

# Financial Health Monitoring 2022/23 – Outturn financial year ended 31<sup>st</sup> March 2023

Date: 21<sup>st</sup> June 2023

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. This report comments on financial performance against the 2022/23 budget, which has targeted resources towards the Council's policies and priorities as set out in the Best City Ambition.
2. The purpose of this report is to inform the Executive Board of the financial health of the Authority in respect of both the General Fund revenue budget and the Housing Revenue Account. At the financial Outturn for 2022/23 the position reflects an overspend of £12.4m on the Authority's General Fund services.
3. Where Directorates have identified an overspend, any savings actions implemented to mitigate these pressures are included in the reported overspend position.
4. As noted above, the Outturn position reflects an adverse variation to a balanced budget position. As reported to Executive Board during the year, this adverse variation will require the use of Strategic Contingency Reserve balance. Ongoing pressures identified in the current year have been built into the 2023/24 budget.
5. The Business Rates Collection Fund income shortfall of £1.9m arising in 2022/23 will impact on the Revenue Budget in 2024/25.
6. The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions. The budget for 2022/23 required delivery of £16.5m of savings and the position remains challenging. At Outturn the majority of budgeted savings have either been delivered or mitigating actions found.
7. Increased inflation and the rising cost of living, including the 2022/23 agreed pay award, have been incorporated into this reported financial Outturn position.
8. This report provides the Board with an update on the reserves position for the General Fund, schools and the HRA at Outturn for the 2022/23 year. Overall reserves balances have reduced by £36.5m since 1<sup>st</sup> April 2022.
9. The report also provides information on the monitoring of the decision to freeze non-essential spend as one of the measures to balance the 2022/23 budget. Expenditure at Outturn on a range of financial codes in scope shows that spend is 13.3% lower than during 2021/22. This reduction in expenditure has been included in the positions being reported by Directorates.
10. The Outturn for the year on the HRA shows a net overspend of £6.8m when compared against the 2022/23 budget. This is primarily due to overspends on the repairs and disrepair budgets due to a combination of the costs of repairs on bringing void properties back into use and significant inflationary pressures in the construction sector. This overspend will be funded from the HRA earmarked reserve.

# Recommendations

Executive Board are asked to:

- a) Note that at Outturn the Authority's General Fund services show an overspend of £12.4m and that the Housing Revenue Account shows a net overspend of £6.8m;
- b) Note that during the year where an overspend was projected Directorates, including the Housing Revenue Account, were required to present action plans to mitigate their reported pressures, in line with the Revenue Principles agreed by Executive Board in 2019. Savings actions identified are included in the reported overspend position;
- c) Note that increased inflation and impacts of the rising cost of living, including the agreed 2022/23 pay award, have been incorporated into this reported outturn position;
- d) Approve the use of £12.4m Strategic Contingency Reserve to balance the General Fund overspend;
- e) Approve that the Housing Revenue Account overspend of £6.8m is balanced through use of HRA Reserves;
- f) Approve the updated planned use of flexible use of capital receipts, specifically the additional planned use in 2022/23 of £0.8m as shown at paragraph 3.12.1;
- g) Agree the creation of earmarked reserves as detailed at Appendix 5 and to delegate their release to the Chief Officer – Financial Services;
- h) Approve the following injections into the capital programme, as detailed at Appendix 6A(iii):
  - £13,529.9k of Capital Receipt injections, primarily in relation to the East Leeds Orbital Road and District Heating Phase 3 schemes;
  - £1,967.0k of Departmental Borrowing injections, primarily to provide matched funding for a Local Authority Housing Fund scheme; and
  - 26,600.7k of external contributions, primarily relating to:
    - £9,524.6k Leeds Station Sustainable Travel Gateway (Network Rail);
    - £5,918.7k HRA Schemes (Local Authority Housing Fund);
    - £5,400.0k A653 Beeston to Tingley (West Yorkshire Combined Authority);
    - £2,267.4k of external contributions for works on School schemes;
    - £1,492.9k of external contributions for works on Highways schemes;
    - £680.0k Armley Mills (Art Council England); and
    - £1,317.1k of other external contributions.
- i) Note the additional Capital Receipts Incentive Scheme (CRIS) allocations to wards and community committees for the period October 2022 to March 2023 of £0.3m.
- j) Note that the Chief Officer – Financial Services will be responsible for the implementation of these actions following the “call-in” period.

## What is this report about?

- 1 This report updates the Board on financial performance against the Council's 2022/23 Capital and Revenue budgets, for both General Fund and the Housing Revenue Account, for the financial year.
- 2 As set out at Appendix 1, the final position on the General Fund shows an overspend of £12.4m and when compared to the provisional outturn position received at Executive Board in April, the overall position has improved by £3.9m. The adverse variation to a balanced budget position for the General Fund at the 2022/23 year-end will require the use of Strategic Contingency

Reserve balances. The Housing Revenue Account shows an overspend of £6.8m. The adverse variance will require the use of HRA Reserves.

- 3 Changes in individual directorate positions since provisional outturn are detailed in Appendix 1. The appendix also summarises the position on the Authority's reserves at Outturn and these are detailed in Appendix 5.

### **What impact will this proposal have?**

- 4 The budget proposals contained in the 2022/23 Budget were, where appropriate, the subject of the Council's Equality Impact Assessment process and mitigating measures were put in place or planned where appropriate. As such, an Equality Impact Assessment was provided at Appendix 6 to the 2022/23 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

- 5 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. 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, against which this report details the Council's performance.
- 6 This report needs to be seen in the context of the requirement for the Council to be financially sustainable and deliver a balanced budget position in 2022/23 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

- 7 This is a factual report and is not subject to consultation. Public consultation on the 2022/23 Revenue Budget was carried out between December 2021 and January 2022 and is detailed in the 2022/23 Revenue Budget and Council Tax report presented to this Board in February 2022.

### **What are the resource implications?**

- 8 This is a revenue financial report and as such resource implications are detailed in the report and appendices.

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

- 9 At final financial Outturn Directorate dashboards reflect an overspend of £12.4m. The overspend, with Executive Board approval, will be balanced through application of the Strategic Contingency Reserve, which was established in 2020/21 to fund future unforeseen budget pressures and to ensure the Council becomes more financially resilient.
- 10 This is as noted in the report "Financial Health Monitoring 2022/23 – Provisional Outturn (Month 11)" presented to Executive Board in April 2023, where it was also noted that use of this reserve reduces the resources available to support the Council's financial position in future years.

11 At the April meeting, Executive Board approved the application of the remaining balance of the Merrion House capital receipt to redeem debt in 2022/23, to reduce MRP by the same amount and to contribute the resulting revenue saving to the Merrion House earmarked revenue reserve. These funds will be available to fund future unforeseen budget pressures in future financial years and to ensure the Council continues to become more financially resilient, particularly given the use of the Strategic Contingency Reserve to balance the 2022/23 position.

### **What are the legal implications?**

12 There are no legal implications arising from this report.

### **Options, timescales and measuring success**

#### **What other options were considered?**

13 Not applicable

#### **How will success be measured?**

14 Not applicable

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

15 Not applicable

### **Appendices**

16 The following appendices are attached to this report:

- **Appendix 1** – background information, detailed narrative regarding the financial outturn positions for directorates, the Housing Revenue Account HRA, Dedicated Schools Grant (DSG) and the capital programme, Council Tax and Business Rates including collection performance.
- **Appendix 2** – Individual financial dashboards for directorates, DSG and the HRA
- **Appendix 3** – Directorate Budget Action Plans
- **Appendix 4** – Flexible Use of Capital Receipts
- **Appendix 5** – Movement in reserves 1st April 2022 to 31st March 2023
- **Appendix 6A** – Revised capital programme for 2022/23 to 2026/27 as at 2022/23 Outturn.
- **Appendix 6B** – Breakdown of capital programme net variances February 2023 projected Outturn to Outturn
- **Appendix 6C** – CRIS injections to wards and community committees for the period October 2022 to March 2023

### **Background papers**

17 None

## Financial Health Monitoring 2022/23 – Outturn Report

### 1. Purpose of this report

- 1.1. This report sets out for the Executive Board the Council's financial Outturn position for 2022/23 for both the revenue and capital budgets, including the Housing Revenue Account and expenditure on schools.
- 1.2. In addition, the report highlights the position regarding other key financial health indicators including reserves, Flexible use of Capital Receipts, progress on Covid backlog Recovery, Invest to Save and Innovation Fund, Council Tax and Business Rates collection statistics, sundry income, and the prompt payment of creditors.
- 1.3. It should be noted that, in accordance with proper accounting practice, any significant event which occurs prior to the audit sign-off of the accounts could impact on the Council's final published Outturn position and hence on the level of reserves. This is known as a post balance sheet event and, should such an event occur, it will be reported back to this Board at the earliest opportunity.
- 1.4. The Council's unaudited accounts are scheduled to be placed on deposit for public inspection in July 2023.

### 2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2022/23 was set at £521.9m.
- 2.2 Following the closure of the 2021/22 accounts, the Council's general fund reserve stood at £33.2m. The 2022/23 budget assumed no contribution to this reserve during the current financial year and the reserve has not been used during the year. Consequently, the balance at 31st March 2023 remains unchanged at £33.2m.
- 2.3 The 2023/24 Revenue Budget and Council Tax report, received by the Executive Board in February 2023, assumed a balanced budget position for 2022/23 after the application of Government funding, the delivery of savings, budgeted utilisation of earmarked reserves and the Council's share of additional funding announced at the Final Local Government Finance Settlement in February 2023 relating to the surplus on the national Business Rates Levy Account.
- 2.4 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, those budgets which are subject to fluctuating demand and key income budgets. This has again been reinforced through specific project management based support and reporting around the achievement of key budget actions plans.

### 3. Main Issues

- 3.1 At Outturn an overspend of £12.4m is reported across directorates (2.4% of the Council's Net Revenue Budget). As discussed in this report, this position encompasses the impact of the agreed national employers pay offer for 2022/23, increased energy costs, other inflationary rises and the wider impact of rising cost of living pressures.

**3.2** The Collection Fund income shortfall arising in 2022/23 will impact on the Revenue Budget in 2023/24.

**3.3** Directorate positions are summarised in **Table 1**.

**Table 1: Summary Position at Outturn - Financial Year 2022/23**

Directorate	Director	(Under) / Over spend for the current period					Previous Reported Position
		Staffing	Premises	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000	£000
Adults & Health	Caroline Baria	1,712	575	14,194	(14,195)	0	0
Children and Families	Julie Longworth	2,155	866	23,469	(6,567)	16,902	18,294
City Development	Martin Farrington	(600)	3,570	5,291	(5,269)	23	115
Communities, Housing & Environment	James Rogers	3,814	934	23,203	(21,836)	1,368	1,283
Resources	Neil Evans	7,625	1,886	27,323	(22,329)	4,995	3,892
Strategic	Victoria Bradshaw	(275)	414	52,667	(63,602)	(10,934)	(7,292)
<b>Total Current Month</b>		<b>14,431</b>	<b>8,246</b>	<b>146,147</b>	<b>(133,798)</b>	<b>12,353</b>	<b>16,291</b>
Strategic (use of reserves to balance)	Victoria Bradshaw	0	0	(12,353)	0	(12,353)	0
<b>Total After Use of Reserves</b>		<b>14,431</b>	<b>8,246</b>	<b>133,794</b>	<b>(133,798)</b>	<b>0</b>	<b>16,291</b>

**3.4** As requested at September's Executive Board, directorates were required to identify action plans to both address the reported overspends and absorb the financial impact of the national employers pay offer for 2022/23. These actions included, with a small number of exceptions, a freeze on recruitment (including on agency staff and overtime), and a freeze on non-essential spend. Exceptions to this included expenditure needed for health and safety reasons, to meet a statutory service requirement, to prevent further costs, or to help generate income that more than outweighs the cost of recruiting to these roles.

**3.5** Cross-directorate Task and Finish working groups have worked with services projecting overspends to support them to reduce cost pressures. In order to monitor and identify progress on these working groups, savings action plans were developed to record pressures and proposals and to monitor improvement. The Outturn position includes the savings attributed to the actions identified and progressed by the Task and Finish groups.

**3.6** As noted in **Table 1**, the final financial Outturn position for 2022/23 is an overspend of £12.4m. As reported to Executive Board during the year, this adverse variation to a balanced budget position requires the use of Strategic Contingency Reserve balances. Any ongoing pressures identified in the current year have been built into the 2023/24 budget.

**3.7** The major Directorate variations in **Table 1** are outlined below, with additional detail provided on the Directorate dashboards at Appendix 2 of this report.

**3.7.1 Adults & Health** – At Outturn Adults & Health Directorate delivered a balanced budget. The Net Managed Budget (NMB) for 2022-23 was £197.6m, comprised of £386.3m Gross Expenditure offset by £188.7m income. Reflected in the 2022-23 budget were Budget Action Plans totalling £6.994m. At Outturn Gross Expenditure was £400.5m (+£14.2m) and income was £202.9m (+£14.2m).

In-year two Provisions were identified as no longer being required and were written back into the Adults & Health 2022-23 revenue budget; £1.15m for Ordinary Residence provision and £0.492m for COVID grant funding to cover any repayment to the Department for Health & Social Care for ineligible expenditure. Offsetting this is a contribution from Adults & Health into the Strategic Contingency Reserve for £1.642m.

### **Budget Action Plans**

At Outturn 3 Budget Action Plans, with an impact of £2.214m, were not achieved; this is in line with the reported position at Month 11 (Provisional Outturn):

- £1.024m relating to the strategic review for Social Work due to slippage in recruiting staff;
- £0.190m relating to slippage in the budget action plan for the refurbishment of the 3 LCC run residential homes, with a revised opening date of July 2023 for Spring Gardens with the other two slipping into 2023/24 financial year;
- £1.0m income shortfall against the £1m additional Client income budget action plan. This was primarily around 2:1 Homecare visits and removing the Maximum Assessed Charge (MAC) cap. Due to the way that income is posted into the FMS system there are 13 charging runs each year and the last run relates to January billing and does not therefore pick up the uplift in income until 2023/24 financial year. Additionally new service charges for the in-house Telecare service were actioned late in the 2022/23 financial year;
- Mitigating actions were identified to ensure the service delivered a balanced budget and there would be no additional impact on the Medium Term Financial Savings plan for future years; principally £1.2m Commissioning savings on Extra Care and Adult Carers, £0.5m Market Sustainability & Fair Cost of Care 25% grant funding available for delivering Fair Cost of Care, savings from implementing corporate in-year savings initiatives and additional s117 income from Health contributions for agreed packages of care.

### **Demand**

The 2022-23 demand related budgets reflected £17.774m of additional funding for price, inflationary and demand & demography growth, taking the overall size of the demand led budgets up to £251.6m before reducing to £247.5m after netting off the £4.1m savings target reflected in the delivery of the 2022-23 budget action plans; principally the Strategic Review for Adult Social Work. Additionally, an in-year budget increase in the demand related budgets of £3.3m due to £1.7m for increased Homecare provider rates funded from Leeds-ICB and £1.6m for Residential provider rates funded from the Fair Cost of Care & Market Sustainability grant was actioned.

Overall, at Outturn an overspend of £8.4m arose on the 2022-23 demand related budget. This is analysed below, along with the offsetting solutions to balance:

- Increased demand in all residential settings, £5.9m, which is in line with the reported Month 11 Provisional Outturn position; £1.7m Residential, £1.6m Nursing Complex, £1.8m Residential Complex and £0.8m Nursing, offset by additional income of £2.0m; Net pressure £3.9m. This includes the £1.4m impact of the delayed discharge from hospital settings over 28 days, after which financial commitment transfers across to the local authority;
- Learning Disability (LD) demand budgets are £1.5m over budget;
- Homecare and Community Support placements are £1.9m above budget, which is offset by £1.4m additional income;

- Offset by savings on demand budgets in Supported Living £0.1m and Direct Payments £0.8m;
- Additional client income of £3.3m; additional £0.7m Leeds-ICB monies (BCF & non-BCF agreements) and £0.5m additional Partnership income from other Health settings in Leeds and £0.5m additional iBCF grant income.

### **Pay**

This Outturn position reflects the agreed Employers 2022/23 pay offer of £1,925 per employee. The impact of this was an additional £2.4m pay related pressure, over and above the 2% budgeted position. This includes £0.3m for Passenger Transport pay costs (reflected in Internal Charges above). £0.4m has been recovered from higher charges to partnerships and grant funding. At Outturn there was a pay pressure of £1.2m, which is £1.2m lower than the budgeted pay impact due to recruitment difficulties in social work and social care. The balance will be funded from the use of iBCF grant monies. The savings would have been more material but for the high usage of Social Work agency staff to offset recruitment difficulties and address winter pressures on the social care system. Agency spend within the directorate was £4.1m (+£2.2m to 2022/23 budget), predominately to support the service around Winter Pressures.

### **Partnerships and Grant funding**

#### **Adult Social Care**

In September 2022 the DHSC set out the Government's new 'Our plan for patients' to improve care for patients during Winter 2022 and 2023, announcing a £500m Adult Social Care Discharge fund to help people get out of hospitals and into social care support. Leeds City Council directly awarded £2,758,941 and Leeds-ICB awarded £5,188,000, with the total for Leeds being £7,946,941. The guidance requires the funding to be pooled via the Better Care Fund. All returns were submitted as scheduled and all grant funding fully utilised in 2022-23 financial year.

£2.235m new grant funding for Market Sustainability and Fair Cost of Care was included in the 2022-23 budget. This was upfront funding in preparation to go-live in October 2023 with new Care Act reforms, however the go-live date has slipped to October 2025. A minimum of 75% was allocated directly to support the care market, residential complex and both nursing settings and 25% for resources to implement the requirements of the Care Act. Additionally, a further £0.10m was received for ASC charging reform: implementation support funding grant determination for 2022-23 to support capacity for assessments and DIS requirements for the Care Act.

Passenger Transport charges were £1.1m above the £5.3m budget, split £1.0m Leeds City Council and £0.1m Leeds-ICB. £308k relates to the in-year pay pressure from the 2022/23 pay award and outlined in the pay section above and £750k for inflationary impact on fleet operating costs, private hire, and increased driver costs to cover sickness absence. The Council share will be covered by additional BCF income.

£0.7m of COVID grant funding relating to Clinically Extremely Vulnerable (CEV) was utilised to support winter grant payments to the Third Sector.

New grant funding of £18,957 for 2022/23 and £18,838 for 2023/24 announced to support the Department for Health & Social Care initiative, 'Care data matters: a roadmap for better data for adult social care', agenda and switch to Client Level data.



## Public Health

Public Health (PH) Grant funding for 2022-23 was £47.126m; increase of £1.288m from 2021-22 (2.7%). Since the 2022-23 budget was approved new PH grant, £2.785m, for, 'Substance misuse funding for drug and alcohol treatment', has been awarded. This is a three-year announcement for which the Council will receive 2022-23 £2.785m, 2023-24 £4.445m and 2024-25 £8.445m. PH funding is a ring-fenced grant and the in-year underspend of £0.59m was transferred into the Public Health earmarked reserve.

For 2022/23 & 2023/24 financial years the Director of Public Health agreed to fund the pension costs arising under IAS19 accounting rules. The charge for 2022/23 was £625k.

The Director of Public health agreed £2m use of Public Health earmarked reserve in the 2022/23 financial year to support eligible areas of Public Health spend within Leeds City Council, primarily for winter support for leisure centres to remain open.

**3.7.2 Children and Families** – The outturn position for the Children and Families directorate is an overspend of £16.901m. This represents a decrease of £1.393m since the indicative outturn position reported at Month 11. The main movements from Month 11 are:

- Additional Public Health Contributions (£0.969m)
- Improvements across CLA budgets (£364k)
- Learning Grants Income (£219k)
- Learning Traded Income (£181k)
- Independent Support Work (£225k)
- Additional Transport Charges £700k

Overall, the main variations within the outturn position are:

	<b>£m</b>
Care Leavers: Semi-Independent Living	4.545
Care Leavers: Leaving Care Allowances	0.134
Additional UASC Income	(1.462)
CLA: In House Carers	2.028
CLA: External Residential Placement	3.026
Independent Support Work	0.470
Little Owls Nurseries	1.969
Transport	4.196
IFA Placements	0.649
Secure Welfare	0.297
Teachers Severance and Pensions	(0.634)
Projected Net Staff pressures	2.028
Legal Costs	0.764
Contribution from Housing Support Fund	(1.000)
ICB Contribution	1.900
Public Health Contribution	(0.969)
Non essential spend savings	(0.668)
Other Variances	(0.372)
<b>Total</b>	<b>16.901</b>

## **Task And Finish Group**

A Task and Finish group was established to provide a joined up approach between Children and Families and other services to identify and progress mitigating action plans to reduce pressures throughout the year. A number of key actions were identified and progress was made against these as detailed within the narrative below.

The Outturn position includes savings of £0.769m which have been attributed to the actions identified and progressed within the Task and Finish group:

- CLA Leaving Care - £0.499m
- Transport - £0.200m
- Little Owls Nurseries - £0.070m

### **Care Leavers: Semi-Independent Living:**

The budget for Semi-Independent Placements was £5.8m. At the start of the year there were 226 placements, at the end of the year there are 278 placements. This increase has been driven by a number of factors including an increase in 16 year olds exiting foster care, a bulge cohort of CLA in 15-17 year olds including the majority of UASC, and a continued flow of young people being remanded to our care by the courts or released from custody. Within these groups there are some who have high support needs which result in higher average placement costs.

The Our Way Leeds (OWL) contract is now delivering the capacity of provision originally anticipated, following some early challenges. However, in terms of transitioning out of OWL there is significant competition for suitable council tenancies, as well as an oversaturated private rental market which is not easy to access for universal credit claimants.

