

**Report of the Deputy Chief Executive**

**Report to Executive Board**

**Date: 22<sup>nd</sup> June 2016**

**Subject: Financial Performance - Outturn Financial year ended 31<sup>st</sup> March 2016**

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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The purpose of this report is to inform members of the final outturn for the financial year 2015/16. The pre-audited accounts will be presented to the Corporate Governance and Audit Committee at its meeting on the 24<sup>th</sup> June 2016.
2. As set out below, the final position on the General Fund shows an underspend of £0.4m after the creation of a number of earmarked reserves. This is marginally better than was assumed in the 2016/17 budget.
3. The Housing Revenue Account was budgeted to break-even, but the outturn position shows a surplus of £0.8m.
4. As at April 2015 General Reserve were £22.3m. As per table 3 at paragraph 5.2 the amount of General Reserves as at 31<sup>st</sup> March 2016 is £21.3m

**Recommendations**

5. Members of the Executive Board are asked to;
  - a. Note the outturn position for 2015/16 and to agree to the creation of earmarked reserves as detailed in paragraphs 3.6 and 5.3 and delegate their release to the Deputy Chief Executive.

- b. Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

## 1. Purpose of this report

- 1.1 This report sets out for the Board the Council's financial outturn position for 2015/16 for both revenue and capital and includes the Housing Revenue Account and spending on schools.
- 1.2 The report also highlights the position regarding other key financial health indicators including Council Tax and Business Rates collection statistics, sundry income, reserves and the prompt payment of creditors.
- 1.3 It should be noted that in accordance with proper accounting practice, any significant event which occurs prior to the audit sign-off of the accounts in September 2016, could impact on the Council's final published outturn position and hence the level of reserves. This is known as a post balance sheet event and should such an event occur, it will be reported back to this Board at the earliest opportunity.

## 2. Main Issues

- 2.1 The 2015/16 general fund revenue outturn position after the creation and transfer of a number of earmarked reserves as detailed in paragraph 5.3 is an underspend of £0.4m.

Table 1 - summary outturn position

Directorate	Director	(Under) / Over spend for the current period				Transfer to/from Earmarked Reserves	Total (Under) /Overspend
		Staffing	Total Expenditure	Income	Total (under) /overspend		
		£000	£000	£000	£000		£000
Adult Social Care	Cath Roff	(2,513)	134	(107)	27		27
Children's Services	Nigel Richardson	(1,125)	5,853	(2,571)	3,282	1,100	4,382
City Development	Martin Farrington	(1,170)	845	(1,257)	(412)		(412)
Environment & Housing	Neil Evans	(3,004)	(536)	(1,054)	(1,590)		(1,590)
Strategy & Resources	Alan Gay	(2,811)	(3,430)	2,929	(501)		(501)
Citizens & Communities	James Rogers	(99)	300	(1,948)	(1,648)	100	(1,548)
Public Health	Dr Ian Cameron	(678)	(1,778)	(1,176)	(2,954)	3,000	46
Civic Enterprise Leeds	Julie Meakin	590	1,566	(1,588)	(22)		(22)
Strategic & Central	Alan Gay	751	5,174	(5,947)	(773)		(773)
<b>Total Current Month</b>		<b>(10,059)</b>	<b>8,128</b>	<b>(12,719)</b>	<b>(4,591)</b>	<b>4,200</b>	<b>(391)</b>

- 2.2 Full details of the directorate variations, budget action plans and risk areas for the year can be found in the financial dashboards attached at Appendix 1. The main directorate issues contributing toward the outturn position are as follows:-

2.3 **Adult Social Care** – the directorate has achieved a balanced budget position for 2015/16. Spend has increased by £0.5m since the provisional outturn position, mainly reflecting one-off costs relating to the early leavers scheme that will yield savings in future years. There has been some slippage in delivering planned savings on some of the most challenging budget action plans. There was slippage in delivering the specific actions for savings of £0.8m within the community care packages budget. £1m relates to revenue funding for community intermediate care beds from health which will not be achieved, but contingency funding has been applied to offset the shortfall. The outturn position reflects shortfalls of £0.9m in the budgeted saving from reviewing grants and contracts with third sector providers and £0.3m on transport. Slippage of £0.7m on the charging review has occurred as the changes will now not take place before April 2016. These pressures have been offset by underspends on a range of budget heads, further details of which are outlined in the financial dashboard which is attached at appendix 1.

2.4 **Children's Services** – overall, the Children's Services directorate overspent by £4.38m. With regards to children in care, there has been a net reduction of around 35 children and young people since 1st April 2015 from 1,270 to 1,235, however, at March 2016 there were 57 external residential placements (no change from April '15) and 222 Independent Fostering Agency Placements which resulted in a budget pressure on the external placements budgets of £4.8m. In addition, there were pressures on the in-house fostering and semi-independent placements budgets. The overall pressure across the children looked after placement budgets was around £5.8m. The directorate delivered an underspend across its staffing budgets of £1.1m which was mainly due to slippage against the recruitment plans for services funded from the Innovations Fund [£0.9m], Children's Homes [£0.6m] and Complex Needs [£0.3m] and also savings of £0.6m on agency staffing /overtime . These savings were partly offset by slippage on the budget action plans for Service transformation [£1m] and Youth Services [£0.3m].

Transport - the 2015/16 strategy included £0.83m of anticipated savings around demand management , however, a rise in the number of children & young people requiring education outside the city and in their complexity of need has resulted in a £2m overspend at outturn .

Other Income - the additional £2.6m of income included £1.6m of additional Health funding for Children's Centres (Family Services), £1m of additional funding from the Schools Forum and £0.8m of additional High Needs DSG funding to support services for children with special educational needs and disabilities. The outturn reflects that the directorate will carry forward £1.1m of unspent Innovations Funding into 2016/17 which is anticipated will be used to maintain Family Group Conferencing capacity, fund commissioned services supporting people effected by domestic violence and also DfE evaluation costs.

2.5 **City Development** – the directorate achieved a bottom-line underspend of £0.41m against the £43m net managed budget. The majority of the budget action plans were delivered and the budgeted savings delivered with the exception of the plans around increased asset management income [£0.6m], the community asset transfer proposals [£0.14m] and the anticipated savings in sport and active recreation [£0.06m].

2.6 **Environment & Housing** – the outturn position for the directorate is a year-end underspend of £1.6m against its £59.7m 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 £1.4m was achieved.

Waste Management was underspent by £0.7m which includes the £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 a month earlier than assumed in the budget. Parks and Countryside and Community Safety were overspent by £0.1m and £0.13m respectively and Environment Action & Health ended the year £0.3m under budget.

2.7 **Public Health** – overall, the outturn for Public Health was a marginal overspend of £0.05m against the £50.5m public health budget. This reflected the implementation of the 6.2%, or £200m national in-year cut to the 2015/16 Public Health grant allocation which for Leeds represented a reduction of £2.8m in grant income against which savings have been identified and are assumed within the outturn position.

2.8 **Strategy & Resources** – the outturn position for the directorate was an underspend of £0.5m which reflected the achievement against the range of budget savings plans. The main pressure in the directorate's budget was in respect of court fee income [£0.2m] which was offset by additional savings across the directorate.

2.9 **Citizens & Communities** – at outturn the directorate has an underspend of £1.5m of which £0.6m relates to the additional recovery of Housing Benefits overpayments income. All but one of the required budget action plans were implemented and achieved and in all cases work is progressing to implement plans and achieve the required savings.

2.10 **Civic Enterprise Leeds (CEL)** – overall CEL had a small underspend of £22k, comprising overspends on some of the Commercial Services, offset by savings within BSC and Facilities Management. The Business Support Centre achieved savings of £570k mainly arising from staffing savings linked to the implementation of Employee Self Service/ Manager Self Service and Better Business Administration and additional income from schools and academies. In order to create Shared Services budgets for Mailroom, Document Management and Services Agency (Print and Signs) have transferred to BSC (from Facilities). In Commercial Services, other than additional income to recover additional expenditure, the £736k shortfall against the budget is due to not achieving the budgeted income in parts of Commercial Services plus non achievement of the full £200k budgeted savings for a lower cleaning specification. Facilities achieved savings of £214k mainly against the staffing and utilities budgets. There was an over recovery of income which is explained by the recovery of additional expenditure. Corporate Property Management overspent marginally by £26k due mainly to an overspend against the building maintenance budget.

