

Report of the Deputy Chief Executive

Report to Executive Board

Date: 18th November 2015

Subject: Financial Health Monitoring 2015/16 – Month 6

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to inform the Executive Board of the financial health of the authority in respect of the revenue budget and the Housing Revenue Account (HRA).
2. The 2015/16 financial year is the second year covered by the 2013 Spending Review and again presents significant financial challenges to the Council. In terms of the medium-term financial strategy, it is clear that the Government's deficit reduction plans will extend through to at least 2019/20, with the announced reductions in public expenditure meaning that further savings will be required. Executive Board received a report outlining the Council's 2016/17 to 2019/20 Financial Strategy at its October meeting.
3. Executive Board will recall that the 2015/16 general fund revenue budget provides for a variety of actions to reduce spending by £45m. It is clear that action is taking place across all areas of the Council and also that significant savings are being delivered in line with the budget. However, after 6 months of the financial year the year-end forecast is for an overall overspend of £3.3m which represents a favourable movement of £0.14m compared to the previous month. The key pressures continue to be in the demand-led budgets and specifically those supporting children in care.
4. At the end of month 6 the HRA is projecting a balanced position.

Recommendations

5. Members of the Executive Board are asked to note the projected financial position of the Authority for 2015/16.

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2015/16 together with other key financial indicators.
- 1.2 Budget management and monitoring is a continuous process throughout the year, and this report reviews the position of the budget after 6 months of the financial year and also comments on the key issues impacting on the overall achievement of the budget for the current year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund was set at £523.78m, supported by the use of £1.45m of general fund reserves.
- 2.2 The balance of general reserves at April 2015 was £22.3m and when taking into account the budgeted use of £1.45m in 2015/16 will leave an anticipated balance at March 2016 of £20.9m.
- 2.3 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. In 2015/16 we have reinforced this risk-based approach with specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main Issues

- 3.1 At month 6 of the 2015/16 financial year a forecast year-end overspend of £3.3m is projected as shown in the table below.

Directorate	Director	(Under) / Over spend for the current period				Previous Month (under)/over Spend
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adult Social Care	Cath Roff	(2,809)	(773)	792	19	627
Children's Services	Nigel Richardson	(2,240)	6,587	(2,955)	3,632	2,816
City Development	Martin Farrington	(985)	(507)	391	(116)	(2)
Environment & Housing	Neil Evans	(1,320)	414	(1,792)	(1,378)	(957)
Strategy & Resources	Alan Gay	(1,871)	(1,672)	1,583	(89)	141
Citizens & Communities	James Rogers	(341)	3,396	(3,500)	(104)	(65)
Public Health	Dr Ian Cameron	(491)	(2,358)	2,768	410	0
Civic Enterprise Leeds	Julie Meakin	301	840	(525)	315	313
Strategic & Central	Alan Gay	0	16	626	642	602
Total Current Month		(9,756)	5,943	(2,612)	3,331	3,475

3.2 On the 4th June 2015, Government announced a national £200m in-year planned reduction to the Public Health grant. At the end of July Government then issued a 4-week consultation with a closing date of 28th August with a preferred option, based on ease of implementation, of a flat-rate cut across all local authorities, regardless of local needs and circumstances. For Leeds, this would amount to a funding cut of £2.8m equating to a 7% cut of the current public health budget prior to the planned transfer in October 2015 of the commissioning responsibilities for health visiting services.

Some 5 months after the initial announcement and 2 months after the consultation ended, Government announced the response to the consultation on the 4th November. Whilst there was a breadth of responses from Local Authorities with a majority favouring options other than the Government preferred flat rate reduction, Government has decided that on balance, a flat rate reduction of 6.2% remains its preference and issued the revised 2015/16 grant allocations which for Leeds confirmed the in-year grant reduction to be £2.8m.

The month 4 financial health report to the Executive Board provided details of £2.2m of proposed reductions, £0.6m short of the potential grant reduction. Since that report, a further £0.2m of commissioning savings have been identified resulting in a £0.4m shortfall which is reflected in the Public Health budget projection.

3.3 The key issues are outlined below and further information is shown in the financial dashboards at appendix 1.

3.3.1 **Adult Social Care** – the Directorate is currently projecting a balanced position by the financial year-end. The overall projection has reduced by £0.6m since month 5 reflecting further contingency savings identified, which mainly relate to staffing. There are some risks associated with this projection, mainly relating to the activity levels within the community care budget and progress over the coming months in delivering key budget action plans.

Some slippage and likely non-achievement of planned savings has been identified on some of the most challenging budget action plans. Although there is slippage in delivering the specific actions associated with savings of £2.5m within the community care packages budget, this has been largely offset by savings through continued careful management of care plan approvals. £1m relates to revenue funding for community intermediate care beds from health which is now unlikely, but contingency plans are being developed and the projection assumes that these will offset the shortfall. The current projection is for shortfalls of £1.2m in the budgeted saving from reviewing grants and contracts with third sector providers and £0.4m on transport. Slippage of £0.7m on the charging review will occur as any changes will not now take place until April 2016. These pressures are largely offset by projected underspends on staffing and grant income.

3.3.2 **Children's Services** – overall, the Directorate is forecasting a potential overspend of £3.63m which equates to 2.9% of the net managed budget and represents an adverse movement of £800k from the last period. The projection across the looked after children related budgets has increased by £0.4m from the previous month. At the end of September there were 1,247 children in care which is a decrease of 2 in the month. Externally provided residential placements have increased by 2 this

period to 51 and independent sector fostering agency placements have reduced by 1 to 234. A case by case review of external placements is ongoing and is working towards safely reducing external residential and IFA placements to 38 and 200 respectively by the end of the financial year.

In terms of staffing, the Directorate is projecting an underspend of £2.2m, primarily due to slippage on planned recruitment for services funded from the Innovations Fund [£1.3m], a forecast underspend on Children's Centre staffing [£0.9m], a projected underspend on DSG funded educational services [£0.6m] which are partly offset by a forecast overspend on Youth Services [£0.5m]. Within the projection, the Directorate is aiming to deliver a £0.5m underspend on agency staffing of which £0.3m relates to implementation of the in-year contingency plan. Staff turnover and an in-year pause on recruitment are forecast to deliver a further £0.5m of savings by March 2016.

The 2015/16 budget includes £3.15m of savings from service transformation across Children's Services against which the Directorate is currently forecasting a year-end overspend of around £0.65m. In addition, the budget also includes £0.83m of anticipated savings around demand management, particularly around the transport needs of children with Special Educational Needs. The Service are projecting a £1m overspend, an increase of £0.5m from month 5, as a result of further demand pressures around SEN transport together with a rise in children and young people requiring education outside the city.

On the 5th November 2015, the Youth Justice Board confirmed an in-year reduction of £0.14m in the grant which supports the work of the Youth Offending Service. This grant cut will be offset by savings in staffing costs together with additional income from the Innovations Fund Family Values Project.

3.3.3 City Development – overall, the Directorate is anticipating an underspend of £0.12m against the £51.9m net managed budget. The main changes since period 5 are that further savings are expected to be made on staffing and running costs which are currently shown in the Resources and Strategy service on the financial dashboard. It is also anticipated that the Directorate will receive additional one-off income within the overall forecast. The majority of the budget action plans are on track to deliver the anticipated savings with the exception of the plans around increased income [£0.6m] and the community asset transfer proposals [£0.14m].

3.3.4 Environment & Housing - overall the Directorate is forecasting a year-end underspend of £1.4m against its £61.2m net managed budget. A key area of underspend relates to car parking where, through a combination of staffing savings and additional fee income from both off and on-street, an underspend of £0.6m is projected.

Waste Management are anticipating an underspend of £0.5m which includes £0.4m of additional PFI grant income savings due to the Recovery and Energy from Waste Facility (RERF) being certified as ready to take waste for commissioning (testing) in October 2015, rather than the budgeted date of November 2015. This is in addition to the £2m saving that is being realised in 2015/16 from the implementation of the Council's Waste Strategy. In addition, Community Safety are forecasting a saving of £0.12m, due to savings on staffing offset by reduced charges to the Housing Revenue Account and other minor pressures.

3.3.5 **Public Health** - the allocation of the main ring-fenced Public Health grant funding for 2015/16 was frozen at 2014/15 levels at £40.5m. In addition, the responsibility for the 0-5 years services which include health visiting services and Family Nurse Partnership, transferred to the Council from October 2015 with further funding of £5m.