A number of key actions were identified within the Task and Finish Group and progress has been made against these challenges including:

- A review of young people ready to move out of OWL provision and into independent living within a short timescale has been undertaken, working closely to match these to suitable one-bed council tenancies.
- The result of this work has been creation of capacity across a significant number of OWL units, including 62 movements into or within OWL provision, made up of:
  - 31 young people moved into OWL provision from external placements
  - 31 young people moved within OWL to free up other units, or new into OWL through Leeds Housing Options (young people who would otherwise be deemed homeless)
- There remain a number of units which are expected to become available and matching to suitable young people will continue against these properties.
- Work continues to support moves both out of and into OWL, as well as designing/embedding a process to ensure continued flow, as and when young people are ready to move onto independent living.

The Semi-Independent outturn position includes £0.499m projected savings as a result of the task and finish actions highlighted above.

The Semi-Independent pressure has been mitigated by an additional £1.462m of projected income for unaccompanied asylum seekers (UASC).

**CLA In House Carers:**

The CLA In house carers outturn overspend of £2.028m includes the impact of the uplift of the weekly fees and maintenance allowances paid to Leeds Foster Carers £1.601m which was backdated to April 2022. This pressure was mitigated with a contribution of £1.000m from the Household Support Fund.

There was additional on Placement support with a number of home adaptations being approved for carers, resulting in an overspend of £427k within placement support.

**External Residential Placements:**

The External Residential budget for 2022/23 was £18.043m, which supports 74 External Residential placements. At Outturn, there were 95 placements resulting in an overspend of £3.026m. This is an increase of 10 placements since the last reported position at Month 11.

**Little Owls Nurseries:**

The Little Owls nursery settings have an overspend of £1.969m, an income pressure of £2.381m and non staffing cost pressure of £216k offset by staff savings of £628k. Whilst the Little Owls nurseries did experience further recovery in 2022/23, income levels are still not back to pre-pandemic levels due to the change in working patterns, and a continued reduction in nursery capacity / opening hours due to ongoing staff shortages and recruitment difficulties.

To recognise increased costs, fees for Little Owls did increase by 5% from October to £51.70 per day, an increase of £2.50 per day. For comparison, the average market rate in Leeds is between £45 and £58 per day. The Little Owls fee increase that came into effect in October generated additional income of £70k in 2022/23 with a full year impact estimated to be £135k. In addition to the increase in fees there is a more comprehensive review of the Little Owls provision ongoing.

**Transport:**

The overall transport budget has an overspend of £4.196m. This position includes additional charges of £298k from WYCA due to increased drivers pay and fuel costs, with a further £3.898m pressure due to increased charges from Passenger Transport within CEL as a result of increased pupil numbers and increased costs.

**Independent Support Work:**

There is an overspend of £470k against the Independent Support work budget which mainly reflects the costs of supporting the needs of one child. The complexity and level of support provided in this case continues to be reviewed.

**ICB Health Contribution:**

An additional budgeted health contribution of £1.900m was not received in 2022/23. Children and Families continue to work with the ICB to consider alternative future funding or budget savings. Working collectively in this way will produce a plan that is much better for vulnerable children and young people by supporting them earlier and reducing the need for out of area placements.

**Budget Action Plans**

Of the £1.661m of budget action plans included within the base budget 2022/23 £0.575m of the action plans were not delivered as below:

- Diversifying Childrens Residential Provision £0.295m
- Passenger Transport £0.280m

**3.7.3 City Development** – the Outturn position for the City Development directorate is a largely balanced budget, with a small overspend of £23k. This represents a reduction of £92k from the provisional outturn position reported previously and is a negligible percentage overspend on the directorate’s net revenue budget of £31.6m.

As reported throughout the year, this position also includes the additional cost of the local government pay award which was £1.7m (net of amounts that are charged to capital schemes and grants) over and above the budgeted amount of 2%. The additional inflationary cost of energy across the directorate was funded from the energy contingency and reserves and therefore had no impact on the directorate’s overall year end position.

The restrictions on spending implemented during the year across the Council, including tighter vacancy controls and restrictions on non-essential spending, have contributed towards mitigating some of the pressures experienced during the year, as described below for each service area, to help achieve this largely balanced budget position.

- **Active Leeds** – the service achieved a small underspend of £0.06m at the year end. This included the additional cost of the unbudgeted element of the pay award of £0.7m, which was partially offset by staffing savings resulting from vacant posts (£0.3m) and running cost savings of £0.4m. Whilst the additional cost of energy of £0.6m at facilities was met from the corporate energy contingency and reserves, the in-year review of fees and charges helped the service to slightly over-achieve its budgeted level of income, contributing to the small year end underspend.
- **Arts & Heritage** – the year end overspend of £0.4m includes the impact of the pay award (£0.3m) and income shortfalls in a number of areas including box office, cafes, city centre room hire, Breeze pass, Pudsey Civic Hall car parking and admission charges at Kirkstall Abbey, largely offset by staffing vacancies and running cost savings.

Recent tribunal decisions on business rates payable for heritage properties have resulted in a one-off refund of £3.1m (net of fees) in respect of previous years’ rating liabilities being received at the year end in 22/23. It is proposed to transfer £0.75m of this to Business Rates reserves to mitigate the impact of the business rates deficit arising in part from the reduction in business rates income to the Council as a result of the refund. In addition, as it was originally anticipated that this refund would be made during the 23/24 financial year and £1.5m is budgeted for within the directorate in 23/24, it is proposed to carry forward the remaining £2.4m in an earmarked reserve to achieve the 23/24 budgeted saving and to provide additional funding for directorate savings requirements.

- **Employment and Skills** – the year end underspend of £0.5m reflects staffing savings of £0.19m and final grant income balances in respect of schemes which have now concluded.
- **Asset Management & Regeneration** – an overspend of £0.38m mainly reflects shortfalls in respect of the Strategic Investment Fund and Estate Rationalisation savings targets, partially offset by additional sources of income which includes capital receipt surveyors’ fees, an in-year review of commercial rental income, and other one-off sources of income such as the release of restrictive covenants.
- **Planning & Sustainable Development** – the year end position is an overspend of £0.25m. High volumes of caseloads and applications have resulted in

recruitment to all vacant posts which impacted on the service's ability to achieve its budgeted vacancy factor, and together with the additional cost of the pay award (£0.3m), this has resulted in a year end staffing overspend of £0.47m. Although there was a shortfall of planning fee income of £0.3m compared to the budgeted amount, additional building control and CIL administration income offset this and reduced the overall year end overspend to £0.25m.

- **Highways and Transportation** – the overall overspend of £0.26m includes the net impact of the pay award, vacant posts and additional agency/overtime (net - £0.4m); an increase in transport costs including fuel inflation (£0.6m); other hired and contracted services and partner costs required to cover vacant posts to deliver the work programs (£2.4m), partially offset by additional income of £2.4m and Street Lighting LED conversion contract savings of £0.2m. The additional cost of energy including street lighting (£1.1m) was met from corporate contingency/reserves.
- **Markets and City Centre** – a shortfall of £0.65m in respect of Markets income reflects vacant units mainly within the Kirkgate and Outdoor markets. Whilst this position represents a variance from budget, the budget is based upon a surplus position, therefore the year end position was a relatively small deficit (£0.1m). In addition, there were income shortfalls of £0.65m within City Centre in respect of city centre advertising income, income from street café licences and from hiring of event spaces in the city centre. Although these income shortfalls were partially offset by staffing and running cost savings of £0.11m, the outturn position of £1.19m over budget reflects the limited scope to achieve mitigating savings within these service areas.
- **Resources & Strategy** – staffing and running cost savings of £0.34m were identified within Resources & Strategy to partially offset the pressures identified in other service areas. In addition, to further help mitigate pressures across the directorate, £1.5m of Highways commuted sum balances received from developers to meet the future maintenance cost of adopted Highways were utilised, leading to an overall underspend of £1.84m within Resources & Strategy.
- **Staffing** – within the overall reported position described above there is a staffing underspend of £0.6m across the directorate including the estimated net impact of the pay award.

### **Key Budget Action Plans**

The 2022/23 budget contained £3.2m of new savings plans and whilst most have been delivered as anticipated, the shortfalls in some areas are reflected within the overall directorate position.

In addition, there were shortfalls on the pre-existing Strategic Investment Fund and Estate Rationalisation budget savings plans and although these were not achieved within the current financial year, mitigating savings were identified as far as possible to offset these pressures.

### **3.7.4 Communities, Housing & Environment**

At Outturn, the Directorate overspent by £1.37m, a movement of +£85k from the position reported to Members at Provisional Outturn. The Directorate's final position reflects the net impact of the pay award, £3.2m and fuel related pressures of £0.2m. These figures are contained within the service explanations below:

**Car Parking (£0.5m saving) -**

Staff costs are (£0.2m) due to vacancies. Whilst parking fees remained a pressure in 22/23 at +£0.7m below budget, other income including bus lane enforcement generated (£1.1m) above budget. +£0.1m has been transferred into an earmarked reserve to fund the required future upgrades of parking machines.

**Environmental Services (£2m over budget) -**

Staffing pressures are +£3.2m primarily due to the impact of the pay award +£1.7m, additional bulky collection routes were +£0.2m; Sickness, additional routes and cover, impact of the Queens funeral and spring snow costs are collectively £1m. Vehicle related spend was +£2.4m over budget including £2m on vehicle hire costs.

Historically there is a net cost associated with the disposal of green bin recyclable materials, however the Council received a high net income for this material until December 2022, prices have since dropped substantially since but (£1m) of unanticipated income has been received in 22/23 helping mitigate other pressures. Kerbside 'black bin' waste volumes spiked in 2020/21 but have now reduced back down towards their pre-lockdown period levels at a rate faster than had been assumed in the budget generating a (£1.6m) saving on disposal costs.

A PFI rebate and additional trade waste income totalling (£0.9m) were received.

Other variations net to +£0.1m

**Parks and Countryside (£0.1m over budget) -**

Staffing costs were (-£0.5m) under budget after the impact of the pay award, mainly due to vacant posts within the service.

Cancellation of bonfires delivered savings of (£0.1m) and (£0.6m) of prudential borrowing and bad debt provision savings were realised.

Inflationary pressures were experienced on fuel +£0.2m, the events programme +£0.1m and vehicle/equipment hire and maintenance +£0.3m.

Delays to construction of the new Parks attractions reduced net income by £0.2m in 2022/23 and bereavement services income was +£0.5m below budget with +£0.2m of running cost pressures. Other net underspends were £0.2m.

**Community Hubs (£ balanced)**

Staffing cost pressures after pay award are +£0.3m. There were £0.2m of income pressures along with £0.1m of extra cleaning/security costs. These pressures were offset by additional grant income, mainly Household Support Fund (£0.2m) and the Homes for Ukraine Grant (£0.2m).

**Welfare and Benefits (£0.7m over budget)**

A £3.9m pressure on Housing Benefit Rent Allowances and Rent Rebates stemmed from increased levels of Temporary Accommodation and Supported Accommodation where the Council cannot reclaim a 100% subsidy from the government. A project is ongoing to identify actions to reduce the instances of this going forward. Income from reclaimed Housing Benefit overpayments (£1.4m) better than budgeted and review of outstanding benefit arrears has resulted in a reduction in the provision for bad debt of (£0.7m). Total direct benefit pressures were a net £1.7m.

£1m additional funding from New Burdens Funding, Household Support Fund and other grant income has been received to reduce the overall net pressure in the service to +£0.7m.

### **Registrars, Licensing and Environmental Health (£0.3m under budget)**

Staff costs are +£0.4m after pay award but running costs savings of (£0.2m) and additional income of (£0.5m) from registrars and funding from the COVID recovery fund were delivered to offset the pay award.

### **Safer Stronger Communities (£0.3m under budget)**

Staffing costs are +£0.5m after the pay award.

CCTV running costs savings of (£0.2m) and other cost pressures have been covered by grant income, mainly staff in the service being funded by the Homes for Ukraine Grant.

### **Housing General Fund Services (£0.3m under budget)**

This is primarily due to additional grant income of (£0.2m) and staffing savings of (£0.1m).

**3.7.5 Resources** - Based on an examination of key risk budgets, the Outturn position for the Resources Directorate is an overspend of £4,995k. The increase from the previous period is £1,103k.

The overall £1,103k increase is due to;

- **Shared Services £216k improvement**, due to staffing savings £56k, additional Print and Signs Income £80k, additional internal income including from schools £80k.
- **Legal Services £136k improvement**, due to £122k additional external court income, £75k additional internal income, offsetting £61k additional agency staff costs.
- **Democratic Services £58k improvement**, due to staffing savings of £36k and lower than budgeted spend on Civic Allowances £22k.
- **Strategy and Improvement £205k improvement**, due to staffing savings of £74k, additional capitalisation saving of £88k, savings of £43k across other minor areas.
- **Finance £180k improvement**, due to £250k less income than projected on Court Fees being offset by; savings on Pension costs £50k and Bailiff charges £52k, and additional income on New Burdens £113k, Insurance Reserve £40k, Interest £65k, Innovation Funding £93k, and internal income £17k.
- **Procurement and Commercial Services £175k improvement**, due to additional income.
- **Human Resources £329k improvement**, due to £35k improvement on training costs, £50k improvement on Other Hired and Contracted Services, £35k improvement on internal charges, an increase in external income of £109k (Academies), and £100k additional funding for posts.
- **Catering £15k increase**, due to £408k increase in food costs, £160k increase in staffing, offset by additional income of £553k of which £215k was from Adult Social Care.
- **Cleaning, Security and Overheads £289k increase**, due to £116k increase in staffing, £80k inflationary pressure on supplies and services, £93k increase in transport costs mainly as a result of inflationary pressures on fuel and the impact of an aging fleet.
- **Sustainable Energy and Air Quality £171k improvement**, due to reassessment of provisions and external income.
- **Facilities Management £359k increase**, £35k increase in staffing, £155k additional building maintenance charges, £169k increase in Civic Building

charges. Included within this figure the service has also incurred additional security and front of house costs of approximately £100k and not passported to client services.

- **Corporate Property Management £387k increase**, £435k increase in building maintenance charges, £20k additional contractor charges, £68k additional capitalisation income.
- **Fleet Services £351k increase** mainly as a result of the inflationary pressures on fleet and the impact of an aging fleet which is being addressed through an updated vehicle replacement programme. Specifically, the increased costs include £82k increase in supplies and services, £133k increase in Transport costs, £136k pressure on income.
- **Leeds Building Services £1,172k increase** due to the impact of construction inflation and inflationary pressures for vehicle fuel and the full year effect of maintaining additional vehicles purchased in the previous financial year. This resulted in an overspend position of £1,831k for the service.

**The overspend position is summarised into the following areas across the Directorate's services:**

#### **Procurement £453k**

A target of £4m Procurement savings across the authority formed part of the 2022/23 approved budget. Whilst a proportion of these savings were set against specific contract areas, £2.3m had yet to be identified. Additional unbudgeted income from the Revolving Investment Fund mitigated some of this pressure. In year mitigations amounting to £1.85m have also been identified to reduce the savings target.

#### **Legal Services £132k**

Agency overspend of £272k, expenditure overspends of £36k, internal income pressures of £207k are being offset by staffing savings of £261k and additional external court income of £122k.

#### **Democratic Services -£25k**

Staffing overspends of £45k are being offset by expenditure savings of £70k.

#### **Sustainable Energy and Air Quality -£454k**

Staffing savings of £111k, additional income of £66k, reduction in CAZ provision for doubtful debts associated with loans for electric vehicles £226k, PSDS Revenue Budget Savings £73k; Leeds Pipes General Fund over budget by £22k.

#### **Shared Services £1,096k**

Staffing overspends of £2,207k which consists primarily of the pay award of £1,728k, agency overspend of £116k and overtime overspend of £100k. The overtime and agency overspend is mainly due to staffing pressures within the Business Admin Service and Contact Centre due to vacancies and high turnover of staff, while still providing statutory services. Also included in this overspend is a Salary Sacrifice pressure of £390k, pressures are being offset by supplies and services savings and additional income of £382k and income from the covid recovery fund and invest to save of £1,119k.



### **Integrated Digital Services -£111k**

Staffing underspends of £4,081k, expenditure underspends of £330k, pension savings of £40k, and additional unbudgeted external income of £640k, have been offset by unbudgeted contractor costs of £3,051k, overspends on overtime of £130k, overspends on training of £200k, and income shortfall of £1,699k as staff levels were lower than structure and thus resulted in fewer staff than budgeted working on chargeable projects.

### **Strategy and Improvement -£167k**

Staffing overspends of £51k, and other expenditure of £113k are being offset by £331k additional income, including £110k covid recovery funding.

### **Finance £97k**

Staffing overspends of £866k, are being offset by savings of £18k on transport costs, unbudgeted Government funding of £552k, additional court fee income of £53k, additional council tax income £100k, and additional charges to the Insurance Reserve of £46k.

### **Human Resources -£222k**

Staffing overspends of £1,084k and other expenditure overspends of £266k offset by use of reserves and government income to pay for interns and Kickstart posts of £1,572k.

### **Leeds Building Services (LBS) £1,831k**

Leeds Building Services has been impacted by the widely reported inflationary pressures within the construction sector increasing the costs of service provision. The service has also been impacted by general inflationary pressures within the wider economy for vehicle fuel and the full year effect of maintaining additional vehicles purchased in the previous financial year. The reported position includes mitigations as a result of; staff savings, further improvement in sickness levels, use of contingency and anticipated overhead savings. Whilst sickness levels have improved considerably over the year, they have not yet reached the budgeted levels of reduction.

Due to the pressures being faced by LBS in 2022/23 and a change in systems which led to the Work in Progress reported being overstated, a contribution of £2.27m was made from the Strategic Contingency Reserve and is reflected in the position reported here. Work is being undertaken to review the systems and processes within LBS to recommend areas for improvement.

### **Corporate Property Management £386k**

Building maintenance charges overspends of £540k are being partly offset by staffing savings of £67k and additional income of £87k.

### **Catering £519k**

Staffing overspends of £215k, inflation increases on food and other costs of £689k offset by additional income from Adults and Health of £385k in relation to in year inflationary pressures on the Meals and Home and Day centre provision.

### **Cleaning, Security and Overheads £435k**

Staffing overspends of £1,537k and transport expenditure of £532k, are offset by £1,616k increases in income and £18k savings across supplies and services expenditure.

### **Fleet £652k**

Staffing overspends of £104k, transport expenditure has increased including the hire of pool vehicles by £300k this is due to an aging fleet and inflationary pressures have had an impact on the purchase of vehicle spares and tyres of £248k.

### **Presto £155k**

Staffing savings of £50k and £205k shortfall in income.

### **School Crossing Patrol -£76k**

Staffing savings of £57k and expenditure savings of £19k.

### **Passenger Transport £Balanced**

Due to demand pressures, Children's Services have been advised to report a spend of £16.5m, and Adult Social Care £6.3m. As costs are recharged the position in Resources is reported as balanced.

### **Facilities Management £194k**

Staffing overspends of £70k, premises costs £124k due to security charges and building maintenance. Within this figure the service has also incurred additional security and front of house costs of approximately £100k not passported to client services.

**3.7.6 Strategic & Central Accounts** – The Outturn position for the Strategic accounts is an underspend of £10.9m. This includes additional grant income of £1.3m announced during the year, which is the Council's share of the national business rates levy account surplus for the year, and an additional one-off £1.7m use of earmarked reserves. Unallocated miscellaneous income of £1.5m has also been recognised at the year end.

The total underspend of £28.7m in the debt budget includes the application of the remaining £22.3m balance of the Merrion House capital receipt which has been used to repay debt, with a consequent reduction in the level of MRP (minimum revenue provision). The resulting saving has been transferred to an earmarked revenue reserve to be carried forward to future years. Outside of this transaction, there has been an underspend of £6.4m in the debt budget. Within this figure external interest costs were £5.2m below budget, of which £4.0m was attributable to the general fund and the remainder to the HRA, and external interest income was £1.0m higher than had been budgeted for. An additional £0.2m of de-minimis capital receipts (i.e. individual receipts of below £10k, primarily from the sale of vehicles) was also recognised as revenue income. However, these gains were partially offset by a reduction in prudential borrowing recharges to other directorates of £1.3m. The MRP charge for the year was £1.9m lower than had been budgeted for, largely as a result of slippage in the 2021/22 capital programme, and the value of PFI lifecycle costs charged to capital was £0.4m higher than was budgeted for.

Other gains recognised include an increase in recharges to Public Health of £0.6m in relation to projected pension liabilities, and minor underspends of £0.3m in the

Miscellaneous budget and £0.2m in the Joint Committees budget. A £0.4m charge has been made to set aside a provision in relation to energy costs at properties where heat pumps have been installed, where invoicing to date may not yet reflect energy usage following the installations. Against these gains, income has been less than budgeted by £0.6m in relation to S278 contributions due to slippage in the progress of some schemes, and there has been a reduction of £0.4m in income distributions from the regional Business Rates Pool.

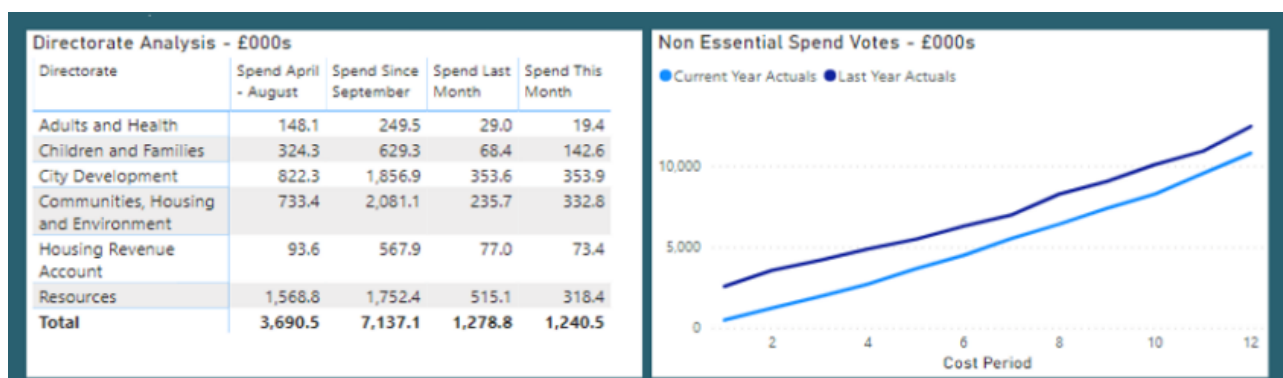
The Strategic accounts position also reflects additional £8.0m of S31 grants for business rates and an additional £2.2m of New Homes Bonus grant, which have both been transferred to reserves to be carried forward for use in future years.

