

Financial Health Monitoring 2023/24 - Outturn financial year ended 31st March 2024

Date: 19th June 2024

Report of: Chief Officer - Financial Services

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

1. The purpose of this report is to update the Executive Board on financial performance against the 2023/24 revenue and capital budgets, which have targeted resources towards the council's strategic priorities as set out in the Best City Ambition whilst also supporting our ongoing journey to strengthen the authority's financial resilience and sustainability. The report also updates the Board on the outturn position in respect of the Housing Revenue Account (HRA), the Schools Budget and the Council Tax and Business Rates Collection Fund. For full details, please refer to appendices 1 to 6 to this report.
2. At Outturn a balanced position for the General Fund is reported, following the application of reserves as set detailed in Paragraph 1 at Appendix 1. This includes the use of the £17.7m WYCA refund agreed in October 2023, and £5.2m from the Merrion House reserve.
3. Although this overall position represents no variation from the position reported to the Board in April, variations in directorate positions are detailed in Appendix 1. Where Directorates have identified an overspend, any savings actions implemented to mitigate these pressures are included in the reported overspend position. Any ongoing pressures identified in the current year have been built into the 2024/25 budget.
4. The budget for 2023/24 required delivery of £58.6m of savings, with £7.2m of in year savings also identified. At Outturn, £50.6m of savings have either been delivered or mitigating actions found with £15.2m of planned savings not delivered, primarily due to the delayed delivery of savings within Children's social care. Further details are provided in Paragraph 1 of Appendix 1 and detailed Budget Action Plans are provided at Appendix 3.
5. Increased inflation and the rising cost of living, including the unfunded 2023/24 agreed pay award, have been incorporated into this reported financial Outturn position. The position incorporates the work undertaken during the year to review the highest cost / spend areas (notably Children Looked After, Transport and Leeds Building Services) and to secure in-year savings and maximise income. The position also reflects the continued freeze on recruitment, agency and overtime spend originally introduced in 2022/23 and the freeze on non-essential spend.
6. The budget assumed planned use of capital receipts flexibilities, Invest to Save and Innovation funding and Covid backlog funds to support transformation and the delivery of savings and to support services with the ongoing impact of COVID-19. Paragraph 3 of Appendix 1 updates the Board on planned spend in 2023/24 and Appendix 4 provides more detail regarding the use of Flexible Capital Receipts.
7. Collection Fund variances since declaration are as follows: a Business Rates improvement of £3.0m and a Council Tax shortfall of £2.7m arising in 2023/24 which will impact on the Revenue Budget in 2025/26.
8. This report provides the Board with an update on the reserves positions for the General Fund, schools and the HRA at Outturn for the 2023/24 year. Overall reserves balances have reduced by £44.5m since 1st April 2023.
9. The Outturn for the year on the HRA shows a net underspend of £0.9m when compared against the 2023/24 budget. This underspend will be transferred to HRA reserves giving a balanced position.

10. At 31st March 2024, maintained school reserves stand at £19.6m, a reduction of £6.6m. The ringfenced DSG reserve has reduced by £2.6m to £6.4m.
11. Treasury Management - The net borrowing of the Council as at 31st March 2024 is £2.49bn, which is £17m lower than the most recent update to Executive Board provided in February 2024 as part of the Treasury Strategy report and £82m lower than the level on which the 2023/24 revenue budget was based. The revenue budget for debt is reporting a £17.8m underspend. Further details are presented in the Treasury Management Outturn 2023/24 report to this Executive Board.
12. The financial difficulties which have been experienced during 2023/24 need to be understood within the wider national context: local government finances are in a critical state and there is growing concern as a significant number of councils have had to deal with overspends in 2023/24 and are estimating significant budget gaps in future financial years which provide a challenge to their financial sustainability. The increasing cost of social care, particularly within Children's Services where the increasing numbers of external placements and significantly higher costs of those placements, combined with the impact of pay and price pressures which are in excess of the level of government resources provided, has not yet been recognised by Government. As a result, a number of local authorities are issuing or raising the possibility of issuing Section 114 notices, effectively giving notice that a council cannot balance its budget. This current and future financial climate for local government represents a significant risk to Leeds City Council's priorities and ambitions. This is set against a backdrop of the impact of the Government's austerity agenda and the resultant reduction in funding to local authorities since 2010 and uncertain future funding following a further one-year financial settlement announcement in 2024/25.

Recommendations

Executive Board are asked to:

- a) Note that at Outturn the authority's General Fund revenue budget is reporting a balanced position after application of reserves and one off measures.
- 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 amended [Revenue Principles](#) agreed by Executive Board in February 2024, the details of which are contained in appendix 11 of the linked document. Savings actions identified are included in the reported overspend position.
- c) Note that known inflationary increases, including demand and demographic pressures in Social Care, known impacts of the rising cost of living, and the agreed 2023/24 pay award, have been incorporated into this reported financial position.
- d) Note that at Outturn the authority's Housing Revenue Account is reporting a balanced position after a contribution of £0.9m to reserves.
- e) Approve the updated planned use of flexible use of capital receipts, following Full Council's approval of the Strategy for the flexible use of capital receipts at the February 2023 Budget, as set out at paragraph 3.1 at Appendix 1:
 - £1.52m Voluntary Leaver Scheme costs and flexible retirements.
 - £0.35m Strategy & Resources' staff supporting transformational projects/ work.
 - £0.35m Communities' staff supporting transformational projects/ work in climate change and Community Hubs.
- f) In accordance with the Council's Budget and Policy Framework, approve the creation of earmarked reserves as detailed at Appendix 5 and to delegate their release to the Chief Officer – Financial Services.

- g) In accordance with the Council's Budget and Policy Framework, approve the following injections into the capital programme, as detailed at Appendix 6A(iii):
- £8,029.4k of 24/25 High Needs Provision Capital Allocation (HNPCA) Grant;
 - £7,758.6k of additional funding injections to HRA Schemes;
 - £1,313.5k of external contributions for works on Highways schemes;
 - £1,000.0k of additional Highways Grant for the TCF City Centre Cycle Network scheme;
 - £110.5k of additional departmental borrowing for the Waste Depot scheme; and
 - £2,416.1k of other external contributions.
- h) Note the additional Capital Receipts Incentive Scheme (CRIS) allocations to wards and community committees for the period October 2023 to March 2024 of £0.2m.
- i) 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 2023/24 revenue and capital budgets for the General Fund, Housing Revenue Account and Schools budgets for the financial year.
- 2 Executive Board will recall that the net revenue budget for 2023/24 was set at £573.4m. The Medium-Term Financial Strategy (refreshed for the period 2024/25 to 2028/29 and considered at September's Executive Board meeting) assumed a balanced budget position for 2023/24 after the application of Government funding, the delivery of savings and the utilisation of earmarked reserves.
- 3 As set out at Appendix 1, the final position on the General Fund shows a balanced position, no variation from the provisional outturn position received at Executive Board in April. The Housing Revenue Account shows a balanced position after the use of HRA Reserves.
- 4 Changes in individual directorate positions since provisional outturn are detailed in Appendix 1.
- 5 Following the closure of the 2022/23 accounts, the Council's general fund reserve stood at £33.2m. The 2023/24 budget assumed a £3m contribution to this reserve as part of measures taken to ensure financial robustness and sustainability in the future. Appendix 1 summaries the position on the authority's reserves at Outturn and these are detailed in Appendix 5.

Table 1: Summary position at Outturn, financial year 2023/24

Directorate	Director	(Under) / Over spend for the current period				Previous Reported Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Caroline Baria	429	23,978	(23,962)	17	0
Children and Families	Julie Longworth	3,194	53,160	(15,031)	38,129	39,460
City Development	Martin Farrington	(539)	7,643	(9,292)	(1,650)	(1,022)
Communities, Housing & Environment	James Rogers	2,095	43,573	(38,584)	4,989	5,022
Strategy & Resources	Mariana Pexton	7,754	17,896	(14,622)	3,275	3,602
Strategic	Victoria Bradshaw	(31)	(40,303)	(4,456)	(44,760)	(47,062)
Total Current Month		12,902	105,947	(105,947)	0	0
Previous reported (under)/over spend		8,247	43,642	(43,642)	0	

- 6 Directorate revenue positions are summarised in Table 1.
- 7 This position reflects the unfunded 2023/24 pay increase and the demand and demographic pressures being experienced in social care. It also reflects the inflationary pressures in respect of the costs of electricity, gas, fuel and the impact of the cost-of-living pressures on our residents and businesses which has significantly affected the cost of goods and services the council procures, demand for support and welfare services the council provides, and the activity levels that support a wide range of income streams.
- 8 Four key messages were reiterated to staff in 2023/24 to remind everyone of the part we all have to play in supporting the financial position:
- **Stay within budget** – reduce discretionary spend and minimise recruitment, including agency and overtime.
 - **Absorb in-year pressures** – directorates required to absorb all in-year pressures.
 - **Highlight issues early** – use the budget monitoring process to raise issues with Financial Management as soon as possible.
 - **Robust monitoring is essential** – includes detailed discussion at relevant monitoring meetings.
- 9 In addition, given the significant forecast revenue overspend position reported to this Board in earlier reports, the council's Corporate Leadership Team (comprising the Chief Executive and six directors) agreed to continue the freeze on recruitment, agency and overtime spend introduced in 2022/23 and further strengthened the controls through a post-by-post review to identify which posts met agreed exceptions and could be excluded from the freeze. Unless an identified vacancy was for an excluded post, services were required to identify how they would cover the costs of the post.
- 10 It was also agreed to continue the non-essential spend freeze introduced in 2022/23. Following Executive Board's approval, relevant non-essential spend budgets totalling £1.85m were moved out of respective Chief Officer budgets to specific strategic cost centres within each directorate to prevent further spend where it was identified that this reduction in spend was not detrimental to the delivery of services. The directorate positions reported reflect the impact of this review and at Outturn, a £1.0m underspend is reported in those services where budgets have been reduced.
- 11 The reported position incorporates cross-directorate work to support and challenge the highest cost/spend areas, such as Children Looked After, Transport and LBS and actions by services to maximise income. Asset reviews continue to ensure the council has the right numbers and mix of assets and directorates have considered where future year savings options identified as part of the Financial Challenge to meet the MTFS funding gap could be brought forward to generate savings during 2023/24, including income generation, additional non-essential spend savings and savings resulting from reviews of key areas of expenditure which both reduce activity levels and rationalise service provision.
- 12 Controls on spending were further strengthened by the implementation of a range of measures that included the following:
- No travel is being undertaken unless it is required for the essential delivery of a service or in very exceptional circumstances; all meetings, where possible, should be conducted remotely / in the employee's place of business (with no travel costs incurred to attend a meeting if this meeting could be held remotely and; no conferences or training courses should be attended where these require travel either through mileage or public transport.
 - With a number of exceptions e.g., social work roles, a complete recruitment freeze is now in place.
 - Tighter controls are in place in respect of Agency and Overtime. All Agency Staff are being reviewed and Overtime needs to be consistent with the exception requirements to the recruitment freeze.
 - All spend that is not for the delivery of a service is not being incurred. To deliver this requirement all orders need to be approved and no spend is being incurred on Purchase Cards unless this is

essential to the delivery of the service. Purchase Card Levels have been reduced to “zero” in the majority of cases and only those approved by the respective Directors remain in use.

- 13 Financial monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are deemed to be at risk, for example the implementation of budget action plans and those budgets which are subject to fluctuating demand and key income budgets. This is reinforced through specific project management-based support and reporting around the achievement of key budget actions plans. It is due to the robustness of this monitoring that the projected overspend was identified so early in the financial year, enabling action to be taken.

What impact will this proposal have?

- 14 The budget proposals contained in the 2023/24 Budget have, where appropriate, been the subject of the Council’s Equality Impact Assessment process and mitigating measures put in place or planned where appropriate. As such, an Equality Impact Assessment was provided at Appendix 6 to the 2023-24 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

- 15 The Best City Ambition is the strategic plan which sets out the ambitions, outcomes and priorities for the City of Leeds and for the local authority. The Three Pillars of health and wellbeing, inclusive growth and achieving zero carbon underpin this vision and these can only be delivered through a sound understanding of the organisation’s longer-term financial sustainability which enables decisions to be made that balance the resource implications of the council’s policies against financial constraints. The Best City Ambition is the strategic plan which sets out the ambitions, outcomes, and priorities for the City of Leeds and for the local authority. The Three Pillars of health and wellbeing, inclusive growth and achieving zero carbon underpin this vision and these can only be delivered through a sound understanding of the organisation’s longer-term financial sustainability which enables decisions to be made that balance the resource implications of the council’s policies against financial constraints.
- 16 This is the primary purpose of the Medium-Term Financial Strategy which provides the framework for the determination of the council’s annual revenue budget. This report needs to be seen in the context of the requirement for the authority to be financially sustainable and deliver a balanced revenue budget position in 2023/24 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

- 17 This is a factual report and is not subject to consultation. Public consultation on the Council’s revenue and capital budget proposals was carried out between December 2022 and January 2023 and is detailed in the 2023-24 Revenue Budget and Council Tax Report presented to this Board in February 2023.

What are the resource implications?

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

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

- 19 At final financial Outturn directorate dashboards reflect an overspend of £44.7m. This overspend has been balanced through an underspend in the Strategic and Central Accounts, use of reserves and other one off measures, including application of the £17.7m WYCA refund agreed in October 2023 and use of £5.2m from the Merrion House Reserve. The use of reserves to balance is as noted in the report "Financial Reporting 2023/24 Provisional Outturn Month 11 (February)" presented to Executive Board in April 2024 and reduces the resources available to support the Council's financial position in future years.
- 20 The remaining balance on the Merrion House reserve has been moved to the Strategic Contingency Reserve to realign these strategic balances and is reflected in the £23.0m balance carried forward on that reserve, which was established in 2020/21 to fund future unforeseen budget pressures and to ensure the Council becomes more financially resilient.
- 21 The reported outturn position should be considered in the context of risk to both the 2024/25 Budget and the Council's Medium-Term Financial Strategy. These risks are included on the Council's corporate risk register, reported to this Board annually. At September 2023 both the risk of the in year financial position being in deficit and the Council being unable to balance the Medium-Term Financial Strategy were rated 'very high', reflecting the wider national context and the uncertainty of funding for future years.
- 22 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget judged to be at risk such as the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this approach, specific project management-based support and reporting around the achievement of key budget actions plans has been in place for 2023/24 and continues for 2024/25.
- 23 Paragraph 12 of Appendix 1 to this report discusses a range of emerging issues and risks for future years. Alongside a continued focus on securing value-for-money and investing in transformation, services will continue to be reviewed as part of an overall resetting and reshaping of the authority to ensure it remains fit-for-purpose and sustainable in future years.

What are the legal implications?

- 24 The council has a statutory duty to ensure that it maintains a balanced budget and to take any remedial action as required in year.
- 25 Section 28 of the Local Government Act 2003 provides that the council has a statutory duty to periodically conduct a budget monitoring exercise of its expenditure and income against the budget calculations during the financial year. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such remedial action as it considers necessary to deal with any projected overspends. This could include action to reduce spending, income generation or other measures to bring budget pressures under control for the rest of the year. The council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.
- 26 In addition, the council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The authority's Chief Finance Officer has established financial procedures to ensure the council's proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Executive Board to receive information about the revenue and capital budgets as set out in this report.

- 27 The monitoring of financial information is also a significant contributor to meeting the council's Best Value legal duty and, therefore, this report also demonstrates compliance with that legal duty.
- 28 Under Section 1 of the Local Government Act 2003 ("LGA") ("Power to borrow"), a local authority may borrow for any purpose relevant to its functions or for "the prudent management of its financial affairs".

Options, timescales and measuring success

What other options were considered?

29 Not applicable

How will success be measured?

30 Not applicable.

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

31 Not applicable.

Appendices

32 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 2023 to 31st March 2024
- Appendix 6A – Revised capital programme for 2023/24 to 2027/28 as at 2023/24 Outturn
- Appendix 6B – Breakdown of capital programme net variances February 2024 Projected Outturn to Outturn
- Appendix 6C – CRIS injections to wards and community committees for the period October 2023 to March 2024

Background papers

33 None

Financial Health Monitoring 2023/24 – Outturn Report

1. Directorate Positions at Outturn 2023/24

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

Table 1: Summary position as at Outturn- Financial Year 2023/24

Directorate	Director	(Under) / Over spend for the current period				Previous Reported Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
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1.2 Adults & Health

Adult Social Care 2023/24 Budget

Budget Overview

At Outturn, Adults and Health delivered a balanced budget (minor adverse variance of £17k or 0.008%). The Net Managed Budget (NMB) for 2023/24 was £198.7m, comprised of £430.1m Gross Expenditure offset by £231.4m income. At Outturn Gross Expenditure was £454.1m and Income £255.4m.

Reflected in the 2023/24 budget were Budget Action Plans totalling £16.19m. Whilst the directorate delivered a balanced budget, five Action Plans amounting to £1.87m were not delivered in year and were covered by other Action Plans over delivering, principally around income collection. Full details below.

Reserves

The 2023/24 Budget assumed the use of £4.52m of Adult Social Care & Public Health reserves (£4.18m Adult Social Care and £0.34m Public Health). At Outturn the directorate utilised £10.25m Adult Social Care Reserves and £nil Public Health. This is an additional £6.1m use of Adult Social Care Earmarked Reserves: £2.6m Newton Europe Home First programme, £0.9m Community Health & Wellbeing Service, £0.8m Leeds Older People's Forum for delivery of the Enhance

programme; all three programmes funded by Health, £1.4m for investment in additional social work and social care capacity and £0.4m Community Discharge Grant for eligible cases.

Budget Action Plans

At Outturn 2023/24 Action Plan savings for £16.19m were delivered. Within the 36 Action Plans, 5 Action Plans amounting to £1.87m were not achieved. This was offset by the other 31 Action Plans overachieving, primarily around client income collection and recovery.

Of the £1.87m not delivered, £1.57m was due to slippage in implementing the 2023/24 saving plans and will have no impact on future years budget. New savings proposals in 2024/25 will need to be identified for £0.3m and plans are being developed which will be reported to Executive Board in July 2024 for the Month 2 2024/25 financial health report.

Demand Budgets

The 2023/24 demand related budgets reflect £29.83m additional funding for price, inflation, and demand & demography growth, taking the overall size of the demand led budgets up to £280.17m before reducing to £277.33m after netting off £2.84m savings target reflected in the delivery of the 2023/24 budget action plans. The Outturn position was a pressure of £14.8m and in line with Month 11 reporting. This was split:

- +£3.1m Working Age Adults and Learning Disability
- +£12.8m Residential and Nursing settings.
- +£1.4m Homecare
- -£2.5m for Direct Payments and Individualised Care.

This pressure was covered by additional income, client income and grants. The Month 11 demand projection reflected the final payment run for 2023/24 and explains why there is little movement from the previous reported position.

Income

At Outturn:

- Actual Government grant income £136m, £7m above budget, £129m. The £136m is split £77m Adult Social Care grants and £53m Public Health. £1m increase from Month 11 and offset by employee pressures detailed below.
- Actual Health income was £14.1m, £5.4m above budget, £8.7m. £0.2m increase from Month 11.
- Additional Income from Service Users £7.4m. +£0.1m positive movement from the month 11 reported position. £2.5m additional residential & nursing income (*excluded from Table 2*), £4.9m additional community-based income, £1.0m additional Mental Health income, £0.8m shortfall Telecare (Overall for Telecare reporting a net managed budget pressure of £0.17m) and £0.2m shortfall Learning Disability income. Details are provided in Table 2.

Table 2: Income Recovery Highlight Report Outturn (March)

Income Recovery Board (finance) - highlight report							
Financial position reported : Final 2023-24							
Description	Previous Year Total	Budget 2023-24	Outturn 2023-24	Variance to Budget + pressure/- Saving	Assumption (remaining periods)	Projection (period 11 2023-24)	Movement from previous period
Community Based Income (excluding LD & Telecare)	(11,059,067)	(14,540,000)	(7,027,424)	7,512,576	Based on latest period + increase in recovery in 2023-24 based on uplift in rates (FNC)	(7,221,649)	194,225
Community Based Income - Billing Engine (Older People & WAA PI)			(12,462,111)	(12,462,111)	Action Plan value excluded from projection - overall reported position for community based income to budget.	(12,649,658)	187,547
Telecare	(577,742)	(2,291,000)	(1,461,253)	829,747	Income pressure matched to staffing savings reported. Actual income reduced in latest month due to credit notes	(1,475,000)	13,747
Mental Health	(347,197)	(298,000)	(1,248,676)	(950,676)	Outturn position	(1,108,263)	(140,413)
LD	(8,267,970)	(10,482,000)	(10,273,556)	208,444	Outturn position	(10,071,931)	(201,625)
Total	(20,251,976)	(27,611,000)	(32,473,020)	(4,862,020)		0	53,481

Pay

At Outturn Adults & Health had employee cost pressures of £0.4m, an adverse movement of £1.0m from Month 11. Leeds City Council employee pay savings (-£5.8m) principally around social worker recruitment & retention reflecting the national position and pay savings in Provider Services, were offset by additional use of Agency staff (+£4.8m), Overtime (+£0.6) and other employee cost pressures of £0.8m relating to severance payments and training. Some of the pressures in Agency and Training are covered by additional use of reserves, income from Health and DHSC grant funding for specific programmes of short-term intervention programmes. The Outturn position incorporates the first instalment of the social worker retention scheme which cost £0.52m, however this was funded by MSIF grant, and £0.5m additional training costs that are also funded by specific DHSC grant programmes for social worker training.

Other

Additional CEL charges of £0.2m were received at Outturn, taking the full in-year pressure to £1.8m. This was due to a small increase in the year-end Passenger Transport recharge. The £1.8m is comprised of £1.5m for passenger transport, £0.2m for catering charges and £0.1m vehicle hire. The final Passenger Transport charge was £7.5m. These pressures were covered by additional income.