2.11 **Strategic & Central budgets** - overall, the strategic & central budgets underspend by £0.8m. 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, a levy payment of £0.7m will be made to the pool which is £2.1m less than the budget.
- ii) An additional £4.5m of savings to the revenue budget have been achieved in 2015/16 through the additional capitalisation of eligible general expenditure (£2m) and eligible spend in schools budgets (£2.6m).
- iii) The forecast on the strategic budget also recognises that the £1m corporate procurement target will be achieved through Directorate budgets. Likewise, the £1.2m saving in respect of spend outside of council contracts will be managed through directorate resource allocations.
- 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 assumed some £18.5m in respect of New Homes Bonus. The outturn position recognises the confirmed shortfall of £0.85m.
- v) Early Leavers Initiative – the outturn position reflects a pressure of £2.7m in 2015/16 which reflects that the £2m earmarked reserve has been maintained with the in-year severance costs being met from the general fund.
- vi) In addition, there was a reduction in section 278 income of approximately £3.1m which reflected lower development activity than anticipated.
- vii) Earmarked Reserves – following a review of the commitments against earmarked reserves some £2.2m has been released from various reserves to support the general fund position.
- viii) Holiday Pay enhancements – following recent case law, the outturn position includes £1m relating to the regional collective agreement in respect of the Council's obligation to pay 'normal pay' to employees on annual leave. This agreement applies an up-lift to annual leave payments to reflect enhancements, primarily overtime payments, which are not currently paid to employees on annual leave.
- ix) Flood relief grant – the Council received some £4.7m of section 31 grant in relation to Storm Eva. Of this grant, £3.35m was in relation to the Communities and Business Recovery Scheme of which some £1.1m was paid out by March 2016. The £2.3m unspent grant has been transferred into

earmarked reserves to carry-forward in 2016/17 to support the continuing scheme.

The remaining £1.24m grant in respect of the funding for Council Tax and Business Rates relief has been credited to the general fund in 2015/16 with the cost to the collection fund falling to the 2017/18 financial year.

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

- 3.1 The outturn for the year is a surplus of £0.8m when compared against the 2015/16 balanced budget. The HRA financial dashboard is attached at appendix 1.
- 3.2 Income is £1.2m higher than budget. This is due to £0.4m additional dwelling rental income as a result of actual void levels being less than budget, unbudgeted income of £0.2m from contributions to capital works from leaseholders and additional income from service charges £0.2m. Salary costs and administration costs associated with Right to Buy (RTB) sales which can be capitalised in accordance with the council's principles are £0.3m higher than budget.
- 3.3 The overspend on the repairs budget £2.3m is due to a combination of additional works which have been undertaken largely as a result of resolving disrepair cases and by taking a more pro-active approach to avoiding expensive claims in the future. This preventative expenditure combined with improved processes in challenging claims will contribute towards delivering a balanced budget position in 2016/17. In addition to the above, the charge to the disrepair provision is £0.3m higher than budget as a result of clearing the backlog of outstanding cases.
- 3.4 Other key overspends include the need to make an additional contribution of £0.4m for large insurance claims and increased internal charges for supporting troubled families on estates £0.3m and welfare advice and support £0.3m.
- 3.5 The above overspends have been offset by savings as follows:
  - 3.5.1 £1.1m in employee and transport costs which have arisen due to vacant posts held earlier in the year whilst new structures were being implemented.
  - 3.5.2 £0.3m in respect of the contribution required to the bad debt provision. The saving on bad debts has arisen due to a combination of fewer rent arrears being written off than projected and the impact of the introduction of the Government's welfare changes being less than anticipated.
  - 3.5.3 Savings of £0.4m in relation to premises costs. These are primarily savings on utilities due to lower energy costs.
  - 3.5.4 Net savings of £0.2m have been realised in relation to capital charges due to a combination of higher charges for capital (£0.3m) and impairment £0.4m which have been offset by additional RTB receipts being available to repay debt £0.9m.
  - 3.5.5 Other key savings include a reduction in leasing charges in relation to Heat Lease schemes of £0.8m, savings on the tenant mobility scheme of £0.2m and local initiatives of £0.2m.

- 3.6 It is recommended that an earmarked reserve of £0.5m is created to fund the cost of severance payments to Housing Management staff leaving under the Council's Early Leavers Initiative Scheme. This will help to deliver staffing efficiencies required as a result of reductions to rental income from 2016/17.
- 3.7 The balance of the in-year surplus £0.3m will be transferred to the HRA General Reserve.

#### 4. Schools

- 4.1 The 2015/16 outturn position for schools is shown in table 2 below;

Table 2

<b>Outturn</b>	<b>£m</b>
Latest estimate	427.1
Outturn	426.4
Variation	<b>0.7</b>
<b>Schools Reserves</b>	
Balance Brought Forward	28.0
Net Contribution to Reserves	0.8
Balance Carried Forward	<b>28.8</b>
<b>Extended Services &amp; Partnerships</b>	
Balance Brought Forward	10.5
Net Contribution to Reserves	(0.3)
Balance Carried Forward	<b>10.2</b>

- 4.2 As schools are funded from the Dedicated Schools Grant (DSG), their reserves are ring fenced and must be carried forward. At 31<sup>st</sup> March 2016, mainstream school reserves stand at £28.8m. In accordance with previous decisions, the development costs of School PFI and BSF funded schemes are initially met by borrowing from the overall level of school reserves which is then repaid over a period of time and at the close of the year, £0.8m was still outstanding. In addition, there is outstanding borrowing against school reserves for school VER costs totalling £0.6m together with a further £4.0m to support early intervention and preventative services in Children's Services in 2013/14. After allowing for the above, the net mainstream schools reserves position totalled £23.4m as at 31<sup>st</sup> March 2016. There is also a further ring-fenced school reserve of £0.8m specifically relating to the carry forward of in year PFI scheme balances, giving overall school balances of £24.2m as at 31<sup>st</sup> March 2016.
- 4.3 Extended Services & Partnerships reserves amount to £10.2m as at 31<sup>st</sup> March 2016.
- 4.4 Any net saving on other DSG funded services (within the Schools Block, Early Years Block and High Needs Block) are also carried forward as a ring-fenced reserve which is available to fund DSG activity in future years. At the close of

2015/16, this reserve amounted to £3.7m (£11.7m 2014/15). The reduction in balances is in part due to the Leeds Schools Forum agreeing to earmark £7.5m of the DSG balance brought forward from 2014/15 to support further work on the creation and provision of places for vulnerable 2-year olds, proposals to improve the readiness of pupils for learning, and school budgets.

## 5. Reserves – to complete

5.1 A full statement of all Council reserves can be found at Appendix 2. A summary of the reserves is shown in table 4 below;

Table 3

<b>Reserves</b>	<b>Balance at 31.3.15 £m</b>	<b>Transfer to/(from) £m</b>	<b>Balance at 31.3.16 £m</b>
<b>General Fund:</b>			
General reserve	22.3	(1.0)	21.3
Earmarked reserves	32.5	(2.9)	29.6
Ring-fenced reserves – schools (net)	44.8	(6.7)	38.1
Ring-fenced reserves – other	8.1	(1.4)	6.7
<b>Housing Revenue Account:</b>			
General reserve	7.0	0.3	7.3
Earmarked reserves	97.7	(35.2)	62.5

## 5.2 General Reserve

5.2.1 Table 4 below provides an explanation of the movement in the General Reserve;

Table 4

<b>General Fund Reserve</b>	<b>£m</b>
<b>Opening Balance 1<sup>st</sup> April 2015</b>	<b>22.3</b>
Budgeted usage	(1.4)
In-year underspend	0.4
<b>Closing Balance 31<sup>st</sup> March 2016</b>	<b>21.3</b>

## 5.3 Earmarked Reserves

5.3.1 Citizens and Communities - Community Hub Phase 1 development - savings of £275k identified during 2015/16 within Benefits, Welfare and Poverty were earmarked to fund some essential works as part of Phase 1a Community Hub Developments. The work was ongoing at the year end and will be completed during 2016/17. It is requested that the unspent amount of £100k be transferred to reserve



to offset the cost which will now arise in 2016/17. This forms the preparation for Phase 2 of the Community Hubs development.

5.3.2 Public Health - specific funding of £3m has been received from Leeds South and East CCG in 2015/16 to support services and initiatives aimed at tackling health inequalities through to 2019/20. Recognising the timescales for this work, the £3m will be transferred to earmarked reserves to carry-forward.

5.3.3 Children's Services - the proposal is to earmark £1.1m of unspent Social Care Innovations funding to carry-forward into 2016/17 which would be used as part of the prevention and intervention strategy to maintain family group conferencing capacity and to fund commissioned services that support people affected by domestic violence. This proposal is consistent with the directorate's 2016/17 budget strategy.