As mentioned at paragraph 3.2, on the 4th June 2015, Government announced a national £200m in-year reduction in 2015/16 to the Public Health grant. Government announced the response to the consultation on the 4th November. Whilst there was a breadth of responses from Local Authorities with a majority favouring options other than the Government preferred flat rate reduction, Government has decided that on balance, a flat rate reduction of 6.2% remains its preference and issued the revised 2015/16 grant allocations which for Leeds is an in-year grant reduction is £2.8m

The month 4 financial health report to the Executive Board provided details of £2.2m of proposed reductions, £0.6m short of the potential grant reduction. Since that report, a further £0.2m of commissioning savings have been identified resulting in a £0.4m shortfall which is reflected in the Public Health budget projection.

3.3.6 **Strategy & Resources** – the Directorate is forecasting an underspend of £0.1m against its budget which reflects the positive progress against the range of budget savings plans in addition to other minor variations.

3.3.7 **Citizens & Communities** – at this stage in the financial year the Directorate is expecting to deliver the budgeted level of savings and deliver an underspend of £0.1m. Many of the required budget action plans have already been implemented and achieved, and in all cases work is progressing to achieve the required savings.

3.3.8 **Civic Enterprise Leeds (CEL)** – the bottom-line year-end forecast for CEL is to overspend by £0.3m primarily due to an anticipated overspend across school catering services of £0.17m as the result of a shortfall on the expected increase in the number of meals, and also a potential £0.15m overspend on property cleaning due to delays in implementing a reduced cleaning specification and realising the associated savings. An action plan has been developed which is anticipated will bring the projected overspend back to a balanced position which will be reflected in the month 7 report.

3.3.9 **Strategic & Central budgets** - overall, the strategic & central budgets are forecast to overspend by £0.64m. There are a number of key variations within this figure.

i) The Business Rates Retention Scheme came into effect in April 2013 and significantly changed the system of financing local government. In terms of business rates income, whilst there has been some growth, this has been offset by the impact of successful valuation appeals and other reductions to the rating list, either through closure, Valuation Office reviews or other appeals against the rating list. Whilst the impact of major variations in business rates income is managed through a collection fund and therefore will impact on future years, there will be an impact on the levy payment to the business rates pool which is budgeted for within the general fund. Based on the latest business rates information, we are anticipating a levy payment of £1.8m in 2015/16 which is £1m less than the budget.

- ii) An additional £1.3m of savings to the revenue budget are anticipated in 2015/16 through the additional capitalisation of eligible general expenditure (£0.3m) and eligible spend in schools budgets (£1m).
- iii) The 2015/16 budget included a £1.2m action plan in respect of reviewing and reducing directorate spend outside of council contracts. Work is on-going to realise these savings however it is anticipated that £0.6m of the savings will slip into future financial years. In addition, the forecast on the strategic budget recognises that £0.7m of the £1m corporate procurement target will be achieved through Directorate budgets.
- iv) New Homes Bonus is a funding mechanism rewarding councils that increase the number of occupied homes within their areas. The reward effectively doubles the amount of Council Tax for every new home built or empty home brought back into use, and is payable for six years. The 2015/16 budget assumes some £18.5m in respect of New Homes Bonus. At month 6, the forecast recognises an anticipated shortfall of £0.4m.
- v) In addition, there is a potential reduction in section 278¹ income of approximately £1.5m which reflects lower development activity than anticipated.

3.3.10 Additional information across the range of budget action plans, other risk areas and forecast budget variations can be found in the financial dashboards at appendix 1.

3.4 Other Financial Performance

3.4.1 Council Tax

The current Council Tax in-year collection rate stands at 54.84% which is in line with the performance in 2014/15. The year-end forecast is to achieve the 95.7% target collection rate, collecting some £284m of income in the year.

3.4.2 Business Rates

The current Business Rates collection rate stands at 56.36% which is marginally behind [0.47%] the performance at this point in 2014/15. The year-end forecast is to achieve the 97.7% target collection rate, collecting some £377m of business rates income. However, whilst collection rates continue to be on target, as mentioned at paragraph 3.3.9, there continues to be a significant issue around the total income to be collected and specifically the high number and backdating of business rates appeals. The financial impact of these will manifest through the collection fund and therefore has been recognised in the 2016/17 financial strategy.

3.4.3 Prompt payment of Creditors

The current performance for the prompt payment of invoices processed within 30 days is 92.49% which compares favourably against the target of 92%.

¹ The Council receives income from developers to fund highways works which are required for new development schemes. These are known as section 278 agreements and the Council's 2015/16 revenue budget provides for income of £5.2m for such schemes.

4. Housing Revenue Account (HRA)

- 4.1 After 6 months of the financial year the Housing Revenue Account is forecasting a balanced position.
- 4.2 Overall income is projected to be £0.5m more than the budget which is primarily due to additional rent income of £0.25m, along with additional income from service charges and other income. Savings of £0.4m are forecast in relation to employees, which is primarily due to vacant posts. Additional spend on the disrepair provision [£0.4m] and repairs to dwellings [£0.4m] are expected to be offset by reduced capital charges [£0.6m] resulting from a reduction in the voluntary set-aside.

5. Corporate Considerations

5.1 Consultation and Engagement

- 5.1.1 This is a factual report and is not subject to consultation

5.2 Equality and Diversity / Cohesion and Integration

- 5.2.1 The Council's revenue budget for 2015/16 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 25th February 2015.

5.3 Council Policies and Best Council Plan

- 5.3.1 The 2015/16 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget.

5.4 Resources and Value for Money

- 5.4.1 This is a revenue financial report and as such all financial implications are detailed in the main body of the report.

5.5 Legal Implications, Access to Information and Call In

- 5.5.1 There are no legal implications arising from this report.

5.6 Risk Management

- 5.6.1 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans is in place from 2015/16.

6. Recommendations

- 6.1 Executive Board are asked to note the projected financial position of the Authority for 2015/16.

7. Background documents¹

7.1 None

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

ADULT SOCIAL CARE 2015/16 BUDGET

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Overall narrative

The directorate is currently projecting a balanced position by the financial year-end. The overall projection has reduced by £0.6m since Month 5 reflecting further contingency savings identified, which mainly relate to staffing. There are some risks associated with this projection, mainly relating to the activity levels within the community care budget and progress over the coming months in delivering key budget action plans.

Some slippage and likely non-achievement of planned savings has been identified on some of the most challenging budget action plans. Although there is slippage in delivering the specific actions associated with savings of £2.5m within the community care packages budget this has been largely offset by savings through continued careful management of care plan approvals. £1m relates to revenue funding for community intermediate care beds from health which is now unlikely, but contingency plans are being developed and the projection assumes that these will offset the shortfall. The current projection is for shortfalls of £1.2m in the budgeted saving from reviewing grants and contracts with third sector providers and £0.4m on transport. Slippage of £0.7m on the charging review will occur as any changes will not now take place until April 2016. These pressures are largely offset by projected underspends on staffing and grant income, further details of which are outlined below.

The main variations at Month 6 across the key expenditure types are as follows:

Staffing (-£2.8m – 3.8%)

Savings due to vacancies within the care management, business support reablement and telecare services amount to £1.8m. Within older people's residential care staffing savings of £0.6m reflect the closure of Primrose Hill and the Roseville laundry earlier than was anticipated when the 2015/16 budget was set. Savings of £0.5m are projected in commissioning services, resources and strategy, health and wellbeing and care reform services due to staff turnover and careful vacancy management.

Transport (+£0.4m – 8.2%)

The budgeted savings have not yet been identified, but work is ongoing in conjunction with Passenger Transport Services.

Grants and contracts (+£0.8m – 5.8%)

Savings of £1.5m have been budgeted from third sector spend through a combination of reviewing contracts and the small number of grants, and reviewing the scope for some modest charges to be introduced by these organisations. Through a review of these areas savings of £0.7m have been identified without impacting on the delivery of services by the third sector. Work is continuing to assess the scope for any further savings.

Community care packages (+£0.8m – 0.5%)

The main variation relates to residential and nursing care placements. Those relating to older people are currently running below budget but those for people with mental health needs and particularly those with complex physical impairments are exceeding the budget provision. These cost pressures relate mainly to a relatively small number of customers with very high cost care packages. Expenditure on the learning disability pooled budget and direct payments are slightly higher than budgeted, but this is offset by small projected underspends on independent sector domiciliary care and supported accommodation.