Public Health 2023/24 Budget

Public Health (PH) Grant funding for 2023/24 is £48.663m; increase of £1.537m from 2022-23 (3.3%). This is the first year of a two-year grant funding settlement for Public Health. Public Health grant is a ring-fenced account and limited to specific terms and conditions. At Outturn Public Health balanced to their budget.

- 1.3 **Children and Families** – The Outturn position for the Children and Families directorate is an overspend of £38.129m This is a reduction of £1.331m from the

indicative outturn position reported at Month 11. The main movements from Month 11 are summarised below:

- Contribution from Public Health (£0.969m)
- CLA: Additional DSG contributions (£1.200m)
- Legal Fees £0.223m
- Transport £0.406m
- Little Owls £0.205m
- Other movements £0.004m

Overall, the main variations within the outturn position are:

	£m
CLA: External Residential Placements	22.314
CLA: Semi Independent / Leaving Care	3.613
CLA: In House Placements	0.683
IFA Placements	4.160
Chad	1.135
Little Owls Nurseries	0.841
Transport	5.147
Learning Inclusion	0.550
Mindmates	0.250
Legal	0.623
Adel Beck welfare bed income	(0.686)
Reprofiling of School Balances	(0.500)
Non-Essential Spend Savings	(0.500)
Non-Delivery of Action Plans	0.823
Other Variances	(0.324)
Total	38.129

The Outturn position reflects a reduction in the General Fund position against that forecast at Month 11, with a final overspend of £38.129m. The previous Executive Board reports noted that

- The continuing significant element of volatility in the number of children in high-cost residential placements and the cost of those placements. (As previously stated, this reflects a national position of demand and demography challenges along with increasing costs, in part reflecting the wider cost of living challenges experienced more broadly in the economy).
- Significant additional challenges around transport costs estimated at £2m. Whilst this reflects additional demand relating from issued EHCP, urgent work is being undertaken to model the impact of the increased demand and additional work will be undertaken on possible mitigation. EHCP demand is also driving increased costs on Educational Psychologist provision which cannot be avoided without increased risk of non-compliance by the Council. The issues of additional costs relating to EHCPs will be considered as part of the current review processes underway via the PwC supported activity and the DfE supported SEND Change Programme.

Work continued within the Directorate around strengthened cost control measures which was hoped would provide additional mitigation. This work will continue in

2024/25 to focus on the high spend areas of activity, most notably external residential placement costs where new approval processes are in place, however demand and market pressures still impact severely on cost control. The Directorate continues to fully participate in a range of corporate measures on cost control that are limiting cost increases in a range of areas including travel, non-essential spend, overtime, procurement card activity, recruitment and vacancy control.

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

External Residential Placements:

The External Residential budget for 2023/24 was £14.617m. Due to known inflation and demand pressures over and above what was assumed in the budget for 2023/24 there is an overspend of £22.314m. External Residential placements have increased from 95 at the start of the year to 146 at the year end. The outturn position includes the non-delivery of £2.966m of action plan savings against this budget including a proportion of Turning the Curve and the Commissioning Review which have experienced delays in delivery and a reassessment of potential deliverables.

Care Leavers: Semi-Independent Living:

The budget for Semi-Independent Placements is £6.78m. At the year end there were 338 placements, including 132 placements for 16 and 17 year olds, which is an increase from previous years. A continued increase in demand and prices with particular reference to 16/17 year old's requiring higher support packages has resulted in a pressure of £6.4m against this budget. This pressure has been mitigated with additional UASC income £2.36m and £0.436m additional funding for supported accommodation reforms.

IFA Placements:

The number of Independent Fostering Agency placements have increased from 209 to 232 since the beginning of 2023/24. The outturn position included the non-delivery of £3.3m of action plan savings against this budget.

Little Owls Nurseries:

The Little Owls nursery settings have an overspend of £0.841m, an income pressure of £1.592m offset by staff savings of £0.751m. The Covid 19 pandemic had a significant impact on all Little Owls nurseries and whilst settings have reported increased recovery, income levels are still not back to pre-pandemic levels due to the change in working patterns, and a continued reduction in nursery capacity / opening hours due to ongoing staff shortages and recruitment difficulties.

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

Transport:

Based on recent trends, the overall transport budget is showing an overspend of £5.147m due to further increases in inflation and demand.

The increased demand for passenger transport and the increased demand and need for passenger assistants has more than offset the further reduction in the unit cost per young person. Unit costs are now £5,937; the lowest level they have been

in recent years (excluding the non-comparable pandemic period). However, as highlighted by national reports on the rising cost and demand for home to school transport, the number of young people for whom we provide transport stands at 3470 with further applications awaiting assessment and new applications coming in at the rate of about 15 per month. It is anticipated that, year on year, the numbers of young people provided with transport will increase by 27%, compared to the 6% increase originally forecast. We are also seeing a 25% increase in transport awards with a passenger assistant due to a significant increase in complex behavioural and/or medical issues. Given the increase in demand, it has been difficult to offset the cost of the pay award for drivers and passenger assistants which was c9.5% and more than provided in the base budget and represents an unfunded pressure of £600k in the outturn position.

Work continues to review high cost packages, further roll out of personal transport allowances, increase independent travel training, re-tendering routes, reducing fleet downtime, partnership working with special schools and the issues of additional transport costs relating to EHCPs will be considered as part of the current review processes underway via the PwC supported activity and the DfE supported SEND Change Programme.

Learning Inclusion:

Within the Learning Inclusion service there is an overspend of £0.550m. This overspend includes the Education Psychologist Team £0.499m and SENSAP £0.553m, however these additional costs have been offset by additional grant funding. The Education Psychologists Team has had increased demands on the statutory service and recruitment difficulties and the service has experienced a reduction in its trading capacity and so a loss of trading income, in addition to increased locum costs. The SENSAP team has an overspend due to additional agency and complaint costs in addition to non-delivery of budget action plans.

Additional Savings Proposals 2023/24:

Additional in year savings were originally put forward to the amount of £5.249m, at outturn £1.614m of these saving were delivered as summarised below.

Table 3: Additional Savings Update at Outturn 2023/24

Other costs	Restrict budgets: Non-essential spend/transport/misc property budget	(£0.570m)
Other costs Staffing/service changes	Partnership contributions	(£0.016m)
Staffing/service changes Funding	Restructure (Workforce Development)	(£0.045m)
	Service rationalisation (Little Owls)	(£0.100m)
	Placements - ICB funding	(£0.788m)
	DSG funding for posts	(£0.095m)
Total		(£1.614m)

Budget Action Plans

The budget for 2023/24 included action plan savings of £18.486m. At Outturn £13.085m of these action plans were not achieved as below:

- Diversifying Children's Residential and Fostering provision £3.479m: it has been agreed that, due to the delay in implementing, this action plan will be funded corporately and so is not included as a C&F pressure in the outturn position.
- Review of Placement Commissioning £4.00m
- Turning the Curve £3m
- Review of Little Owls £0.841m
- Review of Contracts £0.369m
- Efficiencies across the directorate £1.073m
- Transport Efficiencies £0.323m

1.4 **City Development** - the Outturn position for City Development is an overall underspend of £1.65m. This represents a further saving of £627k from the Provisional Outturn position reported previously which includes £616k Public Health grant funding allocated from Adults & Health directorate to Active Leeds at the year end.

As reported throughout the year, this position includes the additional cost of the local government pay award of £1m over and above the budgeted amount (net of amounts that are charged to capital schemes and grants) as well as other identified service pressures, but it does also include additional savings which were identified as part of the in-year directorate wide savings programme. In addition, restrictions on spending implemented during the year across the Council, including tighter vacancy controls and restrictions on non-essential spending, have contributed towards achieving this year end position.

The main variations at the year end are as follows:

- **Active Leeds** – the overall underspend of £2.29m reflects additional staffing costs of £0.8m, which includes the additional pay award of £0.48m, offset by running cost savings of £1.5m and additional income of £1m, mainly in respect of membership and swimming lessons which continue to remain buoyant despite the current economic climate. In addition, Public Health grant of £616k has been provided to support operational facilities in recognition of the contribution they make to healthy lifestyles.
- **Arts & Heritage** – there has been a year end underspend of £1.34m which mainly reflects refunds of £1.7m received as a result of Business Rates appeals at Heritage sites, partially offset by other net pressures of £0.37m which includes income shortfalls in respect of café/retail, Breeze card charges and Pudsey Civic Hall car parking, partially offset by staffing savings due to vacancies.
- **Asset Management & Regeneration** – a year end shortfall to budget of £0.43m mainly reflects ongoing pressures in respect of the Strategic Investment Fund (£0.66m) and Estate Rationalisation savings targets (£0.55m), partially offset by net staffing savings, income from commercial property rent reviews and other one-off sources including release of restrictive covenants and fees in respect of business rates appeals.
- **Economic Development** – the underspend of £0.1m mainly reflects staffing savings as a result of vacant posts within the service.

- **Employment and Skills** – the overall underspend of £0.84m reflects savings from vacant posts and the use of final balances in respect of programmes which have now concluded.
- **Highways and Transportation** – the year end position is a minor underspend of £9k across the service, although there are variations within that overall position. Whilst the DLO exceeded its budgeted surplus, these additional works impacted on other areas of the service, particularly general maintenance. Within Transport Planning there was a shortfall in permit income and income from Park and Ride operating licences, although this was offset by additional income generated by the UTMC and Transport strategy teams. In addition, within Civil Engineering there was a shortfall in income from the major schemes contractor procurement framework. However, these pressures were offset by savings in other areas such as street lighting electricity consumption savings from the LED rollout and additional capitalisation of minor works which were identified as part of the directorate wide savings programme.
- **Markets and City Centre Management** – the year end variation to budget of £0.58m for the Markets service mainly reflects a shortfall of Markets income resulting from vacant units, mainly within the Kirkgate and Outdoor markets. In addition, a variation of £0.19m within City Centre Management mainly reflects income shortfalls in respect of city centre advertising income, income from street café licences and from promotional event spaces in the city centre, partially offset by additional net income from the Christmas markets.
- **Planning & Sustainable Development** – the year end position is an overspend of £2.32m which is mainly attributable to a significant shortfall in planning fee income of £1.6m together with a shortfall in building control income of £0.19m as well as staffing pressures across the service of £0.58m due to the impact of the pay award and a shortfall in meeting the budgeted vacancy factor. There has been a significant decline in the number of planning applications received during the year and despite the increase in planning fees which took effect from December 2023, there has been a significant impact on planning fee income received compared to previous years.
- **Resources and Strategy** – the year end underspend of £0.58m mainly relates to savings identified as part of the in-year directorate wide savings programme in addition to other minor staffing and income variations. This includes £0.53m of savings in respect of tighter restrictions on non-essential spending across services within the directorate.
- **Staffing** – within the overall reported position described above, there is an overall staffing underspend of £0.5m reflecting vacant posts offset by the additional cost of the pay award.

Budget Action Plans

The 2023/24 budget contained £12.4m of new savings plans. Whilst the majority of these were achieved as anticipated, there were some areas of shortfall, particularly in respect of additional income assumptions within the Planning service and savings associated with the planned implementation of the Street Lighting adaptive lighting proposal.

In addition, there were also some savings plans relating to previous years which were not achieved in full, in particular, as referred to above, the existing Strategic Investment Fund, Estate Rationalisation and Highways major scheme procurement

framework budget savings plans. However, mitigating savings were identified as far as possible within the relevant service areas to offset these pressures in order to achieve the reported outturn position.

- 1.5 **Communities, Housing & Environment** - In 2023/24 an overspend of £4.989m is reported by the directorate. This is an improvement of £0.033m from the previously reported position.

The most significant variances contributing to the overspend were:

- the additional cost of the local government pay award (+£3.7m netted down by -£1.0m by passing on the impact of the pay award to capital schemes, HRA and grant funding)
- changes in Waste Management legislation (+£2.1m)
- net cost of Housing Benefits where the Council is unable to claim subsidy (+£3.5m)
- other inflation and demand led service pressures.

The main variations affecting each service were:

- **Waste Management +£6.5m** – The service faced a significant number of pressures, largely related to changes to legislation, changes to resident disposal habits and market prices.

New Environment Agency (EA) guidance on the disposal of upholstered furniture that contain Persistent Organic Pollutants (POPs) mean that these materials are now required to be separated and disposed of in accordance with the new EA regulations. Higher disposal charges are now being incurred for all collections (typically collections of bulky waste and the general waste skips at Household Waste sites) that contain any POPs materials. To limit the cost to +£2.0m, an in-year sorting solution was implemented.

From 1st January 2024, the Government required the Council to remove charges for the disposal of inert waste (typically soil and rubble) at Household Waste Recycling Centres giving an in-year pressure of +£0.1m.

The cost of the disposal and recycling of Green Bin waste is +£1.3m due to below budgeted market prices for recycled materials. Residual and trade waste demand led pressures were +£1.6m over the budgeted level with tonnages increasing in the final three months of the year. The impact of the pay award offer and pressures on staffing was £3.2m. An NNDR pressure of £0.1m relates to the PFI contract and there is a further £0.2m cost for the disposal of contaminated water.

Offsetting these pressures is an additional £1.2m income relating to the Veolia RERF contract, £0.3m of which relates to a rebate from 2022/23 following the annual reconciliation of the PFI contract. A further £0.4m was saved by utilisation of the Waste Strategy reserve to fund some cost pressures and £0.2m additional recycling income is reflected.

- **Welfare and Benefits +£2.8m.** Significant pressures arose from placement of people in Supported Accommodation with providers who are not registered and placement of people in temporary accommodation. The subsidy pressure is +£4.6m, offset by -£1.1m from one off additional income from recovery of benefit overpayments. Whilst this shows the continuing demand pressures on benefits subsidy income, it does reflect the fact the service has delivered its target of -£0.6m of budgeted action plan savings. Other mitigations are -£0.3m from use of the Homelessness reserve to cover Temporary Accommodation subsidy shortfalls and -£0.4m savings from DWP grant income and running cost underspends.
- **Cleaner Neighbourhoods Teams & City Centre Cleansing +£1.7m.** The variation reflects the impact of the pay offer at £0.5m, although there was a significant pressure £0.4m on overtime and achievement of vacancy factor targets within the service, primarily during the first six months of the year. Transport pressures totalled £0.7m.
- **Elections, Licensing and Registration and Environmental Health -£0.0m –** Only minor variations were realised across these services. Operational spend savings, additional Registrars income and external funding offset the impact of the pay award and other service pressures.
- **Climate, Energy and Greenspaces -£0.4m.** The service experienced pressures across several areas, which were mitigated by staff savings and non-essential spend savings to give an overall underspend of -£0.4m. The most significant variances related to inflationary pressures of +£0.2m on the cultural events programme, net pressures on estates and attractions +£0.2m, Bereavement Services income pressures of +£0.7m, pay award impact +£0.7m, less Parks operations and maintenance income maximisation savings of -£0.5m and prudential borrowing cost savings of -£0.3m. This net pressure was offset by charges to capital, management of vacancies within the service, utilisation of grant funding and review of provisions.
- **Directorate wide -£0.3m -** A sum of -£0.5m was removed from Directorate budgets as part of the review of all non-essential spend items with £0.2m required as a service wide provision for bad and doubtful debts.
- **Statutory Housing Services -£1.0m** Staffing savings covered the cost of the +£0.6m pay award pressure and delivered an overall underspend on employees of -£0.9m. However, as many of these vacant posts were funded, there was a resulting +£0.5m reduction in charges to the HRA and capital. Additional income of -£0.6m was delivered by maximising collection from other income streams.
- **Car Parking Services -£1.3m -** Car parking income has continued a recovery trajectory since COVID lockdowns, and the net income position in 2023/24, after running costs are factored in, was -£1.2m higher than budgeted. Staffing costs were £0.1m under the budget, including the pay award pressure.

- **Safer Stronger Communities -£1.3m** – Staffing pressures +£0.3m were due in part to the pay award. However, these have been fully offset by a combination of the use of additional grant income and passporting the pay award on to the HRA/grants giving an overall underspend of £1.3m.
- **Customer Access -£1.7m** – The pay award pressure of +£0.4m has been fully offset by -£0.5m of other staffing savings from holding posts vacant. -£0.2m of NNDR savings arose during the year and utilisation of alternative funding sources such as grant, HRA and capital have resulted in further savings of -£1.4m.

Budget Action Plans

A total of £6.6m of budget action plans were implemented throughout the year, with a £0.7m overall positive variance against the plans delivered. These savings have been embedded within the outturn figures above.

1.6 **Strategy and Resources** - The final budget position for the Strategy and Resources Directorate in the financial year 2023/24 is a pressure of £3,275k. A major reason for the overspend is that the pay award was greater than budgeted for. The final pay award was agreed at £1,925 for NJC staff and 3.5% for JNC staff against a budgeted 4%. This had a large impact on the Strategy and Resources directorate due to the large number of employees, particularly at the NJC grades. As a result, there was a £2.7m overspend on employee costs after mitigating through vacancy controls and passing on appropriate charges to client departments.

- **Finance (£304k)** - pressures on this budget included; a staffing overspend of £330k (inclusive of £162k unbudgeted pay award), £30k on audit fees, £72k overspend on increased postage costs for the Revenues Services, £158k pressure resulting from a shortfall in Court Fee income (primarily due to the cancellation of a court hearing), a £258k shortfall in recharge income due to changes in IAS19 rates, £47k shortfall on HRA income and £22k across operational budgets. The pressures have been more than offset by staffing charges of (£201k) to additional flexible capital receipts funding for transformational work, (£536k) additional income from the maximisation of grant funding, (£346k) following a review of chargeable costs to Core Business Transformation, (£35k) additional income from Schools and a (£103k) improvement of Insurance Fund.
- **Integrated Digital Services (£1,596k)** - (£792k) of this underspend relates to the net impact of vacant post savings offset by the cost of contractors for priority projects with a further £61k pressure on training costs. Revenue savings of (£1,000k) have been achieved by the reallocation of equipment costs to the Essential Services Programme capital scheme. The use of unbudgeted capital receipts has offset expenditure on a range of transformational projects and a shortfall in schools' income of £202k. The sum of a number of minor variations to other income and expenditure budgets has resulted in a further (£67k) saving.
- **Procurement (£261k)** - Staffing overspends of £434k, including the unbudgeted pay award pressure, and a £141k spend on legal and consultancy costs were offset by additional (£519k) flexible capital receipts income to fund the

Transformation Team, additional Schools Management and PFI Consultancy fee income of (£274k) and a (£43k) saving in the sum of a number of minor variations.

- **Legal Services £56k** - Agency locum fees of £307k, a £22k shortfall in schools' income, a £21k shortfall in external income and other additional pressures of £34k have been largely offset by not recruiting to posts, resulting in a staffing underspend of (£328k).
- **Democratic Services (£77k)** - A staffing overspend of £4k, including £37k to reflect the additional unbudgeted pay award pressure, was offset against (£9k) savings on training costs, (£41k) on printing and other supplies and services, and (£31k) on civic allowances.
- **Shared Services £509k** A staffing overspend of £2,251k, including the unbudgeted pay award, has been offset by the following; (£30k) training, (£233k) supplies and services savings resulting from the non-essential spend freeze, (£113k) savings on recruitment advertising due to freezing of vacant posts, (£62k) savings on DBS check expenditure, (£347k) additional charges for staff to capital projects, (£311k) additional AVC and car scheme income, a (£250k) transfer from reserves, (£169k) Print and Signs income, (£64k) additional charge to the HRA and (£163k) Shared Services staff charges income.
- **Strategy and Improvement (£152k)** - Staffing was £37k overspent, including the pay award pressure. A shortfall of £48k internal income for staff time was offset by (£69k) additional external income, (£76k) additional charges to capital and savings on expenditure and additional flexible capital receipts income for transformational work of (£92k).
- **Human Resources (£359k)** - Budget pressures on the HR service were as follows: staffing overspend of £364k (primarily due to the pay award), £41k on training and development, £102k external Contractor spend on Health and Safety and £62k Membership costs. These pressures were more than offset by additional funding from Adults and Health for HR support of (£82k), income mitigations of (£136k) from traded income from schools, charges to Capital relating to the CBT Project (£69k), use of reserves of (£397k), funding from the COVID Recovery Fund of (£100k), additional flexible capital receipts income for transformational work of (£74k), along with various minor adjustments totalling (£70k).
- **Leeds Building Services (LBS) £2,761k** - The pressure reflects the level of work commissioned by clients (£76.1m) relative to the £80.1m required turnover. The level of turnover has had a consequential impact on the rate of return as the final position was an £8.3m return against an £11m budget.

LBS has been subject to inflationary pressures, seen throughout the industry, which adversely impacted the financial position.

Part of the pressure was attributable to a review of the accruals position from the previous two years. Enhanced reporting, developed through the LBS improvement review, established an additional pressure in relation to the value of income accruals taken at the end of 2022/23 which subsequently impacted on the 2023/24 year-end position. Reporting also identified the valuation of a further

pressures in relation to non-chargeable and non-allocated time. This has been partly mitigated by the service through a reduction in overheads, efficiencies in waste removal and further mitigated through the use of contingency funding.

- **Corporate Property and Facilities Management £530k.** This is a net figure based on the capitalisation of eligible revenue expenditure against decarbonisation and general capitalisation budgets for repairs and inspections.

Budget pressures in the year included staffing overspends of £116k reflecting the additional unbudgeted pay award, £125k pressure for additional security and £50k pressure for front of house staffing costs. Additional pressures have arisen from Joint Service Centres due to loss of service charge income and increased rent charges resulting in a net pressure of £266k and a pressure on responsive works to the Merrion House building of £75k. Mitigations such as the introduction of a triaging service for repairs and savings on energy along with other minor variations totalled (£102k).