## 6. Capital programme

6.1 The actual capital expenditure for General Fund and HRA in 2015/16 was £343.3m, an underspend of £4m or a 1% variation against the February 2016 Capital Programme projected outturn.

### 6.2 General Fund

6.2.1 The following table shows the in-year actual General Fund expenditure against estimate split per Directorate:

General Fund	Feb 16	May 16	Variation	
	Estimate	Outturn	£m	%
	£m	£m	£m	%
City Development	105.5	103.0	-2.5	-2.4%
Children's Services	53.5	55.3	1.8	3.4%
Environment & Housing	55.0	51.6	-3.4	-6.2%
Adult Services	2.5	2.2	-0.3	-12.0%
Strategy and Resources	34.4	33.9	-0.5	-1.5%
<b>Total Spend</b>	<b>250.9</b>	<b>246.0</b>	<b>-4.9</b>	<b>-2.0%</b>
<b>Financed by</b>				
General Fund Borrowing	124.5	121.8	-2.7	-2%
General Fund Specific Grants and Contributions	126.4	124.2	-2.2	-2%
General Fund Capital Receipts	0	0	0	0%
<b>Total Funding</b>	<b>250.9</b>	<b>246.0</b>	<b>-4.9</b>	<b>-2.0%</b>

6.2.2 A full breakdown of the net variations is detailed in Appendix 3. Comments are also provided for schemes that have a material variation of greater than +/-£100k.

6.2.3 The general fund borrowing variation does not have a material effect on the treasury outturn position. The treasury outturn position is presented as a separate report to this Executive Board.

6.2.4 The General Fund capital programme delivered £246m of expenditure including major works on our Highways programme, Flood Alleviation, City Cycle Connect,

Inner Ring Road Tunnel, Kirkstall Forge Rail Growth, Kirkgate Market Strategy, Change in the Workplace, Learning Places programme, a significant contribution to the Energy from Waste Plant, provision of adaptations grants, vehicle replacement programme underpinning the council's emissions reduction programme and essential technology and customer access programmes.

### 6.3 Housing Revenue Account

6.3.1 The following table shows the in-year actual Housing Revenue expenditure against estimate:

HRA	Feb 16	May 16	Variation	
	Estimate	Outturn	£000s	%
	£000s	£000s	£000s	%
Council Housing Growth Programme	13.0	10.8	-2.2	-17%
Housing Leeds Council House Programme	80.5	84.2	3.7	5%
BITMO Council House Programme	2.9	2.3	-0.6	-22%
<b>Total Spend</b>	<b>96.4</b>	<b>97.3</b>	<b>0.9</b>	<b>1.0%</b>
<b>Financed by</b>				
HRA Self-Financing	86.2	87.9	1.7	2%
HRA Capital Receipts RTBs	7.3	6.8	-0.5	-7%
HRA Specific Grants and Contributions	1.5	1.8	0.3	20%
HRA Revenue Contributions \ Reserves	1.4	0.9	-0.5	-36%
<b>Total Funding</b>	<b>96.4</b>	<b>97.3</b>	<b>0.9</b>	<b>1.0%</b>

### 6.4 Capital Programme Resources

The following table details the overall capital financing position for the Council:

	Feb 16	May 16	Variation	
	Estimate	Outturn	£m	
	£m	£m		
<b>Net Capital Spend</b>	<b>347.3</b>	<b>343.3</b>	<b>-4.0</b>	<b>-1%</b>
<b>Financed by</b>				
General Fund Borrowing	124.5	121.8	-2.7	-2%
General Fund Specific Grants and Contributions	126.4	124.2	-2.2	-2%
General Fund Capital Receipts	0	0	0	0%
HRA Self-Financing	86.2	87.9	1.7	2%
HRA Capital Receipts RTBs	7.3	6.7	-0.6	-8%
HRA Specific Grants and Contributions	2.9	2.7	-0.2	-7%
<b>Total Funding</b>	<b>347.3</b>	<b>343.3</b>	<b>-4.0</b>	<b>-1%</b>

6.4.1 No capital receipts have been utilised in 2015/16 as a funding source for General Fund expenditure. In line with existing accounting policy £14.25m of receipts have been utilised to fund PFI liabilities, and borrowing of £2.1m has been undertaken in lieu of section 278 contributions.

6.4.2 HRA Council Housing Growth Programme, Housing Leeds and BITMO have utilised £87.9m of self-financing funding, together with £2.9m of external

contributions. The HRA Housing Leeds programme has utilised £7.3m of Right to Buy receipts.

6.4.3 The net debt of the Council as at 31<sup>st</sup> March 2016 is £1,620m. Further details of this and the debt financing costs will be presented in the 2015/16 Outturn Treasury Management report to this Executive Board.

## 7. Other Financial Performance

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

	2010/11 Leeds Actual	2011/12 Leeds Actual	2012/13 Leeds Actual	2013/14 Leeds Actual	2014/15 Leeds Actual	2015/16 Leeds Actual
Council tax collection	96.7%	96.6%	96.6%	95.7%	95.7%	95.9%
Non-Domestic Rates	97.9%	97.5%	97.6%	97.1%	97.3%	97.8%

7.2 Following the introduction of the Council Tax support scheme in 2013/14 a 19% contribution scheme was implemented for working age claimants and this was increased to 26% for 2014/15 and was set at 25% for 2015/16. The collection position at the end of March was as follows:

- Council tax in-year collection rate – 95.9% (95.7% last year). The in-year collection rate target for the current year was 95.7%. £287.5m has been collected in respect of 2015/16 bills, an increase of £10.8m compared to the previous year.
- Collection rate for those affected by Council Tax Support scheme – 71.7%.
- Collection rate for those previously getting 100% Council Tax benefit – 63.6%

7.3 The collection of non-domestic rates for the year is 97.81% of the current net debit of £377.5m. This represents an increase of 0.5% in comparison to 2014/15.

7.4 Discretionary Business Rate Relief Scheme – against a budget of £500k in 2015/16 some £194k of local discounts were approved under the scheme to support the creation of employment and economic growth and to increase the business rates base.

## 7.5 Prompt Payment of Creditors

7.5.1 The prompt payment result at the year-end was 93.29% of undisputed invoices processed within 30 days. This was against a target of 92%.

## 8. Corporate Considerations

- 8.1 **Consultation and Engagement** - This is a factual report and is not subject to consultation.
- 8.2 **Equality and Diversity / Cohesion and Integration** - 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.
- 8.3 **Council Policies and Best Council Plan** - The 2015/16 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget in support of our Best Council ambition to be an efficient and enterprising organisation.
- 8.4 **Resources and Value for Money** - This is a financial report and as such all financial implications are detailed in the main body of the report.
- 8.5 **Legal Implications, Access to Information and Call In**

There are no legal implications arising from this report.

## 8.6 **Risk Management**

- 8.6.1 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 was put in place for 2015/16.

## 9. **Recommendations**

- 9.1 Members of the Executive Board are asked to;
- 9.1.1 Note the outturn position and to agree to the creation of earmarked reserves as detailed in paragraphs 3.6 and 5.3 and delegate their release to the Deputy Chief Executive.
- 9.1.2 Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

## 10. **Background Documents<sup>1</sup>**

- 10.1 There are no background documents relating to this report

---

<sup>1</sup> 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 - OUTTURN

The directorate has achieved a balanced budget for 2015/16. Net expenditure at the year-end was £0.5m higher than projected at Month 12, mainly reflecting costs relating to the early leavers scheme. There has been some slippage in delivering planned savings on some of the most challenging budget action plans. There has been slippage in delivering the specific actions for savings of £0.8m within the community care packages budget. £1m relates to revenue funding for community intermediate care beds from health which will not be achieved, but contingency funding has been applied to offset the shortfall. The outturn reflects shortfalls of £0.9m in the budgeted saving from reviewing grants and contracts with third sector providers and £0.3m on transport. Slippage of £0.7m has occurred on the charging review will occur as the changes will now not take place before April 2016. These pressures are offset by underspends on a range of budget heads, further details of which are outlined below.

The main year-end variances across the key expenditure types are as follows:

Staffing (-£2.5m – 4.26%)

Savings due to vacancies within 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 £0.7m have been made in commissioning services, resources and strategy, health and wellbeing and care reform services due to staff turnover and careful vacancy management. These savings have been partly offset by costs relating to the early leavers scheme.

Transport (+£0.4m – 6.1%)

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

Community care packages (+£3.4m – 2.0%)

The main variation relates to residential and nursing care placements, mostly relating to people with mental health needs and physical impairments. 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 is also higher than budgeted due to a higher number of complex care packages. Independent sector domiciliary care and supported accommodation are slightly higher than budgeted. Direct payment spend is lower than budgeted, mainly reflecting lower than anticipated take-up of carers direct payments following the implementation of the Care Act.