**3.7.7** Directorate dashboards show an overall overspend of £12.4m. With the Board's approval, this overspend will be funded by the utilisation of earmarked reserves, namely the Strategic Contingency Reserve. This transfer from reserves is shown within the Strategic accounts, which therefore record an overall underspend of £23.3m once the additional transfer of £12.4m is taken into account. Ongoing pressures identified in directorates in the current year have been built into the 2023/24 budget.

### 3.8 Monitoring Non-essential Spend

**3.8.1** As referenced at paragraph 3.4, one of the agreed actions to address the overspend position in 2022/23 has been a freeze on non-essential spend. A process to monitor a range of financial codes where spend on non-essential supplies and services is likely to occur was established and Executive Board have been updated throughout the year on the outcome of this monitoring. It is not expected that no spend will be incurred on these codes as a variety of supplies and services will be included and spend on similar items may be essential in one service but non-essential in another. Despite rising price inflation expenditure on these non-essential supplies and services remains below that of 2021/22.

**Table 2: Non-essential Spend Outturn 2022/23**



**3.8.2** The table on the left shows the spend incurred between April and August 2022 and spend incurred after August 2022 following implementation of the freeze. At Outturn, spend in scope between April and August 2022 totalled £3.7m and spend since September 2022 has totalled £7.1m, which includes spend of £1.3m in February and £1.2 in March.

**3.8.3** The graph on the right compares 2021/22 and 2022/23 spend on these financial codes. At Outturn 2021/22 £12.478m of expenditure had been incurred, compared with £10.816m in the current year, a £1.7m or (13.3%) reduction in spend against these codes.

### **3.9 Budget Action Plans**

**3.9.1** The budget for 2022/23 required the delivery of £16.5m of savings. Detailed budget action plans were developed to identify how these savings would be achieved and progress against these action plans has been monitored and reported throughout the year. Further detail is provided at **Appendix 3**.

**3.9.2** At Outturn the majority of savings have been delivered in full through the identified saving plans or through mitigating actions identified by each Directorate, the exceptions being:

- Children & Families – £0.575m shortfall to expected savings on Passenger Transport and Diversifying Children’s Residential Provision.
- Resources – £2.522m shortfall to expected savings due to: £2.046m shortfall in the anticipated level of procurement savings within PACS, £155k shortfall in the expected catering income, £135k shortfall in BSC Shared Cost Additional Voluntary Contributions impacted by cost of living and £186k shortfall in the BSC Salary Sacrifice Schemes because of delays in rollout and upfront costs.

**3.9.3** Although other directorates have indicated shortfalls regarding fully meeting their targeted budget action plans totalling £2.185m, they have identified other mitigating measures to offset these shortfalls as discussed in section 3.7.

### **3.10 Inflationary Pressures**

**3.10.1** At the end of the 2022/23 financial year there is an overspend of £12.4m against the Council’s 2022/23 revenue budget. This reported position reflects the agreed national employers’ pay offer and known inflationary rises and cost of living pressures.

**3.10.2 Pay Award** – The 2022/23 budget allowed £9.5m for an assumed 2022/23 pay award incorporating a Real Living Wage of £9.90 per hour at pay scale points 1 and 2 and a 2% pay award for all other staff. The agreed pay offer for 2022/23 resulted in a pay increase of £1,925 to all employees. The additional cost associated with this was incorporated into the Council’s reported financial position at Month 4. In September the Real Living Wage was announced at £10.90 per hour and this increased rate has been incorporated into future year Council’s budgets.

**3.10.3 Energy** – In September 2022, the then Chancellor of the Exchequer delivered the Growth Plan 2022 to the House of Commons and reiterated recent steps taken by Government to tackle high energy bills. The Government committed to a six month Energy Bill Relief Scheme for businesses and other non-domestic energy users, including charities and public sector organisations, providing them with a discount on energy prices. As Leeds City Council had forward purchased over 80% of its energy for winter, the majority had been purchased at prices that were lower than the cap – although still significantly higher than we have ever paid before. However, the cap still provided the Council with protection against the extreme day ahead prices we have seen for the balance of our energy.

The 2022/23 budget of £14.36m allowed for a 5% increase in energy costs for gas and electricity. In addition, the Council set aside £3.9m of energy contingency funding. The reported position at Outturn reflects General Fund expenditure on energy of £18.9m plus the requirement to make a provision of £0.4m in relation to energy costs at properties where heat pumps have been installed, where invoicing to date may not yet reflect energy usage following the installations. The resulting pressure of £4.9m has been met by applying the £3.9m of energy contingency

funding in full and through use of further reserves of £1m. Actions continue to be taken to review energy usage across the Authority's estate.

**3.10.4 Fuel** – Fuel prices in 2022 increased in the wake of Russia's invasion of Ukraine in February 2022. Despite escalating prices in the earlier part of the year, we have now seen that the average UK pump prices for diesel and unleaded petrol saw decreases of 10.11% and 6.38% respectively between March 2022 and March 2023. Although prices have fallen significantly in later 2022/23, the 2022/23 budget did not allow for any increases in fuel prices. Increases above the total 2022/23 budgeted amount of £7.7m have required directorates to develop action plans to mitigate.

**3.10.5 Cost of Living Pressures** – Further to the inflationary pressures detailed here, there has been a wider inflationary impact to the Council due to the impact of the 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 as a consequence of rising inflation. The position will continue to be closely monitored during 2023/24.

### **3.11 Use of the Merrion House Capital Receipt**

**3.11.1** In April 2023 the Board approved the application of the remaining balance of the Merrion House capital receipt to redeem debt in 2022/23, to reduce MRP by the same amount and to contribute the resulting £22.3m revenue saving to earmarked revenue reserves.

**3.11.2** This outturn report reflects this contribution to the Merrion House earmarked revenue reserve. These funds will be available to fund future unforeseen budget pressures and to ensure the Council continues to become more financially resilient, particularly given the use of £12.4m of the Strategic Contingency Reserve to balance the 2022/23 position as discussed at paragraph 3.10.

### **3.12 Funding from other resources**

#### **3.12.1 Flexible Use of Capital Receipts**

Under guidance issued in March 2016 and updated in August 2022, Local Authorities are allowed to use capital receipts for funding "expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners".

The Council's budget for 2022/23 included the planned utilisation of £14.4m of capital receipts for transformational projects. Full Council approved an increase to £17.2m of planned use when the Council's 2023/24 budget was presented to them in February 2023. This "Planned Spend" is as shown at Table 3. Today's report further updates the position with an additional £0.8m of planned use, bringing the total planned use for 2022/23 to £18.0m. The additional projects detailed below are included in Table 3 "Revised Planned Spend" figures, with further detail at

#### **Appendix 4:**

- Highways Enterprise Architecture Scheme (City Development) £0.70m
- Capital scheme support (City Development) £0.06m
- Capital scheme support (City Development - LUF) £0.07m

At Outturn, the actual use of capital receipts for transformational projects is £11.4m, £6.6m below the revised planned usage. For the most part this is due to slippage in the programmes for Core Business Transformation and delivery of key IDS projects across the Authority.

**Table 3: Expenditure funded through flexible use of capital receipts (Outturn)**

2022/23 - EXPENDITURE FUNDED THROUGH FLEXIBLE USE OF CAPITAL RECEIPTS							
Directorate	Planned Spend (Exec Board Feb '23) £m	Revised Planned Spend £m	Outturn £m	Variance to Revised Planned Spend £m	Budgeted Savings £m	Outturn £m	Variance to Budget £m
Adults & Health	2.14	2.14	1.96	(0.18)	(4.00)	(4.00)	0.00
Children & Families	0.65	0.65	0.65	0.00	0.00	0.00	0.00
City Development	0.00	0.83	0.20	(0.63)	0.00	0.00	0.00
Communities, Housing & Environment	0.12	0.12	0.00	(0.12)	0.00	0.00	0.00
Resources	7.44	7.44	5.00	(2.44)	(5.52)	(3.52)	2.00
Strategic/ Corporate	6.83	6.83	3.60	(3.23)	(1.00)	(1.00)	0.00
	<b>17.18</b>	<b>18.01</b>	<b>11.40</b>	<b>(6.60)</b>	<b>(10.52)</b>	<b>(8.52)</b>	<b>2.00</b>

As noted above, the 2022/23 Outturn position includes the utilisation of £11.4m of capital receipts to support transformation projects. The key projects to be funded in this way include £3.6m on digital transformation, £1.6m on the Core Business Transformation Programme and £1.8m for service transformation in the Adults & Health directorate. £4.4m supports delivery of various smaller transformational projects across the directorates. A summary by directorate is provided at Table 3.

The budgeted level of savings to be realised through the flexible use of Capital Receipts in 2022/23 is £10.5m. The Outturn position reflects savings of £8.5m at the year end, also summarised in Table 3. These savings have also been incorporated into Directorate outturn positions at paragraph 3.7.

### 3.12.2 Invest to Save / Innovation Fund

**Table 4: Invest to Save/Innovation Fund Quarter 4**

	£k	£k	Year End Actual Spend	Year End Actual Savings
Funds uncommitted and available at start of 2022/23		(1,621)		
Less Funds Committed 2022/23 to Qtr 4:			£k	£k
City Development	100		100	0
Communities, Housing & Environment	130		0	0
Resources	577		388	(30)
		807	488	(30)
<b>Therefore Funds uncommitted and available</b>		<b>(814)</b>		

The Invest to Save and Innovation Funds are designed to strengthen the Council's longer term financial resilience. The Invest to Save fund is used for service improvements or transformational projects where a proof of concept has already been delivered and an initial revenue investment would directly generate cost reductions or income for the Council. Allocations from the fund will be repaid from the savings generated and it is therefore self-financing. The Innovation Fund is

designed to provide pump-priming investment for those more conceptual schemes which need to be developed further. It is acknowledged that not all of these schemes will be successful, but for those that are, the fund would be repaid with the aim of it becoming self-financing.

The funding uncommitted and available for Invest to Save and Innovation Fund schemes at the start of 2022/23 was £1.621m. At the end of Quarter 4, £0.807m has been committed leaving an uncommitted and available balance of £0.814m. £0.488m has been spent in year. This spend includes the production of a feasibility study for a solar farm and the development of a cloud-based Adult Social Care referral system. This targeted expenditure has resulted in a saving of £0.030m in 2022/23, with further savings to be realised in future years, as summarised in Table 4.

### 3.12.3 COVID-19 Backlog Recovery Fund

This fund has been established to meet costs related to clearing backlogs caused by the COVID-19 Pandemic. The funding uncommitted and available at the start of 2022/23 was £2m. At the end of Quarter 4, £1.996m has been committed leaving an uncommitted and available balance of £0.004m. £1.337m of the £1.996m has been spent in 2022/23. This position is summarised in Table 5.

The most significant uses of this Fund are within the Contact Centre (£0.564m) and in Business Administration Support to the Children and Families directorate (£0.500m).

**Table 5: COVID-19 Backlog Recovery Fund Quarter 4**

	£k	£k	Year End
Funds uncommitted and available at start of 2022/23		(2,000)	Actual Spend
Less Funds Committed 2022/23 to Qtr 4*:			£k
City Development	146		0
Communities, Housing & Environment	258		192
Resources	1,592		1,185
		1,996	1,377
<b>Therefore Funds uncommitted and available</b>		<b>(4)</b>	

\*To note, where schemes involve two directorates, they have been included under the lead directorate.

### 3.13 Early Leaver's Initiative

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 2022/23 approval has been given for 25.51 FTEs to leave the Authority through the Early Leaver's Initiative (ELI) as part of restructuring exercises. This will generate savings of £3.825m (before reconfiguration costs) over the five year period up to and including 2027/28.

### 3.14 Treasury Management

**3.14.1** As reported in 3.7.6 above, the revenue debt budget reported a £6.4m underspend after excluding the application of the Merrion House capital receipt. The net borrowing of the Council as at 31st March 2023 is £2.40bn. This was in line with the most recent update to Executive Board provided in February 2023 as part of the

2023/24 Treasury Strategy report and is £0.2bn lower than the level on which the 2022/23 revenue budget was based.

**3.14.2** Further details are presented in the Treasury Management Outturn 2022/23 report to this Executive Board.

### **3.15 Movement from Provisional Outturn to Outturn**

**3.15.1** Table 6 summarises the movement from the Provisional Outturn position reported to Executive Board in April and the Outturn position presented in this report.

*Table 6 Movement between Provisional Outturn and Outturn by Directorate*

Directorate	Provisional Outturn (April Exec Board) £k	Final Outturn (June Exec Board) £k	Variance Provisional to Final £k
Adults & Health	0	0	0
Children and Families	18,294	16,902	(1,392)
City Development	115	23	(92)
Communities, Housing & Environment Resources	1,283	1,368	85
	3,892	4,995	1,103
<b>Directorate Sub-total</b>	<b>23,584</b>	<b>23,288</b>	<b>(296)</b>
Strategic	(7,292)	(10,935)	(3,643)
<b>Total</b>	<b>16,292</b>	<b>12,353</b>	<b>(3,939)</b>

## **4. Housing Revenue Account (HRA)**

**4.1** The outturn for the year on the HRA shows a net overspend of £6.8m when compared against the 2022/23 budget. This is primarily due to the overspend on the repairs and disrepair budgets due to a combination of significant inflationary pressures in the sector and the costs associated with bringing back void properties into use and the demand for repairs.

**4.2** Savings of £0.4m on staffing costs, net of the impact of the pay award, arose as a result of vacant posts in the service.

**4.3** Premises costs were approximately £1.2m higher than budgeted. This was principally due to pressures on the price of gas and electricity plus the cost of paying council tax on additional void properties.

**4.4** Against a budget of £47m, expenditure on maintaining and repairing the Council's housing stock was £11.4m over budget. This was due to significant price pressures within the construction industry along with the cost of bringing additional void properties back into use and an increased number of repairs

**4.5** Supplies and Services underspent by £0.3m resulting from a detailed review of all expenditure as part of the authority's response to budget pressures.

**4.6** Services commissioned from the Council were £4.6m below the budgeted level as a result of a review of the internal recharges during the year.

**4.7** Following a review of the level of tenant arrears the contribution to the provision for doubtful debts was £1.2m higher than budgeted. The total provision for bad debts is now £8m.



- 4.8 The revenue contribution to the Capital Programme was £3.2m lower than budgeted by due to a combination of slippage in the capital programme and higher RtB receipts available to fund the programme.
- 4.9 The Capital charges (debt costs) underspend of £1.7m reflects the reduction on in year spend on the Council House Growth programme.
- 4.10 In summary, the above variations have produced an overspend on the HRA of £6.8m which will be required to be funded from earmarked reserves as shown at Table 7.

**Table 7 HRA Outturn Variance**

	Variance to Budget £m
Rent / Other Income	1.0
Employees	(0.4)
Repairs /Disrepair	14.5
Running Costs	(5.1)
Revenue Contribution to Capital	(3.2)
	<b>6.8</b>
Transfer from Reserves	<b>(6.8)</b>

- 4.11 A summary of the HRA Outturn reserves position is shown in Table 8.

**Table 8 HRA Outturn Reserves Position**

Final Position on Reserves	Reserves B/fwd £000	Use of Reserve £000	Contribution to Reserve £000	Closing Reserve 22/23 £000
<b>Major Repairs Reserve</b>				
MRR (General)	(10,938)	8,057		(2,881)
MRR (New Build)	(318)			(318)
<b>Major Repairs Reserve</b>	<b>(11,256)</b>	<b>8,057</b>	<b>0</b>	<b>(3,199)</b>
<b>Earmarked Reserves</b>				
Revenue Disrepair/Repairs	(1,640)	1,571		(69)
Housing Advisory Panels	(204)	165		(39)
Efiles Box it Project	(257)	257		0
Changing the Workplace	(151)		(150)	(301)
Wharefedale View	(34)		(20)	(54)
Local Authority Housing Fund	0		(2,589)	(2,589)
<b>Earmarked Reserves</b>	<b>(2,286)</b>	<b>1,993</b>	<b>(2,759)</b>	<b>(3,052)</b>
<b>HRA General Reserve</b>	<b>(7,375)</b>		<b>(300)</b>	<b>(7,675)</b>
<b>PFI Reserves</b>				
Swarcliffe PFI sinking Fund	(4,627)	428		(4,199)
LLBH&H PFI Sinking Fund	(3,911)	148		(3,763)
<b>PFI Reserves</b>	<b>(8,538)</b>	<b>576</b>	<b>0</b>	<b>(7,962)</b>
<b>Grand Total</b>	<b>(29,456)</b>	<b>10,626</b>	<b>(3,059)</b>	<b>(21,889)</b>

## 5. Schools

### Dedicated Schools Grant

5.1 The 2022/23 outturn position for schools is shown in table 9 below;

**Table 9 Schools Outturn Position**

<b>Outturn</b>	<b>£m</b>
<b>Schools Reserves</b>	
Balance Brought Forward	37.0
Net Contribution To / (From) Reserves	(10.8)
Balance Carried Forward	26.2
<b>Extended Services &amp; Partnerships</b>	
Brought Forward	6.2
Net Contribution To / (From) Reserves	0.8
Balance Carried Forward	7.0
<b>Dedicated Schools Grant</b>	
Balance Brought Forward	0.1
Net Contribution To / (From) Reserves	8.9
Balance Carried Forward	9.0

- 5.2 As schools are funded from the Dedicated Schools Grant (DSG) their reserves are ring fenced and must be carried forward. At 31st March 2023, maintained school reserves stand at £26.2m.
- 5.3 Taking into account the maintained school reserves of £26.2m, and £2.0m of borrowing against these for funding provided in previous financial years to resource early intervention and preventative services (£2.0m of the £4.0m originally borrowed has already been repaid), the net position for maintained school-related reserves is £24.2m as at 31<sup>st</sup> March 2023.
- 5.4 Extended Services & Partnerships reserves amount to £7.0m as at 31<sup>st</sup> March 2023. These include balances held by Area Inclusion Partnerships and Clusters.
- 5.5 At the start of 2022/23 the in-year DSG budget was assumed to balance whilst the ring fenced DSG reserve had a surplus balance of £0.1m. During 2022/23 there has been a net movement of £8.9m, which results in a surplus balance of £9.0m to be carried forward into 2023/24. This surplus balance will be retained in the DSG reserve and considered in spending decisions in 2023/24.
- 5.6 Compared to Month 11 projections the DSG underspend increased by £5.7m at outturn, a 1% movement compared to total DSG income of £492m. The most significant area of movement was within High Needs where projections reduced by £5m, mainly related to forecasts for out of area and residential placements as well as forecasts for requests for top-up funding for pupils with Special Educational Needs and Disabilities (SEND).
- 5.7 The in-year movement has resulted in a number of opportunities for investment which are set out below at paragraph 5.16. Monitoring of the DSG is undertaken throughout the year and reflects previous years' spending profiles. The actual spend for 2023/24 did not reflect previous spending profiles and an expected increase in spending did not occur in the latter months of the financial year, due in part to the implementation of actions to reduce spend and cost as detailed in 5.13 below. This year's spending profile will be subject to significant monitoring and scrutiny and will factor in learning from this year's spending profile.

- 5.8** The surplus DSG balance is a result of underspends across:
- Schools Block (£1.1m)
  - Early Years Block (£0.9m)
  - High Needs Block (£6.8m)
  - Central School Services Block (£0.1m)
- 5.9** The Schools Block underspend of £1.1m includes a saving of £0.9m against the de-delegated schools budget, of which £0.5m represents the clawback of school excess surplus balances from 2021/22 which was supported by Schools Forum. This clawback will be used in 2023/24 to contribute towards the reduced de-delegated contributions by schools to the Schools Contingency Fund 2023/24. The Schools Contingency Fund supports Schools in Financial Difficulty, funds exceptional unforeseen costs within schools as well as the Schools Urgent Improvement Fund.
- 5.10** There was already a de-delegated surplus of £1.1m brought forward from 2021/22 and, excluding the £0.5m set aside for 2023/24 costs, the 2022/23 underspend results in a closing de-delegated surplus of £1.45m. It is proposed that £1.25m of the surplus will be re-distributed back to schools pro rata to their original contributions. This would leave £0.2m surplus retained by the council as a contingency against future de-delegated costs.
- 5.11** The Early Years Block underspend of £0.9m (1.5% of funding received) is mainly attributed to additional Funded Early Education Entitlements (FEEE) for 3-4 year olds. Early years funding received is based on termly census data and paid out to providers based on termly headcounts of the children attending settings. As a result of this there is always a difference between the funding received by the LA and that paid out to providers. To recognise this differential a decision was made to increase the 2022/23 base hourly rate paid to providers which effectively paid a higher hourly rate to providers than the LA received. The hourly rate is reviewed each year and the latest forecasts for census data and headcounts continue to be used when setting this.
- 5.12** The High Needs Block is underspent by £6.8m. As noted earlier the actual spend for 2023/24 did not reflect previous spending profiles and an expected increase in spending did not occur in the latter months of the financial year, due in part to the implementation of the actions detailed below to reduce spend and cost. The £6.8m underspend is comprised of:
- Growth in new places and costs - – this was originally budgeted at £2.6m but only £1m of this materialised, giving a net £1.6m underspend. This was due to lower growth than originally expected based on trend analysis. The £1m growth that did materialise was in:
    - SILC and Resource provision places - £220k more than the original budget
    - Top-up funding paid to settings - £845k more than the original budget
  - Out of area and residential placements - £3m underspend (see further detail below)
  - Supplementary Funding from the ESFA - £0.9m was unspent after £3.2m had been paid to settings. The £0.9m had been retained as a contingency rather than allocated to settings, due to the potential volatility of high needs spend during the year and expected pressures in future years.
  - Invest to Save - £0.6m underspend (see further detail below)

- Services provided by Children & Families - £0.6m underspend (see further detail below)
- Other minor variances - £80k

**5.13** Over the last year practice improvements and developments have been made in relation to Out of Area and External Residential independent placements, leading to a fundamental shift in the way the service process, consider and decide on independent placements. The key improvements which have contributed to the budget savings include:

- Improved rigour in spending decisions
- Greater scrutiny of Independent Schools
- Lack of availability in Independent Schools
- More robust conversations with Independent Schools

**5.14** The Invest to Save proposal was reliant on successful recruitment to a SEND Early help service in response to school's needs. Unfortunately, the first drive of recruitment was unsuccessful. This has now been reviewed and revised and is currently in process.