- **School Crossing Patrol (£87k)** - Staffing savings of £87k.
- **Catering £691k** - The pay award resulted in a staffing overspend of £487k. Food costs rose through the year resulting in a £765k pressure. Other budget pressures included £193k for operational materials and cleaning costs of £248k. These pressures are partially mitigated through additional internal income of (£601k), external income of (£391k) and various other employees and supplies and service savings of (£10k).
- **Cleaning £515k** -The unbudgeted pay award pressure resulted in a staffing overspend of £1,200k. Further pressures were an increase in transport charges of £304k and £29k on internal charges. The pressures were offset by savings on operational materials of (£121k) and additional income of (£897k) through increased charges.
- **Fleet £802k** – The Fleet position reflected the ongoing pressure of an aging fleet the consequence of which is higher demand and inflation resulting in increased occasional hire costs to maintain front line service operations. The use of vehicles across the authority is subject to review.

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

- **Security (£63k)** The £262k overspend on staffing includes the pay award pressure, £12k spend on clothing and uniform and £4k on other operational costs, offset against (£341k) Internal Income.

- **Presto £310k**The overspend was due to a £30k income pressure on the Presto service, £123k on the Meals at Home service and £157k on the Civic Flavour service.

Budget Action Plans

A total of £9.2m of budget action plans were monitored each month. There was a shortfall of £0.804m in respect of; Fleet Services £0.244m, Civic Flavour £0.04m, IDS £0.370m and Communications and Marketing £0.15m.

- 1.7 **Strategic & Central Accounts** - The outturn position for the Strategic and Central Accounts is an underspend of £44.8m. This includes the use of £5.2m from the Merrion House reserve, which was needed to balance the overall corporate position. The position includes the recognition of a refund of £17.7m from WYCA in relation to amounts collected for the Transport Fund which are no longer required. An underspend of £2.4m in energy costs across the council has also been recognised, and £3.3m of earmarked reserves have been applied to support the corporate position.

The overall Strategic accounts position includes an underspend in the debt budget of £17.8m in total, including net external interest costs and reductions in MRP. Although interest rate rises have been higher than was anticipated when the budget was approved, the borrowing requirement has reduced due to expected capital programme slippage and the fact that revenue balances have remained robust. The net saving to the general fund in external interest costs net of investment income was £5.7m. However, this was partially offset by a reduction in prudential borrowing charges from directorates of £0.5m. The overall saving in the debt budget also includes a saving of £1.9m in the MRP charge in relation to 2022/23 capital spend. Further savings of £3.9m and £6.3m have been made by the application of surplus capital receipts to fund PFI liability repayments and to redeem debt, thereby reducing MRP. £2.4m of this reduction was contributed to earmarked reserves.

Additional grant income of £1.3m has been recognised within the Strategic accounts, following the announcement within the final Local Government settlement that the surplus held in the national NDR levy pool would be distributed to councils. The Strategic accounts also include an overspend of £0.3m in the contribution to WYCA (the West Yorkshire Combined Authority). This arose because, although WYCA's overall budget remained unchanged, the proportion which is charged to the Council increased due to changes in the relative population sizes of the five West Yorkshire councils. This pressure has been partly offset by the recognition of £0.2m of residual covid sales, fees and charges compensation grant income, which had previously been uncertain, but which has now been received.

There have been a number of other gains and losses. General capitalisation was £0.7m above the amount budgeted for and the Miscellaneous budget underspent by £0.2m. However, recharges for central services have reduced by £0.5m, S278 income was £0.2m below budget, and a corporate savings target for prompt payment discounts of £0.3m has not been realised.

The position also reflects a reduction of £1.2m in the net retained income position in relation to business rates, comprising S31 grants receivable less the levy payable to the regional pool. This has been funded by a transfer from the S31 grants reserve and so has no impact on the bottom line.

1.8 Budget Action Plans

The budget for 2023/24 required the delivery of £58.6m of savings. In addition, directorates have identified a further £7.2m of savings actions since the Budget was agreed. Detailed budget action plans 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**.

At Outturn, £50.6m of savings were delivered (£45.7m against the original budget and £4.9m against the £7.2m of additional savings above), either through the identified saving plans or through mitigating actions identified by directorates, the main exceptions being:

- **Children & Families** - £12.2m shortfall against the budgeted level of savings from the following projects: diversifying Children's Residential and Fostering provision £3.479m; review of Placement Commissioning £4.0m; Turning the Curve £3.0m; review of Contracts £0.369m; Transport efficiencies £0.323m and other efficiencies across the directorate £1.073m. More detail is provided at paragraph 1.3, where it is noted that the target for Children's Residential and Fostering provision £3.479m, which is included in the £12.2m shortfall reported, will be funded corporately and so does not appear in the reported Outturn position. There is also a £0.8m shortfall against the additional £5.1m savings target for the directorate relating to Little Owls provision.
- **Strategy and Resources** – £0.8m shortfall in the budgeted level of savings from the following projects: £0.37m review of the Network Management Centre project, £0.24m Fleet Services efficiencies target, £0.15m Communications & Marketing synergies and £0.08m BSC Shared Cost Salary Sacrifice and £0.04m Civic Flavour relating to weddings and Armley Sports Centre Café.

As discussed at paragraph 1.6, the Strategy and Resources savings position outlined here reflects the use of £1.3m from the Strategic Contingency Reserve to fund budgeted fleet savings which are not deliverable across the Council in year due to the impact of inflation, costs of maintaining an ageing fleet and increased demand for services, as approved at September Executive Board.

Where other directorates have indicated shortfalls regarding fully meeting their targeted budget action plans, they have identified other mitigating measures to offset these shortfalls, as explained in paragraphs 1.2 to 1.7. Also, some of the undelivered action plans will be pursued in 2024/25.

1.9 Measures to address the 2023/24 overspend position:

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

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

Cross-directorate work was undertaken, and continues, to support and challenge the highest cost/spend areas. Asset reviews are underway to ensure the council has the right numbers and mix of assets and directorates continue to consider

where future year savings options identified as part of the Financial Challenge to meet the MTFs funding gap could be brought forward to generate savings during 2023/24.

Following Executive Board's approval in September, £1.85m of non-essential spend budgets were moved out of respective Chief Officer budgets to specific strategic cost centres within each directorate to prevent further spend where it has been identified that this reduction in spend is not detrimental to the delivery of services. At Outturn, a £1.0m underspend is being reported in those services where budgets have been reduced.

Controls on spending were further strengthened by the implementation of a range of measures that include the following:

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

Whilst the actions detailed above impacted positively on the level of spend incurred, the Council has still needed to apply funding from reserves to achieve a balanced position for 2023/24. As detailed above, the outturn Strategic & Central Accounts position includes recognition of the refund of £17.7m from WYCA in relation to amounts collected for the Transport Fund which are no longer required and use of £5.2m from the Merrion House reserve.

2. Inflationary Pressures

2.1 Pay Inflation – The 2023/24 budget allowed for £38.9m of pay inflation. The increase provided for the following elements: £18.8m which reflects the Employer's final offer for 2022/23 and which was not agreed until after approval of the 2022/23 budget; £18.2m for an assumed 2023/24 pay award incorporating a 4% pay award for all other staff and the Real Living Wage of £10.90 at pay scale points 1 and 2 announced in September 2022; £0.3m in regard to the pay impact of the additional day of leave included in the 2022/23 pay award to be implemented from 2023/24; and £1.6m for the additional cost of Enhancements. The Outturn position reflects the agreed 2023/24 NJC pay award of £1,925 and JNC pay award of 3.5% which exceeded this budget and was unfunded. Directorates have included any identified pay award mitigation measures in their 2023/24 budget action plans.

Energy – The 2023/24 budget allowed for a £10.7m or 53.21% increase in energy costs for gas and electricity. Since the budget was set in February 2023 energy

prices have stabilised, with short term commodity prices currently around twice the historical levels prior to the energy crisis on average, which, although still high, are much lower than the extremes seen over the last two years. Advice from the Council's energy advisors during this time has therefore largely been to hold off temporarily from forward purchasing energy as the markets have continued to ease, and as such the LCC unsecured volume over recent months has been attracting lower spot market prices to the benefit of overall final unit prices (although recent events in the Middle East have introduced a level of volatility in global market prices). Alongside the purchasing strategy, actions continue to be taken to review energy usage and implement measures across the Authority's estate in order to reduce the pressures associated with increased energy costs.

At Outturn energy costs were £2.4m lower than allowed for in the 2023/24 General Fund budget. At July's meeting Executive Board approved in principle that any underspend on energy would be transferred to the Strategic Contingency Reserve to support the Council to deal with pressures in other areas. As referenced in Paragraph 1.7 above the underspend on energy has been applied to balance the 2023/24 position.

- 2.2 **Fuel** – The average UK pump prices for diesel and unleaded petrol saw decreases of (6.83%) and (0.79%) respectively between March 2023 and March 2024. The 2023/24 budget had allowed for an increase of £1.2m, largely attributable to the significant price increases in 2022/23.
- 2.3 **Cost of Living Pressures** – Further to the inflationary pressures detailed here, there has been a wider inflationary impact to the Council due to the severity of increased cost of living on our residents and businesses. As expected, we have seen the impact of this in increased costs to the Council for the goods and services that we procure, increased demand for support and welfare services, and reduced income across a range of services as Leeds residents and visitors choose to spend differently.

3. Funding from other Resources

3.1 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".

Full Council approved allocation of £19m of capital receipts in the 2023/24 budget to support further transformational work/ projects. In September 2023 the Executive Board approved an additional capital receipts use of £5.3m, of which £2.4m reflected slippage against budgeted use in 2022/23 and £2.9m related to new transformation spend. The October meeting of this Board approved further use of capital receipts to provide additional PACS staff to support transformation projects across the Council £0.6m and to meet in year ELI costs £0.4m. In April the Board approved £0.1m to support the delivery of City Development capital schemes,

£0.04m for Ernest & Young to support the current Procurement contract review exercise and a further £0.2m increase in in year ELI costs.

Table 4: 2023/24 Flexible Use Of Capital Receipts Outturn Position

Directorate	2023/24 Planned Spend £m	2023/24 Projected Outturn £m	Variation to Budget £m	2023/24 Planned Savings £m	2023/24 Projected Outturn £m	Variation to Budget £m
Adults & Health	2.32	2.14	(0.18)	(5.00)	(5.00)	0.00
Children & Families	1.40	0.73	(0.67)	0.00	0.00	0.00
City Development	0.73	0.38	(0.36)	0.00	0.00	0.00
Communities, Housing & Environment	0.48	0.35	(0.13)	0.00	0.00	0.00
Strategic & Resources	10.11	6.90	(3.21)	(2.03)	(2.03)	0.00
Strategic/ Corporate	12.75	8.91	(3.84)	(2.75)	(2.54)	0.21
Grand Total	27.79	19.41	(8.39)	(9.78)	(9.57)	0.21

At Outturn, the Board is recommended to approve the following additional flexible use of capital receipts of £2.2m: £1.52m Voluntary Leaver Scheme costs and flexible retirements, £0.35m Strategy & Resources' staff supporting transformational projects/ work and £0.35m Communities' staff supporting transformational projects/ work in climate change and Community Hubs, bringing the total planned spend for 2023/24 to £27.79m, as shown in **Table 4**. Further details are provided at **Appendix 4**.

At Outturn the total use of capital receipts for transformational projects is £19.41m and this spend has achieved (£9.6m) of savings in 2023/24, with further savings in future years. The £8.4m reduction against planned usage reflects both reductions in the funding required for some schemes and partial slippage of others into future years including CBT programme slippage of £3.6m. There is a marginal reduction in anticipated savings in 2023/24.

- 3.2 **Invest to Save/Innovation Funds** – 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. 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. Any savings generated will be reflected in the directorate positions.

As summarised in **Table 5**, the total funds available for Invest to Save and Innovation Fund schemes at the start of 2023/24 were £4.1m, of which £0.9m relates to funds committed before 2022/23 and a further £0.3m relates to funds committed in 2022/23 – of which £0.1m was spent this year. At 2023/24 Outturn, a further £1.6m has been committed– of which £0.8m has been spent. This leaves an uncommitted and available balance of £1.2m. The most significant uses of the fund approved in 2023/24 relate to Phase 3 of the Education, Health and Care Plans (EHCP) review (£553k) and the establishment of an additional eight internal

residential beds for Children Looked After (£300k). Although no in year savings have been realised, this targeted expenditure will result in savings in future years.

Table 5: Invest to Save/Innovation Funds Outturn

	£k	£k	Year End Actual Spend £k	Year End Actual Savings £k
Total Funds at start of 2023/24		(4,076)		
Less Funds Committed before 2022/23		941		
Less Funds Committed in 2022/23:				
City Development	0		0	0
Communities, Housing & Environment Strategy & Resources	245		13	0
	73		73	98
		318	86	98
Less Funds Committed in 2023/24:				
Children & Families	1,199		706	0
City Development	177		0	0
Communities, Housing & Environment Strategy & Resources	115		0	0
	136		101	0
Strategic	5		5	0
		1,632	812	0
Therefore Funds uncommitted and available		(1,185)		

- 3.3 **COVID-19 Backlog Recovery Fund** – This fund was established to meet costs related to clearing backlogs caused by the COVID-19 Pandemic. The total funds at the start of 2023/24 were £0.6m. At 2023/24 Outturn £0.6m has been committed, against which £0.5m has been spent. This position is summarised in **Table 6**.

The most significant uses of this Fund relate to Business Administration support to the Children and Families directorate (£0.25m) and additional staffing resource for Debt Recovery (£0.15m).

Table 6: COVID-19 Backlog Recovery Fund Outturn

	£k	£k	Year End Actual Spend £k
Total Funds at start of 2023/24		(623)	
Less Funds Committed to 2023/24*:			
City Development	146		49
Communities, Housing & Environment Strategy & Resources	66		66
	407		407
		619	522
Therefore Funds uncommitted and available		(4)	

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

4. Early Leaver's Initiative/ Voluntary Leaver's Scheme (VLS)

The Council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a reduction in the workforce and subsequent savings which have contributed towards the Council being able to deliver balanced budget positions. In 2023/24, approval has been given for 114.84 FTEs to leave the Authority through the Early Leaver's Initiative (ELI) or Voluntary Leaver's Scheme (VLS) as part of restructuring exercises. This will generate savings of £22.320m (before reconfiguration costs) over the five-year period up to and including 2028/29.

5. Treasury Management

As reported in paragraph 1.7, the revenue budget for debt reported a £17.8m underspend, including net external interest costs, the application of surplus capital receipts, and other reductions in MRP. The net borrowing of the Council as at 31st March 2024 is £2.49bn. This was £17m lower than the most recent update to Executive Board provided in February 2024 as part of the 2023/24 Treasury Strategy report and is £82m lower than the level on which the 2023/24 revenue budget was based.

Further details are presented in the Treasury Management Outturn 2023/24 report to this Executive Board.

6. Movement from Provisional Outturn to Outturn

Table 7 summarises the movement from the Provisional Outturn position reported to Executive Board in April and the Outturn position presented in this report.

Table 7 Movement between Provisional Outturn and Outturn by Directorate

Directorate	Provisional	Final	Movement
	Outturn April 2024 Exec Board	Outturn June 2024 Exec Board	
	£(000)	£(000)	£(000)
Adults & Health	0	17	17
Children & Families	39,460	38,129	(1,331)
City Development	(1,022)	(1,650)	(628)
Communities, Housing & Environment	5,022	4,989	(33)
Strategy & Resources	3,602	3,275	(327)
Directorate Sub Total	47,062	44,760	(2,302)
Strategic & Central Accounts	(47,062)	(44,760)	2,302
Grand Total	0	0	0

7. Housing Revenue Account (HRA)

7.1 The outturn for the year on the HRA shows a net underspend of £0.9m when compared against the 2023/24 budget.

7.2 Total income received was £1.7m lower than budgeted. Rental income was £1m less than budgeted, mainly due to the number of void properties being higher than

budgeted and some slippage in the new build schemes. Service charges were £0.2m higher than expected reflecting the impact of Gascoigne House and leaseholder income. Internal income was £1.1m less than budgeted due to a reduction in the staff costs chargeable to the capital programme as a result of vacant posts within the service. In addition, net external income was £0.2m higher than budgeted.

- 7.3 The cost of the disrepair provision was £0.1m less than the budget due to a reduction in the number of disrepair cases received in year. The total balance sheet provision for disrepair now totals £3.6m.
- 7.4 Against a budget of £56m, expenditure on maintaining and repairing the Council's housing stock was £0.6m under budget.
- 7.5 Savings of £1m on staffing costs, net of the impact of the pay award, arose as a result of vacant posts in the service.
- 7.6 Premises costs were approximately £0.5m lower than budgeted. This was principally due to reductions in the price of gas and electricity compared with prices assumed at budget setting.
- 7.7 Supplies and Services overspent by £0.1m due to the increase in Housing Ombudsman fees. The PFI Unitary charge saw a reduction of £0.4m compared with the budget.
- 7.8 Services commissioned from the Council were £0.7m below the budgeted level as a result of savings passed on through internal recharges during the year.
- 7.9 Following a review of the level of tenant arrears the contribution to the provision for doubtful debts was £0.4m higher than budgeted. The total provision for bad debts is now £8.1m.
- 7.10 The Capital charges (debt costs) underspend of £0.6m reflects the reduction on in year spend on the Council House Growth programme.
- 7.11 The revenue contribution to the Capital Programme was £0.8m higher than budgeted.
- 7.12 In summary, the above variations have produced an underspend on the HRA of £0.9m, summarised in Table 8, which will be transferred to reserves.

Table 8: HRA Outturn Variance

Budget Area	Variance to Budget £m
Rent / Other Income	1.7
Employees	(1.0)
Repairs / Disrepair	(0.7)
Running Costs	(1.7)
Revenue Contribution to Capital	0.8
Total	(0.9)
Transfer to Reserves	0.9

7.13 A summary of the HRA Outturn reserves position is shown in Table 9.

Table 9: HRA Outturn Reserves Position

	Reserves B/fwd £000	Use of Reserve £000	Contribution to Reserve £000	Closing Reserve 23/24 £000
Major Repairs Reserve	(3,199)	58,151	(61,638)	(6,686)
Earmarked Reserves				
Revenue Disrepair/Repairs	(69)		(5)	(74)
Housing Advisory Panels	(39)		(66)	(105)
Changing the Workplace	(301)	301		0
Wharfedale View	(54)		(14)	(68)
Local Authority Housing Fund	(2,589)	1,839		(750)
Tenant Satisfaction Funding	0		(98)	(98)
Earmarked Reserves	(3,053)	2,140	(183)	(1,096)
HRA General Reserve	(7,675)		(250)	(7,925)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(4,199)	60		(4,139)
LLBH&H PFI Sinking Fund	(3,763)		(117)	(3,880)
Swarcliffe PFI Lifecycle Retention Fund	0		(398)	(398)
PFI Reserves	(7,962)	60	(515)	(8,417)
TOTAL RESERVES	(21,889)	60,351	(62,586)	(24,124)

8. Schools

Dedicated Schools Grant

8.1 The 2023/24 outturn position for schools is shown in Table 10 below.

Table 10 Schools Outturn Position

Outturn	£m
Schools Reserves	
Balance Brought Forward	26.2
Net Contribution To / (From) Reserves	(6.6)
Balance Carried Forward	19.6
Extended Services & Partnerships	
Brought Forward	7.0
Net Contribution To / (From) Reserves	0.4
Balance Carried Forward	7.4
Dedicated Schools Grant	
Balance Brought Forward	9.0
Net Contribution To / (From) Reserves	(2.6)
Balance Carried Forward	6.4

- 8.2 As schools are funded from the Dedicated Schools Grant (DSG) their reserves are ring fenced and must be carried forward. At 31st March 2024, maintained school reserves stand at £19.6m.
- 8.3 Taking into account the maintained school reserves of £19.6m, and £1.5m of borrowing against these for funding provided in previous financial years to resource early intervention and preventative services (£2.5m of the £4.0m originally borrowed has already been repaid), the net position for maintained school-related reserves is £18.1m as at 31st March 2024.
- 8.4 Extended Services & Partnerships reserves amount to £7.4m as at 31st March 2024. These include balances held by Area Inclusion Partnerships and Clusters.
- 8.5 At the start of 2023/24 the in-year DSG budget was assumed to balance whilst the ring fenced DSG reserve had a surplus balance of £9.0m. During 2023/24 there has been a net reduction of £2.6m, which results in a surplus balance of £6.4m to be carried forward into 2024/25. This surplus balance will be retained in the DSG reserve and considered in spending decisions in 2024/25.
- 8.6 The DSG in year overspend is split across:
- Schools Block (£0.9m)
 - Early Years Block (£1.7m)
 - High Needs Block £3.9m
 - Central School Services Block £1.3m
- 8.7 The Schools Block underspend of £0.9m includes a saving of £1.0m against the de-delegated schools budget which was mainly due to underspends against both the Schools Contingency Fund and Maternity Budget.
- 8.8 There was already a de-delegated surplus of £1.9m brought forward from 2022/23. Of this £1.3m was re-distributed back to schools pro rata to their original contributions. In 2023/24 £0.5m of the de-delegated surplus brought forward was set aside for 2023/24 costs, but due to the savings against the de-delegated budget this was no longer required. The 2023/24 underspend results in a closing de-delegated surplus of £1.2m. As in previous years it is expected that a proportion of this surplus will be re-distributed back to schools pro rata to their original contributions.
- 8.9 The Early Years Block underspend of £1.7m (2.8% 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 the January 2023 census and the January 2024 census data and paid out to providers based on the children attending settings. As a result of this there is always a difference between the funding received by the local authority and that paid out to providers. To recognise this differential a decision was made to increase the 2023/24 base hourly rate paid to providers which effectively paid a higher hourly rate to providers than the local authority received. The hourly rate is reviewed each year and the latest forecasts for census data and headcounts continue to be used when setting this.
- 8.10 The High Needs Block overspent by £3.9m. This overspend is comprised of:
- Out of area and residential placements - £2.1m overspend (see further detail below).

- Additional High Needs DSG Income – (£0.5m).
- SEN Top Ups to Institutions - £2.2m overspend (see further detail below).
- Mainstream additional places (£6k blocks) - £0.9m overspend.
- Services provided by Childrens and Families – (£0.9m) underspend (see further detail below).
- Other minor variances - £80k.

