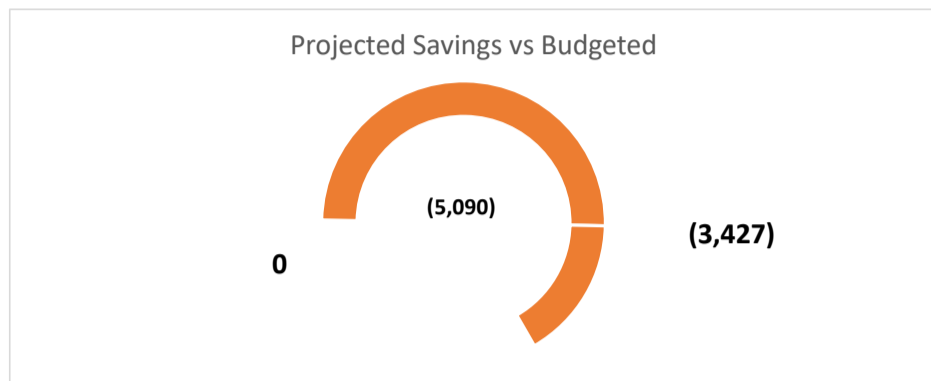
Budgeted Savings	BAU	Additional savings arising from review of transport costs (efficiencies, process changes and delivery opportunities)	Dan Barton	High risk	(1,000)	(183)	817	Work ongoing to identify additional savings options. Policy change options developed but if agreed would take effect 25/26.
Prior year savings	SR	Former target for turning the curve 2023/24, alternative savings identified	Farrah Khan	Cancelled	(3,000)	0	3,000	Mitigated by other unbudgeted savings plans, e.g. reunification and small group living
Prior year savings	SR	Childrens Centres: 2023/24 savings still to be realised	Farrah Khan	High risk	(450)	(150)	300	Plan to be developed
Other savings measure	SR	Commissioned services savings: 2023/24 savings still to be realised	Julie Longworth	High risk	(369)	(369)	0	Reviewing further options to mitigate any shortfalls against this saving
Prior year savings	BAU	Efficiency targets 2023/24 still to be realised.	Julie Longworth	High risk	(1,710)	(401)	1,309	Further work to be carried out to identify options
Other savings measure	SR	Independent Travel Training (ITT)	Dan Barton	Some risk	(235)	(235)	0	ITT progress to be monitored
Other savings measure	SR	Independent Travel Training (ITT)	Dan Barton	Some risk	(28)	(28)	0	ITT progress to be monitored
Other savings measure	SR	Passenger Transport Allowances (PTAs) for foster carers	Dan Barton	Some risk	(50)	0	50	Work ongoing to identify savings
DSG savings measure	SR	DSG: High Needs block saving target	Dan Barton	High risk	(3,400)	0	3,400	Savings Plan still to be produced

July (Month 4)



CITY DEVELOPMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected	Shortfall/ (Surplus) £'000s
Achieved	(1,112)	(1,112)	0
On track	(3,970)	(3,970)	0
Some risk	(2,692)	(2,167)	525
High risk	0	0	0
Cancelled	0	0	0
Total	(7,774)	(7,249)	525



CITY DEVELOPMENT - Other Savings Measures

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track	(2,330)	(2,840)	(510)
Some risk	0	(2,250)	(2,250)
High risk	(1,097)	0	1,097
Cancelled	0	0	0
Total	(3,427)	(5,090)	(1,663)