**5.15** The services provided by Children and Families, particularly the Sensory Service, experienced difficulties in recruitment to the highly specialised posts. Successful recruitment has now been achieved

**5.16** A number of proposals are being considered which will ensure that a proportion of the high needs surplus will be passported back out to institutions in 2023/24 and/or additional LA support provided. These proposals are currently being worked through by the service but may include:

- Increase the Funding for Inclusion (FFI) unit value rate over the next year
- Increase SEND support to schools from LA teams
- Increase SEND Early help teams (invest to save)
- Review funding for schools with high numbers of SEND pupils
- Increase in AIP funding

**5.17** The proportion of the high needs surplus to be passported back to institutions will need to be considered in conjunction with an updated DSG Medium Term Financial Strategy. There remains a high level of risk and uncertainty in relation to future high needs funding, demands and complexities.

**5.18** The Central Services Schools block has a minor underspend of £0.1m due to savings within the Admission Service.

**5.19** In summary a total a surplus balance of £9.0m will be carried forward to 2023/24, comprising a general DSG surplus of £7.1m with an additional surplus balance of £1.9m on the de-delegated DSG. This represents 1.8% of the total DSG funding of £492m received in 2022/23. This position will be reported to Schools Forum in June.

## 6. Reserves

*Table 10 Total Reserves*

Reserves	Balance at 01.04.22 £m	Transfer to/(from) £m	Balance at 31.3.23 £m
<b>General Fund:</b>			
General Reserve	(33.2)	0.0	(33.2)
Earmarked Reserves	(131.2)	32.5	(98.7)
Ring-fenced & Grant Reserves	(12.2)	(4.7)	(16.9)
<b>Total</b>	<b>(176.7)</b>	<b>27.9</b>	<b>(148.8)</b>
<b>Schools:</b>			
Ring-fenced Reserves	(43.3)	1.1	(42.2)
<b>Housing Revenue Account:</b>			
General Reserve	(7.4)	(0.3)	(7.7)
Earmarked Reserves	(22.1)	7.9	(14.2)
<b>Total</b>	<b>(29.5)</b>	<b>7.6</b>	<b>(21.9)</b>
<b>Total Reserves</b>	<b>(249.5)</b>	<b>36.5</b>	<b>(212.9)</b>

**6.1** A full statement of all Council reserves can be found at **Appendix 5** and a summary is provided in Table 10. Overall, with Board approval, the Council's total reserves will reduce to £212.9m, a reduction of £36.5m overall when compared to the position at 31st March 2022. This includes a decrease in General Fund earmarked reserves of £27.9m, which assumes the Board's approval to use the Strategic Contingency reserve to balance the outturn position.

### **6.2 Strategic Contingency Reserve**

**6.2.1** The 2022/23 budget includes use of reserves to support the Council's General Fund; this includes the Strategic Contingency Reserve which was established in 2020/21 to fund future unforeseen budget pressures and to ensure the Council becomes more financially resilient.

**6.2.2** The closing balance on the Strategic Contingency Reserve for 2021/22 was £37.5m. The 2022/23 budget reflected a net contribution of £6.6m from this reserve, and this is reflected in the Outturn position.

**6.2.3** In year contributions to this reserve include £2.2m in respect of additional New Homes Bonus receipts, £1.6m in respect of provisions no longer required by Adults and Health (see paragraph 3.7.1), £1.3m of revenue gains from the application of flexible capital receipts where it was agreed the gain would benefit the Council as a whole rather than specific directorates and £1.4m of unused contingency funds from the Strategic and Central Accounts.

**6.2.4** As discussed in paragraph 3.12.3, at Outturn £1.38m of this balance has been committed to fund backlog recovery of affected services following the COVID pandemic, including targeting the backlogs of work which have built up in some services, and £0.97m has been utilised to offset prior year targeted savings within Fleet Management. A further £0.8m had been committed to fund smaller projects including £0.5m set aside to support Recruitment and Workforce Capacity work, against which £0.4m of spend has been incurred and remaining resources will be carried forward as required.

- 6.2.5 Due to pressures being faced by LBS in 2022/23 and a change in systems which led to the Work in Progress reported being overstated, a contribution of £2.27m was made from the Strategic Contingency Reserve and is reflected in the Resources position reported at paragraph 3.7.5.
- 6.2.6 Overall, these transactions leave an available balance of £32.3m at 31st March 2023 before addressing the 2022/23 overspend position, a net reduction of £5.2m.
- 6.2.7 Subject to Executive Board approval, application of £12.4m to balance the 2022/23 position reduces the available balance in this reserve to £19.9m. This use is included in the position shown in Table 10 and at Appendix 5. Since the approved 2023/24 budget requires a net contribution of £14.3m from this reserve, this would leave an estimated balance on the Strategic Contingency Reserve of £5.6m at 31st March 2024.

### **COVID Reserve and Other General Fund Earmarked Reserves**

- 6.3 In addition, a specific COVID Reserve was created in the 2021/22 Budget to be applied to any pressures arising which exceed the initial estimate of the COVID impact. A balance of £3.5m was carried forward into 2022/23, £2.1m of which has been applied in year with the remaining balance to be applied to ongoing COVID pressures in 2023/24.
- 6.4 As discussed in paragraph 3.10.3, the Energy Contingency Reserve has been applied in full to the overspend on energy costs, a net reduction on £1.1m in the reserves position.
- 6.5 The decrease in General Fund earmarked reserves also reflects a net reduction of £13.7m to Adults and Health reserves to fund health and social care priorities, a net £23.7m has been released from the S31 Business Rates reserve to apply government grant received in 2021/22 to the Business Rates Collection Fund position in 2022/23, the year in which reliefs to businesses impact on the General Fund budget. The Merrion House Reserve has increased by £22.3m as detailed at paragraph 3.11. The General Insurance reserve has increased by £3.9m and a new Heritage Assets Refund reserve of £2.4m will be created, subject to Executive Board's approval, which is sought in paragraph 6.10. These and other movements in General Fund earmarked reserves are detailed at **Appendix 5**.
- 6.6 Total General Fund ringfenced and grant reserves have increased by £4.7m to £16.9m, so that the overall movement in General Fund reserves totals a reduction of £27.9m.
- 6.7 Given the ongoing uncertainties regarding the impacts of the cost of living crisis and inflationary pressures on the Council's financial position, including the potential impact on the Authority's Collection Fund, maintaining this level of reserves will help to cushion the Council against variations to budget assumptions in 2023/24 and beyond. This position is consistent with the Council's strategy to ensure reserves are sufficient to ensure that the Council's financial position is robust, resilient and sustainable.
- 6.8 As discussed at paragraphs 4 and 5, Schools ring-fenced reserves have reduced by £1.1m and HRA reserves have reduced by £7.6m in 2022/23.

## 6.9 General Reserve

6.9.1 Table 11 provides an explanation of the position in the general reserve.

*Table 11 General Fund Reserve*

General Fund Reserve	£m
<b>Opening Balance 1st April 2022</b>	<b>(33.2)</b>
Budgeted Use	0.0
Use/Contribution In Year	0.0
<b>Closing Balance 31st March 2023</b>	<b>(33.2)</b>

6.9.2 As at 1st April 2022 the level of general reserve was £33.2m. The 2022/23 budget assumed no contribution to this reserve during 2022/23 and the reserve has not been used during the year. Consequently, as per Table 10, the balance at 31st March 2023 remains unchanged at £33.2m.

6.9.3 Maintaining the Council's general reserve in this way continues to contribute to the Council's financial resilience, particularly in the context of the ongoing impact of the cost of living crisis, continued delays to the reformed distribution model that allocates funding between individual local authorities known as the Fair Funding Review and a series of one-year Local Government Financial Settlements that have not helped local government plan for the medium-term. Adding to this uncertainty is the continuing impact of high inflation, resulting in increased costs for both the Council and the community, loss of income for the Council and increasing demand for Council services. In addition, following publication of the Government's plans for social care there is still significant uncertainty around the related funding. These and other emerging risks are discussed at Paragraph 9.

## 6.10 Creation of New Earmarked Reserves

It is recommended that the following earmarked reserves are created:

- A Heritage Assets Refund reserve of £2.4m to carry forward the recent one-off business rates refund in respect of heritage properties to provide additional funding for City Development savings requirements;
- An LMG Exhibitions reserve to carry forward a £0.2m saving generated by Museums & Galleries, who have established a charitable company owned by the Council to access the Government's Museums and Galleries Exhibition Tax Relief scheme designed to provide financial support to exhibition production companies that develop exhibitions/displays;
- A Car Parking Upgrade of Meters reserve of £0.1m to fund the renewal and upgrade of parking machines;
- A Families First reserve of £0.02m to fund potential future years shortfalls in Stronger Families grant funding;
- A Roma Capacity Fund reserve of £0.01m to fund a Family Outreach Worker in 2023/24.

## 7. Capital Programme

### Overall Capital Programme 2022/23 – 2026/27

7.1 Table 12 shows the revised capital programme for 2022/23 to 2026/27 as at 2022/23 Outturn. It totals £2,016.1m, an increase of £37.6m since the last capital programme update reported to February 2023 Executive Board.

**Table 12 Restated Capital Programme as at 2022/23 Outturn: 2022/23 to 2026/27**

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Forecast Expenditure	<b>447.1</b>	<b>517.4</b>	<b>477.0</b>	<b>288.8</b>	<b>285.8</b>	<b>2,016.1</b>
<b>Funded By;</b>						
Borrowing	147.4	193.6	179.7	99.6	112.9	<b>733.2</b>
Government Grants	172.1	175.4	157.1	73.0	68.4	<b>646.0</b>
Gen Fund Capital Receipts	13.1	19.8	11.7	8.9	8.5	<b>62.0</b>
Other Grants & Contributions	29.6	27.4	10.1	8.0	5.7	<b>80.8</b>
HRA Self Financing	59.3	64.6	75.7	74.7	74.7	<b>349.0</b>
HRA Right to Buy Receipts	25.6	36.6	42.7	24.6	15.6	<b>145.1</b>
<b>Total Forecast Resources</b>	<b>447.1</b>	<b>517.4</b>	<b>477.0</b>	<b>288.8</b>	<b>285.8</b>	<b>2,016.1</b>

7.2 The programme is further analysed between General Fund (£1,334.6m) and HRA (£681.5m). Capital priorities were set out as part of the February 2023 budget process and the capital programme approved in February 2022 is structured to show schemes under these priorities. This is summarised in **Appendix 6A**, with an analysis across Annual and Major Programmes provided at **Appendix 6A (i)** and **Appendix 6A (ii)**.

7.3 **Appendix 6A (iii)** details net injections of £691.2m since the approval of the Capital Programme in February 2022. This report seeks a further net injection of £42.1m, which includes:

- £13,529.9k of Capital Receipt injections, primarily in relation to the East Leeds Orbital Road and District Heating Phase 3 schemes;
- £1,967.0k of Departmental Borrowing injections, primarily to provide matched funding for a Local Authority Housing Fund scheme; and
- £26,600.7k of external contributions, primarily relating to;
  - £9,524.6k Leeds Station Sustainable Travel Gateway (Network Rail);
  - £5,918.7k HRA Schemes (Local Authority Housing Fund);
  - £5,400.0k A653 Beeston to Tingley (West Yorkshire Combined Authority);
  - £2,267.4k of external contributions for works on School schemes;
  - £1,492.9k of external contributions for works on Highways schemes;
  - £680.0k Armley Mills (Art Council England); and
  - £1,317.1k of other external contributions.

### Capital Programme 2022/23

7.4 Table 13 shows the revised capital programme for 2022/23 compared to previous quarterly capital programme updates reported to Executive Board.



**Table 13 2022/23 Outturn compared to Previously Reported Projections**

	2022/23 Capital Programme						
	February 2022 £m	Restated as at 2021/22 Outturn £m	Q1 £m	Q2 £m	Q3 February 2023 £m	2022/23 Outturn - This Report £m	Variance - This Report to Q3 £m
Forecast Expenditure	<b>514.2</b>	<b>577.4</b>	<b>560.1</b>	<b>499.6</b>	<b>443.1</b>	<b>447.1</b>	<b>4.0</b>
<b>Funded By;</b>							
Borrowing	223.9	238.5	234.8	193.1	158.4	147.4	<b>(11.0)</b>
Government Grants	136.0	162.6	162.4	156.8	149.6	172.1	<b>22.5</b>
Gen Fund Capital Receipts	14.4	14.5	14.5	12.3	11.0	13.1	<b>2.1</b>
Other Grants & Contributions	23.4	35.0	34.2	30.3	22.5	29.6	<b>7.1</b>
HRA Self Financing	73.0	78.1	62.8	62.9	62.9	59.3	<b>(3.6)</b>
HRA Right to Buy Receipts	43.5	48.7	51.4	44.2	38.7	25.6	<b>(13.1)</b>
<b>Total Forecast Resources</b>	<b>514.2</b>	<b>577.4</b>	<b>560.1</b>	<b>499.6</b>	<b>443.1</b>	<b>447.1</b>	<b>4.0</b>

**7.5** Actual capital expenditure in 2022/23 is £447.1m, resources brought forward of £4.0m or a 0.9% variation against the February 2023 Capital Programme projected Outturn. Table 14 analyses this variation across Directorates and funding streams.

**Table 14 2022/23 Outturn: Variances compared to February 2023 Projections**

	Feb '23 Estimate £m	Final Outturn £m	Variance	
			£m	%
Adults & Health	3.4	1.7	<b>(1.7)</b>	-52.0%
Strategic & Central	27.8	29.9	2.1	7.9%
City Development	157.5	175.9	18.4	11.7%
Children & Families	39.7	39.5	<b>(0.2)</b>	-0.6%
Resources	35.5	32.0	<b>(3.5)</b>	-10.0%
Communities, Housing & Environment	24.7	22.2	<b>(2.5)</b>	-10.1%
<b>Total General Fund</b>	<b>288.6</b>	<b>301.2</b>	<b>12.6</b>	<b>4.4%</b>
HRA	154.5	145.9	<b>(8.6)</b>	-5.5%
<b>Total Capital Programme</b>	<b>443.1</b>	<b>447.1</b>	<b>4.0</b>	<b>0.9%</b>
<b>Funded By;</b>				
Borrowing	158.4	147.4	<b>(11.0)</b>	-6.9%
Government Grants	149.6	172.1	22.5	15.0%
Gen Fund Capital Receipts	11.0	13.1	2.1	18.8%
Other Grants & Contributions	22.5	29.6	7.1	31.1%
HRA Self Financing	62.9	59.3	<b>(3.6)</b>	-5.6%
HRA Right to Buy Receipts	38.7	25.6	<b>(13.1)</b>	-33.8%
<b>Total Resources</b>	<b>443.1</b>	<b>447.1</b>	<b>4.0</b>	<b>0.9%</b>

**7.6** A full breakdown of the net variances is detailed in **Appendix 6B**. Comments are also provided for schemes that have a material variation of greater than +/-£500k.

**7.7** The General Fund capital programme delivered £301.2m of investment including £78.6m on essential annual programmes and £222.6m on major programmes including:

- £47.6m Flood Alleviation schemes
- £25.8m East Leeds Orbital Road
- £22.0m Learning Places Programme
- £18.2m Decarbonisation Programme and Energy Efficiency related schemes
- £14.6m City Centre Package & Armley Gyratory
- £12.7m Private Sector Renewal - Adaptations / Equity Loans
- £12.0m Improving other Highways and Transportation assets

- 7.8** The General Fund has utilised £179.9m of external contributions and £13.1m of capital receipts to fund expenditure capitalised under the government’s flexible receipts policy for funding transformational change projects such as the Core Systems Review scheme, with £108.2m of borrowing undertaken to fund the programme in 2022/23.
- 7.9** The HRA capital programme delivered £145.9m of investment including £51.3m on the Council House Growth Programme and £94.6m on the refurbishment of our council house properties. This has utilised £59.3m of self-financing funding, £21.8m of external contributions, and £25.6m of Right to Buy receipts, with £39.2m of borrowing undertaken to fund the programme in 2022/23.

### Capital Receipts Incentive Scheme (CRIS)

- 7.10** In line with the Capital Receipts Incentive Scheme (CRIS), **Appendix 6C** details the additional CRIS allocations to wards and community committees for the period October 2022 to March 2023 of £298.1k and identifies a total balance available of £2,603.9k. A further CRIS injection will be included within the Q2 November 2023 report for April-September 2023 completions.

## 8. Other Financial Performance

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

*Table 15 Collection Rates 2022/23*

	2018/19 Leeds Actual	2019/20 Leeds Actual	2020/21 Leeds Actual	2021/22 Leeds Actual	2022/23 Leeds Actual
<b>Council Tax</b>	96.11%	95.93%	95.38%	94.24%	95.16%
<b>Business Rates</b>	97.76%	97.29%	87.72%	94.71%	96.27%

### 8.2 Council Tax

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

In 2020 the Government announced a Hardship Fund to support Council Tax Support claimants with the economic impact of COVID-19. Leeds’ allocation of this funding was £8.9m and was used to grant discretionary discounts to council taxpayers in difficulty during the coronavirus pandemic. This was not repeated in 2021/22. However, the Government did announce a Household Support Fund which could be used to support residents in financial difficulty. A total of £1.73m of this funding was used to make grants of up to £500 to council taxpayers in arrears assisting 3,300 households in Leeds reduce their arrears.

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

- Numbers of Council Tax Support claimants increased significantly as a consequence of the financial impact of COVID-19 in 2020/21. This particularly affected Working Age claimants, where there were 46,391 claimants on 31st March 2021. In 2021/22 this figure has reduced to 43,370 as at 31st March 2022. The number of Working Age claimants has continued to reduce in 2022/23, with the figure as at 31<sup>st</sup> March 2023 being 42,574.

However, economic circumstances continue to be uncertain and the number of Working Age claimants and its impact on the Council Tax taxbase will have to be closely monitored in the coming year.

- Application of the Hardship Fund in 2020/21 had the effect of artificially increasing the general collection rate in that year compared with 2021/22, as Government support was reduced, as can be seen in Table 11.
- The Council Tax in-year collection rate has partially recovered in 2022/23 to 95.2%. Whilst this remains below target (96.1%), the lower collection rate largely reflects the ongoing impact of the cost-of-living crisis, limited availability of court time to begin recovery procedures and pressures on the Revenues section as they implemented the Government £150 council tax rebate scheme in the first half of the year. The availability of court time has now returned to normal and the work to implement the rebate scheme is complete, however collection rates will continue to require close monitoring in 2023/24. £420.5m has been collected in respect of 2022/23 bills, an increase of £21.8m when compared to the previous year.

### **8.3 Business Rates**

The budgeted collection rate for business rates is to achieve collection of 97.1% in the fullness of time, which is 1.98% lower than pre-pandemic targets, and required collection of £363.7m of business rates income forecast at January 2022. Unlike in 2021/22 the Government informed billing authorities that significant reliefs to mitigate the impact of the cost-of-living crisis on businesses in advance of those forecasts and the reduction in risk to the non-collection calculations could be included in the forecasts determining the Council's precept from the Collection Fund. The business rates collection rate at 31<sup>st</sup> March 2022 was 96.27%, which is 1.01% behind the performance in 2019/20 pre-COVID.

The total rateable value of business properties in Leeds has reduced from £923.2m at 1st April 2022 to £920.7m at the end of March 2023, a decrease of £2.4m. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the small business rates multiplier (49.9p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (49%), Central Government (50%) and West Yorkshire Fire Authority (1%). After allowing for the business rates deficit brought forward, Leeds share of business rates in 2022/23 is £166.35m, which is £3.1m above 2022/23 budgeted expectations as at 31st March 2023. The main causes of this 'surplus' was an improvement in the 2021/22 data after the Council's 2022/23 Budget was approved by Full Council in February 2022 of £8.0m due largely to lower-than-expected demand for Empty Rate Relief and improvements in the collection of prior years' arrears. Conversely, in 2022/23 there was higher than expected demand for the Government's extended Retail, Leisure and Hospitality Relief in Leeds and the Council completed its allocation of the COVID Additional Relief Fund reliefs to ratepayer against their 2021/22 liabilities. The shortfall caused by these reliefs is fully funded by Section 31 grant from the Government, which will be held in reserve to meet this part of the deficit in the following year. There has also been pressure on the Council's provisions for appeals against Rateable Value. This has been driven by the end of the 2017 Ratings List, which ends on 31<sup>st</sup> March 2023, after which ratepayers can no longer submit appeals leading to a large number of appeals being submitted prior to this deadline. The Council has therefore had to increase its provisions for these appeals. Combined, these factors led to a £4.9m in-year shortfall in income.

The impact of the closing balance on the Collection Fund remains complex because it includes different elements from 2020/21, 2021/22 and 2022/23. Leeds' share of the closing balance is a deficit of £9.1m. Included in this closing balance is £12.2m which is the final instalment of the unfunded deficit from 2020/21, repayment of which had to be funded over three years. The final instalment of £12.2m has been budgeted to be paid in 2023/24 and the Council's Budget for 2023/24, approved by Full Council in February 2023, includes provision for this repayment. However, at the time of the Budget it was expected that the closing deficit on the Collection Fund would be £7.2m and the deterioration in the position of £1.9m, entirely due to the increase in pressure on the provisions for appeals, means that this cost will now have to be met in 2024/25.