8.11 The £2.1m overspend against the Out of area and residential placements budget is mainly due to the increased number of high needs pupils in External Residential placements. The education element of these placements is charged against the high needs block.

8.12 SEN top up to institutions has an overspend of £2.2m most of which relates to an increase in top ups paid to mainstream schools to reflect the increased numbers of high needs pupils in mainstream schools.

8.13 An impact of the increase in SEN top-ups to mainstream schools is increased expenditure on the budget for the additional £6k blocks paid to schools who have a higher number of SEN pupils than their notional SEN budget covers. As a result, this budget is overspent by £0.9m due to an increased number of SEN pupils within schools meeting the criteria for additional £6k blocks.

8.14 There is a combined underspend in the services provided by Children and Families of £0.9m. The majority of this is due to the Invest to Save budget which has largely not been spent during 2023/24.

8.15 In summary a total surplus balance of £6.4m will be carried forward to 2024/25, comprising a general DSG surplus of £5.3m with an additional surplus balance of £1.1m on the de-delegated DSG. This represents 1.2% of the total DSG funding of £519m received in 2023/24. This position will be reported to Schools Forum in June.

9. Reserves

Table 11 Total Reserves

Reserves	Balance at 1st April 2023 £m	Transfers (to)/From £m	Balance at 31st March 2024 £m
General Fund:			
General Reserve	(33.2)	(3.0)	(36.2)
Earmarked Reserves	(98.7)	45.6	(53.1)
Ring-fenced & Grant Reserves	(22.9)	(4.7)	(27.6)
Total	(154.8)	37.9	(116.9)
Schools:			
Ring-fenced Reserves	(42.4)	8.8	(33.5)
Housing Revenue Account:			
General Reserve	(7.7)	(0.3)	(7.9)
Earmarked Reserves	(14.2)	(2.0)	(16.2)
Total	(21.9)	(2.2)	(24.1)
Total Reserves	(219.1)	44.5	(174.6)

- 9.1 A full statement of all Council reserves can be found at **Appendix 5** and a summary is provided in Table 11. Overall, with Board approval, the Council's total reserves will reduce to (£174.6m), a reduction of £44.5m overall when compared to the position at 31st March 2023. This includes a decrease in General Fund earmarked reserves of £37.9m, which includes use of the Merrion Reserve to balance the outturn position.

Strategic Contingency Reserve

- 9.2 The 2023/24 budget includes use of reserves to support the Council's General Fund, including use of the Strategic Contingency Reserve which was established in 2020/21 to fund future unforeseen budget pressures and to ensure the Council becomes more financially resilient.
- 9.3 The opening balance on the Strategic Contingency Reserve for 2023/24 was £19.9m with budgeted use of the reserve being £14.3m and a further £0.6m committed to support COVID-19 backlog recovery. September's meeting of the Executive Board approved the use of £1.3m from this reserve to fund budgeted fleet savings. A further £3.5m has been allocated against slippage in the Children's Residential and Fostering provision action plan, £0.2m to provide Internship funding in Strategy and Resources and £0.6m had been set aside to address Covid backlog issues. At the year end only £8.6m was required against budgeted use of the reserve, £1.3m has been applied against fleet savings and £3.5m against the Residential and Fostering provision action plan. £0.5m of the COVID backlog funds, £0.1m to support the Be Your Best programme and £0.06m of Internship funding have been drawn down by directorates. This left a balance of £5.8m in the reserve before the transfer of the remaining £17.1m balance of the Merrion House reserve, which brings the available year end balance on the Strategic Contingency Reserve to £23.0m.

Merrion House Reserve

- 9.4 At 1st April 2023 the Merrion House Reserve held a balance of £22.3m. The balanced position includes use of £5.2m from this reserve. The remaining £17.1m had been moved to the Strategic Contingency Reserve to realign these strategic balances and is reflected in the balance carried forward on that reserve.

COVID Reserve

- 9.5 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 £1.37m was carried forward into 2023/24, £1.33m of which has been applied in year.

Other General Fund Earmarked Reserves

- 9.6 The decrease in General Fund earmarked reserves also reflects a net reduction of £9.2m to Adults and Health reserves to fund health and social care priorities, a net of £8.2m 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 2023/24, the year in which reliefs to businesses impact on the General Fund budget. The General Insurance reserve has reduced by £5.7m. These and other movements in General Fund earmarked reserves are detailed at **Appendix 5**.

- 9.7 Total General Fund ringfenced and grant reserves have increased by £4.7m to £27.6m, so that the overall movement in General Fund reserves totals a reduction of £37.9m.
- 9.8 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 2024/25 and beyond. This position is consistent with the Council's strategy to ensure reserves are sufficient, the Council's financial position is robust, resilient and sustainable.
- 9.9 As discussed at paragraphs 7 and 8, HRA reserves have increased by £2.2m and Schools ring-fenced reserves have reduced by £8.8m in 2023/24.

9.10 **General Reserve**

Table 12 provides an explanation of the position in the general reserve.

Table 12 General Fund Reserve

General Fund Reserve	£m
Opening Balance 1st April 2023	(33.2)
Budgeted Use	0.0
Budgeted Contribution	(3.0)
Use In Year	0.0
Contribution In Year	0.0
Closing Balance 31st March 2024	(36.2)

- 9.11 As at 1st April 2023 the level of general reserve was £33.2m. The 2023/24 budget assumed £3.0m contribution to this reserve during 2023/24 and the reserve has not been used during the year. Consequently, as per Table 12, the balance at 31st March 2024 improved to £36.2m. 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 12.

9.12 **Creation of New Earmarked Reserves**

It is recommended that the following earmarked reserves are created:

- A 'NEET Funding from WYCA' reserve of £0.05m to carry forward funding received from the West Yorkshire Combined Authority to support Young people not in education, employment or training (NEET) activities in 2024/25.
- An 'Adoption National Recruitment Strategy' reserve of £0.25m to carry forward DfE funding to undertake work for Regional Adoption Agencies in England.

Funding has currently not been agreed after March 2025 and this reserve is intended to provide contingency to cover Leeds City Council costs should funding cease.

- A 'Purchase of Vehicles' reserve of £0.8m to carry forward funds to 2024/25 which have been ringfenced for the purchase of fleet vehicles but has not been spent in the current year.

10. Capital Programme

Overall Capital Programme 2023/24 – 2027/28

- 10.1 Table 13 shows the revised capital programme for 2023/24 to 2027/28 as at 2023/24 Outturn. It totals £1,933.0m, an increase of £26.3m since the last capital programme update reported to February 2024 Executive Board.

Table 13 Restated Capital Programme as at 2023/24 Outturn: 2023/24 to 2027/28

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Forecast Expenditure	391.2	518.7	502.4	265.8	254.9	1,933.0
Funded By;						
Borrowing	107.2	193.1	188.6	86.6	93.2	668.7
Government Grants	132.4	182.3	185.5	72.4	71.2	643.8
Gen Fund Capital Receipts	19.5	19.5	10.2	10.1	9.4	68.7
Other Grants & Contributions	37.5	17.8	6.2	7.6	1.6	70.7
HRA Self Financing	58.2	63.4	62.9	65.2	66.5	316.2
HRA Right to Buy Receipts	36.4	42.6	49.0	23.9	13.0	164.9
Total Forecast Resources	391.2	518.7	502.4	265.8	254.9	1,933.0

- 10.2 The programme is further analysed between General Fund (£1,319.8m) and HRA (£613.2m). Capital priorities were set out as part of the February 2023 budget process and the capital programme approved in February 2023 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)**.
- 10.3 **Appendix 6A (iii)** details net injections of £397.7m since the approval of the Capital Programme in February 2023. This report seeks a further net injection of £20.6m, which includes:
- £8,029.4k of 24/25 High Needs Provision Capital Allocation (HNPCA) Grant;
 - £7,758.6k of additional funding injections to HRA Schemes;
 - £1,313.5k of external contributions for works on Highways schemes;
 - £1,000.0k of additional Highways Grant for the TCF City Centre Cycle Network scheme;
 - £110.5k of additional departmental borrowing for the Waste Depot scheme; and
 - £2,416.1k of other external contributions.

Capital Programme 2023/24

- 10.4 Table 14 shows the revised capital programme for 2023/24 compared to previous quarterly capital programme updates reported to Executive Board.

Table 14 2023/24 Outturn compared to Previously Reported Projections

	2023/24 Capital Programme						
	February 2023 £m	Restated as at 2022/23 Outturn £m	Q1 £m	Q2 £m	Q3 February 2024 £m	2023/24 Outturn - This Report £m	Variance - This Report to Q3 £m
Forecast Expenditure	518.8	517.4	496.7	461.4	397.4	391.2	(6.2)
Funded By;							
Borrowing	173.6	193.6	182.4	150.0	111.9	107.2	(4.7)
Government Grants	189.2	175.4	176.2	165.7	141.5	132.4	(9.1)
Gen Fund Capital Receipts	19.2	19.8	18.5	23.9	19.3	19.5	0.2
Other Grants & Contributions	29.5	27.4	29.1	30.9	33.1	37.5	4.4
HRA Self Financing	65.2	64.6	51.3	51.8	53.4	58.2	4.8
HRA Right to Buy Receipts	42.1	36.6	39.2	39.1	38.2	36.4	(1.8)
Total Forecast Resources	518.8	517.4	496.7	461.4	397.4	391.2	(6.2)

- 10.5 Actual capital expenditure in 2023/24 is £391.2m, an underspend of £6.2m (a 1.6% variation) against the February 2024 Capital Programme projected Outturn. Table 15 analyses this variation across Directorates and funding streams.

Table 15 2023/24 Outturn: Variances compared to February 2024 Projections

	Feb '24 Estimate £m	Final Outturn £m	Variance	
			£m	%
Adults & Health	3.1	3.0	(0.1)	-1.4%
Strategic & Central	35.8	37.1	1.3	3.7%
City Development	147.9	148.8	0.9	0.6%
Children & Families	25.7	25.7	0.0	-0.1%
Strategy & Resources	9.1	8.5	(0.6)	-7.6%
Communities, Housing & Environment	46.4	45.2	(1.2)	-2.7%
Total General Fund	268.0	268.3	0.3	0.1%
HRA	129.4	122.9	(6.5)	-5.3%
Total Capital Programme	397.4	391.2	(6.2)	-1.6%
Funded By;				
Borrowing	111.9	107.2	(4.7)	-4.4%
Government Grants	141.5	132.4	(9.1)	-6.8%
Gen Fund Capital Receipts	19.3	19.5	0.2	1.0%
Other Grants & Contributions	33.1	37.5	4.4	11.6%
HRA Self Financing	53.4	58.2	4.8	8.2%
HRA Right to Buy Receipts	38.2	36.4	(1.8)	-5.0%
Total Resources	397.4	391.2	(6.2)	-1.6%

- 10.6 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. Where directorates do not have variations in excess of £500k, main variances are detailed.
- 10.7 The General Fund capital programme delivered £268.3m of investment including £94.9m on essential annual programmes and £173.4m on major programmes including:
- £23.1m City Centre Package & Armley Gytratory;
 - £20.3m Flood Alleviation schemes;
 - £20.0m Decarbonisation Programme and Energy Efficiency related schemes;
 - £10.8m Learning Places Programme;
 - £10.2m Sustainable Active Travel;

- £10.0m Leeds Integrated Station Masterplan;
- £ 9.9m Private Sector Renewal - Adaptations / Equity Loans; and
- £ 6.4m Core Systems Review.

10.8 The General Fund has utilised £156.9m of external contributions and £19.5m 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 £91.9m of borrowing undertaken to fund the programme in 2023/24.

10.9 The HRA capital programme delivered £122.9m of investment including £40.8m on the Council House Growth Programme and £82.1m on the refurbishment of our council house properties. This has utilised £58.2m of self-financing funding, £13.0m of external contributions, and £36.4m of Right to Buy receipts, with £15.3m of borrowing undertaken to fund the programme in 2023/24.

Capital Receipts Incentive Scheme (CRIS)

10.10 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 2023 to March 2024 of £239.1k and identifies a total balance available of £2,469.8k. A further CRIS injection will be included within the Q2 November 2024 report for April-September 2024 completions.

11. Other Financial Performance

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

Table 16 Collection Rates 2023/24

	2019/20 Leeds Actual	2020/21 Leeds Actual	2021/22 Leeds Actual	2022/23 Leeds Actual	2023/24 Leeds Actual
Council Tax	95.93%	95.38%	94.24%	95.16%	93.94%
Business Rates	97.29%	87.72%	94.71%	96.27%	97.03%

11.2 Council Tax

Prior to 2013/14, support for the poorest council taxpayers came in the form of a central government benefit which offered claimants up to 100% support depending on their means. Government localised this scheme in 2013/14 with Council’s granting reductions to claimants according to local rules, but with a 10% reduction in the available funding and the stipulation that all pension-age claimants must receive the same as they would under the old scheme. Following the introduction of the localised Council Tax Support (CTS) scheme in 2013/14, a 19% contribution scheme was implemented in Leeds for working age claimants, this was increased to 26% for 2014/15 but then subsequently set at 25% for the years from 2015/16 onwards.

Since the pandemic the Government has offered CTS claimants that have contributions to make to their liability further assistance with their Council Tax. In 2020/21 this amounted to £8.9m in support in Leeds, reducing progressively to

£1.6m in 2023/24. The 2023/24 support was used to reduce claimants bills by up to £40 with additional support to those experiencing particular hardship.

Numbers of Working Age Council Tax Support claimants increased slightly between 2022/23 and 2023/24, with 42,574 claimants as at 31st March 2023 rising to 43,021 at 31st March 2024. As economic circumstances continue to be uncertain, the number of Working Age claimants and the subsequent impact on the Council Tax taxbase will have to be closely monitored in the coming year.

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

- The Council Tax in-year collection rate has fallen significantly in 2023/24 to 93.94% and remains below target. The lower collection rate largely reflects the ongoing impact of the cost-of-living crisis and delays in collecting council tax once a liability order has been secured from the courts. A liability order allows the Council to make attachments to earnings and benefits, but the amount recovered is restricted by regulation and it is applied to the oldest debts first. The continuing level of arrears from the pandemic years is therefore collected before collection activity can begin on 2023/24 arrears. Collection rates will continue to require close monitoring in 2024/25. A total of £442.0m has been collected in respect of 2023/24 bills, an increase of £21.5m when compared to the previous year.

Closing position on the Council Tax Collection Fund

The opening deficit on the 2023/24 Council Tax Collection Fund was £8.901m. This opening deficit included the deficit from 2022/23 and the final instalment of the deficit from 2020/21 which had to be spread over three years, and which was therefore repaid by the Council, the Fire Authority and Police in 2023/24. The repayment of the deficit into the collection fund was £8.778m.

Repayment of the 2020/21 and 2022/23 deficits would be expected to produce an in-year surplus of the same amount, however the closing in-year surplus was only £3.377m, leaving a closing deficit on the collection fund of £5.523m. Leeds share of this closing deficit will be £4.644m, with the remainder being paid by the Fire Authority and the Police.

The main reasons for the closing deficit are: -

- £1.9m relating to a lower-than-expected number of completions for new houses in the city.
- £0.7m relating to by a higher-than-expected proportion of new homes being exempt from council tax because they are wholly occupied by students.
- £2.0m relating to a decrease in the expected fullness of time collection rate from 99.0% to 98.5%, recognising the lower collection rate in 2023/24.

In December 2023 the Council declared a deficit of £1.930m, which it will repay into the collection fund in 2024/25 and is included in the 2024/25 Budget. The remaining £2.714m will now be carried forward and be included as a cost to the 2025/26 Budget.

11.3 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 based on the forecast at January 2023. By 31st March 2024 the collection rate for business rates was already 97.03% and it is to be expected that significant amounts will be collected in subsequent months, more than meeting the fullness of time target.

This continues the recovery in collection rates experienced since the pandemic and has allowed the authority to reduce the amounts of provisions it has for non-collection relating to 2023/24 and previous years (see below).

Closing position on the Business Rates Collection Fund

The opening deficit on the 2023/24 Business Rates Collection Fund was £18.532m. This opening deficit included the deficit from 2022/23 and the final instalment of the deficit from 2020/21, which had to be paid in three equal instalments. The fixed budgeted repayment of the deficit into the collection fund was £14.602m, and was repaid by the Council, the Government and the Fire Authority in 2023/24.

The repayment of the declared deficit from 2020/21 and 2022/23 would be expected to produce an in-year surplus of the same amount in 2023/24. However, the closing deficit on the 2023/24 Business Rates Collection Fund is £0.273m, meaning that the in-year surplus on the Collection Fund is £18.259m, £3.657 higher than forecast in January 2023.

This is due to a number of significant variances impacting Non-Domestic Rating Income in 2023/24 compared to the forecast position in January 2023. In-year growth in the taxbase was £8.1m lower than forecast, with aggregate Rateable Value in the city falling from £954.9m to £948.2m. This was largely due to reductions in Rateable Value being mandated by the Valuation Office Agency as it reviewed the new 2023 Ratings List which came into force on 1st April 2023. As businesses saw their Rateable Values reduced due to backdated appeals the cost of appeals provisions had to be increased by £1.8m more than expected and more ratepayers became entitled to Small Business Rates Relief which cost the Collection Fund £3.1m more than forecast. Changes to Rateable Values about which the Council had no prior knowledge, and therefore had made no provisions, also cost the Collection Fund £6.6m.

Discretionary reliefs increased to £0.4m above the forecast as a new discretionary scheme became available in the city. This was more than offset by one-year savings on Mandatory Charity Relief (£5.2m) and extended Retail Relief (£4.5m) as historic relief was adjusted down to take account of appeals to the 2017 Ratings List, and Empty Rate Relief (£2.6m) as the commercial property market continues to recover following the pandemic. Other smaller reliefs also evidenced recovery costing £0.3m less than forecast. However, the single largest saving was to bad debt provisions which had been forecast on the same basis as 2022/23 at a non-collection rate of £7.7m in the fullness of time. Due to increased collection of 2023/24 business rates, and of prior-year arrears, the level of bad debt provisions has been reduced by £3.4m, an overall saving compared to the forecast of £11.0m. Taken together these variances account for the £3.6m better performance on the Business Rates Collection Fund.

In January 2024 the Council declared a 2023/24 deficit to be repaid in 2024/25 of £6.486m, shared by the Government (50%), the Council (49%) and the Fire Authority (1%). The actual closing deficit of £0.273m is £6.212m better than

expected. The Council's share of this improvement is £3.044m, which will now be carried forward into the 2025/26 Budget.

11.4 Business Rates Appeals

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

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

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

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

As at 31st March 2024, the Council is providing for a net of 349 Checks and Challenges against the 2017 ratings list. The position will be monitored closely over the coming months to ensure that the Council's provisions for the 2017 list remain adequate. There are also 263 Checks and Challenges against the new 2023 ratings list. It is anticipated that because of the move to 3 yearly revaluations from 2023 (previously 5 years) the valuation lists will necessarily be more representative of the current commercial property market, and it is expected that there will be fewer challenges to the lists going forward. The level of appeals against the 2023 ratings list, and the losses incurred, will also continue to be closely monitored into the next financial year.

In addition, the Authority has made provisions for specific issues such as expected reductions to hospitals, ambulance and fire stations and expected reductions to several GP surgeries which will be reassessed quarterly. However, in October 2023 the Council received notification that two appeals on the two large hospitals in Leeds had been resolved. Historical evidence suggested that provision for a 10% reduction was reasonable but unfortunately one of the appeals saw a 23.5% reduction in Rateable Value backdated to 1st April 2017. The combined impact of these appeals was a refund of £4.0m. The Council held provisions of only £2.8m, resulting in the Collection Fund being adversely impacted by £1.2m. The impact on the Council's 2024/25 General Fund was therefore approximately £0.6m.

11.5 Impact of cost of living on the Collection Fund in 2023/24 and beyond

Collection of Business Rates can be seen to be improving following the lifting of restrictions in place due to the COVID-19 crisis. However, the pressures of the cost-

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

Declining in-year collection remains the most prominent area of concern for Council Tax. However, whether this is non-collection in the fullness of time remains a matter of uncertainty. Collection of arrears in future years will require very close monitoring over the coming months and years to see if collection rates improve as the COVID backlogs reduce with time.

11.6 **Prompt payment of creditors**

The prompt payment result at the year-end was 98.39% of undisputed invoices processed within 30 days or within contract terms (95.11% in 2022/23).

12. **Emerging issues for Future Years**

- 12.1 In common with local authorities throughout the country, in order to balance future Budgets and to avoid issuing a Section 114 notice (in effect declaring that the council cannot achieve a balanced budget and preventing all new spending), difficult decisions will have to be taken that will impact across services, affecting service users, residents, businesses, partners and our workforce. It needs to be recognised that we are not funded to provide all the functions we currently do, and so future service provision must be provided within the limited resources available. Alongside a continued focus on securing value-for-money and investing in transformation, services will continue to be reviewed as part of an overall resetting and reshaping of the authority to ensure it remains fit-for-purpose and sustainable in future years.
- 12.2 This is set against a background of uncertainty in regard to the Government's spending plans from April 2025, following a further one-year financial settlement announcement in 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.
- 12.3 There are additional risks in regard to the Business Rates Retention Scheme. Since 2013 two trends have become clear: firstly, that there is a lag between gradual economic recovery and significant volumes of business new-builds in Leeds, with little growth in aggregate Rateable Value in Leeds seen until 2018/19, and secondly, that business rates growth that does occur has been offset by successful appeals and other reductions to the rating list – either through closure or Valuation Office reviews.
- 12.4 As discussed at paragraph 11 of this report, declining in-year collection remains the most prominent area of concern for Council Tax, and collection in future years will require very close monitoring.
- 12.5 **Increased Government oversight** – including the work of the Office for Local Government (Oflog), which may come with increased reporting requirements for

Local Authorities due to increased scrutiny. There is also a new requirement to produce and publish an annual Productivity Plan, announced alongside the Final Local Government Settlement for 2024/25 in February 2024. It is intended that Plans will be reviewed by a new productivity review panel, comprising sector experts including the LGA and Oflog.