Income (+£0.8m – 1.0%)

There is a small income shortfall due to the closure of Primrose Hill residential home earlier than was expected and some slippage on the charging review budget action plan. Additional government grant income of £0.2m relates to delayed transfers of care.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES															Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Health Partnerships	389	(328)	60	(62)	0	0	0	0	0	0	0	0	(62)	62	0	
Access and Care Delivery	235,967	(43,468)	192,500	(2,038)	(7)	130	(77)	503	213	194	0	0	(1,083)	658	(425)	
Care Reform	1,497	(289)	1,208	(202)	0	15	(1)	33	60	0	0	0	(95)	(237)	(332)	
Strategic Commissioning	23,881	(29,791)	(5,910)	(233)	30	(39)	(13)	197	821	0	0	0	763	(33)	730	
Resources and Strategy	7,570	(1,042)	6,528	(273)	(0)	(19)	(5)	0	0	0	0	0	(297)	342	45	
Total	269,304	(74,917)	194,386	(2,809)	23	87	(96)	734	1,094	194	0	0	(773)	792	19	

ADULT SOCIAL CARE 2015/16 BUDGET

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Key Budget Action Plans and Budget Variations:				Action Plan Value	RAG	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments	£m		£m
A. Key Budget Action Plans						
1.	Reablement service	L Ward	Targets set for increased referrals that will reduce the demand for community care services	0.3	G	0.0
2.	Impact of telecare	L Ward	Targets for increased telecare installations to reduce the demand for community care services	0.5	G	0.0
3.	Review of high cost mental health care packages	M Naismith	Clear strategy for achieving savings including targeting of high cost providers, but delivery not yet fully evidenced	0.7	A	0.4
4.	Review of high cost physical disability care packages	J Bootle / M Naismith	Targeting high cost providers. Review capacity required.	0.2	A	0.1
5.	Review of mental health cases (CHC and Section 117)	M Naismith	Target saving considered difficult to achieve, but work ongoing to identify all the actions that can be taken.	0.3	R	0.3
6.	Reduce growth in learning disability pooled budget	J Wright / M Naismith	Actions include reviewing care packages and reviewing the local authority that has responsibility for cases in the light of the Care Act. Monitoring of savings arising from these actions is quite difficult.	1.2	A	0.0
7.	Reducing care costs through innovation	J Bootle	Work to deliver underway, including reviews of packages, better use of technology and staff training. Monitoring of savings arising from these actions is quite difficult.	2.0	R	1.7
8.	Transfer of home care packages to independent sector	D Ramskill	Plans in place to deliver through staff turnover and ELI	0.9	G	0.0
9.	Home care Better Care Fund scheme	S Hume	Business case being developed to calculate/evidence contribution from Health. Report then to be produced to enable detailed negotiations with Health	3.0	G	0.0
10.	Health Funding	S Hume	Funding received and the need for additional spend in addition to that budgeted in 2015/16 is minimal	5.9	G	0.0
11.	Community Intermediate Care beds	S Hume	Original plan for revenue payment from Health re LCC capital to build new units now unlikely to be achieved. Contingency actions being developed.	1.0	R	1.0
12.	Transport	J Suddick	Delivery of savings not yet evident	0.4	R	0.4
13.	Review of contract/grant arrangements including Supporting People	M Ward	£1m of savings identified with good delivery plans associated with them. Remainder looking difficult to achieve at this stage.	2.0		1.2
14.	Charging and Income Collection	A Hill	Dependent on the outcome of customer consultation over the summer. Some slippage in the timetable but contingency savings identified.	0.9	R	0.7
B. Other Significant Variations						
1.	Staffing	Various	Savings within Access and Care Delivery relate to care management, business support, reablement, telecare and the closure of Primrose Hill residential home earlier than budgeted.			(2.8)
2.	Community care packages	J Bootle	Although there as been slippage in delivering the specific actions within Budget Action Plans, the resulting pressures have been largely contained within the overall community care budget through careful budget management.			(2.2)
3.	Community Intermediate Care beds - contingency actions	S Hume	Options being explored to address the likely non-achievement of the CIC bed plan, namely a reprioritisation of existing funding plans, and slippage on integration schemes			(1.0)
4.	Service user income	S McFarlane	Client contributions are higher than budgeted and this is partly offsetting the slippage in the charging review.			(0.2)
5.	Grant income	S McFarlane	Grants for delayed transfers of care			(0.2)
6.	Other income	Various	Includes slippage on some minor Budget Acton Plans and reduced income relating to staffing underspends			0.5
7.	Net effect of other minor variations	Various				0.1
Adult Social Care Directorate - Forecast Variation						0.0

CHILDREN'S SERVICES FINANCIAL DASHBOARD

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Overall - the Directorate is highlighting an overall potential year end overspend of £3.63m which equates to 2.9% of the Directorates Net Managed Budget and represents an adverse movement of **£800K** from the last period.

CLA Obsession - Overall the financial projections for CLA related spend have worsened by £360k this month. At the end of September there were 1,247 CLA - an overall decrease of 2 from P5. External residential placements have increased by 2 this period to 51 and IFA placements have reduced by 1 to 234. A case by case review of external placements is ongoing and is working towards safely reducing external residential and IFA placements to 38 and 200 respectively by the end of the financial year.

Staffing - Overall the Directorate is projecting a year end underspend of £2.2m, predominantly accounted for by slippage on planned recruitment for services funded from the Innovations Fund £1.3m, a forecast underspend on Children's Centre staffing of £0.9m, a projected underspend on DSG funded educational services of £0.6m partly offset by a forecast overspend on Youth Services of £0.5m. Within the projection, the directorate is aiming to deliver a £0.5m underspend on agency staffing of which £0.3m relates to implementation of the in-year contingency plan. Staff turnover and an in-year pause on recruitment is forecast to deliver a further £0.5m of savings by the end of the financial year.

Service Transformation - the 2015/16 budget includes £3.15m of savings from service transformation across Children's Services against which the Directorate is currently forecasting a year-end overspend of approx. £0.65m

Transport - the 2015/16 strategy includes £0.83m of anticipated savings around demand management, particularly around the transport needs of children with Special Educational Needs. The service are projecting a £1m overspend, up £0.5m from month 5, as a result of further demand pressures around SEN transport, and a rise in children and young people requiring education outside the city.

Partnerships/Trading - At this stage, the action plans around rationalising/trading the learning improvement service are projected to be delivered in full.

Other Income - overall the service are projecting a £3m over achievement of income, which reflects £1.6m of Health funding for Children's Centres, an additional £1m funding from Schools Forum, £1m of additional High Needs DSG funding for SEND outside placements, and £0.5m of contingency / other actions around improvement Partner Income, Direct Payments and Housing Benefit rebates. These favourable variations are partly offset by slippage on the development of early education provision which is funded via the dedicated schools grant.

Budget Management - net variations against the approved budget

	Expenditure Budget	Income Budget	Latest Estimate	PROJECTED VARIANCES											Total (under) / overspend
				Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Partnership, Development & Business Support	21,246	(2,848)	18,398	425	0	(182)	(50)	1,050	0	0	0	0	1,243	260	1,503
Learning, Skills & Universal Services	132,935	(117,573)	15,362	(675)	0	(35)	0	329	870	0	0	0	489	(1,388)	(899)
Safeguarding, Targeted & Specialist Services	124,569	(31,171)	93,398	(1,990)	0	(22)	40	55	4,826	1,946	0	0	4,855	(1,827)	3,028
Strategy, Performance & Commissioning	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central Overheads	9,857	(12,938)	(3,081)	0	0	0	0	0	0	0	0	0	0	0	0
Total	288,607	(164,530)	124,077	(2,240)	0	(239)	(10)	1,434	5,696	1,946	0	0	6,587	(2,955)	3,632