Against a budget of £500k in 2022/23 some £700k of local discounts were approved under the Council's own Discretionary Business Rate Relief Scheme which is intended to support the creation of employment and economic growth and to increase the business rates base. The Council pays 49% of the cost of this relief.

#### **8.4 Closing Position on the Collection Fund**

The Council's share of the closing position on the Collection Fund for business rates is £9.1m. This compares to the declared deficit of £7.2m in January 2023, which will be repaid in 2023/24 and is now fixed. The deterioration of £1.9m will be carried forward into 2024/25 and will be a cost to the 2024/25 Budget.

The Council's share of the closing position on the Collection Fund for council tax is £7.39m. This compares to the declared deficit of £7.42m, which will be repaid in 2022/23 and is now fixed. The improvement of £0.02m will be carried forward into 2024/25 to be paid to the General Fund in that year.

#### **8.5 Prompt payment of creditors**

The prompt payment result at the year-end was 95.02% of undisputed invoices processed within 30 days or within contract terms (93.14% in 2021/22).

### **9. Emerging issues for Future Years**

**9.1 Delivery of savings already agreed** – The Financial Challenge Savings Programme for 2023/24 identified £58.6m savings included in the 2023/24 budget. Any delays in implementing these savings will impact on the Council's ability to balance the budget in future years.

**9.2 Pay Award** – The budget includes allowance for a pay award of 4% in 2023/24. Discussions are ongoing between the national employers and Trade Unions and any variations to this assumption will have to be funded from the approved budget.

**9.3 Social Care** – In addition to future service demand noted below, other issues arising are: the recently emerging issue around recruitment and retention issues in social care, resulting in higher use of agency staff; and the impact of the new Care Quality Commission inspection regime on the levels of staff required.


**9.4 Inflationary increases (demand pressures & loss of income)** – The 2023/24 budget includes significant inflationary increases reflecting the higher rates of inflation and increased cost of living experienced in 2022/23. The economic impact of the rising cost of living (both in terms of demand pressures on the Council's services and loss of income for services the Council provides, Council Tax and Business Rates collection) will continue to be subject to review.

- 9.5 Energy costs** – This report notes the increased cost of energy due to the unprecedented high global electricity and gas prices. The 2023/24 budget allows for energy price inflation for electricity and gas of 118.5% and 64% respectively, in total an increase of £10.7m. Energy costs will continue to be subject to review.
- 9.6 Future service demand** – The Council's 2023/24 budget includes demand and demography increases for social care, reflecting population growth and current trends. The budget also reflects an increase in the number of households and the resulting increase in household waste. If trends are greater than anticipated in the 2023/24 then these will be required to be contained within the approved budget.
- 9.7 National policy impacts:** There are a number of key areas of national policy which will impact on the Council's financial plans. These include:
- **Social care reforms** – The impact of the new Care Quality Commission (CQC) inspection regime in 2023/24 is still to be considered. Additional costs incurred as a result of the new requirements would be an additional pressure to be managed.
  - **Waste Strategy** – The impact of Government's reforms on standardising Waste Collections scheduled for 2025/26 and the introduction of the Extended Producer Responsibility scheme in 2024 will need to be fully assessed. Whilst Government has committed to provide New Burdens Funding, until the specific detail is announced there remains a possibility of additional financial pressures in the medium term.
  - **Multi-academy trusts** – The Government are taking further steps towards all schools being part of academy trusts. Whilst schools funding is ring-fenced and is not budgeted for in the General Fund, a number of services are currently provided to schools which the Council receive income for.
- 9.8 Government announcements on local government funding** – In the last three financial years, local government has received single-year settlements, making financial planning more difficult. Despite there being a three-year Spending Review in 2021 giving details of Government expenditure limits until 2024/25, the provisional Local Government Finance Settlement for 2023/24 only set out detailed authority allocations for that year with little indication of plans for 2024/25. Further to this, in December 2017, the Government launched its Fair Funding Review of Local Government finance, to refresh the methodology on which local authority needs and resources are assessed, and levels of government funding are determined. The outcome of this review continues to be delayed, and now seems likely the earliest implementation date would be after 2025. The extent to which these reforms would impact on the Council's funding from Government is unknown at this time.
- 9.9 Increased Government oversight** – including creation of a new Office for Local Government (OfLog), which may come with increased reporting requirements for Local Authorities due to increased scrutiny.

Overall Summary Sheet

Outturn 2022-23


Financial Dashboard 2022/23 Financial Year



**Budget Variation £000s**

0

**Forecast Year End Variance - £000s**




Directorate	Variance (£000s)
Children and Families	15,902
Resources	4,995
Communities, Housing and Environment	1,368
City Development	28
Adults and Health	0
Strategic and Central Accounts	-23,287

Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s	Directorate	Change in Variance £000s
Employees	499,311	513,742	14,432	Adults and Health	0
Premises	55,217	63,463	8,246	Children and Families	-1,392
Supplies and Services	241,840	315,778	73,938	City Development	-92
Transport	48,027	63,118	15,091	Communities, Housing and Environment	85
Internal Charges	81,973	96,443	14,469	Resources	1,103
Third Party Payments	474,331	489,297	14,966	Strategic and Central Accounts	-15,995
Transfer Payments	165,936	166,146	210	<b>Total</b>	<b>-16,291</b>
Capital	79,896	52,273	-27,623		
Transfer to/from Reserves	-51,420	-31,350	20,070		
Internal Income	-316,656	-349,819	-33,161		
External Income	-776,510	-677,147	-100,637		
<b>Total</b>	<b>521,943</b>	<b>521,944</b>	<b>0</b>		

[Change to Table](#)

[For Reporting](#)

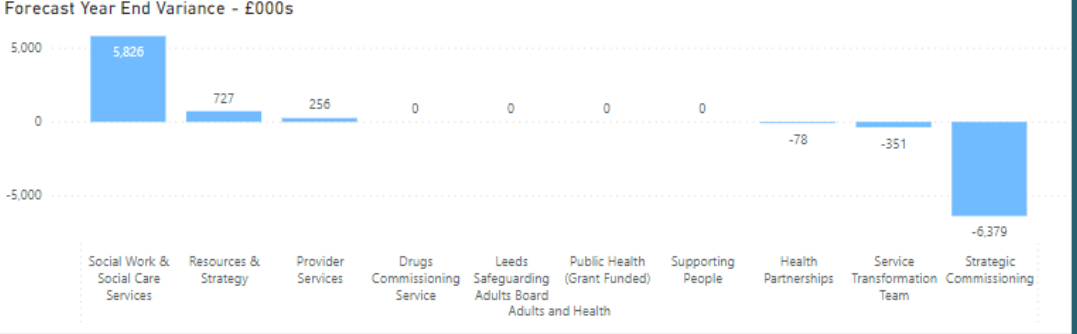
Financial Dashboard 2022/23 Financial Year



**Budget Variation £000s**

# 0

**Forecast Year End Variance - £000s**



Department	Variance (£000s)
Social Work & Social Care Services	5,826
Resources & Strategy	727
Provider Services	256
Drugs Commissioning Service	0
Leeds Safeguarding Adults Board	0
Public Health (Grant Funded)	0
Supporting People	0
Health Partnerships	-78
Service Transformation Team	-351
Strategic Commissioning	-6,379


Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	62,594	64,306	1,712
Premises	1,029	1,604	575
Supplies and Services	6,731	11,246	4,514
Transport	906	955	49
Internal Charges	12,583	18,546	5,963
Third Party Payments	302,655	306,536	3,880
Transfer Payments	11,395	10,400	-994
Transfer to/from Reserves	-11,578	-13,083	-1,505
Internal Income	-5,088	-5,360	-272
External Income	-183,583	-197,505	-13,923
<b>Total</b>	<b>197,645</b>	<b>197,645</b>	<b>0</b>

Directorate	Change in Variance £000s
Adults and Health	0
<b>Total</b>	<b>0</b>

Change to Table

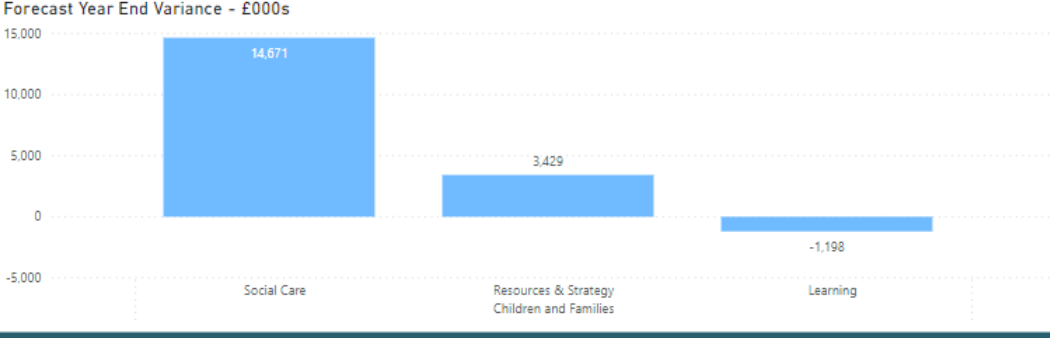
For Reporting

Financial Dashboard 2022/23 Financial Year



**Budget Variation £000s**  
**16,902**

**Forecast Year End Variance - £000s**



Directorate	Variance (£000s)
Social Care	14,671
Resources & Strategy Children and Families	3,429
Learning	-1,198

Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	104,514	106,669	2,155
Premises	3,342	4,208	866
Supplies and Services	64,241	68,399	4,158
Transport	10,767	13,231	2,465
Internal Charges	29,357	32,088	2,731
Third Party Payments	112,881	122,207	9,326
Transfer Payments	2,040	2,793	753
Capital		91	91
Transfer to/from Reserves	-266	658	924
Internal Income	-31,212	-35,383	-4,170
External Income	-162,057	-164,454	-2,397
<b>Total</b>	<b>133,606</b>	<b>150,508</b>	<b>16,902</b>

Directorate	Change in Variance £000s
Children and Families	-1,392
<b>Total</b>	<b>-1,392</b>


Change to Table

---

For Reporting



Financial Dashboard 2022/23 Financial Year

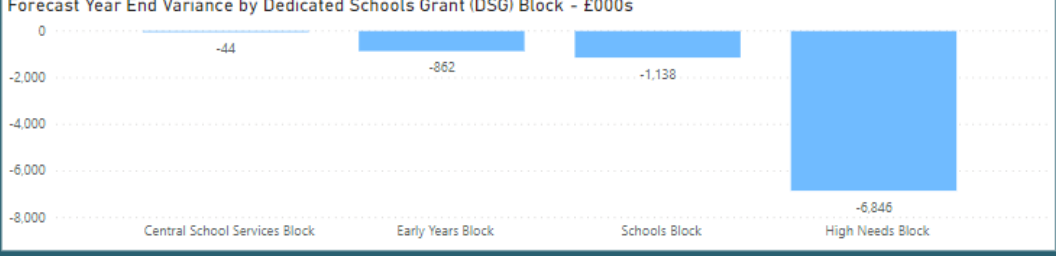


**DSG Variation £000s**

-8,891

Overspend (+) / Underspend (-)

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



DSG Block	Variance (£000s)
Central School Services Block	-44
Early Years Block	-862
Schools Block	-1,138
High Needs Block	-6,846

Financial Year

2022/23

Cost Period

13

Income / Expenditure

All

Sub-Block

All

Cost Description

All

**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	-325,189	-323,687	1,502	325,189	322,548	-2,641	0	-1,138	-1,138
High Needs Block	-103,981	-104,032	-51	103,981	97,186	-6,796	0	-6,846	-6,846
Early Years Block	-58,187	-59,373	-1,185	58,187	58,510	323	0	-862	-862
Central School Services Block	-5,138	-5,138	0	5,138	5,094	-44	0	-44	-44
<b>Total</b>	<b>-492,496</b>	<b>-492,230</b>	<b>266</b>	<b>492,496</b>	<b>483,338</b>	<b>-9,158</b>	<b>0</b>	<b>-8,891</b>	<b>-8,891</b>

**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
General	979	229	1,208	-8,039	0	-7,060
De-delegated	-1,098	0	-1,098	-852	0	-1,950
<b>Total</b>	<b>-119</b>	<b>229</b>	<b>110</b>	<b>-8,891</b>	<b>0</b>	<b>-9,010</b>

For Reporting

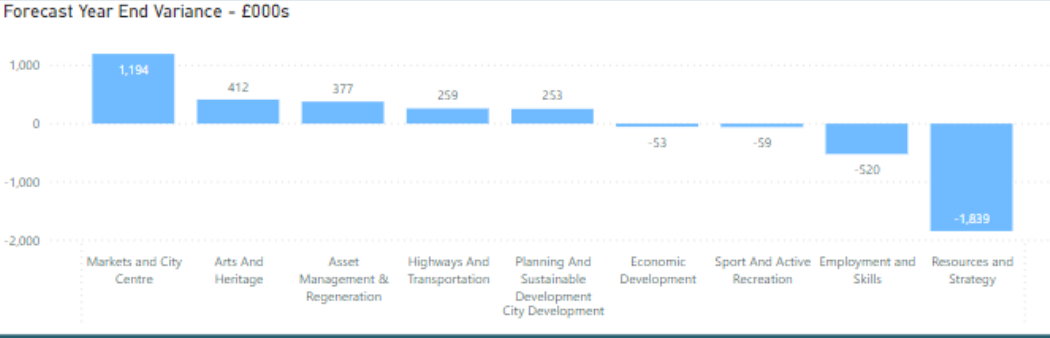
Financial Dashboard 2022/23 Financial Year



**Budget Variation £000s**

# 23

### Forecast Year End Variance - £000s



Directorate	Variance (£000s)
Markets and City Centre	1,194
Arts And Heritage	412
Asset Management & Regeneration	377
Highways And Transportation	259
Planning And Sustainable Development City Development	253
Economic Development	-53
Sport And Active Recreation	-59
Employment and Skills	-520
Resources and Strategy	-1,839

**Financial Year**

2022/23

**Cost Period**

13

**Officer Selection**

All

**Directorate, Service**

All

**Division, Costcentre & ...**

All

**CostCentre RAG**

All

**Managed In/Outside Se...**


Managed Budget

Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	69,323	68,723	-600
Premises	25,660	29,230	3,570
Supplies and Services	44,694	46,667	1,973
Transport	5,931	6,564	632
Internal Charges	10,214	11,132	919
Third Party Payments	161	211	51
Transfer Payments		0	0
Capital	78	78	0
Transfer to/from Reserves	-1,140	-2,394	-1,254
Internal Income	-43,760	-45,713	-1,952
External Income	-79,503	-82,819	-3,317
<b>Total</b>	<b>31,657</b>	<b>31,679</b>	<b>23</b>

Change to Table

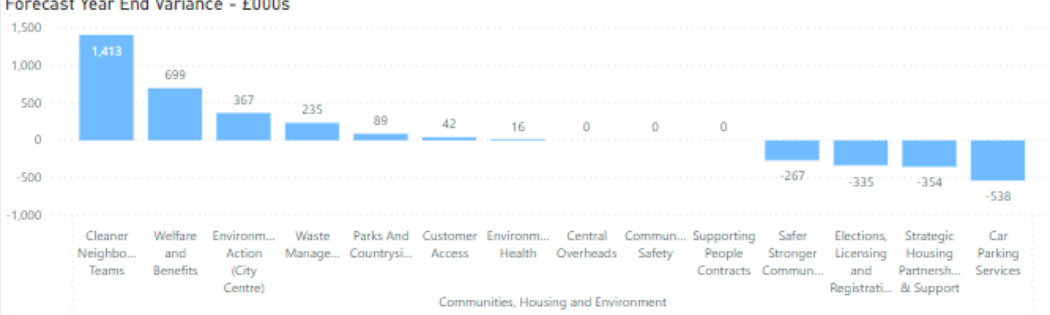
For Reporting

Financial Dashboard 2022/23 Financial Year



**Budget Variation £000s**  
**1,368**

**Forecast Year End Variance - £000s**



**Financial Year**

2022/23

**Cost Period**

13

**Officer Selection**

All

**Directorate, Service**

All

**Division, Costcentre & ...**

All

**CostCentre RAG**

All

**Managed In/Outside Se...**

Managed Budget

Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	97,279	101,093	3,814
Premises	9,711	10,645	934
Supplies and Services	63,179	67,898	4,719
Transport	10,134	13,062	2,928
Internal Charges	21,052	25,201	4,149
Third Party Payments	21,515	23,340	1,825
Transfer Payments	171,513	171,694	182
Capital		90	90
Transfer to/from Reserves	-1,146	3,416	4,562
Internal Income	-38,414	-48,329	-9,915
External Income	-270,448	-282,369	-11,921
<b>Total</b>	<b>84,375</b>	<b>85,743</b>	<b>1,368</b>

Directorate	Change in Variance £000s
Communities, Housing and Environment	85
<b>Total</b>	<b>85</b>

Change to Table

For Reporting

Financial Dashboard 2022/23 Financial Year



Surplus (-) / Deficit (+) £000s


0

HRA Income	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▲ Dwelling Rents	-216,541	-213,487	3,054	280
Non Dwelling Rents	-3,306	-3,243	64	-14
Service Charges	-9,335	-8,972	363	77
Internal Income	-10,359	-12,184	-1,825	-2,875
Grants	-21,644	-21,556	88	24
External Income	-1,598	-2,347	-750	-151
<b>Total</b>	<b>-262,783</b>	<b>-261,789</b>	<b>994</b>	<b>-2,659</b>

HRA Expenditure	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▲ Disrepair Provision	2,400	5,418	3,018	418
Repairs to Dwellings	46,795	58,227	11,432	5,032
Employees	31,448	31,089	-359	335
Premises	9,729	11,012	1,283	-798
Supplies and Services	3,744	3,436	-308	-185
PFI Unitary Charge	10,953	27,464	16,511	16,447
Transport	298	339	41	21
Internal Services	45,230	40,599	-4,631	-1,920
BITMO Management Fee	3,235	3,224	-10	-10
Provision for Doubtful Debts	1,136	2,310	1,173	716
Capital Charges	45,942	26,858	-19,084	-17,377
Contribution to Capital Programme	62,543	59,325	-3,218	-818
<b>Total</b>	<b>263,452</b>	<b>269,300</b>	<b>5,848</b>	<b>1,859</b>

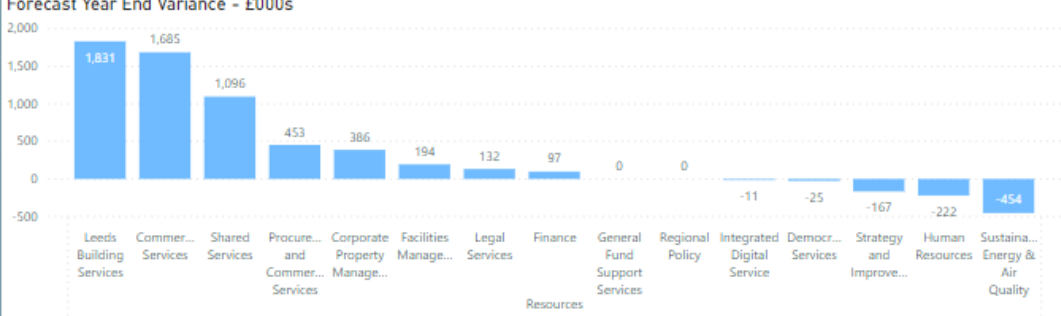
Surplus (-) / Deficit (+)	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▼ Net Position	669	7,511	6,843	-799
Appropriation: Sinking Funds	-412	-577	-165	16
Appropriation: Reserves	-257	-6,935	-6,678	783
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Financial Dashboard 2022/23 Financial Year



**Budget Variation £000s**  
**4,995**

### Forecast Year End Variance - £000s



**Financial Year**

2022/23

**Cost Period**

13

**Officer Selection**

All

**Directorate, Service**

All

**Division, Costcentre & ...**

All

**CostCentre RAG**

All

**Managed In/Outside Se...**

Managed Budget


Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	160,864	168,489	7,625
Premises	15,475	17,362	1,886
Supplies and Services	54,558	67,438	12,880
Transport	20,289	29,306	9,017
Internal Charges	4,355	5,153	798
Third Party Payments	28	118	90
Transfer Payments	61	66	6
Capital		-3	-3
Transfer to/from Reserves	-90	-5,066	-4,976
Internal Income	-155,880	-171,677	-15,796
External Income	-17,078	-23,611	-6,533
<b>Total</b>	<b>82,582</b>	<b>87,577</b>	<b>4,995</b>

Directorate	Change in Variance £000s
Resources	1,103
<b>Total</b>	<b>1,103</b>

Change to Table

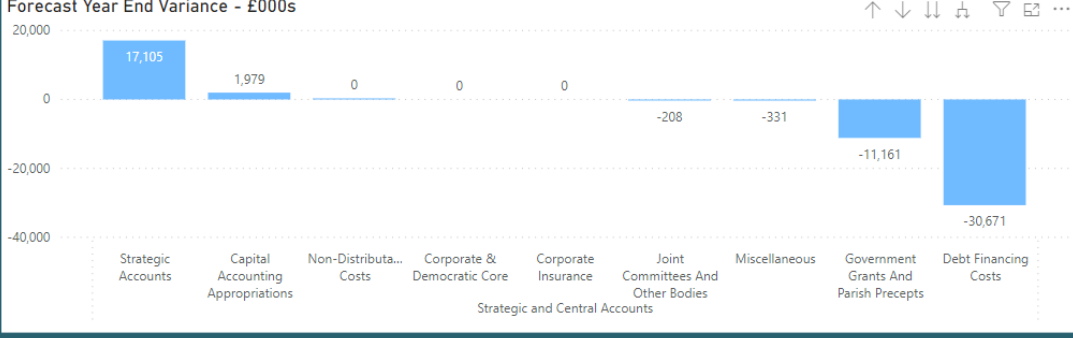
For Reporting

Financial Dashboard 2022/23 Financial Year



**Budget Variation £000s**  
**-23,287**

Forecast Year End Variance - £000s



Category	Variance (£000s)
Strategic Accounts	17,105
Capital Accounting Appropriations	1,979
Non-Distributable Costs	0
Corporate & Democratic Core	0
Corporate Insurance	0
Joint Committees and Other Bodies	-208
Miscellaneous	-331
Government Grants and Parish Precepts	-11,161
Debt Financing Costs	-30,671