- 12.6 **Delivery of savings already agreed and savings required in future years** – The Financial Challenge Savings Programme for 2024/25 has identified £63.9m savings included in the 2024/25 budget. This report details slippage and non-delivery of over £15m against budgeted savings in 2023/24, some of which has been offset by other mitigating savings, but some of which still require delivery in 2024/25. Delays in implementing the required savings will impact on the Council's ability to balance the budget in future years. In addition, as set out in the 2024/25 Revenue Budget and Council Tax Report, the savings gaps for 2025/26 and 2026/27 are estimated to be £64.6m and £47.1m respectively.
- 12.7 **Pay Award** – The budget includes allowance for a pay award of 3.5% in 2024.25. 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.
- 12.8 **Future service demand** and demographic pressures – The Council's 2024/25 budget and Medium Term Financial Strategy includes demand and demography increases for social care, reflecting population growth and current trends. They also reflect an increase in the number of households and the resulting increase in household waste. If trends are greater than anticipated these additional pressures will need to be addressed.
- 12.9 **Social Care** – In addition to future service demand noted above, there is continuing concern around recruitment and retention in social care, resulting in higher use of agency staff. There is also significant reform on the horizon across social care. For Adults, there will be the impact of the care reforms, for which there will be additional costs however the level of Government funding for this is uncertain. For Children, the Independent Review of Children's Social Care was published earlier in February 2022 and recommended a radical reset of the Children's Social Care system. Government published its implementation strategy in response to the review in February 2023.
- 12.10 **Inflationary increases (demand pressures & loss of income)** – The 2024/25 budget includes significant inflationary increases reflecting the higher rates of inflation and increased cost of living which has continued to be experienced in 2023/24. The economic impact of 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. Cost of living pressures have a wider inflationary impact on the Council due to the impact of the increased cost of living on our residents and businesses. In addition to the risks associated with increases in costs to the Council for the goods and services that we procure, the Council experiences 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.
- 12.11 Within the **HRA and General Fund Capital Programmes** there is a risk that that continued inflationary pressures may impact on the timing of the delivery of capital


schemes given the overall funding available, with an impact on related debt assumptions in the revenue budget.

- 12.12 **Energy costs** – Whilst gas and electricity prices are now falling from the unprecedented high global level experienced in recent years, the Council remains exposed to the impact of global events on energy costs. The Council's forward purchasing of energy continues to hedge the Council significantly against the impacts of further volatility. The 2024/25 budget assumes a £2.8m reduction in energy costs following the 2023/24 budget which allowed for energy price inflation for electricity and gas of 118.5% and 64% respectively, in total an increase of £10.7m.
- 12.13 **Debt Management** – There is interest rate risk as all new Council borrowing activity will be funded through short-term variable rates until rates start to reduce, which means that we are exposed to any upward movement in rates which would result in an increase in costs to the Council.
- 12.14 **Multi-academy trusts** – Whilst schools funding is ring-fenced and is not budgeted for in the General Fund, there is a risk that schools will continue to move towards being part of academy trusts, impacting on a number of services currently provided to schools which the Council receives income for.
- 12.15 **Dedicated Schools Grant (DSG)** - Key risks for the Dedicated Schools Grant (DSG) projections relate mainly to the high needs block of the DSG, which provide funding in relation to pupils with special educational needs. Future demand has been estimated based on trends and forecasts, both for population growth and increases in complexity of need, however actual demand may vary from these assumptions and the availability of places may also affect costs. In particular, the long-term impact of COVID-19 on these trends is not yet known. In addition, funding allocations are confirmed on an annual basis and there is a risk that actual funding increases will differ from the amounts assumed in the MTFS. Specifically, funding increases are currently capped, and it is not yet known how this cap will operate in future years. Lastly, a number of DSG funding decisions are made by the Leeds Schools Forum, a statutory body of education representatives from across the city, and there is a risk these decisions may impact on future DSG pressures

Overall Summary Sheet

Outturn 2023-24

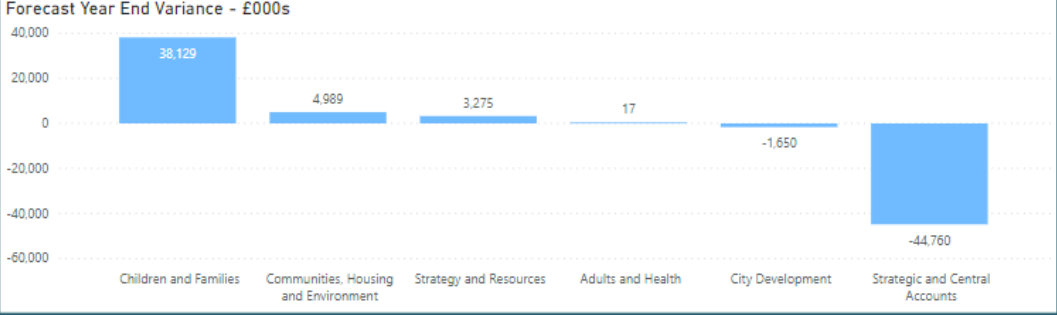
Financial Dashboard 2023/24 Financial Year



Budget Variation £000s

0

Forecast Year End Variance - £000s



Directorate	Variance (£000s)
Children and Families	38,129
Communities, Housing and Environment	4,989
Strategy and Resources	3,275
Adults and Health	17
City Development	-1,650
Strategic and Central Accounts	-44,760


Expenditure Type	Budget (LE) £000s	Actual £000	Projection £000s	Variance to Budget £000s
Employees	541,867	554,773	554,773	12,906
Premises	65,612	64,558	64,558	-1,053
Supplies and Services	269,849	298,676	298,676	28,827
Transport	54,057	73,587	73,587	19,529
Internal Charges	94,472	118,399	118,399	23,927
Third Party Payments	501,844	547,190	547,190	45,346
Transfer Payments	181,696	191,679	191,679	9,984
Capital	91,349	75,461	75,461	-15,888
Transfer to/from Reserves	-21,461	-38,621	-38,621	-17,160
Internal Income	-353,125	-385,163	-385,163	-32,039
External Income	-852,802	-927,181	-927,181	-74,379
Total	573,358	573,358	573,358	0

Directorate	Change in Variance £000s
Adults and Health	17
Children and Families	-1,331
City Development	-627
Communities, Housing and Environment	-33
Strategic and Central Accounts	2,302
Strategy and Resources	-327
Total	0

Change to Table

For Reporting

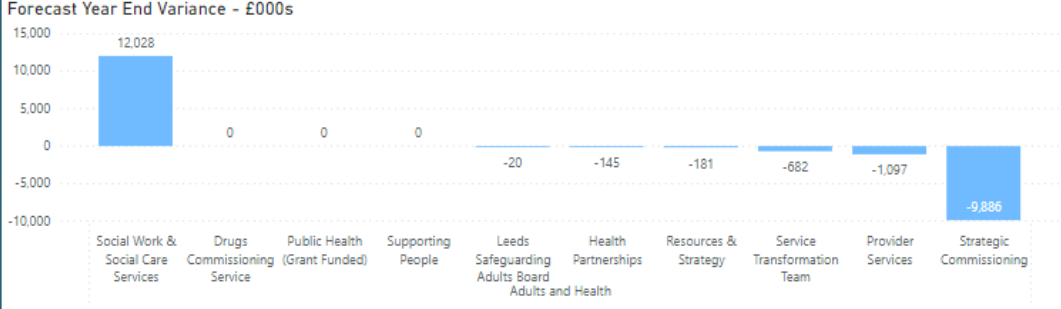
Financial Dashboard 2023/24 Financial Year



Budget Variation £000s

17

Forecast Year End Variance - £000s



Department	Variance (£000s)
Social Work & Social Care Services	12,028
Drugs Commissioning Service	0
Public Health (Grant Funded)	0
Supporting People	0
Leeds Safeguarding Adults Board Adults and Health	-20
Health Partnerships	-145
Resources & Strategy	-181
Service Transformation Team	-682
Provider Services	-1,097
Strategic Commissioning	-9,886

Expenditure Type	Budget (LE) £000s	Actuals £000s	Projection £000s	Variance to Budget £000s
Employees	70,690	71,119	71,119	429
Premises	1,355	1,464	1,464	109
Supplies and Services	7,509	13,426	13,426	5,917
Transport	1,011	903	903	-108
Internal Charges	14,404	19,512	19,512	5,108
Third Party Payments	326,198	344,240	344,240	18,042
Transfer Payments	13,488	10,948	10,948	-2,540
Transfer to/from Reserves	-4,521	-7,500	-7,500	-2,979
Internal Income	-5,144	-7,258	-7,258	-2,114
External Income	-226,269	-248,117	-248,117	-21,848
Total	198,722	198,738	198,738	17


Directorate	Change in Variance £000s
Adults and Health	17
Total	17

Change to Table

For Reporting

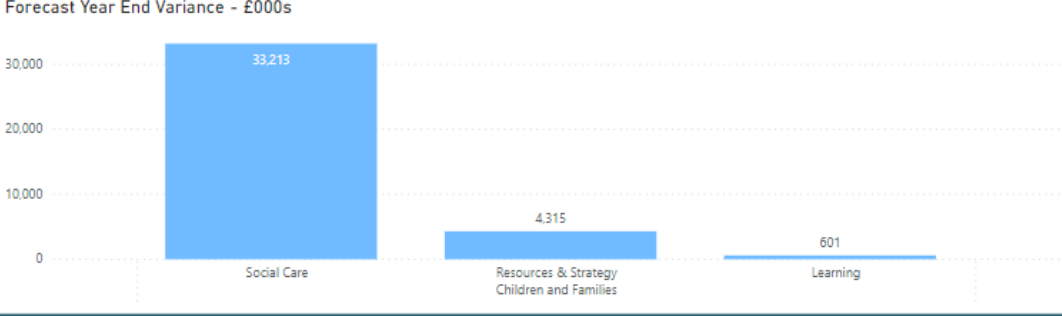
- Financial Year: 2023/24
- Cost Period: 13
- Officer Selection: All
- Directorate, Service: All
- Division, Costcentre & ...: All
- CostCentre RAG: All
- Managed In/Outside Se...: Managed Budget

Financial Dashboard 2023/24 Financial Year



Budget Variation £000s
38,129

Forecast Year End Variance - £000s



Category	Variance (£000s)
Social Care	33,213
Resources & Strategy Children and Families	4,315
Learning	601

Financial Year

2023/24

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	Actuals £000s	Projection £000s	Variance to Budget £000s
Employees	113,342	116,536	116,536	3,194
Premises	4,850	4,584	4,584	-266
Supplies and Services	65,692	71,941	71,941	6,250
Transport	11,794	15,433	15,433	3,639
Internal Charges	36,444	37,775	37,775	1,331
Third Party Payments	113,725	155,740	155,740	42,015
Transfer Payments	3,882	5,728	5,728	1,846
Transfer to/from Reserves	-819	-5,668	-5,668	-4,849
Internal Income	-36,498	-37,137	-37,137	-640
External Income	-170,994	-185,385	-185,385	-14,391
Total	141,417	179,546	179,546	38,129

Directorate	Change in Variance £000s
Children and Families	-1,331
Total	-1,331

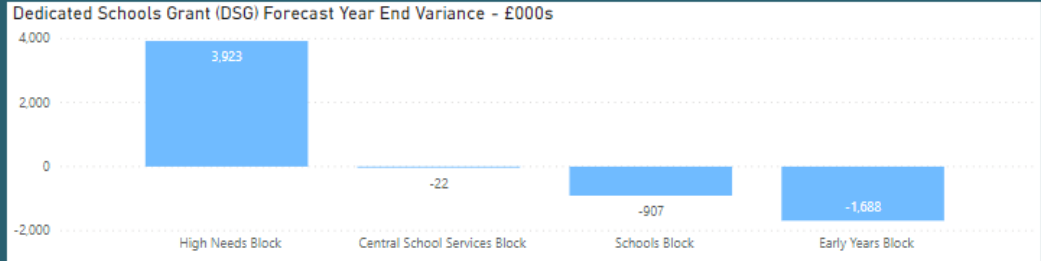
For Reporting

Change to Table

Financial Dashboard 2023/24 Financial Year



DSG Variation £000s
1,304
Overspend (+) / Underspend (-)




Net Variations against the Approved Budget

DSG Block	Income Budget	Income Projection	Income Variance	Expenditure Budget	Expenditure Projection	Expenditure Variance	DSG Budget (LE)	DSG Projection	DSG Variance
Schools Block	-341,721	-337,487	4,234	341,721	336,579	-5,142	0	-907	-907
High Needs Block	-117,035	-117,504	-469	117,035	121,426	4,391	0	3,923	3,923
Early Years Block	-57,538	-59,386	-1,848	57,538	57,698	160	0	-1,688	-1,688
Central School Services Block	-5,106	-5,106	0	5,106	5,084	-22	0	-22	-22
Total	-521,400	-519,483	1,917	521,400	520,788	-612	0	1,304	1,304

DSG Reserves

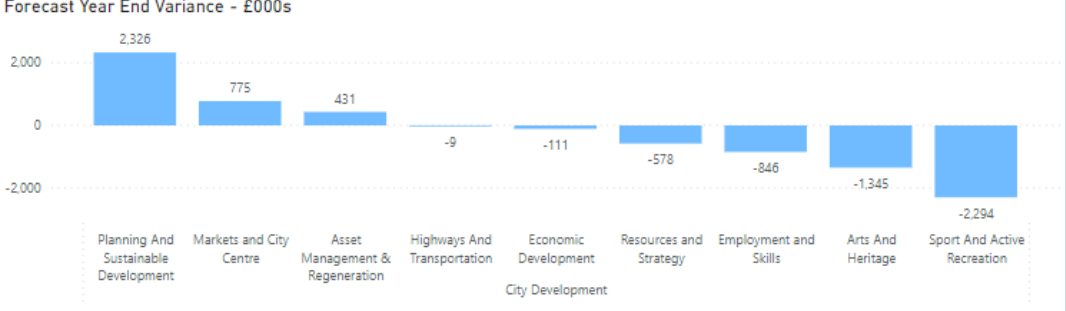
Reserve Type	Balance b/fwd	Net contribution to(-)/from (+) balances	Budgeted Deficit (+) / Surplus (-) c/fwd	Projected in year under(-)/over(+) spend	Planned use of reserves	Projected Deficit (+) / Surplus (-) c/fwd
De-delegated	-1,950	500	-1,450	-490	1,250	-1,190
General	-7,060	0	-7,060	1,795	0	-5,265
Total	-9,010	500	-8,510	1,305	1,250	-6,455

Financial Dashboard 2023/24 Financial Year



Budget Variation £000s
-1,650


Forecast Year End Variance - £000s



Department	Variance (£000s)
Planning And Sustainable Development	2,326
Markets and City Centre	775
Asset Management & Regeneration	431
Highways And Transportation	-9
Economic Development	-111
Resources and Strategy	-578
Employment and Skills	-846
Arts And Heritage	-1,345
Sport And Active Recreation	-2,294

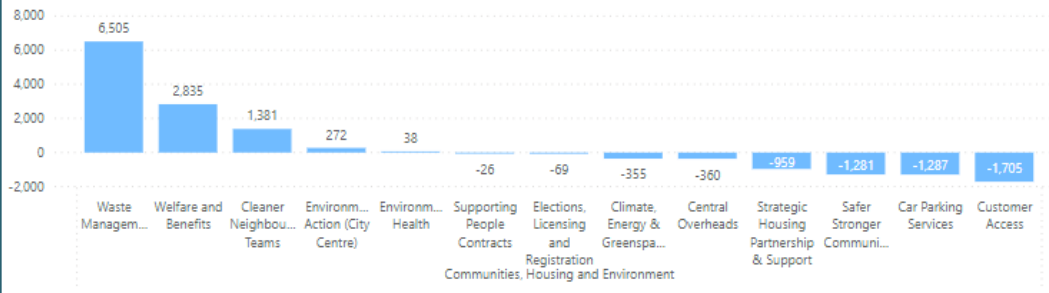
Expenditure Type	Budget (LE) £000s	Actuals £000s	Projection £000s	Variance to Budget £000s							
Employees	75,548	75,009	75,009	-539	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Directorate</th> <th>Change in Variance £000s</th> </tr> </thead> <tbody> <tr> <td>City Development</td> <td>-627</td> </tr> <tr> <td>Total</td> <td>-627</td> </tr> </tbody> </table>	Directorate	Change in Variance £000s	City Development	-627	Total	-627
Directorate	Change in Variance £000s										
City Development	-627										
Total	-627										
Premises	29,429	31,525	31,525	2,096							
Supplies and Services	56,017	56,626	56,626	609							
Transport	6,882	9,783	9,783	2,901							
Internal Charges	10,734	12,933	12,933	2,199							
Third Party Payments	189	244	244	55							
Transfer Payments		17	17	17							
Transfer to/from Reserves	-2,804	-2,372	-2,372	431							
Internal Income	-47,195	-55,424	-55,424	-8,229							
External Income	-90,552	-91,743	-91,743	-1,190							
Total	38,247	36,598	36,598	-1,650	<div style="border: 1px solid black; padding: 5px; display: inline-block;">Change to Table</div> <div style="border: 1px solid black; padding: 5px; display: inline-block;">For Reporting</div>						

Financial Dashboard 2023/24 Financial Year



Budget Variation £000s
4,989

Forecast Year End Variance - £000s



Department	Variance (£000s)
Waste Management	6,505
Welfare and Benefits	2,835
Cleaner Neighbourhood Teams	1,381
Environm... Action (City Centre)	272
Environm... Health	38
Supporting People Contracts	-26
Elections, Licensing and Registration	-69
Climate, Energy & Greenspa...	-355
Central Overheads	-360
Strategic Housing Partnership & Support	-959
Safer Stronger Communi...	-1,281
Car Parking Services	-1,287
Customer Access	-1,705

Financial Year

2023/24

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	Actuals £000s	Projection £000s	Variance to Budget £000s
Employees	109,010	111,105	111,105	2,095
Premises	11,702	10,553	10,553	-1,149
Supplies and Services	71,141	79,772	79,772	8,632
Transport	11,297	13,346	13,346	2,049
Internal Charges	22,997	38,125	38,125	15,128
Third Party Payments	24,498	27,046	27,046	2,548
Transfer Payments	163,130	173,735	173,735	10,606
Transfer to/from Reserves	-1,307	2,676	2,676	3,983
Internal Income	-53,991	-60,046	-60,046	-6,055
External Income	-265,628	-298,675	-298,675	-32,847
Total	92,647	97,636	97,636	4,989

Change to Table

For Reporting

Financial Dashboard 2023/24 Financial Year



Surplus (-) / Deficit (+) £000s


0

HRA Income	Budget (LE) £000s	Projection £000	Variance £000	Change in Variance £000s
▲ Dwelling Rents	-230,240	-229,195	1,045	-230,216
Non Dwelling Rents	-3,347	-3,391	-44	-3,364
Service Charges	-9,551	-9,730	-179	-9,652
Internal Income	-9,349	-8,207	1,142	-9,350
Grants	-21,470	-21,545	-75	-21,545
External Income	-1,778	-1,980	-202	-1,854
Total	-275,735	-274,048	1,687	-275,980

HRA Expenditure	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▲ Disrepair Provision	4,000	3,893	-107	-107
Repairs to Dwellings	56,435	55,831	-604	-2,266
Employees	33,793	32,775	-1,018	13
Premises	11,732	11,184	-548	-37
Supplies and Services	4,245	4,329	84	244
PFI Unitary Charge	12,662	12,312	-350	-307
Transport	304	295	-9	-11
Internal Services	39,815	39,118	-697	-442
BITMO Management Fee	3,524	3,510	-14	-14
Provision for Doubtful Debts	1,136	1,530	394	92
Capital Charges	45,914	45,318	-595	-62
Contribution to Capital Programme	64,391	65,206	815	2,215
Total	277,951	275,300	-2,651	-683

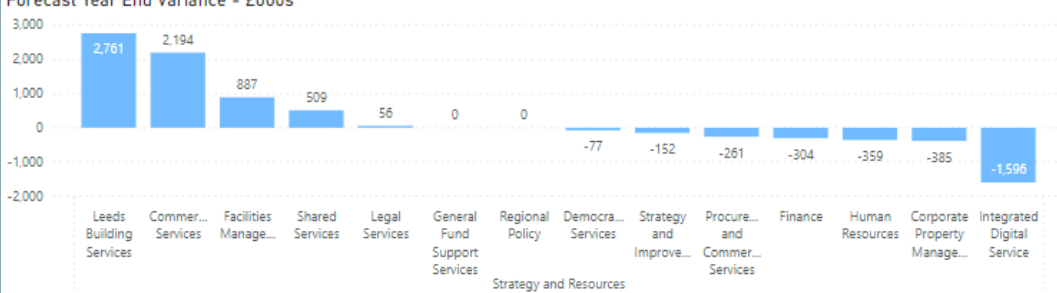
Surplus (-) / Deficit (+)	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▼ Net Position	2,216	1,252	-964	-929
Appropriation: Sinking Funds	-326	456	782	747
Appropriation: Reserves	-1,890	-1,707	183	183
Total	0	0	0	0

Financial Dashboard 2023/24 Financial Year



Budget Variation £000s
3,275

Forecast Year End Variance - £000s



Financial Year

2023/24

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	Actuals £000s	Projection £000s	Variance to Budget £000s
Employees	168,548	176,302	176,302	7,754
Premises	16,287	16,807	16,807	519
Supplies and Services	63,303	66,234	66,234	2,931
Transport	23,074	34,122	34,122	11,048
Internal Charges	4,931	5,029	5,029	98
Third Party Payments	28	29	29	1
Transfer Payments	66	35	35	-31
Transfer to/from Reserves	-74	-4,498	-4,498	-4,424
Internal Income	-175,126	-189,281	-189,281	-14,155
External Income	-16,621	-17,087	-17,087	-466
Total	84,417	87,692	87,692	3,275