CHILDREN'S SERVICES FINANCIAL DASHBOARD

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Key Budget Action Plans and Budget Variations:						Action Plan Value	RAG	Forecast Variation
	Lead Officer	Additional Comments		£m		£m		
A. Key Budget Action plans (BAP's)								
1.	Children Looked After (CLA) Placements - reducing the need for children to be in care	Steve Walker	At 31/3/15 the active cohort of CLA stood at 1, 270, down 70 from the position at 31/3/14 (1,340) but 40 greater than assumed within the budget. At P6 the CLA cohort stands at 1,247 - main issue continues to be dependency on external residential placements (51) and Independent Fostering Agency placements (234)	7.00	R	3.90		
2.	Service Transformation/Redesign	Steve Walker	£3.15m savings from service re-design & Early Leavers Initiative (£2.15m) and exploration of joint/co-funding from key partners (£1.00m) to support devolvement of preventative/targeted services to localities. Discussions on-going with partners re joint funding of multi-agency teams; ELI driving staffing savings through post deletions and service reconfiguration - slippage anticipated	3.15	R	0.60		
3.	Reduction/reconfiguration of Youth Services (recommissioning of targeted Information & Advice contract and In-house Youth Services)	Andrea Richardson	£3.05m savings from re-commissioning of the Targeted Information & Advice Contract (£1.35m) and reducing in-house provided Youth Services (£1.70m). Commissioning target delivered - pressure of circa £0.6m anticipated (£0.45m staffing; £0.10m running costs & £0.05m activity centre income).	3.05	A	0.60		
4.	Reconfiguration of Children's Centres (including Family Support & Parenting Team & Early Help Commissioned Services)	Andrea Richardson	Slippage in plans to re-configure Children's Centres and associated services circa £1.3m; ongoing discussions with partners re joint funding of Children's Centre services	2.16	R	0.00		
5.	Learning Improvement - reconfiguration and/or further trading	Paul Brennan	New "Leeds for Learning" web-site implemented enabling schools to enrol/subscribe for services on-line and services to track demand and inform marketing strategy. Services aiming to deliver through combination of vacancy management and increased trading - no slippage anticipated at this stage.	1.00	G	0.00		
6.	Transport -savings through reducing demand (Independent Travel Training) and general efficiency savings	Sue Rumbold	Team continue to actively work on Independent Travel Training element of savings (circa £330k) - potential pressure around SEN & GRT transport	0.83	R	1.00		
7.	Partner Heads/active schools/	Paul Brennan	Original plans put on hold pending the outcome of on-going consultation with schools forum (see 8 below)	0.25	A	0.25		
B. Other Significant Variations								
8.	"A life Ready for Learning" - development/agreement of proposals for co-funding from Schools/Health	Paul Brennan	Joint funding proposal around devolvement of early intervention/targeted services to clusters (including Childrens Centres services and Youth Services) agreed by Schools Forum in June).	0.00	A	(1.00)		
9.	Agency Staffing	Steve Walker	Directorate on track to deliver £0.2M saving on agency staffing based on current activity and aims to deliver a further £0.3M reduction in spend through implementation of in-year contingency plan	0.00	A	(0.50)		
10.	In-year Contingency Plan	Various	Implementation of in-year contingency plan to pause recruitment, reduce spend on supplies and services, further maximise spend against Innovations Fund, generate Improvement Partner Income and claw-back direct payments	0.00	A	(1.45)		
11.	Other Variations		Other minor variations	0.00	A	0.23		
						Children's Services Directorate - Forecast Variation		3.63

CITY DEVELOPMENT 15/16 BUDGET

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Overall - The month 6 forecast variation for City Development Directorate is that the Directorate will spend £0.12m below the £51.9m net managed budget. The main changes since period 5 is that further savings are expected to be made on staffing and running costs, these savings are currently shown in Resources and Strategy. It is also projected that the Directorate will receive additional one off income in achieving its balanced position.

Staffing - An underspend of just over £985k is projected. The budgeted reduction in FTEs has been achieved following over 100 staff leaving the Directorate through the Early Leaver Initiative scheme in the final quarter of 2014/15. Vacancies will continue to be closely managed during the year to ensure that further savings are realised.

Income - the forecast position is an underachievement of £391k and this is mainly due to a projected shortfall in advertising and other income in Asset Management and in Sport offset by additional income in other services.

Planning and Sustainable Development - Planning and Sustainable Development is forecast to spend slightly below budget. Staffing is currently expected to slightly overspend as the budgeted vacancy factor is not quite achieved. The service is still experiencing high volumes of planning applications and workloads and at Period 6 planning and building fee income is £2,522k against the phased budget of £2,413k. Overall, income is projected to be in line with the budget for the year. **Economic Development** - Economic Development is forecast to spend within budget. The main risk area is the level of income and expenditure at Kirkgate Market, particularly with the commencement of the re-development scheme. Income at Kirkgate Market is currently in line with the budgeted assumptions. A decision to extend the 20% rent discount for Kirkgate Market has recently been approved. This is funded by additional one off income to be received by the Directorate in 15/16. **Asset Management and Regeneration** - Asset management is forecast to overspend by £396k. Staffing is projected to underspend by £467k as a result of a number of vacant posts. A shortfall in income of £1,223k is forecast, mainly due to longer lead in times required to secure new income from various budget initiatives including new commercial property acquisitions, additional advertising income and income from operating additional car parking at the Leeds International Pool site. Although all these are progressing income will be less than the budgeted assumptions this financial year.

Highways and Transportation - Highways and Transportation is forecast to spend within budget with an underspend on staffing and additional spend on premises and supplies and services offset by additional income mainly as a result of additional spend on contractors reflecting the increase in work that the service is managing. **Libraries, Arts and Heritage** - The service is projected to overspend by £139k. The overspend is as a result of some budget actions not progressing as quickly as reflected in the budget.

Support and Active Recreation - The service is expected to spend slightly below budget with a shortfall in income of £394k expected to be offset by expenditure savings including savings on energy costs.

Resources and Strategy - The service is projected to have an underspend of £597k. A Directorate staff saving target of £300k is currently included in the Resources and Strategy budget together with saving targets for the Better Business Management work stream. These saving targets will be allocated to individual services during the year and overall further savings in staffing and supplies and services are expected across the Directorate together with additional one-off income. These are currently shown as an additional underspend in Resources and Strategy.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Planning and Sustainable Development	9,037	(5,497)	3,540	34	0	(14)	(3)						17	(24)	(7)
Economic Development	4,979	(3,985)	994	(26)	137	(154)		17					(26)	26	0
Asset Management and Regeneration	12,022	(10,718)	1,304	(466)	30	(6)	(10)	(375)					(827)	1,223	396
Highways and Transportation	56,854	(36,332)	20,522	(316)	452	443	(39)	(32)					508	(515)	(7)
Libraries, Arts and Heritage	25,597	(8,145)	17,452	(131)	37	393	(7)	10	20	5			327	(188)	139
Sport and Active Recreation	25,084	(18,893)	6,191	(126)	(261)	(40)	(7)						(434)	394	(40)
Resources and Strategy	2,014	(107)	1,907	46	(118)								(72)	(525)	(597)
Total	135,587	(83,677)	51,910	(985)	277	622	(66)	(380)	20	5	0	0	(507)	391	(116)

CITY DEVELOPMENT 15/16 BUDGET

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

<u>Key Budget Action Plans and Budget Variations:</u>				Action Plan Value	RAG	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments	£'000		£'000
A. Budget Action Plans						
1.	Efficient and enterprising Council - Reduction in asset running costs	Ben Middleton	Mostly savings on Merrion rent and on schedule to be delivered. Merrion purchase completed end of May.	560	G	0
2.	Dimming/switching off street lights	Gary Bartlett	A further report on delivery options being produced for discussion with the Executive Member. A possibility that an Executive Board report may be required. Proposals may need to include invest to save initiative. Other savings expected to make up any shortfall.	300	A	0
3.	Staff savings through ELIs and vacancies	Ed Mylan	ELI reductions managed across directorate. FTE reductions achieved following a number of ELI leavers at the end of March.	680	G	0
4.	Joint working with WYCA and City Region efficiencies	Tom Bridges	Leeds and Partners now wound up and new arrangements put in place which will deliver the budgeted savings. The budgeted £250k contribution from L&P reserves has been received.	950	G	0
5.	New income in Asset Management including increased income from advertising from 2 new advertising towers, new commercial property acquisitions and income from establishing a temporary car park on the LIP site	Chris Gomersall/Ben Middleton	JC Decaux progressing with the new sites including discharging the planning conditions. They are also progressing with awarding appropriate contracts. Determination period a min of 8 weeks, construction 4-6 mths. Earliest 'go live' date estimated end Oct. Max potential income 15/16 is £100k. Harper St car park purchased, additional acquisition being explored. LIP car park opened at the beginning of September 2015.	700	R	620
6.	Increased income Planning and Building Control	Tim Hill	Pre-application planning charges have been implemented and there is an increased income target for building control. Additional income is also assumed from the Community Infrastructure Levy to fund administration costs.	300	G	0
7.	Other additional income from fees and charges/VAT exemption and changes in volumes	Various CO's	Proposed price increases have been implemented. Some risks in terms of the increases in volumes but this will be monitored during the year.	810	G	0
8.	Arts grant reduction - new funding arrangements	Cluny MacPherson	New grant allocations will deliver the savings. DDN published 25 March and implemented 1st April	500	G	0
9.	Other Culture savings. Including savings on the events budget, Breeze and CAT proposals for Pudsey Civic Hall and Yeadon Tarn Sailing Centre and other running cost savings	Cluny MacPherson	Most saving proposals being implemented. The CAT proposals are unlikely to progress so alternative savings will need to be brought forward in the service.	820	A	140
10.	Savings in Sport and Active Recreation including reduction in operating hours and realignment of sports development unit	Cluny MacPherson	Detailed proposals being worked up. Any changes will require consultation therefore implementation not possible by 1 April and likely now to be January 16 and this will impact on savings target although expected to be offset by other savings.	200	A	60
11.	Reduction in highways maintenance budgets	Gary Bartlett	Budget reduced	360	G	0
B. Other Significant Variations						
1.	Other Staff savings	Ed Mylan	Projected net savings from vacancies and expected ELIs			(604)
2.	Other expenditure	Ed Mylan	Additional spend mostly in Highways and LAH largely funded by additional income.			195
3.	Other Income (net)	Ed Mylan	Additional one off income anticipated to be received in 15/16 subject to final agreement being reached.			(527)
City Development Directorate - Forecast Variation						(116)