Other Expenditure (-£5.2m – 14.7%)

There are savings across a range of running expenses budgets and spend relating to Deprivation of Liberty Safeguarding was £0.8m less than budgeted. Expenditure within the learning disability pooled budget wholly offset by income was £2.7m lower than budgeted. This underspend is offset within the income budget.

Income (-£0.1m – 0.2%)

Reduced income of £2.7m compared with the budget for the learning disability pooled budget as explained above is offset by increased health funding received during the year. Additional government grant income of £0.2m relates to delayed transfers of care. 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, but these have been offset by increased income in other areas, including one to one staffing support funded through the learning disability pooled budget.

Transfers from Earmarked Reserve (£4.0m)

This reserve mainly relates to funding to support initiatives relating to health and social care transformation and to support the 2015/16 budget. Additional health income received in 2015/16 enabled a transfer from the reserve in year that was lower than budgeted.

### 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	458	(388)	69	(83)	0	46	(1)	3	42	0	0	0	7	2	9
Access and Care Delivery	236,631	(41,417)	195,214	(1,779)	(396)	(423)	(112)	334	(387)	302	0	0	(2,460)	3,296	835
Care Reform	1,472	(187)	1,285	(232)	3	17	(2)	33	60	0	0	0	(121)	(135)	(256)
Strategic Commissioning	22,730	(32,571)	(9,840)	(391)	33	(363)	(19)	358	278	(1,028)	0	3,774	2,643	(2,913)	(270)
Resources and Strategy	6,411	(1,708)	4,704	(29)	3	(24)	(17)	(218)	90	0	0	259	63	(357)	(294)
<b>Total</b>	<b>267,702</b>	<b>(76,271)</b>	<b>191,431</b>	<b>(2,513)</b>	<b>(357)</b>	<b>(747)</b>	<b>(150)</b>	<b>510</b>	<b>83</b>	<b>(726)</b>	<b>0</b>	<b>4,033</b>	<b>133</b>	<b>(107)</b>	<b>25</b>

<b>Key Budget Action Plans and Budget Variations:</b>				<b>Action Plan Value</b>	<b>Variation against Plan/Budget</b>
	<b>Lead Officer</b>	<b>Additional Comments</b>	<b>£m</b>	<b>£m</b>	
<b>A. Key Budget Action Plans</b>					
1.	Reablement service	L Ward	Targets set for increased referrals that will reduce the demand for community care services	0.3	0.0
2.	Impact of telecare	L Ward	Targets for increased telecare installations to reduce the demand for community care services	0.5	0.0
3.	Review of high cost mental health care packages	M Naismith	Clear strategy for achieving savings including targeting of high cost providers.	0.7	0.4
4.	Review of high cost physical disability care packages	J Bootle	Targeting high cost providers.	0.2	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. Savings now being targeted for 2016/17 delivery.	0.3	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	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	0.0
8.	Transfer of home care packages to independent sector	D Ramskill	Delivered through staff turnover and ELI	0.9	0.0
9.	Home care Better Care Fund scheme	S Hume	Business case being developed to calculate/evidence contribution from Health.	3.0	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	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 action in place.	1.0	1.0
12.	Transport	M Naismith	Savings not fully achieved but work ongoing to deliver in 2016/17.	0.4	0.3
13.	Review of contract/grant arrangements including Supporting People	M Ward	£1.1m of savings identified, some of which are non-recurring. Remainder now being targeted for 2016/17 delivery.	2.0	0.9
14.	Charging and Income Collection	A Hill	Executive Board approval in February 2016, but no financial impact in 2015/17. Some contingency savings identified.	0.9	0.7
<b>B. Other Significant Variations</b>					
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. Vacancy management in back office functions has delivered further savings.		(2.5)
2.	Community care packages	J Bootle	The main variation relates to residential and nursing care placements, mostly relating to people with mental health needs and physical impairments		2.1
3.	Grants & contracts	M Ward	Contingency funding applied to offset the shortfall in achieving the budgeted savings		(0.7)
4.	Other expenditure	Various	Savings across a range of running expenses budgets and lower than budgeted expenditure on Deprivation of Liberty safeguarding		(2.1)
5.	Community Intermediate Care beds - contingency actions	S Hume	Contingency funding applied to offset the shortfall in achieving the budgeted savings		(1.0)
7.	Service user income	S McFarlane	Client contributions are higher than budgeted and this is largely offsetting the slippage in the charging review.		(0.6)
8.	Grant income	S McFarlane	Grant for delayed transfers of care		(0.2)
9.	Other income	Various	Mainly additional health funding		(2.6)
10.	Transfers from earmarked reserves				4.0
<b>Adult Social Care Directorate - Forecast Variation</b>					<b>0.0</b>

## CHILDREN'S SERVICES FINANCIAL DASHBOARD OUTTURN - FINANCIAL YEAR 2015/16

**Overall** - the directorate has faced major budget pressures of just under £8m on the transport and looked after children demand led budgets. Additional income from Health, Schools and other Partners has helped partly offset these pressures together with savings against the staffing budget and other running costs. The net result is a year end overspend of £4.38m.

**Children Looked After Obsession** - overall there has been a net decrease of approximately 35 children looked after since 1st April 2015 (1,235 from 1,270), however, the service has ended the year with 57 external residential placements and 222 Independent Fostering Agency Placements with a resultant budget pressure on external placements of £4.8m. Towards the end of 2015/16 there has been an increase in demand for placements, partly arising from the Staying Put initiative which has increased the length of placements and also pressures on in-house fostering and semi-independent placements which have resulted in an overall pressure on CLA placements of circa £5.8m.

**Staffing** - Overall underspend on staffing budgets of £1.1m, primarily due to slippage against the Directorate's recruitment plans for services funded from the Innovations Fund £0.9m, Children's Homes £0.6m and Complex Needs £0.3m. The directorate also delivered a £0.6m underspend on agency staffing/overtime. These savings are partly offset by slippage on the budget action plans for Service transformation £1.0m and Youth Services £0.3m.

**Premises and Supplies & Services** - Overall no material budget variation. **Transport** - the 2015/16 strategy included £0.83m of anticipated savings around demand management, however, a rise in the number of children & young people requiring education outside the city and in their complexity of need has resulted in a £2m overspend at outturn.

**Partnerships/Trading** - Overall no material budget variation. **Other Income** - Projected favourable variation of £2.6m, including £1.6m of additional Health funding for Children's Centres (Family Services), £1m of additional funding from Schools Forum and £0.8m of additional High Needs DSG funding for SEND. The projections assume that the Directorate will carry forward £1.1m of unspent Innovations Funding into 2016/17 in order to maintain FGC capacity, fund commissioned services around domestic violence and DfE evaluation costs.

### 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
Partnership, Development & Business Support	20,302	(3,132)	17,170	1,156	(6)	(317)	1,889	(418)	(16)	3	0	588	2,879	85	2,964
Learning, Skills & Universal Services	131,518	(116,427)	15,091	(791)	(85)	781	32	(107)	(345)	592	0	(1,116)	(1,039)	(33)	(1,072)
Safeguarding, Targeted & Specialist Services	125,445	(32,005)	93,440	(1,216)	(195)	(129)	299	(767)	4,967	347	0	1,799	5,105	(2,505)	2,600
Central Overheads	9,069	(12,851)	(3,782)	(274)	0	0	0	140	(134)	0	0	276	8	(118)	(110)
<b>Total</b>	<b>286,334</b>	<b>(164,415)</b>	<b>121,919</b>	<b>(1,125)</b>	<b>(286)</b>	<b>335</b>	<b>2,220</b>	<b>(1,152)</b>	<b>4,472</b>	<b>942</b>	<b>0</b>	<b>1,547</b>	<b>6,953</b>	<b>(2,571)</b>	<b>4,382</b>