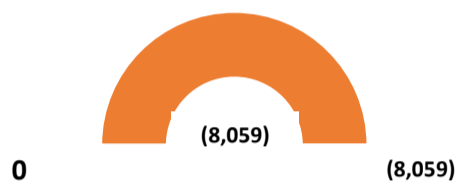
Amber & Red Risk Areas

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	Additional recovery of income, business rates reductions, fees and charges review	Jane Walne	Some risk	(380)	(380)	0	0
Budgeted Savings	BAU	Additional income from council's property portfolio	Angela Barnicle	Some risk	(150)	(150)	0	negotiations ongoing - awaiting response from LUFC - may need escalation if risk remains into 24/25 season start
Budgeted Savings	BAU	Mass Transit - additional income associated with MT team	Gary Bartlett / Angela Barnicle	Some risk	(500)	(300)	200	Delay in agreements with WYCA
Budgeted Savings	BAU	Income Generation (New).	Gary Bartlett	Some risk	(70)	(70)	0	Work ongoing to provide services to other LAs
Budgeted Savings	SR	Highways & Transportation review: includes stopping work, staff redeployment and service redesign	Gary Bartlett	Some risk	(750)	(450)	300	Delay in the process has meant staff leaving in July
Other Savings Measures	SR	Pudsey Civic Hall	Jane Walne	Some risk	0	0	0	December 25 closure now planned due to closure of Morley Town Hall for refurbishment. no revenue savings anticipated so no issue around the delayed closure
Budgeted Savings	BAU	Economic Policy & Programmes: recharging of staff time to external funding	Fiona Bolam	Some risk	(92)	(67)	25	Govt Investment Zone Programme delayed. Currently showing £25k mitigation through Vacant post
Budgeted Savings	BAU	Staffing reductions through voluntary measures where possible: Active Leeds	Jane Walne	Some risk	(250)	(250)	0	part achieved - 3 VLS agreed to start July. further savings against target to be achieved with Exec Board approval to Vision for Leisure proposals which could generate further VLS at a future point
Budgeted Savings	BAU	Staffing reductions through voluntary measures where possible: Markets	Jane Walne	Some risk	(100)	(100)	0	part achieved through FR although VLS may only come into effect in 25/26. other work areas ceased and externalised to make savings and may need to be factored in to savings target

Budgeted Savings	BAU	Development Management - pre-app service	David Feeney	Some risk	(50)	(50)	0	0
Budgeted Savings	BAU	Biodiversity net gain income	David Feeney	Some risk	(350)	(350)	0	HBV not yet established - working through legals to establish HBV but savings being identified through S106 and wider opportunities
Other Savings Measures	BAU	Estate rationalisation savings - prior years' savings target	Angela Barnicle	High risk	(433)	0	433	Unlikely to achieve in year. Assumed mitigating savings will offset the pressure. Savings dependent on service reviews across the Council
Other Savings Measures	BAU	Strategic Investment Fund	Angela Barnicle	High risk	(664)	0	664	Unlikely to achieve, only pipeline project Seacroft Industrial estate. Assume mitigating savings will offset the pressure. Exploring ways to develop growth on current portfolio
Other Savings Measures	BAU	Identify mitigating savings to offset service pressures	Jane Walne	Some risk	0	(250)	(250)	£160k identified at P4

July (Month 4)