**Financial Year**  
2022/23

**Cost Period**  
13

**Officer Selection**  
All

**Directorate, Service**  
All

**Division, Costcentre & ...**  
All

**CostCentre RAG**  
All

**Managed In/Outside Se...**  
Managed Budget

Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	4,736	4,462	-275
Premises		414	414
Supplies and Services	8,436	54,129	45,693
Internal Charges	4,413	4,322	-91
Third Party Payments	37,091	36,884	-208
Transfer Payments	928	1,192	264
Capital	79,818	52,016	-27,802
Transfer to/from Reserves	-37,200	-14,881	22,319
Internal Income	-42,302	-43,358	-1,056
External Income	-63,842	-126,388	-62,546
<b>Total</b>	<b>-7,922</b>	<b>-31,208</b>	<b>-23,287</b>

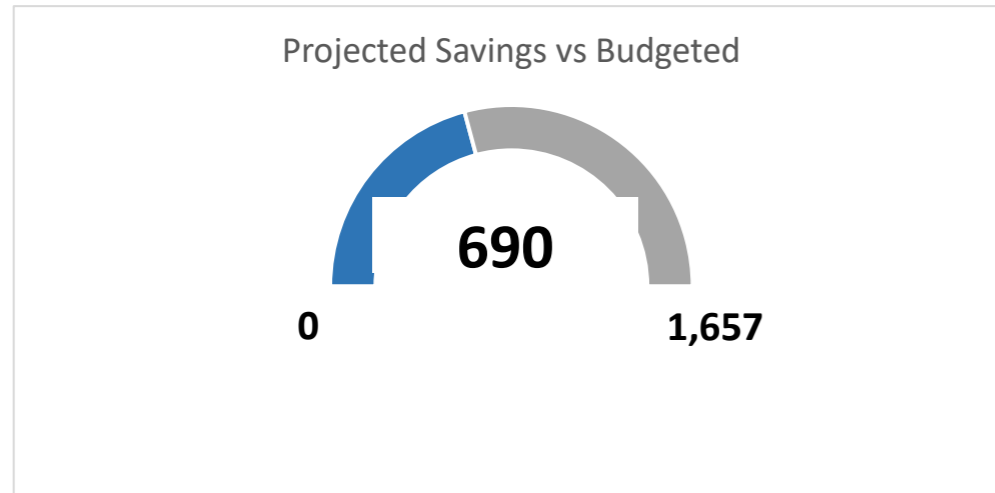
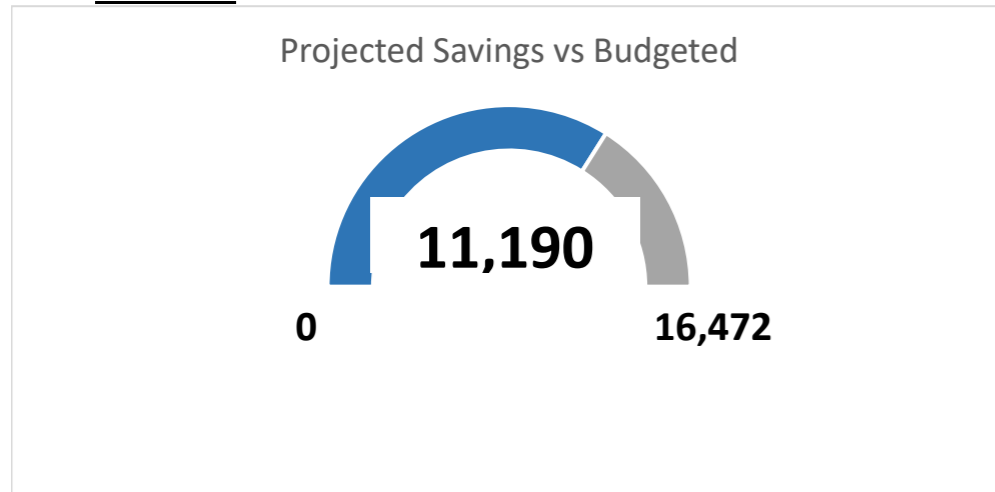
Directorate	Change in Variance £000s
Strategic and Central Accounts	-15,995
<b>Total</b>	<b>-15,995</b>

Change to Table

For Reporting

## 2022/23 BUDGET ACTION PLANS

### Outturn



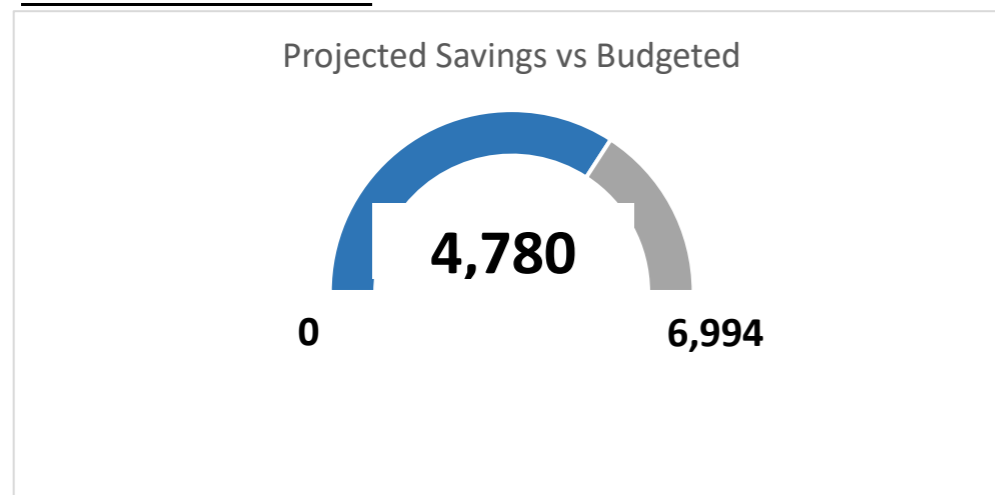
### LEEDS CITY COUNCIL - SUMMARY

RAG Status	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	6,455	7,568	(1,113)
On track, no issues	2,818	2,663	155
Some risk	2,117	696	1,421
High risk	5,082	263	4,819
Cancelled	0	0	0
<b>Total</b>	<b>16,472</b>	<b>11,190</b>	<b>5,282</b>

### LEEDS CITY COUNCIL - Other Savings Measures

RAG Status	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track, no issues	633	633	0
Some risk	0	0	0
High risk	1,024	57	967
Cancelled	0	0	0
<b>Total</b>	<b>1,657</b>	<b>690</b>	<b>967</b>

## Outturn



## ADULTS & HEALTH - SUMMARY

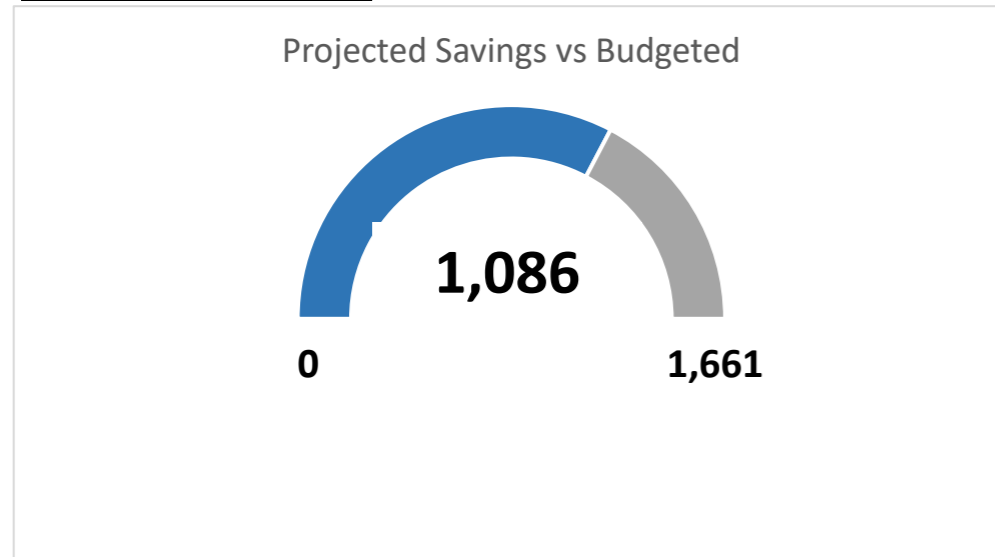
RAG Status	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	3,819	3,819	0
On track, no issues	620	620	0
Some risk	1,365	341	1,024
High risk	1,190	0	1,190
Cancelled	0	0	0
<b>Total</b>	<b>6,994</b>	<b>4,780</b>	<b>2,214</b>

## Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Enhance awareness/desirability of in-house provision to encourage attendance and reduce external procurement (against fixed running cost)	Shona McFarlane	High risk	190	0	190	Not expected to be achieved in 22/23
Budgeted savings	BAU	Improved collection of financially assessed client income	John Crowther	High risk	1,000	0	1,000	Additional income target linked to EB report re 2:1 and MAC charges. Phase 1 letters sent out to Clients end of May 2022. Actions are to take place in the second half of the year which should generate income and bring BAP on line. £0.5m of the £1m expected in 22/23 with full amount in 23/24.
Budgeted savings	SR	Strategic Review of Adult Social Work:	Shona McFarlane	Some risk	1,365	341	1,024	7-month slippage in the implementation of the social work review for the Front Line and Assessment Teams. Governance process now cleared and posts set up on the SAP system. Staff recruitment is ongoing which is affecting assessments. Depending upon recruitment times, savings may therefore decrease, beyond the shortfall already reported.



## Outturn



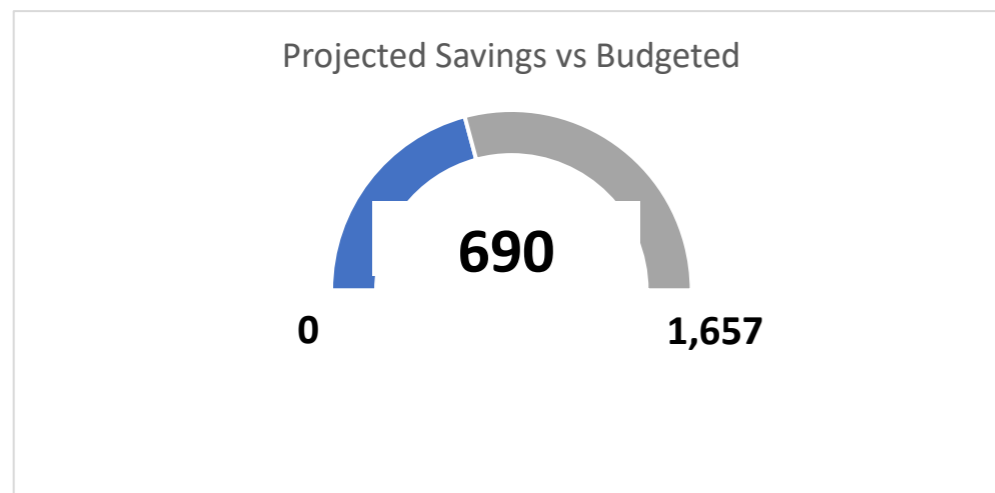
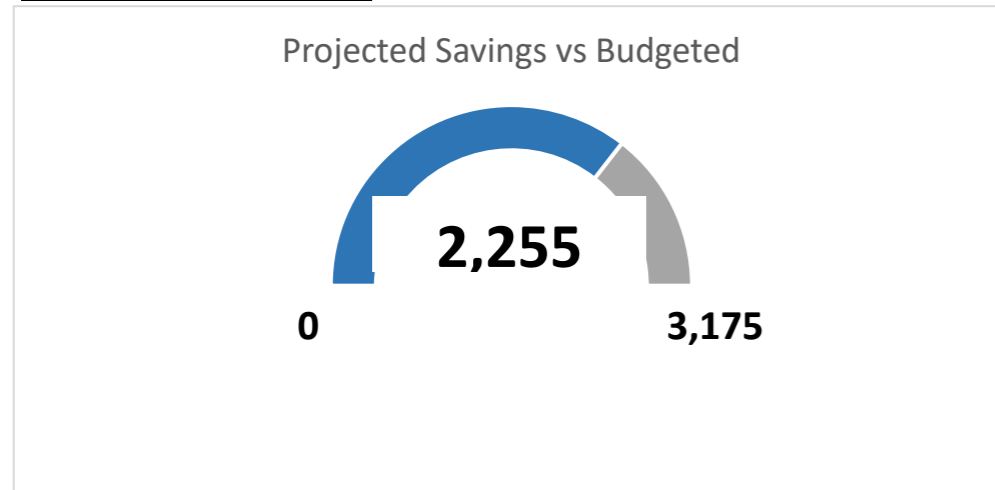
## CHILDREN & FAMILIES - SUMMARY

RAG Status	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	1,086	1,086	0
On track, no issues	0	0	0
Some risk	0	0	0
High risk	575	0	575
Cancelled	0	0	0
<b>Total</b>	<b>1,661</b>	<b>1,086</b>	<b>575</b>

## Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	CF SR 22-24	Diversifying children's residential provision	Ruth Terry	High risk	295	0	295	Children and Families are currently reviewing the delivery plans and identifying actions required to deliver savings.
Budgeted savings	CF BAU 22-24	Passenger Transport	Tim Pouncey	High risk	200	0	200	The actions associated with this saving have been completed. However demand and inflation have exceeded original expectations, leading to an overall overspend on the transport budget. Actions to mitigate the overspend are detailed in the report.
Budgeted savings	CF BAU 22-24	Passenger transport-continuation from 21/22	Tim Pouncey	High risk	80	0	80	The actions associated with this saving have been completed. However demand and inflation have exceeded original expectations, leading to an overall overspend on the transport budget. Actions to mitigate the overspend are detailed in the report.

## Outturn



## CITY DEVELOPMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	250	250	0
On track, no issues	1,925	1,925	0
Some risk	175	70	105
High risk	825	10	815
Cancelled	0	0	0
<b>Total</b>	<b>3,175</b>	<b>2,255</b>	<b>920</b>

## CITY DEVELOPMENT - Other Savings Measures

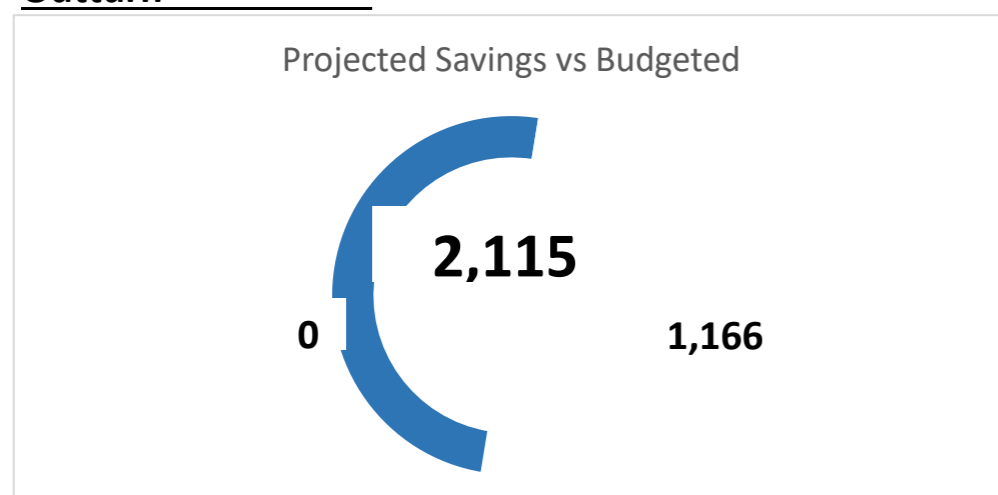
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track, no issues	633	633	0
Some risk	0	0	0
High risk	1,024	57	967
Cancelled	0	0	0
<b>Total</b>	<b>1,657</b>	<b>690</b>	<b>967</b>

## Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Active Leads - Health & Wellbeing offer	Phil Evans	Some risk	50	5	45	Shortfall mitigated by Other Income across Service
Budgeted savings	BAU	Active Leads - Procurement savings	Phil Evans	Some risk	125	65	60	Partially achieved. Other savings achieved to help mitigate shortfall.
Budgeted savings	BAU	Arts, Events, Venues - ticketing solution	Eve Roodhouse	High risk	80	0	80	Not achieved due to Town Hall closure, but alternative savings identified to offset
Budgeted savings	BAU	Highways and transportation - Major Schemes Framework	Gary Bartlett	High risk	200	0	200	delay in implementing the service.

Budgeted savings	BAU	Highways and transportation - deliver S38 agreement process for other WY Authorities	Gary Bartlett	High risk	40	0	40	delay in implementing the service.
Budgeted savings	BAU	Highways and transportation - DLO savings	Gary Bartlett	High risk	50	0	50	Inflationary price increases have offset any savings
Budgeted savings	BAU	Asset Management - Estate rationalisation	Angela Barnicle	High risk	275	0	275	Not achieved in 22/23, options being explored re use of building
Budgeted savings	BAU	Asset Management – Elland Road Car Park	Angela Barnicle	High risk	20	0	20	delay in implementing the service.
Budgeted savings	SR	Leeds Museums & Galleries Invest to Save: Kirkstall Abbey Admissions (Non-Leeds Residents)	Eve Roodhouse	High risk	160	10	150	Admission income below anticipated level

## Outturn



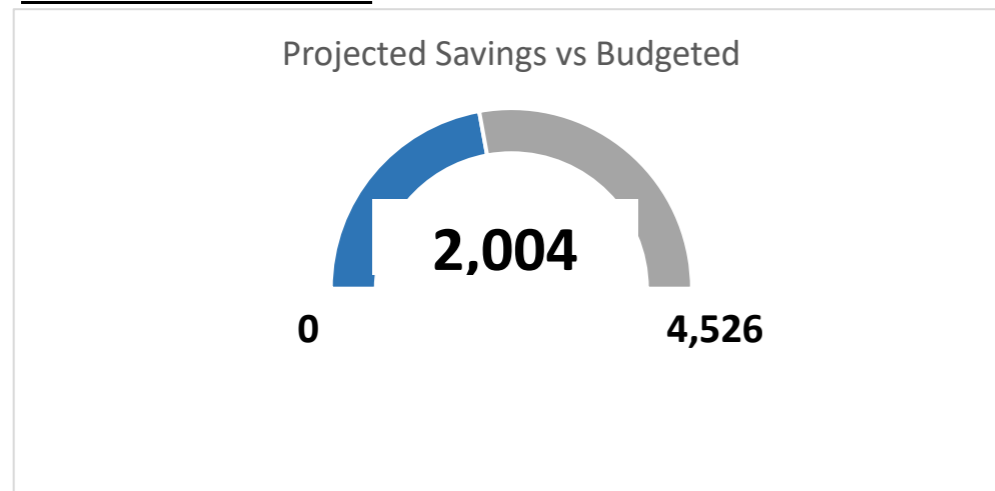
## COMMUNITIES, HOUSING & ENVIRONMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	778	1,891	(1,113)
On track, no issues	0	0	0
Some risk	347	224	123
High risk	41	0	41
Cancelled	0	0	0
<b>Total</b>	<b>1,166</b>	<b>2,115</b>	<b>(949)</b>

### Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Support for In Bloom	Sean Flesher	Some risk	31	10	21	Delayed implementation. Revised timescales to be confirmed.
Budgeted savings	BAU	Increase bereavement services fees and charges by 3%	Sean Flesher	Some risk	210	197	13	£12k Arium on track for floor expansion. Delay in Playbarn opening. Latest timescale for Playbarn is Feb 23.
Budgeted savings	BAU	Parks attractions income	Sean Flesher	Some risk	78	12	66	Planning permission delayed.
Budgeted savings	BAU	Income - traded services & partner income-continuation from 21/22	Sean Flesher	High risk	41	0	41	Delays in camera infrastructure meaning 2 staff remaining in post. Saving anticipated in 23/24.

## Outturn



## RESOURCES - SUMMARY

RAG Status	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s
Achieved	1,572	1,572	0
On track, no issues	273	118	155
Some risk	230	61	169
High risk	2,451	253	2,198
Cancelled	0	0	0
<b>Total</b>	<b>4,526</b>	<b>2,004</b>	<b>2,522</b>

## Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted Savings £'000s	Outturn Achieved Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	BSC Shared Cost AVC	Andy Dodman	Some risk	130	50	80	Whilst there was a delay in salary sacrifice scheme rollout due to the need for technical solutions, increased publicity for the schemes, a webinar aimed at increasing participation and changes to the annual pension limit announced at the last budget may mitigate the risk going forward.
Budgeted savings	BAU	BSC Electrical Goods Salary Sacrifice.	Andy Dodman	High risk	100	3	97	This scheme is part of the overall review of salary sacrifice schemes. Income derived from this scheme only offsets the costs of the scheme. The main benefit of the scheme is the access to lower credit than may be available to some employees during a cost of living crisis.
Budgeted savings	BAU	BSC Shared Cost Additional Voluntary Contributions (AVC).	Andy Dodman	High risk	55	0	55	Whilst the economic situation has meant this extension to the AVC target was not achieved, increased publicity for the scheme, a webinar aimed at increasing participation, along with the change in annual pension limits going forward may, mitigate the risk in future years.
Budgeted savings	BAU	BSC Lease Car Salary Sacrifice.	Andy Dodman	Some risk	100	11	89	Upfront costs meant this scheme did not achieve the full targeted savings. Additional publicity may mitigate the pressure going forward, but the current economic situation with the consequential impact for new cars, means there is still some risk.