<b>Key Budget Action Plans and Budget Variations:</b>		<b>Lead Officer</b>	<b>Additional Comments</b>	<b>Action Plan Value</b>	<b>Variation</b>
<b>A. Key Budget Action plans (BAP's)</b>				<b>£m</b>	<b>£m</b>
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 P12 the CLA cohort stands at 1,234 - main issue continues to be dependency on external residential placements (57) and Independent Fostering Agency placements (222)	7.00	<b>5.80</b>
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	<b>0.50</b>
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	<b>0.50</b>
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; joint funding of Children's Centre services agreed with the CCGs and Schools Forum	2.16	<b>1.30</b>
5	Additional traded income within Children's Services	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 - no slippage in achieving traded income target anticipated at this stage.	1.00	<b>0.00</b>
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; rise in the number of children and young people requiring education outside the city and in their complexity of need	0.83	<b>2.00</b>
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	<b>0.25</b>
<b>B. OTHER SIGNIFICANT VARIATIONS</b>					
8	"A life Ready for Learning" - agreement for co-funding from Schools	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	<b>(1.00)</b>
9	Sustainability of Children's Centres - agreement for co-funding from Health	Paul Brennan	£1.60m of CCG funding secured to sustain the universal offer around Children's Centres and services provided by the Family Support and Parenting Team.	0.00	<b>(1.60)</b>
10	Agency/other Staffing	Steve Walker	Directorate on track to deliver £1.1m of savings on a range of staffing budgets including a £0.6m saving on Children's Homes, £0.3m saving on Complex Needs and £0.6M saving on agency staffing/overtime	0.00	<b>(1.15)</b>
11	Innovations Fund	Various	Further maximisation of Innovations Fund	0.00	<b>(1.40)</b>
12	Other	Various	Other minor variations including additional incomefor the Vine (£0.24m) & recharge of MST service to Housing Revenue Account (£0.3m)	0.00	<b>(0.82)</b>
				<b>Children's Services Directorate -</b>	<b>4.38</b>



## CITY DEVELOPMENT 2015/16 FINANCIAL YEAR FINANCIAL DASHBOARD - OUTTURN

**Overall** - The outturn position is that the Directorate spent £0.41m below the £43.5m net managed budget.

**Staffing** - underspent by £1,169k.

**Income** - the outturn position is an additional £1.257m. However this is offset by associated expenditure in particular income that came in and was passported out re Leeds and Partners. The directorate had been anticipating additional income in 2015/16 to offset shortfalls in Asset Management and this shown in Highways and Transportation and is in relation to capital fees and income from developers.

**Planning and Sustainable Development** - achieved an underspend of £158k. Staffing costs were slightly under budget. The service has experienced high volumes of planning applications and workloads during the year and at Outturn planning and building fee income was £257k in excess of budget.

**Economic Development** - Outturn was £191k above budget. Staffing underspent by £71k. The main variations are additional building maintenance expenditure at Kirkgate Market and a reduction in rental income at Kirkgate Market as a result of the 20% discount in rent during the re-development. The discount was agreed on the basis that it would be funded by projected additional income in the directorate and this income is included in Highways and Transportation.

**Asset Management and Regeneration** - overspent by £512k. Staffing underspent by £491k as a result of a number of vacant posts. A shortfall in income of £1,786k occurred, 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 is significantly less than the budgeted assumptions this financial year.

**Highways and Transportation** - the outturn position is below budget by £584k. This is an improvement of over £400k on the Period 11 position. The main reasons for this is that some costs of the Christmas flooding have now been capitalised and funded by Government grant and there has been an increase in capital fees and other external income over the level projected at Period 11. There has been a saving of approximately £250k against the winter maintenance budget. Partly offsetting these savings is an underachievement against the budgeted DLO surplus.

**Libraries, Arts and Heritage** - overspent by £129k. The overspend is as a result of some budget actions not progressing as quickly as assumed in the budget. The projection also includes £70k of costs relating to the Christmas floods that were incurred by CEL but have now been charged on to the service.

**Sport and Active Recreation** - The service spent below budget by £308k. Staffing underspent by £181k, income exceeded the budget by £423k.

**Resources and Strategy** - underspent by £195k. This is mainly on supplies and services and internal charges.

### Budget Management - net variations against the approved budget

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	ACTUAL VARIATIONS										Total (under) / overspend £'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	
Planning and Sustainable Development	9,080	(5,497)	3,583	(15)	48	2	1	63					99	(257)	(158)	
Economic Development	4,827	(3,904)	923	(71)	180	639	8	45			19		820	(629)	191	
Asset Management and Regeneration	11,744	(10,707)	1,037	(491)	281	(575)	(6)	(365)			(86)	1	(34)	(1,275)	1,786	511
Highways and Transportation	53,783	(36,620)	17,163	(240)	(216)	(37)	362	0			97		(34)	(550)	(584)	
Libraries, Arts and Heritage	23,009	(8,403)	14,606	(207)	53	464	8	234	21		634		1,207	(1,078)	129	
Sport and Active Recreation	24,012	(18,008)	6,004	(181)	(55)	(421)	(19)	206			586		116	(423)	(307)	
Resources and Strategy	1,317	(1,155)	162	35	13	(88)	0	(47)			0		(88)	(106)	(194)	
<b>Total</b>	<b>127,772</b>	<b>(84,294)</b>	<b>43,478</b>	<b>(1,170)</b>	<b>304</b>	<b>(16)</b>	<b>354</b>	<b>136</b>	<b>21</b>	<b>1,250</b>	<b>1</b>	<b>(34)</b>	<b>845</b>	<b>(1,257)</b>	<b>(412)</b>	

<b>Key Budget Action Plans and Budget Variations:</b>				<b>Action Plan Value</b>	<b>Variation against Plan/Budget</b>
		<b>Lead Officer</b>	<b>Additional Comments</b>	<b>£'000</b>	<b>£'000</b>
<b>A. Budget Action Plans</b>					
1.	Efficient and enterprising Council - Reduction in asset running costs	Ben Middleton	Mostly savings on Merrion rent and this has been delivered. Merrion purchase completed end of May.	560	0
2.	Dimming/switching off street lights	Gary Bartlett	A further report on delivery options being produced for discussion with the Executive Member. Proposals may need to include invest to save initiative. Savings achieved through new contract and lower fuel prices.	300	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	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	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 with some new sites earning income. Shortfall in income due to slippage. Harper St car park purchased, additional acquisition now being considered. LIP car park opened at the beginning of September 2015. Income pressure contained within overall Directorate position	700	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. The authority has now started to receive CIL income.	300	0
7.	Other additional income from fees and charges/VAT exemption and changes in volumes	Various CO's	Proposed price increases have been implemented. No significant variations.	810	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 2015.	500	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 opportunities are in the process of being advertised.	820	120
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 but proposals have now been implemented in January 16. Savings have been achieved on staffing from a combination of reduction in hours and a review of shifts.	200	0
11.	Reduction in highways maintenance budgets	Gary Bartlett	Budget reduced	360	0
<b>B. Other Significant Variations</b>					
1.	Other Staff savings	Ed Mylan	Net savings from vacancies and ELIs		(489)
2.	Other expenditure	Ed Mylan	Net other variations.		37
3.	Other Income (net)	Ed Mylan	Additional income received in 15/16		(700)
				<b>City Development Directorate</b>	<b>(412)</b>

**ENVIRONMENT & HOUSING DIRECTORATE  
FINANCIAL DASHBOARD - 2015/16 FINANCIAL YEAR OUTTURN POSITION**

**Overall Position (£1,590k under budget)**

**Community Safety (+£130k over budget)**

A £287k staffing underspend resulted for the year following the restructure implementation, partially offset by reduced charges to the HRA of £158k . Additional Legal charges incurred were £94k over the budgeted level due to increased anti-social behaviour cases. . All other net overspends total £35k.

**Parks & Countryside (+£99k over budget)**

Tropical World , following redevelopment , increased visitors generated additional net income of £279k higher than the budget. A net underspend of £268k at the other main estates within Parks & Countryside. A net pressure of £251k for cafe/retail activities, however, this is after contributions to capital reserves have been made at Temple Newsam (£290k) and Tropical World (£100k) to facilitate development work that will help to secure future income streams. Reduced income resulted in a £108k cost on golf. All other variances of (£197k).

In 2015/16 further contributions to the capital reserve of £484k (incl. equipment £350k), have been made.

**Environmental Action & Health (£304k under budget)**

Env Health (£145k) :staffing savings of (£127k), other savings (£18k) . Env Action (£160k) : Savings in staffing partially offset by other 'cleansing activities'

**Car Parking (£1,398k under budget)**

Vacant attendant and turnover of posts in year resulted in staffing savings of £355k . Fee income remained strong all year at all sites and resulted in income being above the budget by (£689k). BLE income was also £354k higher than the budget. However, there has been a slight reduction in the number of PCNs issued. PCN income was £76k below the budget. All other expenditure variations resulted in savings of £63k.

**Housing Support/Partnerships/SECC/Contracts/GFSS (£308k under budget)**

A compined total of £490k of staffing underspends in year due to vacant posts, these are offset by £445k of related income pressures from the HRA/Capital, a £43k target for DSU and Intelligence efficiencies and £134k of outstanding balance of the directorate wide staffing efficiency target. Other variances included: In year Supporting people contract savings of £140k , additional £70k Rogue Landlord funding and savings across all other were £230k.