ENVIRONMENT & HOUSING DIRECTORATE

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR PERIOD 6

Month 6 (April to September)

Key Budget Action Plans and Budget Variations:			Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans							
1.	Dealing Effectively with the City's waste	Susan Upton	AWC4 roll out complete; PFI grant of £1.9m (Nov) is on target & new contracts for disposal now in place; Temp contracts in 14/15 all ended.	G	1.6	(0.4)	
2.	HWSS Strategic Review and Permit scheme	Susan Upton	Permit scheme implemented in April 15; Strategic review underway; Report expected July.	A	0.3	0.1	
3.	Parks and Countryside additional income	Sean Flesher	New charges implemented and working with taxation team to support VAT exemptions	G	0.4	0.0	
4.	Integration of Property Maintenance and Construction Services	Simon Costigan	Review of rates to be charged in progress;	G	1.4	0.0	
5.	Woodhouse Lane Car Park	Helen Freeman	Price rise implemented Jan 15. Income on line as at end of May	G	0.3	(0.0)	
6.	WYP & CC grant use	Sam Millar	£743k funding secured; £57k from ASBU; £60k costs won't be incurred; £143k to find	G	1.0	0.0	
7.	Savings in Housing related support programme	Neil Evans	Contracts reviewed / renegotiated and savings expected to be delivered	G	0.8	0.0	
8.	Directorate wide staffing reductions	Neil Evans	£100k to be identified but given current level of vacant posts, this will be achieved	G	1.5	0.0	
9.	Contract / Procurement Savings / Line by Line		Savings from insurance, fuel, pest control contracts;	G	1.0	0.0	
10.	All Other action plan items			G	0.0	0.0	
					Sub Total	8.3	(0.3)
B. Other Significant Variations							
1.	Waste Disposal Costs	Susan Upton	Net budget £16.8m for 324.8k tonnes of waste; SORT waste expected to be £320k over but other reductions offset to £185k			0.1	
2.	Refuse Collection staffing costs	Susan Upton	£12m pay budget in service; Continue to monitor weekly numbers			0.1	
3.	Refuse Collection vehicle costs	Susan Upton	Repairs budget has been under pressure for a few years; additional provision made + 17 new vehicles and reduction in landfill; Fuel costs £1.5m			(0.2)	
4.	Car Parking Fee Income BLE / PCN income	Helen Freeman	BLE £1.4m in total . Phase 3 to start December. PCN's £2.4m			0.0	
5.	Car Parking Fee Income Fee Income	Helen Freeman	£7.6m budget. P - On street income approx. £0.35m above budget			(0.6)	
6.	Car Parking Staffing	Helen Freeman	Vacant posts in service			(0.2)	
6.	Environmental Action staffing	Helen Freeman	New structure being implemented - in year variation from slippage			(0.0)	
7.	Parks & Countryside - Tropical World income	Sean Flesher	Income rec'd in April/May above budgeted level - trend to be monitored throughout the year			(0.3)	
8.	Parks & Countryside - Bereavement Services	Sean Flesher	£385k pressure in 14/15 - trend to be monitored throughout the year			0.0	
9.	Property Maintenance	Simon Costigan				0.0	
10.	Community Safety - CCTV/Security restructure	Sam Millar	Restructure proposals now agreed and implementation commenced			(0.2)	
11.	Strategic Housing Partnerships	John Statham	Staffing efficiencies delivered through holding posts vacant and grant fallout managed			0.0	
12.	Strategic Housing Support	Liz Cook	Staffing efficiencies delivered through holding posts vacant and grant fallout managed			0.0	
13.	All Other variations	All CO's	Balance of all other budget variations across all divisions including £220k savings on Kirkstall Road financing costs			0.2	
					Sub Total		(1.1)
Environment & Housing - Forecast Variation							(1.4)

STRATEGY AND RESOURCES

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Overall

In respect of the savings associated with the Council's commitment to reduce the cost of support services by 30% over a 4 year period, plans are progressing well to achieve the savings in 2015/16. Use of the early leavers initiative together with non-filling of leavers and exploitation of income opportunities means that services should be able to realise the savings required.

Currently an underspend of £89k is projected for the year mainly due underspends on staffing costs partly offset by lower court fee income.

Strategy and Improvement

The service has met its staffing efficiency savings targets for this year and the projection is for a small underspend of £2k. The Intelligent Council staff have now been transferred back to their original directorates.

Finance

The main challenge for this service is to meet the current shortfall based on staff in post to date and known recruitment and leavers through to year end and shortfall in income. The service is pursuing options and the budget is expected to come in on target by year end, though this is reliant on identifying savings of a further £116k. A number of minor pressures on income reduction are offset by reduced staffing costs and savings on supplies and services. However, the trend in court fee income, which is dependent on the number of summonses raised in respect of Council debt, is lower than budgeted and a pressure of £92k is now expected, resulting in an overall overspend of £42k.

Human Resources

HR have met the £622k savings incorporated in the budget and a modest underspend of £64k is now forecast. The Manager Challenge Programme is expected to be funded from the earmarked reserve created in 2013/14.

Information Technology

Savings targets are expected to be achieved and the only issue identified to date is an overspend of £50k on ICT4Leeds due to insufficient sign up from schools and academies. At present the projections assume that this overspend will be more than covered by other compensating savings. Further potential pressures could arise from the expansion of the city wide Smart Cities Agenda and on ongoing dispute with Virgin Media. Overall a £50k underspend is now projected.

Projects, Programmes and Procurement Unit

Following the outturn 2014/15 a key risk area is PPPU income, specifically the level of non-chargeable or reduced rate work. A new monitoring arrangement is in place.

Based on latest information on from the time recording system, chargeable income is expected to be £480K short compared to the budget - this is offset by £400K savings on the staffing and an additional £80K of external income from YPO. Overall the service is anticipated to balance but this is dependant of been able to raise an average of £630K a month of chargeable work over the next six months.

Legal Services

Savings built into the budget for 2015/16 are on line to be delivered. The staffing budget is currently underspent but there are plans to recruit to posts and Legal Services have two locums covering vacant posts (Planning and Housing Disrepair) as these have proved difficult to recruit to.

Democratic Services

It is expected that the savings targets will be met this financial year although not necessarily be delivered in line with the original strategy. Overall a small underspend of £15k is projected.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES															Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Strategy & Improvement	4,791	(607)	4,184	(74)	3	(5)	0	0	0	53	0	0	(23)	21	(2)	
Finance	16,487	(7,128)	9,359	(183)	0	(51)	13	(26)	0	0	0	0	(247)	289	42	
Human Resources	8,049	(1,749)	6,300	(186)	(3)	96	(3)	31	0	0	0	0	(65)	1	(64)	
Information Technology	21,287	(6,942)	14,345	(1,021)	0	111	2	0	0	0	(13)	0	(921)	871	(50)	
Projects, Programmes & Procurement	7,494	(7,564)	(70)	(402)	0	2	0	0	0	0	0	0	(400)	400	0	
Legal Services	5,242	(6,854)	(1,612)	(33)	0	17	(18)	0	0	0	0	0	(34)	34	0	
Democratic Services	5,040	(56)	4,984	28	0	(10)	0	0	0	0	0	0	18	(33)	(15)	
Total	68,390	(30,900)	37,490	(1,871)	0	160	(6)	5	0	53	(13)	0	(1,672)	1,583	(89)	

STRATEGY AND RESOURCES

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Key Budget Action Plans and Budget Variations:				Action Plan Value	RAG	Forecast Variation against Plan/ Budget
		Lead Officer	Additional Comments	£m		£m
A. Key Budget Action Plans						
1.	Finance	Doug Meeson	Definite actions now in place for £620k of the savings.	0.75	G	0.00
2.	HR	Lorraine Hallam	Definite actions now in place for c£590k.	0.62	G	0.00
3.	ICT	Dylan Roberts	Actions underway for delivery of £448k of savings. Plans in place for delivery of residue.	0.71	G	0.00
4.	Legal and Democratic Services	Catherine Witham	Legal services savings of £117k on-line. Democratic Services, savings delivered: £100k Scrutiny, £9k Members Support, £105k reduction in Members Superannuation . Balance of £91k intended to be delivered from the Members Support budget and a combination of ELI, maternity and other efficiencies . Implementation partially dependent upon assistance from Members.	0.45	G	0.00
5	Strategy and Improvement	Mariana Pexton	Required level of savings have now been achieved through staff movements, leavers and ELI.	0.25	G	0.00
6	Business improvement - print savings	Dylan Roberts	Implemented and savings being delivered on target.	0.20	B	0.00
7	Income - court fees	Doug Meeson	Fees to be monitored in year.	0.20	G	0.09
B. Other Significant Variations						
1	Net effect of other minor variances	All			A	(0.18)
Strategy and Resources Directorate - Forecast Variation						(0.09)

CITIZENS AND COMMUNITIES

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Overall - At this stage in the year the Directorate is expecting to achieve the budgeted level of savings. Many of the actions have already been achieved and in all cases work is progressing to deliver the savings and an underspend of £104k is now projected. In terms of other volatile budget areas, trends in housing benefits overpayments can significantly impact on the budget position however it is too early in the year to confidently predict the outcome at this stage.