Budgeted savings	SR	Procurement - 2022/23 allocations (23/24 + to follow)	Victoria Bradshaw	High risk	2296	250	2046	The 2023/24 budget strategy reflects the fact that procurement savings are achieved throughout the Council, with the PACS team assisting in many of those areas. The targeted savings have therefore been removed from the base budget in Resources going forward and are incorporated in individual services.
------------------	----	---	-------------------	-----------	------	-----	------	--



2022/23 - Expenditure funded through Flexible Use of Capital Receipts					
Outturn					
Project Description	Directorate	Planned Spend	2022/23	Planned Savings	2022/23
		2022/23	Outturn	2022/23	Outturn
		£m	£m	£m	£m
Service Transformation - supporting the delivery of key projects	Adults & Health	1.94	1.76	(4.00)	(4.00)
IDS -Planned recruitment of specialists supporting transformation Adults and Health Service	Adults & Health	0.10	0.10	0.00	0.00
Service Transformation- Chief Officer	Adults & Health	0.10	0.10	0.00	0.00
Investment in service reform feasibility work	Communities, Housing & Environment	0.12	0.00	0.00	0.00
IDS - Driving a digital approach across the Council	Resources	0.50	0.50	0.00	0.00
IDS - Driving a digital approach across the Council	Resources	0.70	0.70	0.00	0.00
IDS - Planned recruitment of specialists supporting the delivery of key projects across the Authority	Resources	3.14	1.30	0.00	0.00
Council Tax Automisation-digitising transactional activity	Resources	0.38	0.34	0.00	0.00
CEL staff time spent on Transformational projects	Resources	0.12	0.12	(1.52)	(1.52)
Legal - Staff supporting the Delivery of Documents and Time recording system	Resources	0.06	0.06	0.00	0.00
Sharing back-office and administrative services	Resources	0.47	0.47	0.00	0.00
Service Transformation - supporting the delivery of various projects	Resources	0.27	0.03	0.00	0.00
Investment in service reform feasibility work	PACS	0.78	0.78	(4.00)	(2.00)
Statutory redundancy payments	Strategic/ Corporate	1.00	2.02	(1.00)	(1.00)
Driving a digital approach to the delivery of Core Business Transformation Programme	Strategic/ Corporate	5.83	1.58	0.00	0.00
Transformational Change- Leadership Team	Children & Families	0.12	0.12	0.00	0.00
Service Transformation - supporting the delivery of various projects	Children & Families	0.53	0.53	0.00	0.00
Service Transformation - supporting the delivery of various projects	Resources	0.70	0.70	0.00	0.00
IDS - Service Transformation	Resources	0.32	0.00	0.00	0.00
IDS - Highways Enterprise Architecture system	Resources/ City Development	0.70	0.07	0.00	0.00
Capital Scheme support City Development HOS	City Development	0.06	0.06	0.00	0.00
Capital Scheme support City Development LUF	City Development	0.07	0.07	0.00	0.00
<b>Total</b>		<b>18.01</b>	<b>11.40</b>	<b>(10.52)</b>	<b>(8.52)</b>



Directorate	Description of Reserve	Balance at	Transfers To &	Balance at	Reason for the Reserve
		1st April 2021	From Reserve	Outturn 2021/22	
		£k	£k	£k	
	<b>GENERAL FUND</b>	<b>(33,248)</b>	<b>0</b>	<b>(33,248)</b>	
Adults & Health	S256 funding for Health Inequalities	(1,823)	0	(1,823)	Specific funding from Leeds South and East CCG for tackling health inequalities.
Adults & Health	Health & Social Care (CCG)	(17,067)	7,371	(9,696)	To fund Health and Social Care priorities
Adults & Health	Prisons Reserve	(79)	0	(79)	CCG funding for social work in prisons
Adults & Health	Drugs Commissioning	(133)	0	(133)	Carry forward of external income for drug and alcohol priorities
Adults & Health	Transforming Care	(2,393)	0	(2,393)	Provision to mitigate against costs associated with the NHS England led transfer of care packages to a community setting
Adults & Health	Social Care Development Reserve	(976)	693	(283)	Provision to meet costs associated with development of social care models e.g. Recovery Model
Adults & Health	Resilience Reserve	(837)	837	0	Provision to mitigate against unforeseen demand pressures e.g. caused by hot summers, cold winters, flu outbreaks etc.
Adults & Health	Safeguarding (Adults)	(244)	(27)	(271)	Independent Safeguarding Board - carry forward of partner contributions.
Adults & Health	Spring Budget	(6,964)	4,823	(2,141)	Carry forward of Spring Budget monies from DLUHC.
Adults & Health	Skills for Care	(193)	0	(193)	To provide funding for training of Care Workers
Children & Families	Trauma Informed programme	(60)	1	(59)	S256 funding agreement with CCG to set up new service.
Children & Families	Dewsbury Road Annexe	(122)	(69)	(191)	0-19 Public health Integrated Nursing Service funding allocated to Dewsbury Road Annexe capital programme.
Children & Families	<b>NEW: Roma Capacity Funding</b>	0	(10)	(10)	To fund a Family Outreach Worker in 2023/24.
Children & Families	Henry 5-12 project	(18)	(35)	(53)	Public Health funding to support a healthy weight programme for families with children aged 5-12 years old.
Children & Families	Health & Wellbeing	(167)	0	(167)	S31 Grant to provide training and advisory support to schools and colleges on mental health and wellbeing.
Children & Families	Health Innovations	(300)	0	(300)	Monies given by Health Service for a number of joint initiatives around commissioning & children's centres
Children & Families	<b>NEW: Families First</b>	0	(17)	(17)	To fund potential future years shortfall in Stronger Families Grant
City Development	Armed Forces Day	(6)	0	(6)	Funding for Armed Forces Days
City Development	<b>NEW: Heritage Assets Refund reserve</b>	0	(2,422)	(2,422)	To carry forward one-off business rates refund to provide additional funding for City Development savings requirements
City Development	<b>NEW: LMG Exhibitions</b>	0	(162)	(162)	To carry forward saving generated by Museums & Galleries, to access the Government's Museums and Galleries Exhibition Tax Relief scheme
Communities, Housing & Environment	Casino License	(505)	(49)	(554)	Social Inclusion Fund as per licence bid
Communities, Housing & Environment	Local Welfare Support Fund	(662)	0	(662)	To provide ongoing funding to the Local Welfare Support Fund service who provide support to Leeds residents experiencing financial hardship
Communities, Housing & Environment	Self-Isolation Payment Reserve	(134)	134	0	Self-Isolation Payment funding to carry forward
Communities, Housing & Environment	Economic, Social and Environmental Wellbeing Fund	(687)	39	(648)	To carry forward balances on the wellbeing budgets of Community Committee.
Communities, Housing & Environment	Communities Innovation Fund	(213)	184	(29)	To fund work with 3rd sector to develop future financial sustainability in the sector.
Communities, Housing & Environment	Waste Management	(697)	0	(697)	Balance of waste disposal contract savings secured in 19/20 to support the delivery of the Refuse route review and the developing waste strategy.
Communities, Housing & Environment	<b>NEW: Car Parking Upgrade of Meters</b>	0	(100)	(100)	To cover cost of upgrading pay and display parking meters to 4G when 3G is no longer supported.
Communities, Housing & Environment	Homelessness Prevention Fund	(1,753)	178	(1,575)	To fund homelessness prevention
Communities, Housing & Environment	Supporting People	(137)	65	(72)	To fund homelessness prevention
Communities, Housing & Environment	Civil Penalties	(250)	0	(250)	To fund potential legal costs/future shortfalls in income from Civil Penalties.
Resources	Lord Mayor	(10)	0	(10)	Balance of budget carried forward.
Resources	Low Carbon Programme	(158)	0	(158)	To support delivery of work on Air Quality
Resources	Energy Efficiency Reserve - LCC	(235)	(102)	(337)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic & Central	Section 256	(942)	(206)	(1,148)	Funding from the CCG to be utilised by DIS to fund development of Digital Solutions for Personalised Care
Strategic & Central	General Insurance	(6,828)	(3,942)	(10,770)	To help fund cost of future insurance claims
Strategic & Central	Mutual Municipal Insurance	(11)	0	(11)	Reserve to fund potential claw backs of past insurance receipts from MMI.
Strategic & Central	Legal Cost of VAT claims	(63)	0	(63)	Funds set aside from £8.4m VAT claim refund received in 10/11 to help fund legal costs for remaining VAT cases
Strategic & Central	Capital Reserve	(2,452)	1,879	(573)	Directorate contributions towards borrowing costs of capital schemes. Contributions received over life of asset and released back to revenue to cover debt costs over life of loan.
Strategic & Central	Merrion House Reserve	(2)	(22,296)	(22,298)	Balance of Merrion House capital receipt, to fund future unforeseen budget pressures and to ensure the Council continues to become more financially resilient
Strategic & Central	S31 Business Rates reserve	(34,339)	23,734	(10,605)	Reserve to carry forward S31 NDR relief grants
Strategic & Central	Strategic Contingency Reserve	(37,476)	17,541	(19,935)	To fund future unforeseen budget pressures and to ensure the Council becoming more financially resilient
Strategic & Central	COVID Reserve	(3,455)	2,090	(1,365)	Government funding to be applied to pressures arising as a consequence of COVID
Strategic & Central	Council Tax Tax Income Guarantee (TIG) reserve	(2,234)	0	(2,234)	Government Income guarantee COVID funding for lost Council Tax in 20/21, to be applied over 3 years.
Strategic & Central	Business rates Tax Income Guarantee (TIG) reserve	(1,003)	0	(1,003)	Government Income guarantee COVID funding for lost Business Rates income in 20/21, to be applied over 3 years.
Strategic & Central	Energy contingency reserve	(1,071)	1,071	0	To provide contingency funding should energy costs exceed provision in the Budget
Strategic & Central	Investment/Innovation	(2,844)	315	(2,529)	Fund to get projects off the ground that will generate future revenue savings.
Strategic & Central	Business Rates Distribution	(1,465)	1,175	(290)	To carry forward prior years Business Rates Pool surplus and funding allocated to projects.
Strategic & Central	Schools Income	(194)	(153)	(347)	To carry forward schools income
	<b>Sub-total Earmarked Reserves</b>	<b>(131,202)</b>	<b>32,540</b>	<b>(98,662)</b>	
	<b>Total non-ring fenced Reserves</b>	<b>(164,450)</b>	<b>32,540</b>	<b>(131,910)</b>	
Schools	Extended Schools Balances	(6,188)	(816)	(7,004)	Surpluses on extended school activities carried forward
Schools	Schools Balances	(36,652)	12,419	(24,233)	Schools balances net of VER, Children's Services and BSF PFI borrowing
Schools	Dedicated Schools Grant	(119)	(8,891)	(9,010)	Carry forward of ring fenced DSG funding.
Adults & Health	Rapid Test Fund	(115)	0	(115)	Funding from Central Government to support COVID rapid testing of individuals
Adults & Health	Community Discharge Grant	(1,129)	(410)	(1,539)	Funding from Central Government for transitions costs from Hospitals back to Community Settings
Adults & Health	Public Health Grant	(4,160)	1,413	(2,747)	Public Health grant carried forward
Communities, Housing & Environment	<b>NEW: S31 Elections Act Grant</b>	0	(31)	(31)	Unspent Government grant carried forward
Communities, Housing & Environment	Taxi & Private Hire Licensing Surplus	(173)	(54)	(227)	Ring fenced reserve for taxi and private hire licensing service.
Strategic & Central	Energy Efficiency Reserve - Salix	(626)	(110)	(736)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic & Central	Staffing and Management Support	0	(383)	(383)	To support HR initiatives
Strategic & Central	Revenue Grants	(6,397)	(6,720)	(13,117)	Revenue grants carried forward as per IFRS requirements (see note 1 below)
	<b>Sub-total General Fund Ring-fenced Reserves</b>	<b>(55,559)</b>	<b>(3,583)</b>	<b>(59,142)</b>	
	<b>Note 1: Revenue Grants</b>				
Adults & Health		(280)	0	(280)	Revenue Grants Carried Forward
Children & Families		(803)	(377)	(1,180)	Revenue Grants Carried Forward
City Development		(3,303)	(1,862)	(5,165)	Revenue Grants Carried Forward
Communities Housing & Environment		(1,407)	(4,481)	(5,888)	Revenue Grants Carried Forward
Resources		(418)	0	(418)	Revenue Grants Carried Forward
Strategic Accounts		(186)	0	(186)	Revenue Grants Carried Forward
	<b>Sub-total Revenue Grants</b>	<b>(6,397)</b>	<b>(6,720)</b>	<b>(13,117)</b>	
	<b>HRA RING FENCED RESERVES</b>				
	HRA General Reserve	(7,375)	(300)	(7,675)	
	Housing Advisory Panels (HAPs)	(204)	165	(39)	To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.
	Wharfedale View SF	(34)	(20)	(54)	Contribution from shared owners towards future costs of replacing furniture and carpets at Wharfedale View Extra Care facility
	Changing the Workplace	(151)	(150)	(301)	To fund the cost of 'new ways of working' for staff in Housing Leeds as office moves are completed.
	eFiles Box It Project	(257)	257	0	Principally to fund the scanning of Housing Management paper files to electronic files - to assist the Housing Service in the preparation for moving to Community Hubs.
	<b>NEW: Local Authority Housing Fund</b>	0	(2,589)	(2,589)	To provide match funding to add to the LAHF being received in 23/24 to fund the acquisition of new homes for Ukrainian guests.
	Swarcliffe PFI Sinking Fund	(4,628)	429	(4,199)	PFI Sinking Fund
	LLBH&H PFI Sinking fund	(3,911)	148	(3,763)	PFI Sinking Fund
	Revenue Repairs Reserve	(1,640)	1,571	(69)	Carry forward of in year underspend due to COVID
	Major Repairs Reserve	(11,256)	8,057	(3,199)	Ring-fenced to fund capital expenditure or redeem debt.
	<b>Sub-total HRA Reserves</b>	<b>(29,456)</b>	<b>7,568</b>	<b>(21,888)</b>	
	<b>Total Ring-fenced Reserves</b>	<b>(85,015)</b>	<b>3,985</b>	<b>(81,030)</b>	
	<b>TOTAL RESERVES</b>	<b>(249,465)</b>	<b>36,525</b>	<b>(212,940)</b>	

# Capital Programme Funding Statement 2022-2027

# Appendix 6A

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000	£000	£000
<b>EXPENDITURE</b>						
<b>GENERAL FUND (GF)</b>						
IMPROVING OUR ASSETS	91,057	173,727	162,189	86,869	81,275	595,117
INVESTING IN MAJOR INFRASTRUCTURE	111,257	70,285	30,206	7,090	9,182	228,020
SUPPORTING SERVICE PROVISION	45,717	35,514	36,819	22,022	20,611	160,683
INVESTING IN NEW TECHNOLOGY	8,078	15,216	5,030	4,214	3,300	35,838
SUPPORTING THE LEEDS ECONOMY	14,318	29,243	22,883	7,325	1,053	74,822
CENTRAL & OPERATIONAL EXPENDITURE	30,763	48,936	49,748	39,646	71,068	240,161
<b>TOTAL ESTIMATED SPEND ON GF</b>	<b>301,190</b>	<b>372,921</b>	<b>306,875</b>	<b>167,167</b>	<b>186,489</b>	<b>1,334,642</b>
<b>HOUSING REVENUE ACCOUNT (HRA)</b>						
IMPROVING OUR ASSETS - COUNCIL HOUSING	145,927	144,529	170,152	121,578	99,312	681,498
<b>TOTAL ESTIMATED SPEND ON HRA</b>	<b>145,927</b>	<b>144,529</b>	<b>170,152</b>	<b>121,578</b>	<b>99,312</b>	<b>681,498</b>
<b>TOTAL ESTIMATED SPEND</b>	<b>447,117</b>	<b>517,449</b>	<b>477,027</b>	<b>288,745</b>	<b>285,801</b>	<b>2,016,139</b>
<b>RESOURCES</b>						
<b>GENERAL FUND (GF)</b>						
<b>Specific Resources</b>						
GOVERNMENT GRANTS	161,744	168,906	157,125	73,019	68,427	629,220
OTHER GRANTS & CONTRIBUTIONS	18,023	25,259	6,939	7,954	5,622	63,796
RCCO / RESERVES	91	1	0	0	31	123
CAPITAL RECEIPTS - Transformational Change	13,061	19,835	11,730	8,919	8,508	62,053
<b>Corporate Resources</b>						
BORROWING - Corporate	96,467	126,956	110,819	64,879	100,850	499,971
BORROWING - Departmental	11,805	31,963	20,261	12,396	3,053	79,478
<b>CAP. RESOURCES REQD FOR GF</b>	<b>301,190</b>	<b>372,921</b>	<b>306,875</b>	<b>167,167</b>	<b>186,489</b>	<b>1,334,642</b>
<b>HOUSING REVENUE ACCOUNT (HRA)</b>						
<b>Specific Resources</b>						
HRA SELF FINANCING	59,329	64,564	75,732	74,698	74,695	349,018
R.T.B. CAPITAL RECEIPTS	25,625	36,582	42,718	24,521	15,616	145,062
GOVERNMENT GRANTS	10,351	6,467	0	0	0	16,819
RCCO / RESERVES	0	0	0	0	0	0
OTHER GRANTS & CONTRIBUTIONS	11,438	2,199	3,143	0	0	16,780
BORROWING - Departmental	39,170	34,703	48,559	22,358	9,002	153,792
<b>CAP. RESOURCES REQD FOR HRA</b>	<b>145,913</b>	<b>144,515</b>	<b>170,152</b>	<b>121,578</b>	<b>99,312</b>	<b>681,470</b>
<b>TOTAL CAP. RESOURCES REQD</b>	<b>447,104</b>	<b>517,435</b>	<b>477,027</b>	<b>288,745</b>	<b>285,801</b>	<b>2,016,111</b>
<b>BORROWING REQUIRED TO FUND THIS PROGRAMME</b>						
	<b>147,441</b>	<b>193,623</b>	<b>179,640</b>	<b>99,634</b>	<b>112,904</b>	<b>733,242</b>
Average Interest rate (subject to change)	<b>4.50%</b>	<b>4.25%</b>	<b>3.50%</b>	<b>3.00%</b>	<b>3.00%</b>	

## Annual Programmes

## Appendix 6A (i)

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000	£000	£000
<b>Improving Our Assets</b>						
Highways Maintenance	25,142	26,263	25,506	24,028	20,894	121,833
Corporate Property Management	3,405	11,350	9,000	6,500	11,500	41,755
Highways Bridges & Structures Maintenance	6,163	7,513	5,805	4,705	5,429	29,615
Section 278	2,921	6,505	3,940	3,209	3,500	20,074
Highways Maintenance Capitalisations	4,614	3,700	2,800	1,800	900	13,814
Climate Emergency	918	1,055	850	900	950	4,673
Demolition Programme	349	401	250	250	500	1,750
Library Books	626	450	300	200	100	1,676
Sports Maintenance	-2	137	100	100	100	435
	44,136	57,373	48,551	41,692	43,873	235,624
<b>Supporting Service Provision</b>						
Telecare ASC	454	517	1,200	600	600	3,371
Adaptation to Private Homes	504	647	470	470	470	2,561
Childrens Centres	0	146	90	90	50	376
	958	1,310	1,760	1,160	1,120	6,308
<b>Investing In New Technology</b>						
Digital Development	3,202	5,150	2,500	2,500	2,500	15,852
Essential Services Programme	3,008	7,192	2,500	1,700	800	15,200
	6,210	12,343	5,000	4,200	3,300	31,053
<b>Supporting The Leeds Economy</b>						
Project Support Fund - Groundwork	0	70	70	70	140	350
<b>Central &amp; Operational Expenditure</b>						
Vehicle Programme	886	9,999	19,589	13,241	39,038	82,752
PFI Lifecycle Capitalisations	11,853	11,980	12,895	13,395	13,504	63,627
Transformational Change	9,827	9,106	8,919	8,919	8,508	45,279
General Capitalisations	3,900	3,300	2,700	1,800	900	12,600
Capital Programme Management	540	541	541	541	543	2,707
Capitalisation of Interest	1,228	700	543	0	0	2,471
	28,233	35,626	45,187	37,896	62,493	209,436
<b>Total Annual Programmes 2022-2027</b>	<b>79,538</b>	<b>106,721</b>	<b>100,568</b>	<b>85,018</b>	<b>110,926</b>	<b>482,771</b>