**Leeds Building Services (+£973k over budget)**

There was an outturn variation of £973k against the £5.2m budget surplus. This relates to the under recovery of costs on jobs b/f from 2014/15 as well as issues re the full recovery of costs on current year works. Additionally £100k relates an efficiency target which was expected to be delivered from the the Total Repairs system, but has slipped.

**Waste Management (£779k under budget)**

**Refuse Collection (£136k)**

Staffing costs were £17k under budget. Transport costs are £337k below budget primarily due to fuel savings of (£268k) insurance reductions (£76k) . Additional £248k to fund IT developments in year rather than borrowing over life . £63k contribution to redevelopment of Bin yards, £60k saving on clothing & equipment and a further £33k of minor spend variations account for the balance.

**HWSS & Infrastructure (£232k)**

Slippage on the Kirkstall Road redevelopment saved £246k in financing costs. Staffing costs were £177k higher due to slippage in HWSS review, offset by £175k of running costs and spend of £137k on replacement skips. Income at TLS was £125k higher

**Waste Strategy & Disposal (£412k)**

Additional PFI grant of £434k as a result of the RERF taking waste for commissioning ahead of the budgeted date. Waste disposal costs +£335k mainly due to falling market prices for recycled material which is increasing the cost of green bin waste & falls in other recycling income e.g. scrap metal.

Additional £151k of programme management support from the PPPU, offset by savings of £95k on PFI advisor costs. There were staffing savings of £108k and £261k of other savings mainly education and closed landfill sites. maintenance

**Budget Management - net variations against the approved budget;**

**Summary By Expenditure Type**

	Latest Estimate	Variation against budget											Total (under) / overspend £'000
		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
Month 2	61,432	(573)	(27)	(142)	(70)	95	110	0	0	0	(607)	377	(230)
Month 3	61,432	(972)	3	9	77	246	114	0	0	0	(523)	80	(443)
Month 4	61,223	(1,137)	234	(282)	(32)	351	32	0	0	58	(776)	263	(513)
Month 5	61,223	(1,243)	196	1,127	(54)	182	32	0	0	58	299	(1,256)	(957)
Month 6	61,151	(1,320)	66	1,443	(183)	65	35	0	0	308	414	(1,792)	(1,378)
Month 7	59,739	(2,252)	109	1,978	(253)	326	8	0	0	448	366	(1,705)	(1,339)
Month 8	59,739	(2,733)	50	2,521	(304)	420	0	0	0	448	402	(1,764)	(1,362)
Month 9	59,739	(2,185)	42	2,038	(300)	429	(1)	0	0	448	471	(1,840)	(1,369)
Month 10	59,692	(2,395)	77	1,944	(473)	774	29	0	0	448	404	(1,773)	(1,369)
Month 11	59,692	(2,769)	(12)	2,650	(485)	838	84	0	0	448	755	(2,139)	(1,384)
Month 12	59,651	(2,820)	(102)	2,493	(459)	774	71	0	0	448	405	(1,797)	(1,392)
<b>Outturn</b>	<b>59,705</b>	<b>(3,004)</b>	<b>(275)</b>	<b>2,051</b>	<b>(1,127)</b>	<b>703</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>1,069</b>	<b>(536)</b>	<b>(1,054)</b>	<b>(1,590)</b>

**Summary By Service**

	Latest Estimate	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Outturn
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£000
Community Safety	1,944	(180)	(159)	(149)	(149)	(121)	60	17	40	82	40	44	130
Strategic Housing, SECC, Contracts and GFSS	10,078	(20)	(8)	(108)	(157)	(157)	(90)	(91)	(120)	(253)	(213)	(321)	(308)
Leeds Building Services	(5,052)	0	0	0	0	0	0	(3)	(3)	246	516	866	973
Parks & Countryside	7,569	(30)	(57)	(57)	(88)	243	262	316	316	415	410	413	99
Waste Strategy and Disposal	18,696	0	0	0	175	(340)	(344)	(349)	(349)	(237)	(444)	(477)	(412)
Household Waste Sites & Infrastructure	3,980	0	68	99	(105)	(76)	(86)	(86)	(86)	(166)	(168)	(189)	(232)
Refuse Collection	16,694	0	0	0	0	(87)	(120)	(120)	(120)	(130)	(130)	(136)	(136)
Environmental Action	10,375	0	(81)	(30)	(31)	(51)	(58)	(49)	(50)	(47)	(98)	(131)	(159)
Environmental Health	2,439	0	0	(3)	(3)	(10)	(22)	(30)	(30)	(100)	(98)	(122)	(145)
Car Parking	(7,018)	0	(206)	(265)	(599)	(779)	(941)	(967)	(967)	(1,178)	(1,199)	(1,338)	(1,400)
<b>Total</b>	<b>59,705</b>	<b>(230)</b>	<b>(443)</b>	<b>(513)</b>	<b>(957)</b>	<b>(1,378)</b>	<b>(1,339)</b>	<b>(1,362)</b>	<b>(1,369)</b>	<b>(1,368)</b>	<b>(1,384)</b>	<b>(1,391)</b>	<b>(1,590)</b>

<b>Key Budget Action Plans and Budget Variations:</b>				<b>Action Plan Value</b>	<b>Variation against Plan/Budget</b>
		<b>Lead Officer</b>	<b>Additional Comments</b>	<b>£m</b>	<b>£m</b>
<b>A. Key Budget Action Plans</b>					
1.	Dealing Effectively with the City's waste	Susan Upton	AWC4 roll out complete; £0.4m extra PFI grant received & new contracts for disposal now in place; Temp contracts in 14/15 all ended.	1.6	(0.4)
2.	HWSS Strategic Review and Permit scheme	Susan Upton	Permit scheme implemented in April 15; Strategic review delayed. Pressure of £0.1m contained within service.	0.3	0.1
3.	Parks and Countryside additional income	Sean Flesher	New charges implemented and work with taxation team had delivered Cultural exemption on VAT	0.4	0.0
4.	Integration of Property Maintenance and	Simon Costigan	Review of rates to be charged highlighted under recovery on some jobs. Resolved for 2016/17.	1.4	1.0
5.	Woodhouse Lane Car Park	Helen Freeman	Price rise implemented Jan 15. Income from Woodhouse in line with budget.	0.3	(0.0)
6.	WYP &CC grant use	Sam Millar	£743k funding secured; £57k from ASBU; £60k costs won't be incurred; £143k pressure contained in overall Directorate position	1.0	0.1
7.	Savings in Housing related support programme	Neil Evans	Contracts reviewed / renegotiated and savings delivered	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	1.5	0.1
9.	Contract / Procurement Savings / Line by Line		Savings from insurance, fuel, pest control contracts;	1.0	0.0
10.	All Other action plan items			0.0	0.0
<b>B. Other Significant Variations</b>					
1.	Waste Disposal Costs	Susan Upton	Net budget £16.8m for 324.8k tonnes of waste; SORT waste £355k over but other reductions offset this		0.3
2.	Refuse Collection staffing costs	Susan Upton	£12m pay budget in service; Detailed monitoring of staff numbers in place. OT in line with budget		(0.0)
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 Savings from fuel prices £0.3m		(0.3)
4.	Car Parking Fee Income BLE / PCN income	Helen Freeman	BLE £1.4m in total. PCN's £2.4m; Additional income from BLE in year received.		(0.3)
5.	Car Parking Fee Income Fee Income	Helen Freeman	£7.6m budget. P - Total fee income in excess of budget		(0.7)
6.	Car Parking Staffing	Helen Freeman	Vacant posts in service		(0.4)
7.	Environmental Action staffing	Helen Freeman	New structure implemented - in year variation from slippage		(0.9)
8.	Parks & Countryside - Tropical World income	Sean Flesher	Income rec'd significantly above budgeted level		(0.5)
9.	Parks & Countryside - Bereavement Services	Sean Flesher	£385k pressure in 14/15 - Service achieved £6.175m (+£98k above budget)		(0.1)
10.	Property Maintenance	Simon Costigan	See 4 above		0.0
11.	Community Safety - CCTV/Security restructure	Sam Millar	Restructure in year and savings from implementation		(0.3)
12.	Strategic Housing Partnerships	John Statham	Staffing efficiencies delivered through holding posts vacant and grant fallout managed		(0.2)
13.	Strategic Housing Support	Liz Cook	Staffing efficiencies delivered through holding posts vacant and grant fallout managed		(0.3)
14.	All Other variations	All CO's	Balance of all other budget variations across all divisions including £246k savings on Kirkstall Road financing costs and Parks redevelopment costs		1.1
				<b>Environment &amp; Housing - Actual Variation</b>	
				<b>(1.6)</b>	

## CITIZENS AND COMMUNITIES FINANCIAL DASHBOARD - 2015/16 - OUTTURN

The outturn position is an overall underspend of £1.5m resulting from additional income and some underspends within Benefits, Welfare and Poverty.