Communities - Community Centres were overspent by £100k last year and £75k of this is recurring meaning the true pressure in 15/16 is £175k. Whilst it is expected that this will be contained within Citizens and Communities overall we are working with Facilities Management to deliver efficiencies. All other action plan items have been delivered. The Communities Team and Area Support have some vacant posts and a number of staff are on maternity leave, posts will be filled in due course but delays in recruitment will generate a budget saving of approx £100k.

Customer Access - Currently the staffing cost is under budget. However recruitment is needed to be able to cope with existing workloads at the Contact Centre as efficiencies based on Transactional Web Services developments have not yet been fully realised. The delays in implementation of Customer Access Phase 1 mean there is a risk that the staffing cost will be over budget by the year end. Some of the pressure is partly offset with in year savings in Business Support staffing. Community Hub recruitment could also create an in year pressure - worst case scenario suggests this may be as much as £250k but this is dependent on timing and recruitment and to some extent may be avoidable.

Elections, Licensing and Registration - Overall budgets are online but the shortfall in income in Registrars and Entertainment Licencing in 2014/15 is continuing with a forecasting shortfall this year of £100k in each service (£200k in total). Savings on staffing budgets in the same service areas are expected to offset the income shortfall.

Benefits, Welfare and Poverty - BWP is expected to underspend by £104k by year end based on the information detailed in Period 6. An underspend on Housing Benefit payments / subsidy / overpayments income of £205k is partially offset by increased supplies and services costs. In respect of the revised Local Welfare Support Scheme for 2015/16, the budget of £1.1m is projected to be fully spent and this includes estimated spend of £100k on support for the migrant third sector as reported to Executive Board on 23/9/15.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000	
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Communities	7,540	(1,662)	5,878	(100)	100	0	0	0	0	0	0	0	0	0	0	0
Customer Access	13,581	(1,184)	12,397	0	0	0	0	0	0	0	0	0	0	0	0	0
Elections, Licensing & Registration	5,830	(5,239)	591	(203)	0	3	0	0	0	0	0	0	(200)	200	0	0
Benefits, Welfare and Poverty	297,700	(294,609)	3,091	(38)	5	235	6	0	0	3,388	0	0	3,596	(3,700)	(104)	(104)
Total	324,651	(302,694)	21,957	(341)	105	238	6	0	0	3,388	0	0	3,396	(3,500)	(104)	(104)

CITIZENS AND COMMUNITIES

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1	Review of Communities running costs	Shaïd Mahmood	Budget reduced	G	0.1	0.0
2	Further integration of Contact Centre with Council Tax	Lee Hemsworth/Steve Carey	Low risk and ELI based. Depends on finding more efficient ways of working together	G	0.1	0.0
3	Reduce property visits in Council Tax Service	Steve Carey	Use more efficient ways of identifying properties that may be occupied	G	0.1	0.0
4	Increase in fees in Licensing and Registration services and Translation and Interpretation	John Mulcahy	Actioned	G	0.1	0.0
5	Housing Benefits overpayments	Steve Carey	Assumes we continue our improved performance in this area	G	0.2	0.0
6	Fraud and error reduction incentive scheme	Steve Carey	Govt grant. Level of payment depends on how effective we are at reducing fraud	G	0.3	0.0
7	Use Social Inclusion Fund to support financial inclusion work	Steve Carey	Actioned	G	0.2	0.0
8	10% reduction in Well Being budget	Shaïd Mahmood	Budget reduced - to be managed by Area Committees	G	0.2	0.0
9	Review of community centres	Shaïd Mahmood	Consultation process started. Once complete a delivery plan will be developed including: general efficiencies in facility management; CAT or other community management arrangements and closure options. Any proposals for closure will require Executive Board decision.	A	0.1	0.2
10	Reduce Advice Agency Grant by 10%	Steve Carey	Actioned	G	0.1	0.0
11	Reduce opening hours of contact centres 9am-5pm	Lee Hemsworth	Opening hours reduced as planned on 1st April.	G	0.1	0.0
12	Delivery of transactional web services	Lee Hemsworth	Some technical issues with new system meant that it was only part implemented on 1st April (employee portal only) in the areas of environmental services and highways. Customer portal will go live in May. This may result in lower overall savings being achieved.	A	0.3	0.0
13	E-Claim for Benefits	Steve Carey	Introduce online claim form for HB and CTB. May be delayed after April which may mean slightly reduced saving	G	0.1	0.0
14	Reduce innovation fund by 25%	Shaïd Mahmood	Budget reduced	G	0.1	0.0
15	Community based assets -reduction in relevant costs from participating services as Community Hubs formed	Lee Hemsworth	Budgets (£2.5m) transferred to C&C on 1st April. New management arrangements will be introduced during the year and there is a high level of confidence that full savings will be delivered.	G	0.1	0.0
A. Other Significant Budgets						
1	Housing Benefit Payments, Subsidy and Overpayment Income	Steve Carey	Gross expenditure budget of £295m. Monitored monthly throughout the year. No variance to budgets currently anticipated.	G		(0.2)
2	All other budget headings	All		G		(0.1)

Citizens and Communities Directorate - Forecast Variation

(0.1)

PUBLIC HEALTH

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Overall

The allocation of ring fenced Public Health grant for 2015/16 had been frozen at 2014/15 levels of £40.5m. However, in addition the responsibility for the 0 - 5 years services (health visiting services and Family Nurse Partnership) transfers to LCC in October and further funding of £5m will be provided. Work is ongoing with the current provider of health visiting and Family Nurse Partnership services to ensure a smooth transition to LCC from NHS England. In 2014/15 there was an underspend of £1,211k of the ring fenced grant which has been brought forward for use in 2015/16 in line with grant conditions. Of this amount, £800k had been expected to fund the base budget for 2015/16 and the remaining £411k has been allocated to services committed to during 2014/15 but which have not yet taken place.

On the 4th November the Government announced the result of the consultation with local authorities on the implementation of a £200m national cut the 2015/16 Public Health grant allocation. This confirmed the Department of Health's preferred option of reducing each local authority's allocation by 6.2%, which means a reduction of £2,818k for Leeds City Council. At this stage there is no firm information that these cuts will be recurrent, however there are suggestions that this will be the case following the comprehensive spending review. Although the Public Health grant for 2015-16 is already committed, work is ongoing to identify savings, critical decisions will need to be made in order to meet this significant challenge. To date, £2,391k of potential savings have been identified and are in the process of being implemented and are reflected in the projections below. After taking into account normal variations in existing services, a further saving of £0.4m is required (still to be identified).

Detailed Analysis

New contracts for integrated sexual health services and drugs and alcohol services commenced on 1st July. Work is ongoing to identify any potential financial pressures particularly in relation to Shared Care activity, medical costs, testing and prescribing and dispensing costs for drugs and alcohol treatment and recovery.