Projected Savings vs Budgeted



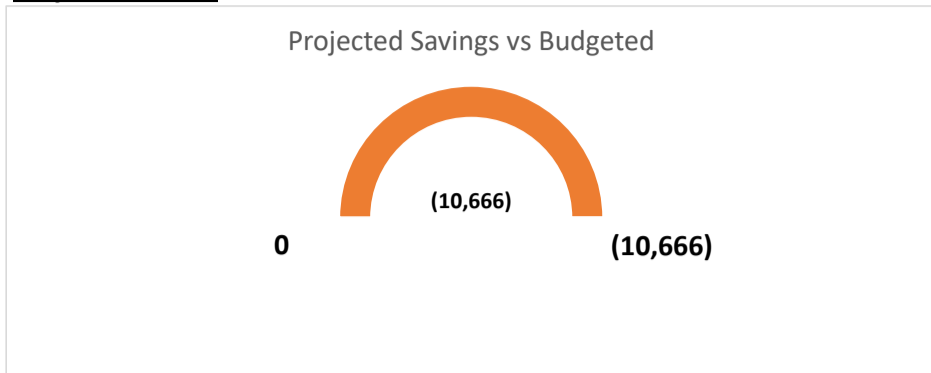
COMMUNITIES, HOUSING & ENVIRONMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(2,920)	(2,920)	0
On track	(2,730)	(2,730)	0
Some risk	(2,409)	(2,409)	0
High risk	0	0	0
Cancelled	0	0	0
Total	(8,059)	(8,059)	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 saving	BAU	Seek further opportunities to maximise funding through grant income streams and / or alternative funding - One-off	Lee Hemsworth	Some risk	(1,209)	(1,209)	0	No pressure assumed but funding has only been confirmed for six months.
Budgeted saving	SR	Retain free collection of Bulky Waste for first collection each year (five items) and introduce charges for repeat collections (excluding those in receipt of Council Tax Support)	John Woolmer	Some risk	(169)	(169)	0	Risk here is any shortfall (or additional income) unlikely to be known until later in year - ie after residents have had free collections. Income for bulky collections Apr - May were £0.8k in total but still early days
Budgeted saving	BAU	Waste Disposal cost efficiencies - £200k glass in green bins, £215k HWSS sorting arrangements, £240k POPs disposal, £250k contract price renegotiations	John Woolmer	Some risk	(905)	(905)	0	£215k - better sorting at HWSS; £200k glass in Green blns - net; £240k POPs change of disposal; £250k contract negotiations
Budgeted saving	BAU	Introduction of car parking charges at Golden Acre and Otley Chevin parks	Polly Cook	Some risk	(126)	(126)	0	Golden Acre and Chevin original plan to implement from 1/6/24. Delayed to 1/10/24 with estimated impact on income tbc

July (Month 4)



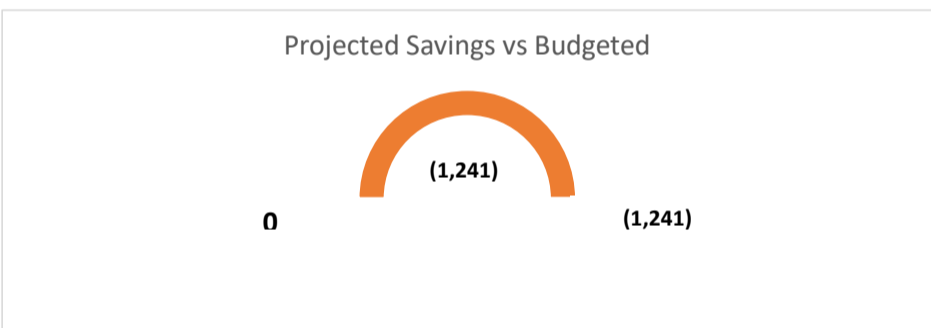
STRATEGY & RESOURCES - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track	(8,571)	(8,571)	0
Some risk	(2,095)	(2,095)	0
High risk	0	0	0
Cancelled	0	0	0
Total	(10,666)	(10,666)	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	Efficiencies within Business Administration Service: delete non essential vacant posts, focus staff on to statutory work and implement new technology	Gemma Taskas	Some risk	(500)	(500)	0	Plans in place within BAS. Discussion needed with CORS about impact within each Directorate, which will be challenging in the context of increasing demand for admin resource.
Budgeted Savings	SR	Shared Services' savings	Gemma Taskas	Some risk	(1,515)	(1,515)	0	Plans in place within BAS. Discussion needed with CORS about impact within each Directorate, which will be challenging in the context of increasing demand for admin resource.
Budgeted Savings	BAU	Commercialisation opportunities	Sarah Martin	Some risk	(50)	(50)	0	Income is expected to be difficult to increase in the current economic environment.
Budgeted Savings	BAU	Increase Fleet external income	Sarah Martin	Some risk	(30)	(30)	0	The fleet income budget is currently under pressure, particularly MOT income

July (Month 4)



STRATEGIC - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	(470)	(470)	0
On track	(771)	(771)	0
Some risk	0	0	0
High risk	0	0	0
Cancelled	0	0	0
Total	(1,241)	(1,241)	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	Achieved Savings to date £'000s	Savings Achieved %	Including mitigating actions for Reds & Ambers

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