Directorate	Change in Variance £000s
Strategy and Resources	-327
Total	-327

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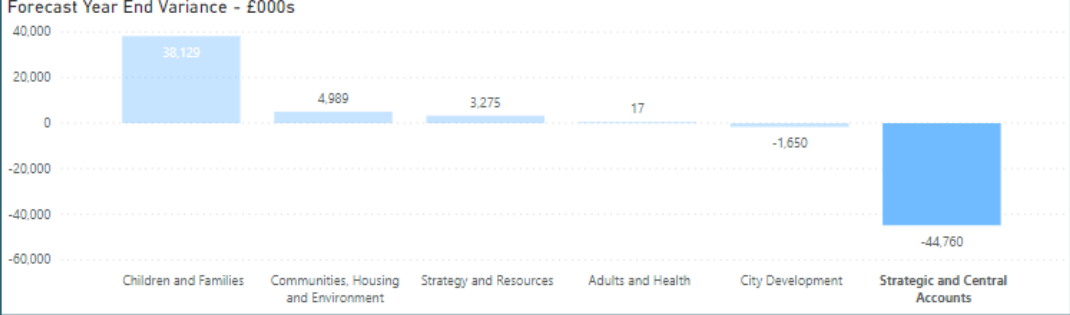
For Reporting

Financial Dashboard 2023/24 Financial Year



Budget Variation £000s
-44,760

Forecast Year End Variance - £000s



Directorate	Variance (£000s)
Children and Families	38,129
Communities, Housing and Environment	4,989
Strategy and Resources	3,275
Adults and Health	17
City Development	-1,650
Strategic and Central Accounts	-44,760

Financial Year

2023/24

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	Actual £000	Projection £000s	Variance to Budget £000s
Employees	4,729	4,702	4,702	-28
Premises	1,988	-375	-375	-2,363
Supplies and Services	6,188	10,676	10,676	4,488
Transport		0	0	0
Internal Charges	4,962	5,026	5,026	64
Third Party Payments	37,207	19,891	19,891	-17,315
Transfer Payments	1,130	1,217	1,217	87
Capital	91,349	75,456	75,456	-15,893
Transfer to/from Reserves	-11,936	-21,253	-21,253	-9,316
Internal Income	-35,171	-36,013	-36,013	-841
External Income	-82,538	-86,179	-86,179	-3,642
Total	17,908	-26,851	-26,851	-44,760

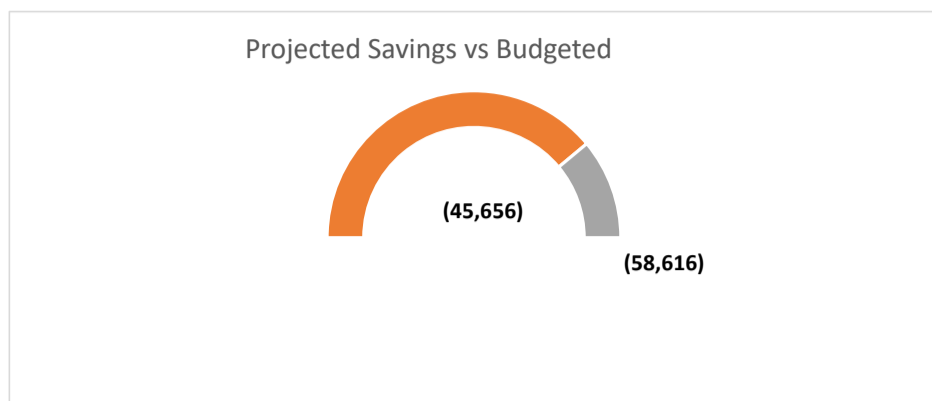
Directorate	Change in Variance £000s
Strategic and Central Accounts	2,302
Total	2,302

Change to Table

For Reporting

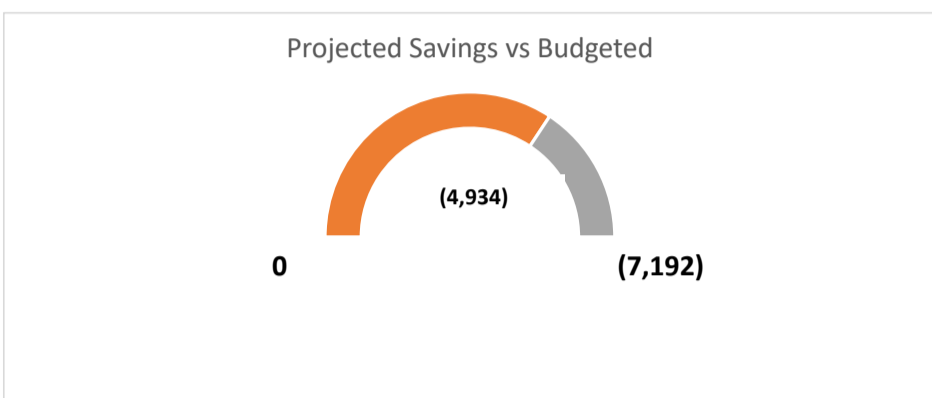
Outturn

LEEDS CITY COUNCIL - SUMMARY



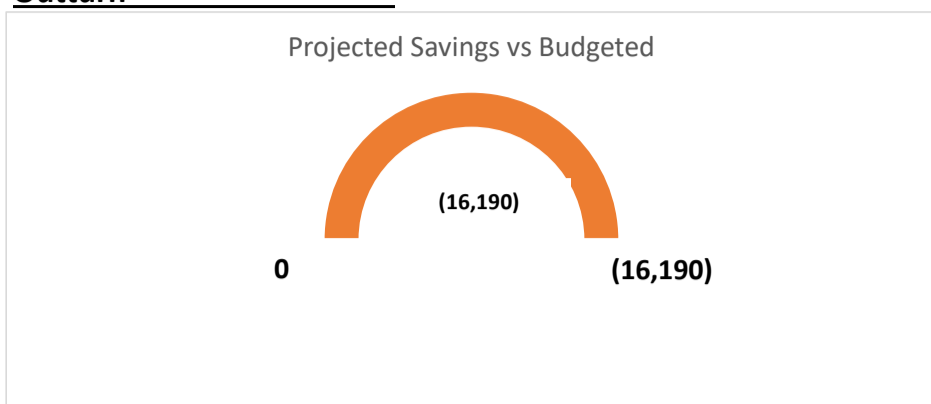
RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s
Achieved	(38,767)	(42,554)	(3,787)
On track, no issues	(200)	(200)	0
Some risk	(1,136)	(690)	446
High risk	(18,513)	(2,212)	16,301
Cancelled	0	0	0
Total	(58,616)	(45,656)	12,960

LEEDS CITY COUNCIL - Other Savings Measures



RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s
Achieved	(3,915)	(3,915)	0
On track, no issues	(630)	(630)	0
Some risk	0	0	0
High risk	(2,647)	(389)	2,258
Cancelled	0	0	0
Total	(7,192)	(4,934)	2,258

Outturn



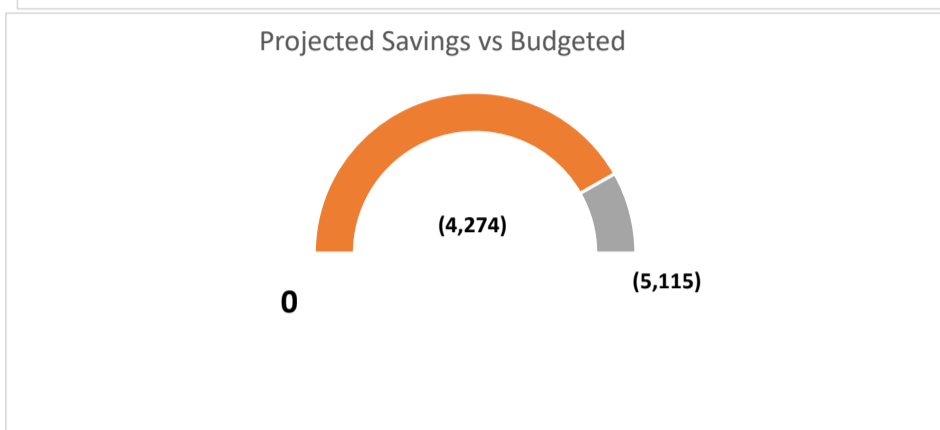
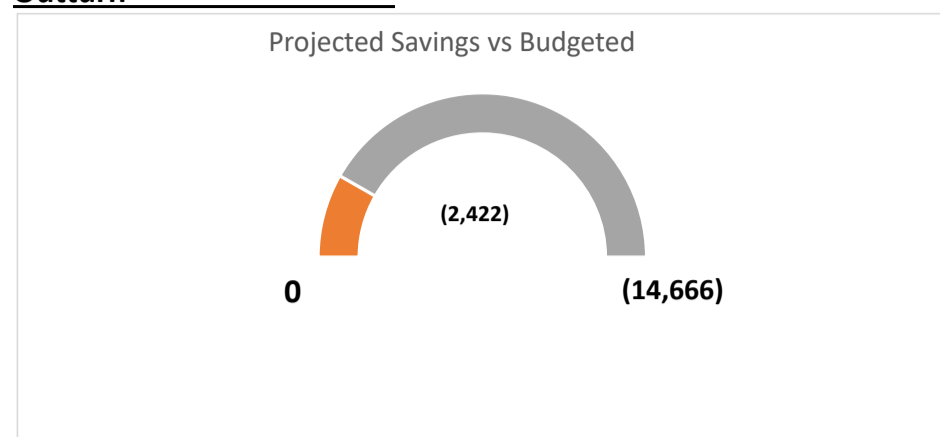
ADULTS & HEALTH - SUMMARY

RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s
Achieved	(13,270)	(15,140)	(1,870)
On track, no issues	0	0	0
Some risk	0	0	0
High risk	(2,920)	(1,050)	1,870
Cancelled	0	0	0
Total	(16,190)	(16,190)	0

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted Savings	BAU	Impact of telecare growth plan	Shona McFarlane	High Risk	(200)	(120)	80	Slippage in year one of the new service delivery plan. Shortfall was contained within Provider Services 23-24 budget. For 24-25 & 25-26 further Action Plan target of £200k per year. Need to review the 3-year Action Plan to assess deliverability.
Budgeted Savings	SR	Strategic Review of Adult Social Work provision	Shona McFarlane	High Risk	(1,120)	(630)	490	2023-24 represented the second year for the redesign of social work around reviewing and the front door. The reviewing element was delivered. The redesign of the front door is taking time to implement. Given 2024-25 has a further £0.6m savings target from the redesign of the front door, the programme for implementing the redesign is being prioritised to ensure the built in savings from 22-23 and 23-24 along with the new in-year 24-25 will be delivered.
Budgeted Savings	BAU	Individualisation of block contracts	Caroline Baria	High Risk	(500)	(250)	250	In 23-24 £250k of the £500k action plan was identified as not being deliverable. Alternative proposals were identified to cover the shortfall in 23-24, principally reviews on high cost packages for Working Age Adults & Older People. This 23-24 target has rolled through into the 24-25 budget and therefore creates a pressure for the new financial year.
Budgeted Savings	BAU	Invest to save proposal for Home care - performance management	Caroline Baria	High Risk	(1,000)	0	1,000	Delays in recruiting the 2 new staff meant that this action plan was not delivered in 23-24. Overall for 23-24 alternative savings or additional income were identified and the directorate delivered a balanced budget. This action plan is now being delivered in 24-25 and therefore this represents slippage and will not have an impact on future years budgets.
Budgeted Savings	BAU	Review supported bank account contract (direct payments)	Caroline Baria	High Risk	(100)	(50)	50	In 23-24 the £50k shortfall was covered by additional income. The 24-25 budget includes a further savings target of £150k. This presents a risk for the 24-25 budget and currently assessing deliverability of this plan and identifying further options to cover.

Outturn



CHILDREN & FAMILIES - SUMMARY

RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s
Achieved	(1,031)	(1,031)	0
On track, no issues	0	0	0
Some risk	(946)	(623)	323
High risk	(12,689)	(768)	11,921
Cancelled	0	0	0
Total	(14,666)	(2,422)	12,244

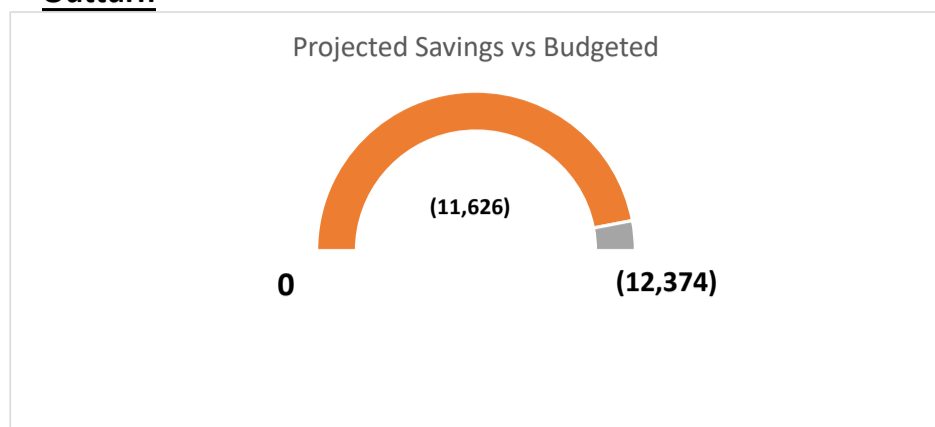
CHILDREN & FAMILIES - Other Savings Measures

RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s
Achieved	(3,915)	(3,915)	0
On track, no issues	0	0	0
Some risk	0	0	0
High risk	(1,200)	(359)	841
Cancelled	0	0	0
Total	(5,115)	(4,274)	841

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted	SR	Diversifying children's residential and fostering provision	Farrah Khan	High risk	(3,479)	0	3,479	While the project will still deliver savings over the longer term into 2024/25 and beyond, the timing has changed and the original 23/24 savings have not been delivered in year. This has been cashflowed to reflect change in phasing of savings.
Budgeted	SR	Contracts: reduce costs and build on LCC's regional 'lead' role to maximise opportunities for income generation through additional investment in commissioning, contract management and placement reviews.	Phil Evans	High risk	(4,000)	0	4,000	Original savings plans assumed delivery of £4,750k savings with £750k investment in staffing. Due to the scale of savings and lead in period this was not delivered in 2023/24. The saving has been rolled forward into 2024/25 with delivery plan still to be agreed.
Budgeted	SR	Turning the curve – range of workstreams to reduce the forecast increase in Children Looked After number	Farrah Khan	High risk	(3,000)	0	3,000	Original plans required investment in an Edge of Care service to deliver the net savings of £3,000k. However this savings target overlaps with the fostering and residential plans, so has not delivered additional savings in 23/24. An action plan will be required to ensure this saving is delivered in 2024/25.
Budgeted	BAU	Transport: Including independent travel training, personal transport allowances, use of private hire, commissioning an external review	Tim Pouncey	some risk	(946)	(623)	323	High risk budget due to level of control over demand and inflation and data available for projections. Therefore savings have been overtaken by additional costs. However progress is being made by C&F and CEL on implementation of savings proposals into 2024/25.
Budgeted	SR	Efficiencies in commissioned services through review of a range of contracts.	Phil Evans	High risk	(500)	(131)	369	This saving will be required to be delivered in 2024/25.
Budgeted	SR	Efficiencies across the Children & Families directorate, potentially including staffing reductions	Julie Longworth	High risk	(1,710)	(637)	1,073	Efficiencies have not been fully delivered in 2023/24, further efficiencies to be identified and delivered in 2024/25.
Other	0	Little Owls	Farrah Khan	High risk	(1,200)	(359)	841	Review ongoing to identify remaining savings into 2024/25

Outturn

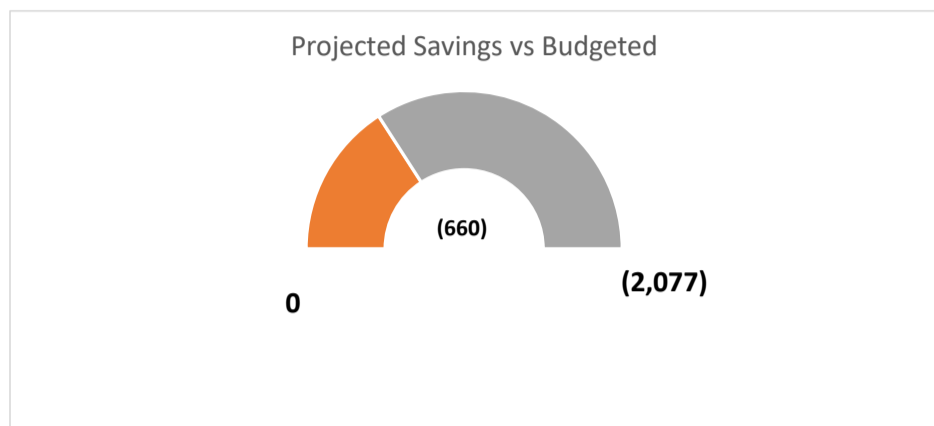


CITY DEVELOPMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s
Achieved	(11,343)	(11,334)	9
On track, no issues	(200)	(200)	0
Some risk	(190)	(67)	123
High risk	(641)	(25)	616
Cancelled	0	0	0
Total	(12,374)	(11,626)	748

CITY DEVELOPMENT - Other Savings Measures

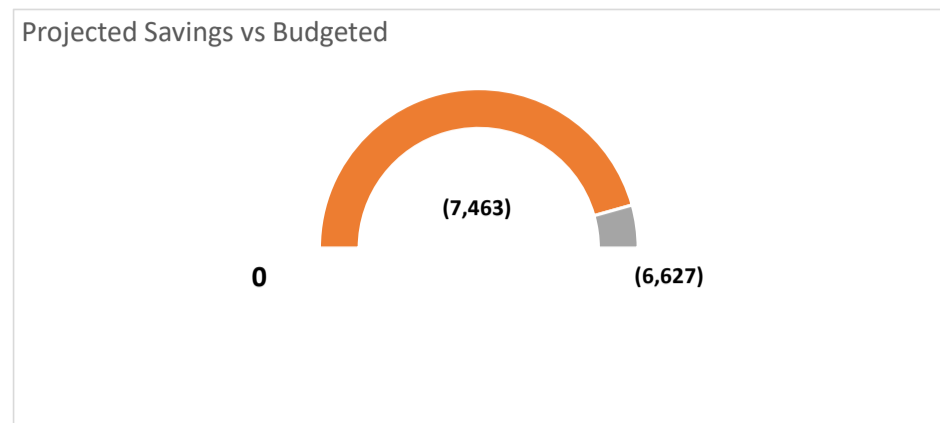
RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s
Achieved	0	0	0
On track, no issues	(630)	(630)	0
Some risk	0	0	0
High risk	(1,447)	(30)	1,417
Cancelled	0	0	0
Total	(2,077)	(660)	1,417



Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted	SR	Leeds Museums & Galleries Invest to Save: relocation of Café	Eve Roodhouse	Some risk	(90)	(67)	23	Relocation works completed and re-opened August. Savings on running cost mitigated loss of income
Budgeted	BAU	Leeds Museums and Galleries commercial review	Eve Roodhouse	Some risk	(100)	0	100	Additional income from shops e.g Art Gallery not achieved. Under recovery overall on income, but additional savings elsewhere in the service mitigated pressures
Budgeted	BAU	Additional income from new contractor framework implemented in 22/23	Gary Bartlett	High risk	(25)	(25)	0	Savings not achieved
Budgeted	SR	Street Lighting: Adaptive lighting via a Central Management System (CMS)	Gary Bartlett	High risk	(166)	0	166	Installation of units not agreed/contracted, however other savings in Street Lighting mitigated the pressure.
Budgeted	BAU	Development Management - generation of additional income from pre-app advice service	David Feeney	High risk	(100)	0	100	Underrecovery of additional pre-app fee income
Budgeted	BAU	Strategic Planning - consultancy advice (e.g. to other local authorities)	David Feeney	High risk	(50)	0	50	No work undertaken or income achieved relating to consultancy works.
Budgeted	BAU	Building Control - additional income through providing expert technical services to other local authorities	David Feeney	High risk	(50)	0	50	No achievement in 23/24. Building control income overall struggled to achieve income target.
Budgeted	BAU	Planning & Levelling Up Bill: National fees	David Feeney	High risk	(250)	0	250	National fees implemented in Dec 2023, however underrecovery of planning fees as a whole impacted achievement of £250k target.
Other	BAU	Estate Rationalisation	Angela Barnicle	High risk	(583)	(30)	553	Mitigating savings and increased income offset pressure within year
Other	BAU	Strategic Investment Fund	Angela Barnicle	High risk	(664)	0	664	Mitigating savings and increased income offset pressure within year
Other	BAU	Contractor Procurement Framework	Gary Bartlett	High risk	(200)	0	200	Savings not achieved in 23/24.

Outturn



COMMUNITIES, HOUSING & ENVIRONMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s
Achieved	(5,412)	(7,338)	(1,926)
On track, no issues	0	0	0
Some risk	0	0	0
High risk	(1,215)	(125)	1,090
Cancelled	0	0	0
Total	(6,627)	(7,463)	(836)

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	RAG Status	Budgeted Savings £'000s	Outturn Savings £'000	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted	BAU	Parks attractions income	John Mulcahy	High risk	(134)	(100)	34	Free ULEV permits ceased April 23 and income in WHLCP has been monitored. DDN approved September 23 for price increase to come into effect Jan 24 for WHLCP. Income at WHLCP is approx £695k down against budget compared to £792k last year. Improvement of approx £100k
Budgeted	BAU	Benefits - Subsidy - target Supported Accommodation	Polly Cook	High risk	(192)	(25)	167	Attractions income became a pressure at Lotherton where £100k of budgeted savings targeted. £92k targeted to Temple Newsam, badged as Go Ape concession outturned at £67k shortfall.
Budgeted	BAU	Community Centres - strategy to reduce the current subsidy to nil	Paul Money	High Risk	(33)	0	33	Income reduced in 2023/24, action not achieved.
Budgeted	BAU	Recycling Disposal costs	John Mulcahy	High Risk	(116)	0	116	Service has been insourced but income is down compared to budget by approx £137k
Budgeted	BAU	Review existing fees and charges beyond those assumed within the MTFS: Increase charge for replacement bins and Weighbridge	John Woolmer	High Risk	(740)	0	740	The risk of significant volatility of market price of recycling income was known when the budget was set. All disposal budgets are monitored each month and due to a reduction in the market price of recyclable materials the action plan was not achieved in 2023/24. This cost pressure has been partially offset by £204k of additional income on the recycling contract prices from October 2023.