There is currently an underspend on the staffing budget due to posts going through the recruitment process, any underspend achieved will be considered as part of any current pressures and the

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Public Health Grant		(45,533)	(45,533)	0	0	0	0	0	0	0	0	0	0	2,823	2,823
Staffing and General Running Costs	5,464	(31)	5,433	(465)	0	(14)	0	(75)	0	0	0	0	(554)	0	(554)
Commissioned and Programmed Services:															
- General Public Health	259		259	0	0	0	0	0	(80)	0	0	0	(80)	0	(80)
- Population Healthcare	489		489	0	0	(65)	0	0	(92)	0	0	0	(157)	0	(157)
- Healthy Living and Health Improvement	16,441		16,441	0	0	(36)	0	(43)	(238)	0	0	0	(317)	0	(317)
- Older People and Long Term Conditions	3,071	(36)	3,035	0	0	(28)	0	(20)	(154)	0	0	0	(202)	0	(202)
- Child and Maternal Health	10,654		10,654	0	0	(14)	0	0	(485)	0	0	0	(499)	(17)	(516)
- Mental Wellbeing and Sexual Health	9,200		9,200	(10)	0	(50)	0	0	(272)	0	0	0	(332)	0	(332)
- Health Protection	1,233		1,233	0	0	2	0	0	(212)	0	0	0	(210)	(28)	(238)
Transfer From Reserves		(1,211)	(1,211)	0	0	0	0	0	0	0	0	0	0	0	0
Supporting People	936	(637)	299	(16)	0	(2)	0	0	0	0	0	0	(18)	1	(17)
Drugs Commissioning	2,886	(2,954)	(68)	0	0	11	0	0	0	0	0	0	11	(11)	0
Total	50,633	(50,402)	231	(491)	0	(196)	0	(138)	(1,533)	0	0	0	(2,358)	2,768	410

PUBLIC HEALTH

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

Month 6 (April to September)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
2.	Increase in ring fenced grant	Ian Cameron	From October 2015 funding and contract responsibility for 0-5 years public health services transfers to the council. This responsibility is funded by an increase in ring fenced grant.	G	4.99	0.00
3.	Reduction in staff costs	Ian Cameron	Following a review of essential posts, savings have been identified.	G	0.25	0.00
4.	PCT legacy balance not required	Ian Cameron	The DoH notified the council of a PCT legacy balance outstanding. Provision was made in 2014/15 for this and so is not required in 2015/16.	G	0.28	0.00
5.	PPPU reviews completed during 2014/15	Ian Cameron	Work on new contracts is complete and no further charges are expected for this service.	G	0.16	0.00
6.	Reduction in social marketing costs	Ian Cameron	Reduction in social marketing activity.	G	0.05	0.00
7.	NHS Healthcheck - estimated reduction in demand	Ian Cameron	Based on current levels of activity, the demand for this service has reduced resulting in an estimated saving.	G	0.15	0.00
8.	Reduction in small projects	Ian Cameron	A number of projects carried out in 2014/15 are no longer required.	G	0.26	0.00
9.	Adult Weight Management	Ian Cameron	Responsibility has passed to the CCG's for this service with no requirement to transfer funding.	G	0.11	0.00
10.	Underspend brought forward from 2014/15	Ian Cameron	Grant conditions allow for underspends in one year to be used in the following year.	G	0.80	0.00
11.	Charge to HRA from Supporting People Team	Ian Cameron	A proportion of staff time is spent supporting HRA contracts. An analysis of the time spent on this has resulted in a recharge to HRA.	G	0.27	0.00
B. Other Significant Variations						
1.	Staffing budget	Ian Cameron	Delays in recruitment have resulted in a projected underspend			(0.49)
2.	Grant reduction	Ian Cameron	Anticipated reduction in grant			2.82
3.	External Providers	Ian Cameron	Savings identified to fund reduction in grant			(1.92)
Public Health - Forecast Variation						0.41

CIVIC ENTERPRISE LEEDS

FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR

MONTH 6 (April to September)

Overall narrative

The overall projected position at period 6 for CEL is an overspend of £315k which is primarily accounted for by a £165k overspend against the Catering net budget and a £150k overspend on Property Cleaning. The Catering overspend is a result of an income shortfall against the increased budgeted number of meals whereas the Property overspend arises from not meeting efficiencies included within the base budget.

Business Support Centre

A balanced position is projected, savings on staffing budgets due to delays in recruitment are offset by shortfall against the income budgets. In order to create Shared Services budgets for Mailroom, Document Management and Services Agency (Print and Signs) have transferred to BSC (from Facilities). The income shortfall arises from where schools switch to academies and no longer use some of the BSC's services (£31k) and a shortfall against the purchasing card rebate of £38k.

Commercial Services

The Commercial Services overspend of £315k is, as explained above, accounted for by a shortfall against an increase in the budgeted number of meals on Catering (£350k full year effect for Universal Free School Meals assumed in the 2015/16 budget) to Period 6; the projection assumes that the budgeted number of meals will be achieved for the remainder of the financial year. Due to delays in implementing the £200k budgeted savings by implementing a lower cleaning specification, Property Cleaning are forecasting an overspend of £150k.

The projection assumes that the transfer of budgets for ASC catering and cleaning staff will be cost neutral.

Facilities

A balanced period 6 position is projected. There's a £48k pressure on the staffing savings as a result of non delivery of closure savings assumed in the 2015/16 Asset Rationalisation programme for community centres. This pressure is recharged to Citizens and Communities.

Corporate Property Management

A balanced position is projected with the projected overspend against staffing to be managed by a combination of additional income and savings against running costs.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	Total (under) / overspend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Business Support Centre	9,993	(5,133)	4,860	(183)	10	(83)	0	79	0	0	0	0	(177)	177	0
Commercial Services	55,692	(54,911)	781	398	71	(137)	503	1	0	0	0	0	836	(521)	315
Facilities Management	9,723	(3,503)	6,220	48	69	11	5	0	0	0	0	0	133	(133)	0
Corporate Property Management	6,787	(535)	6,252	38	(6)	11	5	0	0	0	0	0	48	(48)	0
Total	82,195	(64,082)	18,113	301	144	(198)	513	80	0	0	0	0	840	(525)	315

CIVIC ENTERPRISE LEEDS
FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR
MONTH 6 (April to September)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	Action Plan Value	RAG	Forecast Variation against Plan/Budget
				£m		£m
A. Key Budget Action Plans						
1	Asset rationalisation	Julie Meakin	Primarily reduction in utility bills/bus rates on Merrion and other vacated buildings. Merrion vacated March 2015	0.87	G	0.0
2	Better business management: admin/intel/mail & print/prog & project management	Jo Miklo	Virements for centralising Core Admin & Exec Support into BSC are being progressed and hopefully finalised by month 4	0.21	G	0.0
3	Fleet services vehicle replacement savings and efficiencies	Terry Pycroft	Half way through fleet replacement programme. New vehicles are more efficient, require less maintenance and are covered by warranty	0.10	G	0.0
4	Fleet services pay as you go tyre contract	Terry Pycroft	New contract in place since Oct 14. Currently £10k pm cheaper than old fixed price contract.	0.10	G	0.0
5	Transfer of ASC properties to Facilities Management	Mandy Snaith	Relates to the transfer of Catering & Cleaning staff from ASC to Cel Group. DDN now signed.	0.08	G	0.0
6	Other savings: insurance, JNC review, legal charges, TU convenors	Julie Meakin	Expected to achieve	0.06	G	0.0
7	Procurement off contract spend	Dave Outram/Julie Meakin	See comments in S&R tab against Procurement non-contract spend	TBC	G	0.0
8	Extension of catering in Civic Hall	Mandy Snaith	Savings proposals being actioned but impact needs to be monitored	0.05	G	0.0
9	Increased trading with public by Fleet Services, servicing etc	Terry Pycroft	New trading now taking place includes: MoT testing; extension of vehicle maintenance contract with Uni of Leeds; and safety training courses.	0.05	G	0.0
10	Efficiencies from lower cleaning spec to building and selling services to others	Richard Jackson	Savings proposals being actioned but impact needs to be monitored	0.20	R	0.1
B. Other Significant Variations						
11	Net effect of all other variations					0.2

Civic Enterprise Leeds - Forecast Variation 0.3

STRATEGIC & CENTRAL ACCOUNTS
FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR
Month 6 (April to September)

Overall narrative

The Strategic budget forecast for period 6 is for an overspend of £0.6m.

External debt costs and Minimum Revenue Provision (MRP)

The budget for MRP includes £14.8m of savings targets - £10.5m from the use of capital receipts and £4.3m for the realignment of MRP on pre-2007/08 debt to an asset lives based approach. To support the achievement of these savings we are closely monitoring the levels of capital receipts both in 2015/16 and across the medium-term and also working with the Council's valuers around the reasonable determination of asset lives.