**Communities** - there is an inherent pressure within the Communities budget, partly from savings included in the previous year's budget. The outturn position is better than expected and the overspend has reduced to approx £100k.

The Communities Team and Area Support had vacant posts and a number of staff on maternity leave, most of the posts have been now filled but delays in recruitment generated budget savings of £160k, savings of £50k have arisen on Supplies and Services and these offset Internal Charges and Legal Fees of £41k. The underspend (£181k) on Well Being and Youth Activity Fund has been transferred to reserve via appropriation code as this relates to projects in progress that will be delivered during 2016/17. Community Centres Budget is overspent by £128k on premises, £86k of this relates to Facilities Management charges; £30k to one off building works; Internal Charges was overspent by £50k mainly due to prudential borrowing associated with Little London development (£36k), this has been recharged to HRA. Migration Services overspent £116k on rents/furnishings for migrants and internal charges for work done by Housing and Communities team (£37k) but have savings on contract payments which offset this (£129k).

**Customer Access** - staffing was over budget by £142k, £120k of this relates to Senior Customer Services Officers employed to help people back to work and reduce the incidence of Council Tax Support. This was to be funded via savings from Council Tax Support Grant but given the overall position of the Directorate, will be funded via savings within Citizens and Communities. The additional premises cost reflects the shortfall in funding for 4th Floor Westgate and this offset by savings in prudential borrowing (Internal Charges) resulting from delays in Phase 2 of CCP (Internal Charges). The overspend on Supplies and Services relates to purchase of email and call back solutions which will help deliver efficiencies during 2016/17 and beyond. It has been requested that the underspend of £100k on the funding allocated for Phase 1 of the Community Hub development will be carried forward into 2016/17 through the creation of an earmarked reserve.

**Elections, Licensing and Registration** - Elections, Licensing and Registration underspent against their budget by £113k in 2015/16. This has arisen due to greater than anticipated savings in staffing and other running budgets and greater than estimated income levels. The projected year-end position reduced from that reported in Period 12 due to the decision to carry forward grant received in relation Individual Electoral Registration of £150k into 16/17 and savings of £21k made in relation to prudential borrowing for Registrars Scanning which will not commence until 16/17.

**Benefits, Welfare and Poverty** - overall there is an underspend of £1,535k. In respect of Benefits Administration, staffing is £95k overspend due to an increased workload. Supplies and services is overspent by £1,072k, though this is in part mitigated by additional income received through external grants from the DWP and the DCLG relating to new burdens work which the section is involved with. Within this figure, there is spend of £453k on offsite processing for benefit claims. The main reason for the overall underspend position is the increased level of housing benefits overpayments, mainly a result of specific initiatives led by the service. The overall net impact following the year end assessment of bad debt provision is an underspend of £581k. Spend on Discretionary Housing Payments is also £158k below budget.

In respect of the revised Local Welfare Support Scheme for 2015/16 there is an underspend of £232k against the budget of £1.1m. This includes estimated spend of £100k on support for the migrant third sector as reported to Executive Board on 23/9/15.

A contribution from HRA of £200k in respect of the Advice Consortium and Welfare Rights and £100k for the Local Welfare Support Scheme have been made in 2015/16.

### Budget Management - net variations against the approved budget

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	ACTUAL VARIATIONS											Total (under) / overspend £'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	
<b>Communities</b>	7,864	(2,282)	5,582	(260)	246	(381)	2	126	12	5	0	181	(69)	(23)	(92)
<b>Customer Access</b>	17,087	(1,602)	15,485	142	297	110	1	(354)	4	0	0	0	200	(7)	193
<b>Elections, Licensing &amp; Registration</b>	5,787	(5,240)	547	(76)	81	(89)	(3)	415	0	0	0	66	394	(507)	(113)
<b>Benefits, Welfare and Poverty</b>	300,758	(297,914)	2,844	95	4	1,072	(16)	(28)	0	(1,051)	0	(200)	(125)	(1,411)	(1,536)
<b>Total</b>	<b>331,496</b>	<b>(307,038)</b>	<b>24,458</b>	<b>(99)</b>	<b>628</b>	<b>712</b>	<b>(16)</b>	<b>159</b>	<b>16</b>	<b>(1,046)</b>	<b>0</b>	<b>47</b>	<b>400</b>	<b>(1,948)</b>	<b>(1,548)</b>

**Budget Management - net variations against the approved budget**

	ACTUAL VARIATIONS															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		
Communities	7,864	(2,282)	5,582	(260)	246	(381)	2	126	12	5	0	181	(69)	(23)	(92)	
Customer Access	17,087	(1,602)	15,485	142	297	110	1	(354)	4	0	0	0	200	(7)	193	
Elections, Licensing & Registration	5,787	(5,240)	547	(76)	81	(89)	(3)	415	0	0	0	66	394	(507)	(113)	
Benefits, Welfare and Poverty	300,758	(297,914)	2,844	95	4	1,072	(16)	(28)	0	(1,051)	0	(200)	(125)	(1,411)	(1,536)	
<b>Total</b>	<b>331,496</b>	<b>(307,038)</b>	<b>24,458</b>	<b>(99)</b>	<b>628</b>	<b>712</b>	<b>(16)</b>	<b>159</b>	<b>16</b>	<b>(1,046)</b>	<b>0</b>	<b>47</b>	<b>400</b>	<b>(1,948)</b>	<b>(1,548)</b>	

**Key Budget Action Plans and Budget Variations:**

		Lead Officer	Additional Comments	Action Plan Value £m	Variation against Plan/Budget £m
<b>A. Key Budget Action Plans</b>					
1	Review of Communities running costs	Shaïd Mahmood	Budget reduced	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	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	0.1	0.0
4	Increase in fees in Licensing and Registration services and Translation and Interpretation	John Mulcahy	Actioned	0.1	0.0
5	Housing Benefits overpayments	Steve Carey	Achieved	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	0.3	0.0
7	Use Social Inclusion Fund to support financial inclusion work	Steve Carey	Actioned	0.2	0.0
8	10% reduction in Well Being budget	Shaïd Mahmood	Budget reduced - to be managed by Area Committees	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.	0.1	0.2
10	Reduce Advice Agency Grant by 10%	Steve Carey	Actioned	0.1	0.0
11	Reduce opening hours of contact centres 9am-5pm	Lee Hemsworth	Opening hours reduced as planned on 1st April.	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. This will result in lower overall savings being achieved in 2015/16. Offset with financing savings	0.3	0.0
13	EClaim for Benefits	Steve Carey	Introduce online claim form for HB and CTB.	0.1	0.0
14	Reduce innovation fund by 25%	Shaïd Mahmood	Budget reduced	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 introduced during the year and there is a high level of confidence that full savings will be delivered.	0.1	0.0
<b>A. Other Significant Budgets</b>					
1	Housing Benefit Payments, Subsidy and Overpayment Income	Steve Carey	Gross expenditure budget of £295m. Monitored monthly throughout the year. Additional income received		(0.6)
2	All other budget headings	All			(1.1)

**Citizens and Communities Directorate**

**(1.5)**

**PUBLIC HEALTH 2015/16 FINANCIAL YEAR  
FINANCIAL DASHBOARD - OUTTURN**

The allocation of ring fenced Public Health grant for 2015/16 was frozen at 2014/15 levels of £40.5m. However, in addition to the responsibility for the 0 - 5 years services (health visiting services and Family Nurse Partnership) transferred to LCC in October and further funding of £5m has been provided. Work has taken place 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 had not yet taken place.

In November, Government announced the result of the consultation with local authorities on the implementation of a £200m national cut to 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 meant a reduction of £2.8m for Leeds City Council. Although the Public Health grant for 2015-16 is already committed, work has taken place to identify savings and critical decisions have been taken in order to meet this significant challenge. Almost all the savings required to meet the grant reduction have been identified and are reflected in the outturn position shown below. Savings have been made through successful negotiations with partners and providers resulting in savings on public health programmes and service contracts. The main risks to the budget continued to be the activity based contracts which are paid based on demand and for some NHS tariff, these include costs for sexual health services, drugs and alcohol, smoking cessation and NHS Health checks. The fourth quarter's activity data has shown an increase in activity for drugs and alcohol prescribing and on-line sexual health testing. After taking into account normal variations in existing services, an overspend of £48k across all the overall Public Health budget has taken place. The recent Comprehensive Spending Review has shown that this £2,818k cut is continuing with a further 3.9% real terms reduction in 2016/17 which equates to a reduction of approximately £1.1m. In real terms, this would equate to a cash reduction of 7.65%. The grant allocation for 2016/17 has recently been announced at £46,630k, which is a reduction of £3,896k compared to the initial grant announcement for 2015/16.