2023/24 - Expenditure funded through Flexible Use of Capital Receipts
Appendix 4
Outturn

Project Description	Directorate	Head Of Finance	Planned Spend	Outturn	Variation to Planned Spend	Planned Savings	Outturn	Variation to Planned Savings
			2023/24	2023/24	to Planned Spend	2023/24	2023/24	to Planned Savings
			£m	£m	£m	£m	£m	£m
Adults and Health Service Transformation team (including management) supporting the delivery of key projects	Adults & Health	Alun Ellis	1.98	1.80	(0.18)	(4.00)	(4.00)	0.00
Adults and Health - specific IDS staff supporting transformation.	Adults & Health	Alun Ellis	0.10	0.10	0.00	(1.00)	(1.00)	0.00
Adults - Service Transformation- Chief Officer	Adults & Health	Alun Ellis	0.24	0.24	0.00	0.00	0.00	0.00
Children& Families transformation team	Children & Families	Lucie McAulay	1.40	0.73	(0.67)	0.00	0.00	0.00
IDS - Highways Enterprise Architecture system	City Development	Michael Everitt	0.63	0.27	(0.36)	0.00	0.00	0.00
Capital Scheme support City Development HOS. (NEW)	City Development	Michael Everitt	0.11	0.11	0.00	0.00	0.00	0.00
Providing resources to deliver transformation activity within the Communities Directorate	Communities, Housing & Environment	David McNutt	0.13	0.00	(0.13)	0.00	0.00	0.00
Climate, Energy & Green Spaces leadership posts- Staff Supporting Transformational projects/ work	Communities, Housing & Environment	David McNutt	0.06	0.06	0.00	0.00	0.00	0.00
Business Development Team-Staff Supporting Transformational projects/ work	Communities, Housing & Environment	David McNutt	0.27	0.27	0.00	0.00	0.00	0.00
Chief Officer Comm Hubs, Welf & Busn Spt- Staff Supporting Transformational projects/ work	Communities, Housing & Environment	David McNutt	0.02	0.02	0.00	0.00	0.00	0.00
IDS - Driving a digital approach across the Council	Strategy & Resources	Patrick McGuckin	0.50	0.50	0.00	(0.50)	(0.50)	0.00
IDS - Planned recruitment of specialists supporting the delivery of key projects across the Authority	Strategy & Resources	Patrick McGuckin	4.98	2.95	(2.03)	0.00	0.00	0.00
Council Tax Atomisation-digitising transactional activity	Strategy & Resources	Patrick McGuckin	0.13	0.05	(0.08)	0.00	0.00	0.00
PACS staff delivering innovative solutions to realise Procurement savings	Strategy & Resources	Patrick McGuckin	0.84	0.84	0.00	0.00	0.00	0.00
CEL staff time spent on Transformational projects	Strategy & Resources	Patrick McGuckin	0.12	0.12	0.00	(1.53)	(1.53)	0.00
BSC - Staff who supporting the delivery of system changes within the Shared Services.	Strategy & Resources	Patrick McGuckin	0.47	0.47	0.00	0.00	0.00	0.00
IDS - Additional funding for driving a digital approach across the Council	Strategy & Resources	Patrick McGuckin	0.70	0.70	0.00	0.00	0.00	0.00
LBS - Service Transformation - supporting the delivery of various projects	Strategy & Resources	Patrick McGuckin	0.24	0.24	0.00	0.00	0.00	0.00
Legal - Staff supporting the Delivery of DAT (Documents and Time recording system)	Strategy & Resources	Patrick McGuckin	0.06	0.00	(0.06)	0.00	0.00	0.00
Corporate Transformation Capacity Team	Strategy & Resources	Patrick McGuckin	0.54	0.04	(0.49)	0.00	0.00	0.00
Recruiting to the structure of Corporate Transformation Capacity Team	Strategy & Resources	Patrick McGuckin	0.10	0.10	0.00	0.00	0.00	0.00
LBS Work Streams	Strategy & Resources	Patrick McGuckin	0.39	0.12	(0.27)	0.00	0.00	0.00
Additional PACS staff to support transformation projects across the Council	Strategy & Resources	Patrick McGuckin	0.63	0.35	(0.28)	0.00	0.00	0.00
Ernest Young Contract Review Exercise (NEW)	Strategy & Resources	Patrick McGuckin	0.09	0.09	0.00	0.00	0.00	0.00
Staff Supporting Transformational projects/ work	Strategy & Resources	Patrick McGuckin	0.35	0.35	0.00	0.00	0.00	0.00
Statutory redundancy payments and pension costs ELI, VLS and Flexible Retirements	Strategic/ Corporate	Naomi Eastwood	2.75	2.54	(0.21)	(2.75)	(2.54)	0.21
Driving a digital approach to the delivery of Core Business Transformation Programme	Strategic/ Corporate	Mark Barrett	10.00	6.96	(3.05)	0.00	0.00	0.00
Grand Total			27.79	19.99	(7.80)	(9.78)	(9.57)	0.21

Directorate	Description of Reserve	Balance at	Transfers To &	Balance at	Reason for the Reserve
		1st April 2023	From Reserve	Outturn 2023/24	
		£k	£k	£k	
	GENERAL FUND	(33,248)	(3,000)	(36,248)	
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 and Social Care (CCG)	(9,697)	5,840	(3,857)	To fund Health and Social Care priorities
Adults & Health	Prisons Reserve	(79)	79	0	CCG funding for social work in prisons
Adults & Health	Drugs Commissioning	(133)	133	0	Carry forward of external income for drug and alcohol priorities
Adults & Health	Transforming Care	(2,393)	2,393	0	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	(283)	283	0	Provision to meet costs associated with development of social care models e.g. Recovery Model
Adults & Health	Safeguarding (Adults)	(271)	(3)	(274)	Independent Safeguarding Board - carry forward of partner contributions.
Adults & Health	Spring Budget	(2,141)	329	(1,812)	Carry forward of Spring Budget monies from DLUHC.
Adults & Health	Skills for Care	(193)	193	0	To provide funding for training of Care Workers
Children & Families	Trauma Informed programme	(59)	(286)	(345)	S256 funding agreement with CCG to set up new service.
Children & Families	Dewsbury Road Annexe	(191)	0	(191)	0-19 Public health Integrated Nursing Service funding allocated to Dewsbury Road Annexe capital programme.
Children & Families	Roma Capacity Funding	(10)	(100)	(110)	To fund a Family Outreach Worker in 2023/24.
Children & Families	Henry 5-12 project	(53)	5	(48)	Public Health funding to support a healthy weight programme for families with children aged 5-12 years old.
Children & Families	Health & Wellbeing	(167)	167	0	S31 Grant to provide training and advisory support to schools and colleges on mental health and wellbeing.
Children & Families	NEW: NEET Funding from WYCA	0	(50)	(50)	Funding from West Yorkshire Combined Authority to support Young people not in education, employment or training (NEET) activities in 2024/25
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	NEW: Adoption National Recruitment Strategy	0	(250)	(250)	Carry forward of DfE funding in respect of Regional Adoption Agencies in England to provide contingency
Children & Families	Families First	(17)	17	0	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	Major Events	0	(50)	(50)	To reinvest an element of event profits to cover potential future events costs such as one off infrastructure, to protect future deliver
City Development	Heritage Assets Refund reserve	(2,423)	2,423	0	To carry forward one-off business rates refund to provide additional funding for City Development savings requirements
City Development	LMG Exhibitions	(162)	(54)	(216)	To carry forward saving generated by Museums & Galleries, to access the Government's Museums and Galleries Exhibition Tax Relief scheme
Communities, Housing & Environment	Social Inclusion Fund	(554)	107	(447)	Social Inclusion Fund as per Casino 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	Economic, Social and Environmental Wellbeing Fund	(648)	346	(302)	To carry forward balances on the wellbeing budgets of Community Committee.
Communities, Housing & Environment	Communities Innovation Fund	(29)	7	(22)	To fund work with 3rd sector to develop future financial sustainability in the sector.
Communities, Housing & Environment	Waste Management	(697)	400	(297)	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	Car Parking Upgrade of Meters	(100)	(300)	(400)	To cover cost of upgrading pay and display parking meters to 4G when 3G is no longer supported.
Communities, Housing & Environment	Homelessness Prevention Fund	(1,575)	(870)	(2,445)	To fund homelessness prevention
Communities, Housing & Environment	Supporting People	(73)	(276)	(349)	To fund homelessness prevention
Communities, Housing & Environment	Civil Penalties	(250)	(150)	(400)	To fund potential legal costs/future shortfalls in income from Civil Penalties.
Communities, Housing & Environment	District Heating Network Reserve	(158)	(30)	(188)	To underwrite losses made by District Heating Company
Communities, Housing & Environment	Energy Efficiency Reserve - LCC	(338)	(132)	(470)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategy & Resources	Lord Mayor	(10)	0	(10)	Balance of budget carried forward.
Strategy & Resources	NEW: Purchase of vehicles reserve	0	(800)	(800)	Slippage in purchase of vehicles funded through revenue (due to unwinding capitalisation)
Strategic & Central	Section 256	(1,148)	(161)	(1,309)	Funding from the CCG to be utilised by DIS to fund development of Digital Solutions for Personalised Care
Strategic & Central	General Insurance	(10,771)	5,710	(5,061)	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	(573)	(653)	(1,226)	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	(22,298)	22,298	0	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	(10,606)	8,218	(2,388)	Reserve to carry forward S31 NDR relief grants
Strategic & Central	Strategic Contingency Reserve	(19,934)	(3,031)	(22,965)	To fund future unforeseen budget pressures and to ensure the Council becoming more financially resilient
Strategic & Central	COVID Reserve	(1,365)	1,328	(37)	Government funding to be applied to pressures arising as a consequence of COVID
Strategic & Central	Council Tax TIG reserve	(2,234)	2,234	0	Government Income guarantee COVID funding for lost Council Tax in 20/21, to be applied over 3 years.
Strategic & Central	Business rates TIG reserve	(1,003)	1,003	0	Government Income guarantee COVID funding for lost Business Rates income in 20/21, to be applied over 3 years.
Strategic & Central	Investment/Innovation	(2,529)	(572)	(3,101)	Fund to get projects off the ground that will generate future revenue savings.
Strategic & Central	Business Rates Distribution	(290)	(77)	(367)	To carry forward prior years Business Rates Pool surplus and funding allocated to projects.
Strategic & Central	Schools Income	(348)	(132)	(480)	To carry forward schools income
	Sub-total Earmarked Reserves	(98,668)	45,536	(53,132)	
	Total non-ring fenced Reserves	(131,916)	42,536	(89,380)	
	RING FENCED RESERVES				
Schools	Extended Schools Balances	(7,004)	(392)	(7,396)	Surpluses on extended school activities carried forward
Schools	Schools Balances	(24,233)	6,042	(18,191)	Schools balances net of VER, Children's Services and BSF PFI borrowing
Schools	Dedicated Schools Grant	(9,010)	2,554	(6,456)	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	(1,539)	404	(1,135)	Funding from Central Government for transitions costs from Hospitals back to Community Settings
Adults & Health	Public Health Grant	(2,747)	(123)	(2,870)	Public Health grant carried forward
Communities, Housing & Environment	S31 Elections Act Grant	(32)	0	(32)	Unspent Government grant carried forward
Communities, Housing & Environment	Taxi & Private Hire Licensing Surplus	(227)	(250)	(477)	Ring fenced reserve for taxi and private hire licensing service.
Strategic & Central	Energy Efficiency Reserve - Salix	(736)	(96)	(832)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic & Central	Staffing and Management Support	(383)	383	0	To support HR initiatives
Various	Revenue Grants	(19,228)	(4,361)	(23,589)	Revenue grants carried forward as per IFRS requirements (see note 1 below)
	Sub-total GF ring fenced reserves	(65,254)	4,161	(61,093)	
	Note 1: Revenue Grants				
Adults & Health		(280)	280	0	Revenue Grants Carried Forward
Children & Families		(1,181)	(472)	(1,653)	Revenue Grants Carried Forward
City Development		(5,166)	(2,582)	(7,748)	Revenue Grants Carried Forward
Communities Housing & Environment		(11,448)	(2,129)	(13,577)	Revenue Grants Carried Forward
Resources		(1,153)	542	(611)	Revenue Grants Carried Forward
	Sub-total Revenue Grants	(19,228)	(4,361)	(23,589)	
	HRA RING FENCED RESERVES				
	HRA General Reserve	(7,675)	(250)	(7,925)	
	Housing Advisory Panels (HAPs)	(39)	(66)	(105)	To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.
	Wharfedale View SF	(54)	(14)	(68)	Contribution from shared owners towards future costs of replacing furniture and carpets at Wharfedale View Extra Care facility
	Changing the Workplace	(301)	301	0	To fund the cost of 'new ways of working' for staff in Housing Leeds as office moves are completed.
	Local Authority Housing Fund	(2,589)	1,839	(750)	To provide match funding to add to the LAHF being received in 2023/24 to fund the acquisition of new homes for Ukrainian guests.
	Tenant Satisfaction Funding - DLUHC	0	(98)	(98)	New Burdens Tenant satisfaction funding from DLUHC received in 2023/24 with planned expenditure in 2024/25
	Swarcliffe PFI - Lifecycle Retention Fund	0	(398)	(398)	Previously part of Swarcliffe PFI reserve. Reserve set up to enable the balance of the lifecycle retention fund (a joint account between LCC and the contractor) to be held separately
	Swarcliffe PFI Sinking Fund	(4,199)	60	(4,139)	PFI Sinking Fund
	LLBH&H PFI Sinking fund	(3,763)	(117)	(3,880)	PFI Sinking Fund
	Revenue Repairs Reserve	(69)	(5)	(74)	Carry forward of in year underspend due to COVID
	Major Repairs Reserve	(3,199)	(3,487)	(6,686)	Ring-fenced to fund capital expenditure or redeem debt.
	Sub-total HRA reserves	(21,888)	(2,235)	(24,123)	
	Total Ring Fenced Reserves	(87,142)	1,926	(85,216)	
	TOTAL RESERVES	(219,058)	44,462	(174,596)	

Capital Programme Funding Statement 2023-2028

Appendix 6A

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£000	£000	£000	£000	£000	£000
EXPENDITURE						
GENERAL FUND (GF)						
IMPROVING OUR ASSETS	118,097	166,750	218,164	74,857	73,771	651,639
INVESTING IN MAJOR INFRASTRUCTURE	66,683	69,914	27,882	958	8,612	174,048
SUPPORTING SERVICE PROVISION	28,426	41,248	21,664	37,947	26,770	156,054
INVESTING IN NEW TECHNOLOGY	8,505	17,507	4,140	3,314	2,500	35,966
SUPPORTING THE LEEDS ECONOMY	9,318	23,550	20,388	6,541	1,740	61,537
CENTRAL & OPERATIONAL EXPENDITURE	37,258	49,912	56,462	36,527	60,461	240,619
TOTAL ESTIMATED SPEND ON GF	268,287	368,880	348,699	160,143	173,854	1,319,864
HOUSING REVENUE ACCOUNT (HRA)						
IMPROVING OUR ASSETS - COUNCIL HOUSING	122,937	149,783	153,713	105,704	81,045	613,182
TOTAL ESTIMATED SPEND ON HRA	122,937	149,783	153,713	105,704	81,045	613,182
TOTAL ESTIMATED SPEND	391,223	518,664	502,412	265,848	254,899	1,933,045
RESOURCES						
GENERAL FUND (GF)						
Specific Resources						
GOVERNMENT GRANTS	127,294	178,150	185,457	72,394	71,167	634,462
OTHER GRANTS & CONTRIBUTIONS	29,427	17,058	6,255	7,619	1,552	61,911
RCCO / RESERVES	156	0	0	0	0	156
CAPITAL RECEIPTS - Transformational Change	19,468	19,506	10,195	10,150	9,369	68,689
Corporate Resources						
BORROWING - Corporate	71,534	131,353	118,134	63,336	85,608	469,964
BORROWING - Departmental	20,408	22,813	28,658	6,644	6,159	84,682
CAP. RESOURCES REQD FOR GF	268,287	368,880	348,699	160,143	173,854	1,319,864
HOUSING REVENUE ACCOUNT (HRA)						
Specific Resources						
HRA SELF FINANCING	58,151	63,352	62,895	65,266	66,574	316,238
R.T.B. CAPITAL RECEIPTS	36,423	42,621	49,003	23,850	13,030	164,928
GOVERNMENT GRANTS	5,142	4,161	0	0	0	9,303
RCCO / RESERVES	3,568	750	0	0	0	4,318
OTHER GRANTS & CONTRIBUTIONS	4,334	0	0	0	0	4,334
BORROWING - Departmental	15,318	38,900	41,815	16,588	1,441	114,061
CAP. RESOURCES REQD FOR HRA	122,937	149,783	153,713	105,704	81,045	613,182
TOTAL CAP. RESOURCES REQD	391,223	518,664	502,412	265,848	254,899	1,933,045

BORROWING REQUIRED TO FUND THIS PROGRAMME	107,259	193,066	188,607	86,567	93,207	668,707
Average Interest rate (subject to change)	5.25%	4.50%	3.75%	3.50%	3.50%	

Annual Programmes

Appendix 6A (i)

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£000	£000	£000	£000	£000	£000
Improving Our Assets						
Highways Maintenance	32,786	27,679	22,278	18,894	24,254	125,890
Corporate Property Management	6,513	10,836	8,500	7,500	8,500	41,849
Highways Bridges & Structures Maintenance	6,578	6,871	4,798	5,205	5,658	29,110
Section 278	2,614	7,246	3,788	3,554	3,500	20,703
Highways Maintenance Capitalisations	6,099	3,700	301	0	0	10,100
Climate Emergency	660	1,047	1,098	950	950	4,705
Demolition Programme	460	441	500	0	500	1,901
Library Books	520	300	200	100	0	1,120
Sports Maintenance	30	224	100	100	100	553
	56,258	58,344	41,563	36,304	43,462	235,931
Supporting Service Provision						
Telecare ASC	472	729	600	600	600	3,000
Adaptation to Private Homes	508	609	470	470	470	2,527
Childrens Centres	8	60	50	50	258	426
	987	1,398	1,120	1,120	1,328	5,953
Investing In New Technology						
Essential Services Programme	4,572	10,616	1,600	800	0	17,588
Digital Development	2,167	5,568	2,500	2,500	2,500	15,235
	6,738	16,184	4,100	3,300	2,500	32,823
Supporting The Leeds Economy						
Project Support Fund - Groundwork	0	140	70	70	70	350
Central & Operational Expenditure						
Vehicle Programme	154	12,645	29,630	16,508	22,530	81,467
PFI Lifecycle Capitalisations	13,382	12,895	13,395	8,238	14,773	62,683
Transformational Change	13,092	12,343	10,195	10,150	9,369	55,149
General Capitalisations	3,311	2,150	1,900	790	0	8,150
Capital Programme Management	422	541	541	541	661	2,707
Capitalisation of Interest	521	500	400	300	279	2,000
	30,882	41,075	56,062	36,527	47,611	212,156
Total Annual Programmes 2023-2028	94,866	117,140	102,915	77,321	94,971	487,213

Major Programmes & Other Directorate Schemes

Appendix 6A (ii)