## Major Programmes & Other Directorate Schemes

## Appendix 6A (ii)

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000	£000	£000
<b>Improving our assets - Council Housing</b>						
HRA Housing Leeds & BITMO & Other	94,577	83,808	88,734	83,827	83,824	434,769
HRA Council Housing Growth Programme	51,350	60,721	81,418	37,750	15,489	246,729
<b>Improving our assets - General Fund</b>						
City Centre Package & Armley Gyratory	14,634	23,164	8,960	0	0	46,758
Capital Maintenance / School Condition Allocation	7,304	4,778	5,512	7,321	21,427	46,342
Parks & Countryside Schemes	5,039	18,402	902	728	1,084	26,154
Corridor Improvement Programme (CIP)	1,482	7,606	13,454	460	0	23,001
Highways Transport Package	2,405	8,280	4,915	3,685	3,685	22,970
Strategic Investment Fund Acquisitions	97	1,419	10,000	10,361	0	21,877
LUF - Connecting West Leeds	2,694	16,675	2,247	0	0	21,617
A660 Woodhouse Lane Gateway (Uni)	65	960	8,225	8,225	3,025	20,500
Leeds Town Hall Restoration / Other Heritage Assets	1,292	6,271	10,365	0	0	17,928
Parklife Programme	403	1,241	15,474	0	0	17,118
Beckett Street Bus Priority Transformation	4	1,246	6,250	5,250	2,250	15,000
Fearnville Wellbeing Centre	361	6,913	6,000	0	0	13,274
Streetlighting Replacement LEDs	5,172	5,492	2,500	0	0	13,164
Devolved Formula Capital Grant	1,454	2,661	2,578	1,478	3,816	11,987
A6110 Elland Road South Churchwell Hill	201	576	1,034	5,312	1,087	8,210
Creating Healthier Streets, Spaces & Communities	21	999	2,170	2,170	840	6,200
Assisted Living Leeds	19	481	5,659	0	0	6,159
Community Hubs Programme	247	2,209	200	0	0	2,655
Future Ways of Working and Estate Realisation	506	329	0	0	0	835
Other smaller schemes within the objective	3,523	6,653	7,193	187	189	17,744
	192,848	260,883	283,790	166,755	136,714	1,040,991
<b>Investing in Major Infrastructure</b>						
Flood Alleviation Schemes	47,584	20,465	5,551	525	525	74,650
Leeds Integrated Station Masterplan	5,946	20,487	20,086	6,490	0	53,009
East Leeds Orbital Road (ELOR)	25,849	3,642	977	0	0	30,467
Decarbonisation Programme & Energy Efficiency	18,163	7,632	75	75	499	26,444
Sustainable Active Travel	4,200	8,840	2,989	0	0	16,029
Connecting Leeds - Leeds Public Transport Investment Programme (LPTIP)	8,030	6,746	0	0	0	14,776
Clean Air Zone	327	567	0	0	8,158	9,052
Other smaller schemes within the objective	1,158	1,907	529	0	0	3,594
	111,257	70,285	30,206	7,090	9,182	228,020
<b>Supporting Service Provision</b>						
Learning Places Programme / Basic Need Grant	21,966	18,046	22,487	11,290	6,513	80,302
Private Sector Renewal - Adaptations / Equity Loans	12,154	8,057	10,099	8,650	8,564	47,524
Childrens Homes	1,894	3,658	1,479	0	23	7,055
VINE Education Centre Rebuild	6,075	599	0	0	0	6,674
Other smaller schemes within the objective	2,670	3,844	994	922	4,391	12,821
	44,759	34,204	35,059	20,862	19,491	154,375
<b>Investing in New Technology</b>						
Digital Information Service - Full Fibre Network	1,627	1,665	0	0	0	3,293
Other smaller schemes within the objective	241	1,208	30	14	0	1,493
	1,868	2,874	30	14	0	4,786
<b>Supporting the Leeds Economy</b>						
Morley Town Fund	983	8,350	9,841	4,661	0	23,835
Kirkgate Market Strategy	2,495	6,432	3,021	0	0	11,948
Local Centres Programme & THI	498	4,059	0	1,934	0	6,491
Getting Building Fund	4,738	1,527	0	0	0	6,265
British Library at Temple Works	0	500	4,500	0	0	5,000
East of Otley Relief Road	316	2,000	2,593	0	0	4,909
Other smaller schemes within the objective	5,289	6,305	2,858	660	913	16,025
	14,318	29,173	22,813	7,255	913	74,472
<b>Central &amp; Operational Expenditure</b>						
Core Systems Review	3,234	10,729	2,811	0	0	16,774
General Contingencies	0	1,808	1,750	1,750	8,575	13,883
Other smaller schemes within the objective	-705	774	0	0	0	69
	2,529	13,310	4,561	1,750	8,575	30,725
<b>Total Major Programmes &amp; Other Directorate schemes</b>	<b>367,580</b>	<b>410,728</b>	<b>376,459</b>	<b>203,726</b>	<b>174,875</b>	<b>1,533,368</b>
<b>Annual Programmes - See Appendix 6A (i)</b>	<b>78,565</b>	<b>99,853</b>	<b>103,322</b>	<b>86,959</b>	<b>116,108</b>	<b>484,807</b>
<b>Total Annual &amp; Major Programmes</b>	<b>446,144</b>	<b>510,581</b>	<b>479,781</b>	<b>290,686</b>	<b>290,983</b>	<b>2,018,175</b>

Net Increase in funding since February 2022 to 2022/23 Outturn

Appendix 6A (iii)

	Corporate Borrowing £000	Borrowing Supported by Revenue £000	Specific Resources £000	Total Resources £000
Network Rail Contribution Injection re Leeds Station Sustainable Travel Gateway (Mill Goit works)			9,524.6	9,524.6
District Heating Network Ph3 - Net Funding Injections	6,396.0		792.0	7,188.0
Capital Receipt (Roof tax) Injection re East Leeds Orbital Road	6,840.4			6,840.4
WY+TF Grant Injection re M2D2L A653 Beeston to Tingley			5,400.0	5,400.0
LA Housing Fund - Ukraine Housing			4,315.5	4,315.5
LA Housing Fund - Bridging Scheme (matched funded)		1,603.2	1,603.2	3,206.4
Brodetsky School Roofing Works - External Contribution Injections			1,935.2	1,935.2
External Funding Contribution Injections to Highways Schemes			1,492.9	1,492.9
Arts Council England (ACE) Grant injection re Armley Mills			680.0	680.0
Additional Departmental Borrowing Injection re Waste Depot		363.8		363.8
Capital Receipts Injection re Land at Stanks Garden	293.5			293.5
Realignment of future DfE Grant budgets in line with announced 23/24 allocations			202.4	202.4
External Funding Contribution Injections to P&C Schemes			172.3	172.3
Green Homes Grant Schemes - External Funding Adjustments			163.7	163.7
S106 Injection re Additional Learning Places at Parklands PS			129.8	129.8
Other External Contributions			189.1	189.1
<b>Net Injections sought as part of this report</b>	<b>13,529.9</b>	<b>1,967.0</b>	<b>26,600.7</b>	<b>42,097.6</b>
Net Injections with approvals in place	160,261.1	7,467.6	425,316.9	593,045.6
<b>Total Net Injections in place since February 2022</b>	<b>173,791.0</b>	<b>9,434.6</b>	<b>451,917.6</b>	<b>635,143.2</b>
Slippage Movements as at 2021/22 Outturn				56,064.0
<b>Net Increase in funding since February 2022 to 2022/23 Outturn</b>				<b>691,207.2</b>

## CAPITAL PROGRAMME - 2022/23 OUTTURN VARIATIONS

## Appendix 6B

The following table highlights main scheme variations between the estimates in February 2023 and the final outturn 2022/23 as at 19th May 2023.

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

Directorate	Service	Programme / Scheme	Feb 2023 £000	2022/23 Actual £000	Variation Under (-) / Over £000	Reason for variation
Adults & Health	Services for Older People	Care Home Refurbishments	774.0	148.6	(625.4)	Works delayed due to the sign off of designs and appointment of contractors.
	Adults & Health General	Various	500.0	18.9	(481.1)	No material variances but primarily due to the Assisted Living Leeds scheme (-£231.1k) that experienced delays in determining the specification for its new site and planning and design fees were not as great as expected, and Burmantofts Health Centre Redevelopment (-£200.0k) that has slipped to 23/24 as a fundamental reassessment is required.
	Digital Information Services	Digital Transformation	654.7	(24.6)	(679.3)	Additional Revenue Grant funding received so capital funding not required. Spend lower than anticipated on some schemes due to the unavailability of staff to undertake the work.
	Other schemes		1,518.5	1,512.5	(6.0)	No material variances on the 10 remaining schemes within Adults & Health.
			<b>3,447.2</b>	<b>1,655.4</b>	<b>(1,791.8)</b>	

Directorate	Service	Programme / Scheme	Feb 2023 £000	2022/23 Actual £000	Variation Under (-) / Over £000	Reason for variation
Strategic & Central	Strategic Priorities	DCLG Capitalisation	0.0	(799.0)	(799.0)	As part of the closure of accounts the balance on the Equal Pay Provision has been returned to the Capital Programme from where it was originally funded.
	Strategic Priorities	Core Systems Review	1,573.8	3,234.3	1,660.5	This is primarily due to the accelerated purchase of £1.6m of software licences.
	Central Accounts	Capitalisation of Interest	720.3	1,228.4	508.1	Increase relates primarily to the East Leeds Orbital Road scheme.
	Other schemes		25,476.7	26,290.4	813.7	No material variances on the 57 remaining schemes within Strategic & Central. Variance primarily due to increased charges for Transformational Change (+£410.9k) and PFI Lifecycle Capitalisations (+£390.7k).
			<b>27,770.8</b>	<b>29,954.1</b>	<b>2,183.3</b>	

## Appendix 6B continued

Directorate	Service	Programme / Scheme	Feb 2023 £000	2022/23 Actual £000	Variation Under (-) / Over £000	Reason for variation
City Development	Highways	Streetlighting	4,542.3	5,172.0	629.7	Larger than expected accrual raised in 2022/23 for works in relation to Replacement LEDs. While works have been carried out it's taking time to settle these claims based on contractor information.
	Highways	Flood Alleviation Schemes	35,099.2	47,583.9	12,484.7	Primarily relates to the Leeds Flood Alleviation Scheme Phase 2 (LFAS2). Costs increasing primarily due to inflation. The contract is designed to protect and limit LCCs pain share liability so will not result in an overspend on the current budget. Contractor negotiations were ongoing from November to February and additional costs incurred per month were not factored into the 22/23 projection reported to Feb '23 Executive Board. The £12.5m variance that was incurred is covered by secured additional grant.
	Highways	Highways Maintenance Annual programmes & CRSTS	25,969.8	29,756.0	3,786.2	The net outturn variation of £3.8m on the combined Highways Maintenance programme is mainly as a result of inflationary pressures which were incurred in the latter months of the financial year.
	Highways	East Leeds Orbital Road	22,323.7	25,785.4	3,461.7	Early negotiated settlement payment to complete the ELOR scheme.
	Highways	Corridor Improvement Programme	2,646.9	1,481.6	(1,165.3)	Delays in individual scheme designs and start on sites have led to this variance.
	Highways	Connecting West Leeds	3,217.9	2,694.4	(523.5)	LUF funded programme includes a mixture of schemes taking time to design and start on site. DLUHC have been kept informed of progress at regional meetings.
	Highways	City Centre Package & Armley Gyatory	10,815.6	14,617.9	3,802.3	Schemes delivering quicker than expected, together with some inflationary increases. Mainly grant funded.
	Highways	Connecting Leeds	8,074.6	6,463.3	(1,611.3)	Some delays in completing the Connecting Leeds - Leeds Public Transport Investment Programme (LPTIP) Programme with retentions still to be finalised. Actual programme was due to complete in 22/23 but now extended to Dec 2023.
	Regeneration	Local Centres Programme	850.6	123.5	(727.1)	Delays in individual scheme designs and start on sites have led to this variance. Funding c/fwd to spend in future years.
	Other schemes		43,909.7	42,215.6	(1,694.1)	No material variances on the remaining 404 schemes within City Development but primarily due to slippage on Economic Development schemes (-£904.2k) and Culture & Sport schemes (-£690.5k).
			<b>157,450.3</b>	<b>175,893.6</b>	<b>18,443.3</b>	

## Appendix 6B continued

Directorate	Service	Programme / Scheme	Feb 2023 £000	2022/23 Actual £000	Variation Under (-) / Over £000	Reason for variation
<b>Children &amp; Families</b>	Learning Places	Allerton High School	5,284.7	5,809.2	524.5	A number of variations were issued during the year which largely relate to changes in the survey information and changes in the spend profile.
	Capital Maintenance	Brodetsky School	0.0	1,081.5	1,081.5	For February Executive Board it was not clear that this scheme needed to be included within LCC's capital programme as Brodetsky School is Voluntary Aided, and therefore responsible for managing its own capital expenditure. However, the school is not linked to a diocese who would usually assist with administrating / cashflowing large contractor payments, and therefore they needed to utilise LCC school budget resources for this purpose.
	Social Care / Youth / Early Years	Field Terrace Residential Childrens Home	1,700.0	1,157.7	(542.3)	Variance is primarily due to a combination of slippage in planned works undertaken by the contractor and planned expenditure such as that relating to ICT being slipped into 2023/24.
	Other schemes		32,710.8	31,410.9	(1,299.9)	No material variances on the remaining 155 schemes within Children & Families but primarily due to slippage on the rebuild of the VINE Education Centre (delays from utilities installing new meters for substation to facilitate switch over) and Learning Places schemes at Allerton Grange High School (final account and deed of variation still to be agreed) and Brigshaw High School Academy (no claim submitted by the Academy for cost reimbursement by LCC).
			<b>39,695.5</b>	<b>39,459.3</b>	<b>(236.2)</b>	



## Appendix 6B continued

Directorate	Service	Programme / Scheme	Feb 2023 £000	2022/23 Actual £000	Variation Under (-) / Over £000	Reason for variation
<b>Resources</b>	Leeds Building Services	LBS Mobilisation Vehicles & Equipment	867.9	94.1	(773.8)	Scheme ongoing but expected expenditure in 22/23 didn't materialise. Plans under review to spend in 23/24.
	Corporate Property Management	Civic Estate Fire Prevention Works 22/23	751.8	0.0	(751.8)	Lack of specialist contractors. Procurement exercise carried out and new contract should be in place by August 2023.
	Civic Enterprise Leeds	Electric Vehicle Trial Local Businesses	586.2	3.3	(582.9)	Delay in securing procurement approvals and lead times in ordering vehicles.
	Civic Enterprise Leeds	Catering Equipment & Refurbishment of Schools	770.1	77.4	(692.7)	Budget used for Service Level Agreement renewals and tenders expected not to be spent. An assessment is made at the renewal of each SLA to determine whether any new equipment is required in school kitchens. It is purchased against this budget if it is. The assessments over the past year have not required the full budget. The budget rolls on to be utilised as and when required.
	Sustainable Energy & Climate Change	District Heating Network Ph3	1,165.0	5,309.7	4,144.7	Revised spend profile reported at Feb 22 Executive Board not reflected in the Overall Budget report. Spend will be novated to Leeds Pipes during 23/24 - budget cashflowed by injection of capital receipts until this happens.
	Sustainable Energy & Climate Change	PSDP1 - Energy Efficiency	1,204.0	1,767.3	563.3	Overspend primarily relates to the window replacement scheme at Leeds Town Hall due to delays in securing / increased costs regarding listed building consent (+£486.0k). Overspend funded by release of general contingencies.
	Other schemes		30,176.0	24,721.9	(5,454.1)	No material variances on the remaining 217 schemes within Resources.
		<b>35,521.0</b>	<b>31,973.7</b>	<b>(3,547.3)</b>		

## Appendix 6B continued

Directorate	Service	Programme / Scheme	Feb 2023 £000	2022/23 Actual £000	Variation Under (-) / Over £000	Reason for variation
<b>Communities, Housing &amp; Environment</b>	Strategic Housing Partnership & Support	Adaptations (Disabled Facilities Grants)	9,454.3	10,710.4	1,256.1	Demand and applications for adaptations continue to rise. Review to be undertaken for 23/24 in light of grant announcement.
	Parks & Countryside	Indoor Playbarn at Temple Newsam	3,327.5	2,394.6	(932.9)	Delays in contractor progress on scheme.
	Parks & Countryside	Replacement Parks Equipment & Machinery	789.7	213.2	(576.5)	Slippage actioned for supply chain delays for the purchase of replacement equipment and machinery.
	Other schemes		11,177.3	8,936.0	(2,241.3)	No material variances on the remaining 331 schemes within Communities, Housing & Environment.
			<b>24,748.8</b>	<b>22,254.2</b>	<b>(2,494.6)</b>	

<b>Total General Fund Variances</b>	<b>288,633.6</b>	<b>301,190.3</b>	<b>12,556.7</b>	
-------------------------------------	------------------	------------------	-----------------	--

Directorate	Service	Programme / Scheme	Feb 2023 £000	2022/23 Actual £000	Variation Under (-) / Over £000	Reason for variation
<b>HRA - Strategic Landlord</b>	HRA Council Housing Growth Programme		59,547.3	51,349.9	(8,197.4)	The Housing Growth programme required slippage on projects due to higher than estimated rise in costs at a gateway review due to external inflation pressures. This resulted in delays in start on site for the projects while investigations were carried out to negate the total impact to the HRA. The new acquisition cap results in slippage of start on site projects impacting the number of acquisitions we are allowed to fund using our right to buy receipts. This resulted in slippage in the acquisition budget to follow the reprofiled start on site numbers.
	HRA Housing Leeds, BITMO and Other		94,954.1	94,576.9	(377.2)	No material variances on the 168 remaining schemes within the HRA. Variance relates to Housing Leeds (-£425.5k), BITMO (-£12.7k) and Other HRA (+£61.0k) schemes.
			<b>154,501.4</b>	<b>145,926.8</b>	<b>(8,574.6)</b>	

<b>Total Capital Programme Variances</b>	<b>443,135.0</b>	<b>447,117.1</b>	<b>3,982.1</b>	
--	------------------	------------------	----------------	--

## Capital Receipts Incentive Scheme (CRIS) Funding Statement

## Appendix 6C

Ward Based Initiative (WBI) Allocations							
	Initial WBI Allocation from 2008	Total CRIS Injection to Sep '22	CRIS Injection Oct '22 - Mar '23	Total WBI Allocation	Spent / Committed (as at Mar '23)	Total Balance Available	Scheme ref
	£000	£000	£000	£000	£000	£000	
ADEL AND WHARFEDALE	40.0	32.7	75.0	147.7	57.1	90.6	14236\ADL\000
ALWOODLEY	40.0	95.9	0.0	135.9	135.9	0.0	14236\ALW\000
ARDSLEY AND ROBIN HOOD	40.0	57.0	0.0	97.0	75.8	21.2	14236\ARD\000
ARMLEY	40.0	167.5	0.0	207.5	95.8	111.7	14236\ARM\000
BEESTON AND HOLBECK	40.0	116.5	0.0	156.5	128.7	27.8	14236\BEE\000
BRAMLEY AND STANNINGLEY	40.0	98.9	0.0	138.9	104.3	34.6	14236\BRA\000
BURMANTOFTS AND RICHMOND HILL	40.0	116.3	0.0	156.3	113.7	42.6	14236\BUR\000
CALVERLEY AND FARSLEY	40.0	45.3	0.0	85.3	85.0	0.3	14236\CAL\000
CHAPEL ALLERTON	40.0	189.7	0.0	229.7	146.0	83.7	14236\CHA\000
HUNSLET & RIVERSIDE	40.0	552.8	0.0	592.8	461.0	131.8	14236\CIT\000
CROSSGATES AND WHINMOOR	40.0	75.0	22.9	137.9	70.9	67.0	14236\CRO\000
FARNLEY AND WORTLEY	40.0	174.7	0.0	214.7	192.0	22.7	14236\FAR\000
GARFORTH AND SWILLINGTON	40.0	20.8	0.0	60.8	56.1	4.7	14236\GAR\000
GIPTON AND HAREHILLS	40.0	194.3	0.0	234.3	224.8	9.5	14236\GIP\000
GUISELEY AND RAWDON	40.0	0.0	0.0	40.0	40.0	0.0	14236\GUI\000
HAREWOOD	40.0	114.9	0.0	154.9	61.0	93.9	14236\HAR\000
HEADINGLEY AND HYDE PARK	40.0	327.8	0.0	367.8	311.6	56.2	14236\HDN\000
HORSFORTH	40.0	175.5	4.8	220.3	193.3	27.0	14236\HOR\000
LITTLE LONDON AND WOODHOUSE	40.0	497.5	0.0	537.5	224.9	312.6	14236\HYD\000
KILLINGBECK AND SEACROFT	40.0	85.1	0.0	125.1	72.6	52.5	14236\KIL\000
KIPPAX AND METHLEY	40.0	50.7	0.0	90.7	42.7	48.0	14236\KIP\000
KIRKSTALL	40.0	54.8	75.0	169.8	70.1	99.7	14236\KIR\000
MIDDLETON PARK	40.0	94.5	0.0	134.5	116.9	17.6	14236\MID\000
MOORTOWN	40.0	45.9	0.0	85.9	82.2	3.7	14236\MOO\000
MORLEY NORTH	40.0	57.8	0.0	97.8	78.8	19.0	14236\MON\000
MORLEY SOUTH	40.0	30.6	0.0	70.6	63.1	7.5	14236\MOS\000
OTLEY AND YEADON	40.0	183.2	0.0	223.2	43.7	179.5	14236\OTL\000
PUDSEY	40.0	177.2	0.0	217.2	161.7	55.5	14236\PUD\000
ROTHWELL	40.0	168.2	0.0	208.2	65.6	142.6	14236\RTH\000
ROUNDHAY	40.0	62.7	0.0	102.7	76.7	26.0	14236\ROU\000
TEMPLE NEWSAM	40.0	247.3	45.9	333.2	115.1	218.1	14236\TEM\000
WEETWOOD	40.0	165.8	0.0	205.8	160.4	45.4	14236\WEE\000
WETHERBY	40.0	150.0	0.0	190.0	118.9	71.1	14236\WET\000
<b>TOTALS</b>	<b>1,320.0</b>	<b>4,626.9</b>	<b>223.6</b>	<b>6,170.5</b>	<b>4,046.4</b>	<b>2,124.1</b>	

Community Committee Allocations							
	Percentage	Total CRIS Injection to Mar '22	CRIS Injection Oct '22 - Mar '23	Total Community Committee Allocation	Spent / Committed (as at Mar '23)	Total Balance Available	Scheme ref
	%	£000	£000	£000	£000	£000	
INNER SOUTH	14.83%	211.3	11.0	222.3	178.2	44.1	16933\000\000
OUTER SOUTH	9.60%	153.3	7.2	160.5	91.9	68.6	16934\000\000
OUTER EAST	8.83%	147.3	6.6	153.9	65.7	88.2	16935\000\000
INNER WEST	13.02%	171.3	9.7	181.0	163.6	17.4	16936\000\000
INNER NORTH WEST	8.33%	143.7	6.2	149.9	137.1	12.8	16937\000\000
OUTER WEST	8.66%	133.5	6.5	140.0	109.2	30.8	16938\000\000
OUTER NORTH WEST	7.24%	124.6	5.4	130.0	57.0	73.0	16939\000\000
INNER NORTH EAST	7.64%	128.0	5.7	133.7	89.1	44.6	16940\000\000
INNER EAST	16.70%	241.9	12.4	254.3	186.0	68.3	16941\000\000
OUTER NORTH EAST	5.15%	87.5	3.8	91.3	59.3	32.0	16942\000\000
<b>TOTALS</b>	<b>100.00%</b>	<b>1,542.4</b>	<b>74.5</b>	<b>1,616.9</b>	<b>1,137.1</b>	<b>479.8</b>	

Total CRIS Injection Oct '22 - Mar '23 **298.1**

Total CRIS Balance Available **2,603.9**