Corporate targets

The Strategic budget includes targets for general capitalisation of £4.9m, capitalisation of spend in schools revenue budgets of £2.5m and in line with the 2014/15 outturn, the latest 2015/16 projections anticipate additional savings from capitalising eligible costs. In addition the strategic budget includes savings of £1m around procurement [£0.5m forecast variation at month 5) together with a PFI contract/monitoring target of £0.9m [which will be allocated to service budgets following confirmation of where the reductions in spend will actually be achieved]. The month 6 projection also recognises a potential shortfall in achieving the £1.2m Directorate Procurement target which is currently held across Directorate budgets.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000	Income £'000	
Strategic Accounts	(11,480)	(32,488)	(43,968)			0						0	0	1,900	1,900
Debt	47,052	(1,075)	45,977								(214)		(214)		(214)
Govt Grants	2,828	(27,830)	(25,002)									(1,044)	(1,044)		(1,044)
Joint Committees	37,697	0	37,697										0		0
Miscellaneous	2,317	(1,172)	1,145										0		0
Insurance	10,227	(10,227)	0			5,125		52				(3,903)	1,274	(1,274)	0
Total	88,641	(72,792)	15,849	0	0	5,125	0	52	0	(1,044)	(214)	(3,903)	16	626	642

STRATEGIC & CENTRAL ACCOUNTS
FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR
Month 6 (April to September)

Key Budget Action Plans and Budget Variations:

				Budget	RAG	Forecast Variation against Budget
						£'000
		Lead Officer	Additional Comments			
A. Major Budget Issues						
1	Debt Costs and Extenal Income	Doug Meeson	No major changes to date.	16,208	G	(214)
2	Minimum Revenue Provision	Doug Meeson	Potential £8m reduction in MRP from asset life method (budgeted £4.3)	29,769	G	1
3	New Homes Bonus	Doug Meeson	Activity across the City increasing, however marginal shortfall in anticipated grant income forecast for 2015/16	(18,446)	G	400
4	Business Rates (S31 Grants, Levy & EZ)	Doug Meeson	No material variations anticipated at this stage	(9,171)	G	0
5	S278 Contributions	Doug Meeson	Forecast from Capital team is £2.8m, potential risk of £2.4m	(5,200)	R	1,500
6	General capitalisation target	Doug Meeson	Potential additional capitalisation of eligible costs held across Directorate revenue budgets	(4,982)	A	(300)
7	Schools capitalisation target	Doug Meeson	Potential additional capitalisation of eligible costs held across school revenue budgets	(2,500)	A	(1,000)
8	Corporate Procurement Target	Doug Meeson	Centrally-held budget savings target. Actual savings will be shown in Directorate budgets.	(1,000)	A	700
9	PFI Contract Monitoring Target	David Outram	Budget held in the strategic accounts pending confirmation of where the reductions in expenditure will be achieved	(860)	A	0
10	Early Leaver Initiative	Doug Meeson	£2m earmarked reserve established to fund the severance costs in 2015/16. Latest information on approved business cases together with staffing plans from Directorates indicate that spend in the year to March 2016 is likely to be at or below the level of the reserve	0	A	0
11	Directorate Procurement Target	David Outram	Work is progressing around reducing the level of non-contract spend across the Council. The latest information is that £0.6m of savings will be achievable in 2015/16 with £0.6m of savings slipping into 2016/17.	(1,200)	A	600
B. Other Significant Budgets						
12	Insurance	Doug Meeson	Potential additional costs in-year which will be managed through the Insurance Reserve	0	A	0
13	Business Rates Levy	Doug Meeson	Potential saving on the levy payment to the Business Rates Pool reflecting the level of Business Rates Growth and revaluation appeals	2,828	A	(1,044)
14	Prudential Borrowing Recharges	Doug Meeson	Contra budgets in directorates/service accounts. Reduction on budgeted schemes currently offset by expected £1.2m increase ref Southbank regeneration scheme	(9,908)	A	0
Strategic & Central Accounts - Forecast Variation						642

Executive Member for Communities
Financial Dashboard - 2015/16 Financial Year
Housing Revenue Account - Month 6 (September 2015)

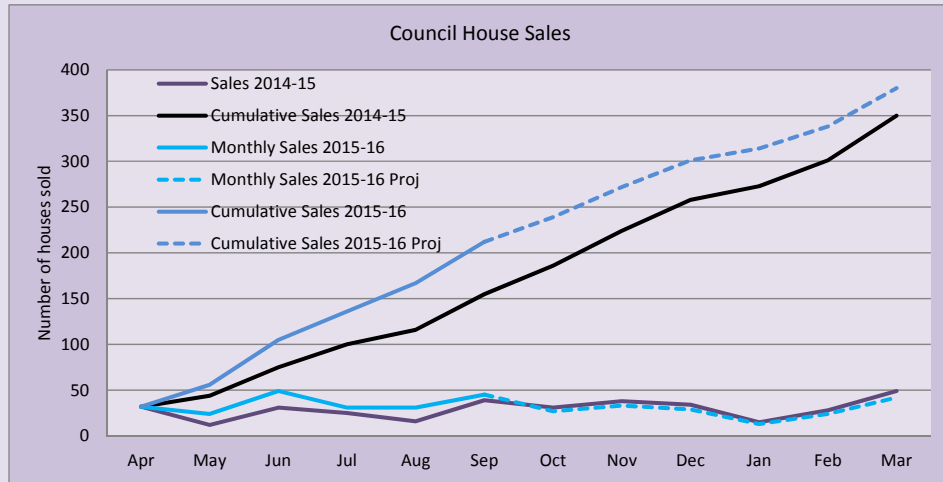
Summary of projected over / under spends (Housing Revenue Account)

Directorate	Current Budget	Projected Year End Spend	Variance to budget	Comments	Previous Month (Under) / Over Spend
	£000	£000	£000		£000
Income					
Rents	(221,128)	(221,375)	(247)	Void numbers lower than budget.	(319)
Service Charges	(6,588)	(6,740)	(152)	Reduction in income from sheltered accommodation £15k, offset by additional furniture income (£80k) and MSF general charge (£87k)	(117)
Other Income	(28,088)	(28,204)	(116)	Loss of £55k in telecomms income (renegotiated leases) offset by savings in DR&M (£71k), LLBH&H PTC costs (£50k), insurance refund (£12k), RTB fee income based on projected 380 sales (£39k)	(143)
Total Income	(255,804)	(256,319)	(514)		(579)
Expenditure					
Disrepair Provision	1,500	1,932	432	Disrepair compensation & fees	-
Repairs to Dwellings	42,733	43,133	400	Additional expenditure being incurred due to the requirement to address outstanding repairs resulting from the backlog of disrepair cases, and taking a more pro-active approach to avoid disrepair claims in the future	-
Employees	26,847	26,494	(353)	Savings on vacant posts (£682k), Other staff savings (£60k), offsetting severance costs £129k and Agency £260k	(324)
Premises	7,205	7,175	(30)	Navigation House rent & premises costs £75k, Utilities saving (£100k), Miscellaneous Cleaning (£17k), Little London Bus Stop works £10k	(30)
Supplies & Services	5,782	5,835	53	Link Officers £144k, Tenant furniture £50k, LLBHH PTC £67k, offset by Savings on Tenant Mobility Scheme (£50k), Swarcliffe Insurance Refund £(68)k, Swarcliffe UC due to RTB £(25)k and savings on EPCs £(65)k.	49
Internal Services	36,548	37,050	502	PPPU Category Management charge £171k, Energy portfolio work from PPPU £110k, Legal costs for disrepair work £172k, additional HR charge £116k, increased Regeneration time spent on HRA projects £108k, additional accommodation £59k, increased property cleanup work £50k, Contribution to floating support (ASC) £47k, additional recharge from Parks & Countryside £40k, offset by savings on ASBU (£147k), Housing Options (£110k), Housing Support (£24k), Equal Pay (£42k), PPPU PFI saving (£30k), Internal Audit recharge (£18k).	248
Capital Programme	69,888	69,888	-		-
Appropriations	(17,941)	(17,858)	83	Swarcliffe PFI £169k and LLBH £24k, Energy Portfolio Projects from PPPU £(110)k	118
Unitary Charge PFI	31,971	31,885	(86)	Savings on Swarcliffe PFI.	(86)
Capital Charges	43,032	42,549	(483)	Capital charges per Treasury Management £84k, Reduction in Voluntary Set Aside (£567k)	84
Other Expenditure	8,239	8,235	(4)	Void incentive £35k, BITMO Management Fee £10k, reforecast transport costs (£50k)	45
Total Expenditure	255,804	256,318	514		104
Total Current Month	-	-	(0)		(474)

Housing Revenue Account

Financial Dashboard - 2015/16 Financial Year

Month 6 (September 2015)



Change in Stock	Budget	Projection
Right to Buy sales	350	380
Taken out of Charge	50	50
New Build (PFI)	(250)	(233)
New Build (Council House Growth)	(142)	(55)
Brought back into Charge	(30)	(30)
Total	(22)	112

Provisions	Budget	Projection
Disrepair provision	1,928	1,928
Bad Debt provision (Current Tenants)	1,610	1,610
Bad Debt provision (Former Tenants)	2,835	2,835
Others	1,124	1,124
Total	7,497	7,497

	2014/15 Week 52	2015/16 Week 26	Variance
	£000	£000	£000
Tenant Arrears (Domestic Rents and Charges)			
Current Tenants - exc Tech	5,847	6,505	658
Former Tenants	3,037	3,171	134
	8,884	9,676	792
Under occupation			
Volume of Accounts	5,255	5,068	(187)
Volume in Arrears	2,792	2,826	34
% in Arrears	53%	56%	3%
	855	898	43
Collection Rates			
Dwelling rents	97.45%	96.36%	-1.09%
Target	98.06%	98.06%	0.00%
Variance to Target	-0.61%	-1.70%	-1.09%