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
Improving our assets - Council Housing						
HRA Housing Leeds & BITMO & Other	82,150	81,775	81,743	84,039	80,541	410,248
HRA Council Housing Growth Programme	40,787	68,008	71,971	21,665	504	202,934
Improving our assets - General Fund						
Dawsons Corner & Stanningley Bypass	694	11,437	30,000	7,631	0	49,763
Capital Maintenance / School Condition Allocation	5,411	5,239	7,806	6,866	19,442	44,764
City Centre Package & Armley Gyratory	23,061	9,236	515	0	0	32,812
Highways Transport Package	5,696	6,658	7,334	4,098	3,805	27,591
Parks & Countryside Schemes	5,342	9,960	7,254	1,030	828	24,414
Parklife Programme	991	4,317	16,834	0	0	22,142
Strategic Investment Fund Acquisitions	419	2,997	17,500	864	0	21,780
A660 Woodhouse Lane Gateway (Uni)	233	501	16,675	3,025	0	20,435
LUF1 - Connecting West Leeds	4,536	13,650	966	0	0	19,152
Fearnville Wellbeing Centre	98	1,123	13,000	4,200	0	18,421
Leeds Town Hall Restoration / Other Heritage Assets	3,062	5,342	8,932	1,000	0	18,336
Corridor Improvement Programme (CIP)	1,309	7,119	8,979	0	0	17,407
LUF3 - Heart of Holbeck	47	4,677	11,225	806	0	16,755
Beckett Street Bus Priority Transformation	87	550	12,109	2,250	0	14,996
Devolved Formula Capital Grant	2,869	2,362	1,728	1,609	3,344	11,912
A6110 Elland Road South Churchwell Hill	58	582	7,150	219	0	8,010
Streetlighting Replacement LEDs	3,029	63	0	2,450	2,450	7,992
Creating Healthier Streets, Spaces & Communities	94	870	2,745	2,420	50	6,179
Assisted Living Leeds	260	4,380	1,500	0	0	6,140
Community Hubs Programme	409	3,056	863	0	0	4,327
Future Ways of Working and Estate Realisation	372	2,600	131	0	0	3,103
Other smaller schemes within the objective	3,761	11,687	3,355	85	391	19,278
	184,775	258,190	330,314	144,257	111,354	1,028,891
Investing in Major Infrastructure						
Decarbonisation Programme & Energy Efficiency	20,028	25,613	1,475	75	454	47,644
Leeds Integrated Station Masterplan	9,976	20,421	16,666	0	0	47,063
Sustainable Active Travel	10,179	11,826	7,815	0	0	29,820
Flood Alleviation Schemes	20,338	6,263	575	583	0	27,759
Clean Air Zone	32	534	0	0	8,158	8,725
Other smaller schemes within the objective	6,130	5,256	1,351	300	0	13,037
	66,683	69,914	27,882	958	8,612	174,048
Supporting Service Provision						
Learning Places Programme / Basic Need Grant	10,841	15,048	7,424	26,233	12,914	72,460
Private Sector Renewal - Adaptations / Equity Loans	9,860	12,482	8,564	8,564	10,197	49,668
Kirkland's Bungalows Autism Project	458	7,407	1,386	0	0	9,251
Childrens Homes	4,359	2,175	347	65	0	6,946
Other smaller schemes within the objective	1,921	2,738	2,823	1,964	2,331	11,776
	27,439	39,850	20,544	36,827	25,442	150,101
Investing in New Technology						
Other smaller schemes within the objective	1,767	1,323	40	14	0	3,143
	1,767	1,323	40	14	0	3,143
Supporting the Leeds Economy						
Morley Town Fund	1,783	10,628	10,691	0	0	23,102
Kirkgate Market Strategy	2,093	4,580	1,500	1,280	0	9,453
British Library at Temple Works	199	85	4,716	0	0	5,000
East of Otley Relief Road	82	293	0	4,218	0	4,593
Local Centres Programme & THI	1,416	2,800	0	0	0	4,217
Other smaller schemes within the objective	3,745	5,024	3,411	973	1,670	14,823
	9,318	23,410	20,318	6,471	1,670	61,187
Central & Operational Expenditure						
General Contingencies	0	900	400	0	12,849	14,149
Core Systems Review	6,376	7,163	0	0	0	13,540
Other smaller schemes within the objective	0	774	0	0	0	774
	6,376	8,837	400	0	12,849	28,463
Total Major Programmes & Other Directorate schemes	296,358	401,523	399,497	188,527	159,928	1,445,833
Annual Programmes - See Appendix 6A (i)	94,866	117,140	102,915	77,321	94,971	487,213
Total Annual & Major Programmes	391,223	518,664	502,412	265,848	254,899	1,933,045

Net Increase in funding since February 2023 to 2023/24 Outturn

Appendix 6A (iii)

	Corporate Borrowing £000	Borrowing Supported by Revenue £000	Specific Resources £000	Total Resources £000
Injection of 24/25 HNPCA Grant Allocation			8,029.4	8,029.4
Additional Injections to HRA Schemes			7,758.6	7,758.6
External Funding Injections to Highways Schemes			1,313.5	1,313.5
Additional Highways Grant Injection re TCF City Centre Cycle Network			1,000.0	1,000.0
Additional PS Contributions Injections re GF Housing			764.4	764.4
Insurance Receipt Injection re Indoor Playbarn at Temple Newsam			599.3	599.3
External Funding Injections to Energy Efficiency Schemes			449.1	449.1
S106 Contributions Injection re Crown Point Rd - GBF Scheme			232.7	232.7
EA Grant Injection re Wharfedale Flooded Communities Study			176.0	176.0
Government Grant Injection re Web Redevelopment			115.0	115.0
Additional Departmental Borrowing Injection re Waste Depot		110.5		110.5
Grant Injection re Library Books System			69.6	69.6
S106 Contributions Injection re Bramhope Primary School Scheme			10.0	10.0
Net Injections sought as part of this report	0.0	110.5	20,517.6	20,628.1
Net Injections with approvals in place	99,723.3	28,757.7	252,534.9	381,015.9
Total Net Injections in place since February 2023	99,723.3	28,868.2	273,052.5	401,644.0
Slippage Movements as at 2022/23 Outturn				-3,982.1
Net Increase in funding since February 2023 to 2023/24 Outturn				397,661.9

CAPITAL PROGRAMME - 2023/24 OUTTURN VARIATIONS

Appendix 6B

The following table highlights main scheme variations between the estimates in February 2024 and the final outturn 2023/24 as at 7th May 2024.

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

Directorate	Service	Programme / Scheme	Feb 2024 £000	2023/24 Actual £000	Variation Under (-) / Over £000	Reason for variation
Adults & Health	People with Learning Disabilities	Kirkland's Bungalows Autism project	89.5	458.4	368.9	Delays in getting Exec Board approval for scheme. However, high level of design activity in final quarter for start on site June or July 2024.
	Services for Older People	Telecare from Analogue to Digital	135.8	0.0	(135.8)	Scheme slipped to 24-25.
	Services for Older People	Telecare Equipment	600.0	471.5	(128.5)	Reflects the service recycling existing equipment and delays in getting new stock.
	Adults and Health General	Assisted Living Leeds	481.1	259.7	(221.4)	Delays in getting specification signed off prior to start on-site.
	Adaptations	Adaptations to Private Homes	646.6	507.7	(138.9)	Activity in final quarter of 23-24 not as high as expected.
	Digital Information Services	Digital Transformation Staff Costs	450.0	704.5	254.5	Work on the CIS system for billing engine, reporting and projection capability. Covered by a grant received. Charges processed at year-end.
	Other schemes		671.1	629.4	(41.7)	No material variances on the 20 remaining schemes within Adults & Health. Variance primarily relates to care home refurbishment schemes (-£40.8k).
			3,074.1	3,031.2	(42.9)	

Directorate	Service	Programme / Scheme	Feb 2024 £000	2023/24 Actual £000	Variation Under (-) / Over £000	Reason for variation
Strategic & Central	Strategic Priorities	Transformational Change to LCC	12,310.5	13,092.0	781.5	Planned spend increases throughout the year and totalled £17.8m at the year end. Only actual in year spend is funded, which totalled £13.1m. A proportion of capital receipts committed in 2023/24 will be carried forward to 2024/25. Flexible Use of Capital Receipts is detailed in paragraph 3.1 of Appendix 1 and in Appendix 4 to this report.
	Strategic Priorities	PFI Lifecycle Capitalisation	11,980.0	13,382.3	1,402.3	The impact of inflation on PFI unitary charges has increased the amount capitalisable.
	Strategic Priorities	Core Systems Review	6,955.0	6,376.2	(578.8)	The variance primarily relates to delays in anticipated recruitment, both external and use of internal resources, and a reduction in the IAS19 costs identified during the 2023/24 closure of accounts.
	Other schemes		4,505.2	4,271.1	(234.1)	No material variances on the 79 remaining schemes within Strategic & Central. Variance primarily due to minimising spend on the Future Ways of Working Programme by utilising existing furniture and equipment where available and managing the expectations of services around their requirements (-£160.5k) and reduced charges relating to Capitalisation of Interest (-£78.9k).
		35,750.7	37,121.6	1,370.9		

Appendix 6B continued

Directorate	Service	Programme / Scheme	Feb 2024 £000	2023/24 Actual £000	Variation Under (-) / Over £000	Reason for variation
City Development	Asset Management	Leeds Integrated Station Masterplan	9,228.1	9,976.1	748.0	The Leeds Sustainable Travel Gateway scheme is one of City Developments largest schemes which delivered more in year on the ground than expected taking advantage of the fair weather conditions. At the time of estimating the outturn in January the average was taking on 8 months spend. TCF Grant funded.
	Highways	Streetlighting Replacement LEDs	1,742.1	3,029.2	1,287.1	Late accrual for works completed but not agreed. Scheme now complete.
		Leeds Flood Alleviation Scheme 2	19,975.3	19,114.1	(861.2)	In line with our contract obligations on FAS2, LCC have made smaller payments than expected in the last 3 months of 2023/24 resulting in the variance.
		Highways Maintenance & Capitalisations	36,357.1	38,884.6	2,527.5	Additional £1m spent on CRSTS/ Potholes (funded from bringing forward future years grant) together with additional £1.5m on General Capitalisations from revenue as a result of potential loss of income on Highways Fees as a result of IAS19 late announcement which while costing this line reduced same on 300+ Highways capital schemes.
		Sustainable Active Travel	9,366.0	10,179.2	813.2	Mainly due to late contractor invoices on the City Centre Cycle Network PH3 scheme and share of costs moved from Crown Point Road scheme onto the TCF City Centre Cycle Network scheme, which while it has funds will cause a knock on effect on future years with the scheme having to be descope unless we are successful in achieveing addtl funding.
		Dawsons Corner & Stanningley Bypass	1,776.5	693.7	(1,082.8)	Failure to secure the Charity Land purchase expected to complete in March 24, due to delays in agreeing value/price. Will now complete May 24.
		City Centre Package & Armley Gyratory	22,271.6	23,061.3	789.7	Delivered more on the ground on Armley Gyratory than expected in year after adjusting cashflows from Feb 2023, taking advantage of the fair weather conditions. At the time of estimating the outturn in January late invoices came through.
		Leeds Public Transport Investment Programme	4,007.5	3,426.2	(581.3)	Leeds Public Transport Investment Programme (LPTIP), spend on the remaining schemes was less than expected in 2023/24, together with the developer not taking up the loan facility LCC made available.
	Regeneration	Heritage Action Zone	1,124.0	467.8	(656.2)	Full programme not going ahead, descope of schemes.
	Other schemes		42,031.4	39,909.7	(2,121.7)	No material variances on the 445 remaining schemes within City Development. Main areas for this variance are Culture & Sport (-£404.8k), and Regeneration (-£1,082.0k)
			147,879.6	148,741.9	862.3	

Appendix 6B continued

Directorate	Service	Programme / Scheme	Feb 2024 £000	2023/24 Actual £000	Variation Under (-) / Over £000	Reason for variation
Children & Families	Learning Places	Cockburn MAT - Phase 2	3,051.1	2,371.0	(680.1)	Delays to planned public right of way works due to planning approval processes.
	Learning Places	Allerton High School	2,147.3	2,263.7	116.4	Additional costs incurred from school change requests.
	Learning Places	Laurence Calvert School	300.0	585.9	285.9	Acceleration of site reinstatement works following decommissioning of temporary classroom units.
	Learning Places	Boston Spa St Edwards's Primary School	728.9	529.4	(199.5)	Delay in hard play and highways aspects of the project, and identification of potential budget savings.
	Learning Places	Leeds City Academy	1,638.6	1,148.6	(490.0)	This is an Academy self-delivered scheme - delay in works being undertaken.
	Learning Places	Brierley Nightingale SEN	1,669.7	1,264.7	(405.0)	This is an Academy self-delivered scheme - delay in works being undertaken.
	Capital Maintenance	SCA Works Programme 2023/24	3,584.9	4,295.2	710.3	Accelerated spend in the 2023/24 SCA Works Programme, primarily relating to mechanical and roofing works.
	Health & Safety	Health & Safety Works 23/24	60.0	262.8	202.8	Roofing works, originally planned for Summer 2024 (SCA programme), that have been brought forward due to emergency circumstances.
	Devolved Formula Capital Grant (DFC)	Devolved Formula Capital Grant (DFC)	2,500.0	2,868.6	368.6	Increase in school capital grant spend.
	Other Education Schemes	Prince Henry's Grammar - S106 Works	0.0	261.7	261.7	Post Feb '24 agreement with school to provide S106 financing contribution.
	Social Care / Youth / Early Years	New Residential Childrens Homes	3,325.0	3,185.5	(139.5)	The variance primarily relates to the reversal of a decision to purchase a property (-£350.0k), offset by additional refurbishment / remodelling costs at a new home (+£212.1k).
	Social Care / Youth / Early Years	Kinship Care - Private Homes	0.0	159.0	159.0	Post Feb '24 Financial Challenge agreement to capitalise revenue expenditure.
		Other schemes	6,725.3	6,515.9	(209.4)	No material variances on the 145 remaining schemes within Childrens & Families.
		25,730.8	25,712.0	(18.8)		

Appendix 6B continued

Directorate	Service	Programme / Scheme	Feb 2024 £000	2023/24 Actual £000	Variation Under (-) / Over £000	Reason for variation
Strategy & Resources	Digital and Information Services	Digital Developments Programme	2,617.0	2,175.4	(441.6)	Variance primarily due to a delay in awarding a KPMG contract (£230k), standing down a number of Fujitsu resources employed via the augmentation framework and lower than estimated internal resources utilised.
	Finance	Capital Programme Management	541.4	421.9	(119.5)	Variance caused by reduction in IAS 19 charges
	Other schemes		5,952.0	5,869.4	(82.6)	No material variances on the 31 remaining schemes within Strategy & Resources.
			9,110.4	8,466.7	(643.7)	

Directorate	Service	Programme / Scheme	Feb 2024 £000	2023/24 Actual £000	Variation Under (-) / Over £000	Reason for variation
Communities, Housing & Environment	Strategic Housing Partnership & Support	Adaptations (Disabled Facilities Grant)	10,322.1	9,236.6	(1,085.5)	The projected spend at Feb 24 had included funding from LCC. At year-end the spend incurred did not require the LCC funding. As such the actual outturn was lower than reported at Feb 24.
		Holbeck Group Repair GF Ph2	93.6	623.2	529.6	Upon completion of this project, the overhead contribution of these works could be calculated. The difference of £530k was the final overheads charged, which had not been included in the projection at Feb 24.
	Climate, Energy & Greenspaces	Indoor Playbarn at Temple Newsam	793.0	1,732.2	939.2	The fire at the site caused additional costs which are expected to be covered from insurance receipts in 2025/26. The variance in costs was also due to movement in the timing of payments between 2023/24 and 2024/25.
		District Heating Phase 3	1,878.3	2,652.7	774.4	Additional works under the scheme due to delays and highways issues. All funded by PipeCo Ltd as part of Phase 3 purchase.
		Loan to SPV District Heating	0.0	4,055.0	4,055.0	District Heating PipeCo Ltd purchased Phase 3 pipe network funding the scheme by capital receipt. To support this purchase, LCC agreed a loan that is repayable over 30 years.
		Home Upgrade Grant (HUG) Works	2,525.0	710.8	(1,814.2)	Slippage in Scheme - reprofiled to 24/25
		18th Edition Electrical Testing	0.0	500.0	500.0	Year end capitalisation of costs for Electrical Testing.
		SLA Testing Works 2023-24		1,500.0	1,500.0	Year end capitalisation of costs for SLA Testing.
	Other schemes		30,822.7	24,202.9	(6,619.8)	No material variances on the 560 remaining schemes within Communities, Housing & Environment. Main areas for this variance are Parks and Countryside (-£3,648.5k), Corporate Property Management (-£2,386.3k)
			46,434.7	45,213.4	(1,221.3)	

Total General Fund Variances	267,980.3	268,286.8	306.5
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Appendix 6B continued

Directorate	Service	Programme / Scheme	Feb 2024 £000	2023/24 Actual £000	Variation Under (-) / Over £000	Reason for variation
HRA - Strategic Landlord	HRA Other	CHGP Capitalisation Of Interest	1,566.4	752.3	(814.1)	Slippage in the Council House Growth Programme (CHGP) has resulted in reduced capitalisation of interest charges.
	HRA Council Housing Growth Programme	Meynall Approach	1,228.0	301.1	(926.9)	Final account position still to be agreed - it was assumed at Feb 2024 EB that this would have been reached by final outturn.
		Throstle Rec Middleton Skills Centre	5,253.6	4,644.7	(608.9)	Final account position still to be agreed - it was assumed at Feb 2024 EB that this would have been reached by final outturn.
		Bridging Scheme	3,206.4	1,575.0	(1,631.4)	Original grant conditions from Government required spend within the 23/24 financial year. Government have subsequently slipped this condition to later in 2024.
		Local Authority Housing Fund 2	2,970.0	1,180.5	(1,789.5)	Original grant conditions from Government required spend within the 23/24 financial year. Government have subsequently slipped this condition to later in 2024.
		CHGP ROFR, Empties & Refurb	8,319.1	5,699.1	(2,620.0)	Right of First Refusal (ROFR) properties have been utilised to maximise other external funding projects, where possible, with subsequent implications on resources for this ROFR scheme.
		Next Step Accommodation	1,831.4	1,166.7	(664.7)	Scheme was assumed to complete by the end of 23/24 but slippage has occurred.
		Ukraine Housing	4,315.5	3,465.6	(849.9)	Original grant conditions from Government required spend within the 23/24 financial year. Government have subsequently slipped this condition to later in 2024.
		Throstle Rec Gen Needs	7,180.1	6,351.7	(828.4)	Final account position still to be agreed - it was assumed at Feb 2024 EB that this would have been reached by final outturn.
	HRA Housing Leeds	Capitalised Voids	6,200.0	7,957.2	1,757.2	Ratio of spend between Capital and Revenue Void works has resulted in increased capital spend at year end. These have been funded by an RCCO injection from the Voids revenue budget where the spend had originally been accounted for.
		Capitalised Repairs	2,100.0	8,498.6	6,398.6	Ratio of spend between Capital and Revenue Repair works has resulted in increased capital spend at year end. These have been funded by an RCCO injection from the Repairs revenue budget where the spend had originally been accounted for.
		Other schemes	85,221.4	81,344.0	(3,877.4)	No material variances on the 172 remaining schemes within HRA - Strategic Landlord.
		129,391.9	122,936.5	(6,455.4)		
Total Capital Programme Variances			397,372.2	391,223.3	(6,148.9)	

Capital Receipts Incentive Scheme (CRIS) Funding Statement

Appendix 6C

Ward Based Initiative (WBI) Allocations							
	Initial WBI Allocation from 2008	Total CRIS Injection to Sep '23	CRIS Injection Oct '23 - Mar '24	Total WBI Allocation	Spent / Committed (as at Mar '24)	Total Balance Available	Scheme ref
	£000	£000	£000	£000	£000	£000	
ADEL AND WHARFEDALE	40.0	107.7	0.0	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	87.8	9.2	14236\ARD\000
ARMLEY	40.0	168.9	0.0	208.9	142.8	66.1	14236\ARM\000
BEESTON AND HOLBECK	40.0	116.5	3.4	159.9	128.7	31.2	14236\BEE\000
BRAMLEY AND STANNINGLEY	40.0	98.9	0.0	138.9	117.3	21.6	14236\BRA\000
BURMANTOFTS AND RICHMOND HILL	40.0	162.2	0.0	202.2	117.7	84.5	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	140.3	89.4	14236\CHA\000
HUNSLET & RIVERSIDE	40.0	552.8	32.4	625.2	470.6	154.6	14236\CIT\000
CROSSGATES AND WHINMOOR	40.0	97.9	0.0	137.9	71.0	66.9	14236\CRO\000
FARNLEY AND WORTLEY	40.0	174.7	0.0	214.7	196.1	18.6	14236\FAR\000
GARFORTH AND SWILLINGTON	40.0	34.6	0.0	74.6	60.8	13.8	14236\GAR\000
GIPTON AND HAREHILLS	40.0	196.4	0.0	236.4	224.8	11.6	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	71.0	83.9	14236\HAR\000
HEADINGLEY AND HYDE PARK	40.0	327.8	0.0	367.8	346.6	21.2	14236\HDN\000
HORSFORTH	40.0	180.3	0.0	220.3	204.9	15.4	14236\HOR\000
LITTLE LONDON AND WOODHOUSE	40.0	514.3	75.0	629.3	275.6	353.7	14236\HYD\000
KILLINGBECK AND SEACROFT	40.0	85.1	0.0	125.1	71.6	53.5	14236\KIL\000
KIPPAX AND METHLEY	40.0	50.7	0.0	90.7	42.7	48.0	14236\KIP\000
KIRKSTALL	40.0	157.9	0.0	197.9	80.3	117.6	14236\KIR\000
MIDDLETON PARK	40.0	94.5	0.0	134.5	117.2	17.3	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	93.8	4.0	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	18.5	241.7	105.7	136.0	14236\OTL\000
PUDSEY	40.0	177.2	0.0	217.2	179.8	37.4	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	293.2	50.0	383.2	115.1	268.1	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	181.6	8.4	14236\WET\000
TOTALS	1,320.0	4,958.6	179.3	6,457.9	4,409.8	2,048.1	

Community Committee Allocations							
	Percentage	Total CRIS Injection to Sep '23	CRIS Injection Oct '23 - Mar '24	Total Community Committee Allocation	Spent / Committed (as at Mar '24)	Total Balance Available	Scheme ref
	%	£000	£000	£000	£000	£000	
INNER SOUTH	14.83%	227.6	8.9	236.5	191.2	45.3	16933\000\000
OUTER SOUTH	9.60%	164.0	5.7	169.7	129.6	40.1	16934\000\000
OUTER EAST	8.83%	157.1	5.3	162.4	66.2	96.2	16935\000\000
INNER WEST	13.02%	185.7	7.8	193.5	177.2	16.3	16936\000\000
INNER NORTH WEST	8.33%	152.9	5.0	157.9	137.1	20.8	16937\000\000
OUTER WEST	8.66%	143.1	5.2	148.3	117.1	31.2	16938\000\000
OUTER NORTH WEST	7.24%	132.6	4.3	136.9	67.4	69.5	16939\000\000
INNER NORTH EAST	7.64%	136.4	4.5	140.9	124.1	16.8	16940\000\000
INNER EAST	16.70%	260.3	10.0	270.3	221.8	48.5	16941\000\000
OUTER NORTH EAST	5.15%	93.2	3.1	96.3	59.3	37.0	16942\000\000
TOTALS	100.00%	1,652.9	59.8	1,712.7	1,291.0	421.7	

Total CRIS Injection Oct '23 - Mar '24 **239.1**

Total CRIS Balance Available **2,469.8**