**Detailed Analysis**

Two new contracts for integrated sexual health services and drugs and alcohol services commenced on 1st July. Work is on-going to identify 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. Quarter 4 has seen an increase in prescribing and dispensing costs, supervised consumption and sexual health on-line chlamydia and gonorrhoea testing.

There was an underspend on the staffing budget due to staff turnover and posts being held vacant as part of the challenge to meet the Government's announcement on the reduction to the Public Health grant. General Fund staffing costs were £111k underspent as a result of vacancies during the early part of the year and further recent staff turnover. As staffing costs are partly funded from elsewhere, the reduction in costs is partly offset by a reduction in corresponding income.

Specific funding from Leeds South and East CCG for tackling health inequalities of £3m has been received and will be carried forward via earmarked reserves to be spent during the period 2016/17 through to 2019/20.

**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	2,818	2,818
Staffing and General Running Costs	5,435	(1)	5,434	(563)	4	(49)	3	(68)	0	0	0	0	(673)	(249)	(922)
General Public Health	259		259	0	0	0	0	0	(94)	0	0	0	(94)	0	(94)
Population Healthcare	489		489	0	0	(67)	0	0	(88)	0	0	0	(155)	(4)	(159)
Healthy Living and Health Improvement	16,414		16,414	0	0	(30)	0	(45)	(113)	0	0	0	(188)	(218)	(406)
Older People and Long Term Conditions	3,081	(66)	3,015	8	0	(16)	0	(16)	(117)	0	0	0	(141)	(130)	(271)
Child and Maternal Health	10,654		10,654	3	0	42	0	0	(466)	0	0	0	(421)	(56)	(477)
Mental Wellbeing and Sexual Health	9,234		9,234	(15)	(1)	(43)	0	2	216	0	0	0	159	(3,360)	(3,201)
Health Protection	1,245		1,245	0	0	(12)	0	0	(61)	0	0	0	(73)	(106)	(179)
Transfer From Reserves		(1,211)	(1,211)	0	0	0	0	0	0	0	0	3,000	3,000	0	3,000
Supporting People	936	(637)	299	(111)	0	(7)	(1)	0	0	0	0	0	(119)	58	(61)
Drugs Commissioning	2,786	(2,854)	(68)	0	0	(7)	0	45	(109)	0	0	0	(71)	71	0
<b>Total</b>	<b>50,533</b>	<b>(50,302)</b>	<b>231</b>	<b>(678)</b>	<b>3</b>	<b>(189)</b>	<b>2</b>	<b>(82)</b>	<b>(832)</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>1,224</b>	<b>(1,176)</b>	<b>48</b>

<b>Key Budget Action Plans and Budget Variations:</b>				<b>Action Plan Value £m</b>	<b>Variation against Plan/Budget £m</b>
		<b>Lead Officer</b>	<b>Additional Comments</b>		
<b>A. Key Budget Action Plans</b>					
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.	4.99	0.00
3.	Reduction in staff costs	Ian Cameron	Following a review of essential posts, savings have been identified.	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.	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.	0.16	0.00
6.	Reduction in social marketing costs	Ian Cameron	Reduction in social marketing activity.	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.	0.15	0.00
8.	Reduction in small projects	Ian Cameron	A number of projects carried out in 2014/15 are no longer required.	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.	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.	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.	0.27	0.00
<b>B. Other Significant Variations</b>					
1.	Staffing budget	Ian Cameron	Delays in recruitment and posts deliberately held vacant have resulted in a projected underspend		(0.68)
2.	Grant reduction	Ian Cameron	Confirmed reduction in 2015/16 grant allocation		2.82
3.	External Providers	Ian Cameron	Savings identified to offset reduction in grant		(2.13)
				<b>Public Health</b>	<b>0.01</b>



## STRATEGY AND RESOURCES 2015/16 FINANCIAL YEAR - OUTTURN

**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, services have implemented actions to achieve the savings in 2015/16. Use of the early leavers initiative together with non-filling of leavers and exploitation of income opportunities helped to ensure that services have achieved the savings required in 2015/16.

Overall there is an underspend of £501k for the year mainly due underspends on staffing and running costs.

**Strategy and Improvement** - strategy and Improvement is £107k underspent. This is mainly due to the service meeting its staffing efficiency targets and then planning ahead in anticipation of the further reductions in the 2016/17 budget. There have also been underspends on Supplies and Services and additional income generated at the end of the year.

**Finance** - Finance is underspent by £28k. The service has met the budgeted reduction in staffing and also made savings in running costs. However, court fee income, which is dependent on the number of summonses raised in respect of Council debt, is £203k lower than budgeted. In addition a number of directorate wide savings targets were included in the Finance budget and have not been achieved in 2015/16 and this amounts to £95k.

**Human Resources** - HR have met the £622k pay savings incorporated in the budget, through freezing recruitment and the use of the early leavers initiative and an overall underspend of £209k has been achieved.

**Information Technology** - Savings targets have been achieved and an additional £100K will be saved due to further savings from PrintSmart and £60k from the transition of telephony from BT to Virgin Media - these additional savings are been used to fund some one off initiatives on the Smart Cities Agenda and the transition costs of West Yorkshire Joint Services. Staffing budgets are underspent due to a large number of vacant posts and a reduction in use of agency/contractors working on projects - this underspend is offset by reduced charges to capital projects. Overall there is an underspend of £59k.

**Projects, Programmes and Procurement Unit** - Following the outturn 2014/15 a key budget risk area was PPPU income, specifically the level of non-chargeable or reduced rate work. A new monitoring arrangement was implemented in 2015/16. Chargeable income is £802K short compared to the budget - this is more than offset by £831K savings on the staffing and an additional £80K of external income from YPO. Agency staff are currently employed to work on critical projects due a shortage of permanent staff resources. The Unit have supported 8 Break Through Projects during the year and the cost of this work (income valued at £285k) has been contained within overall budget and there has been an overall underspend of £124k.

**Legal Services** - Savings built into the budget for 2015/16 were delivered. The staffing budget is underspent by £178k. There are two locums covering vacant posts (Planning and Housing Disrepair) as these have proved difficult to recruit to. There is a minor overspend in supplies and services although this is offset by savings on travel costs. There has been a shortfall in chargeable income identified in the past 3 months which has resulted in an overall net overspend of £264k.

**Democratic Services** - Overall an underspend on Members Allowances, along with staff leaving under ELI and not being replaced has helped to deliver a staffing saving of £86k. There are savings of £56k in supplies and services £15k Scrutiny; £20k Governance; £15k Members Support/Lord Mayors. During the year a member of staff has been seconded to the Combined Authority and this has generated external income of £33k which combined with internal income of £19k gives additional income of £52k. As a result, the service is £238k underspent, though many of these events are one off and there still remains some base budget pressure for next year.

### Budget Management - net variations against the approved budget

	ACTUAL VARIATIONS														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	5,103	(697)	4,406	(319)	9	(47)	10	206	0	0	0	(149)	(290)	183	(107)
Finance	16,763	(7,385)	9,378	(119)	(6)	(125)	(4)	(75)	0	0	0	0	(329)	301	(28)
Human Resources	8,520	(1,915)	6,605	(245)	6	31	(20)	(32)	0	0	0	0	(260)	51	(209)
Information Technology	21,031	(7,188)	13,843	(1,033)	12	(179)	1	13	0	0	0	0	(1,186)	1,127	(59)
Projects, Programmes & Procurement	7,937	(7,624)	313	(831)	0	(15)	1	(1)	0	0	0	0	(846)	722	(124)
Legal Services	4,803	(6,854)	(2,051)	(178)	2	6	(13)	(150)	0	0	0	0	(333)	597	264
Democratic Services	5,063	(56)	5,007	(86)	1	(56)	(11)	(17)	0	(17)	0	0	(186)	(52)	(238)
<b>Total</b>	<b>69,220</b>	<b>(31,719)</b>	<b>37,501</b>	<b>(2,811)</b>	<b>24</b>	<b>(385)</b>	<b>(36)</b>	<b>(56)</b>	<b>0</b>	<b>(17)</b>	<b>0</b>	<b>(149)</b>	<b>(3,430)</b>	<b>2,929</b>	<b>(501)</b>

## STRATEGY AND RESOURCES

### 2015/16 FINANCIAL YEAR - OUTTURN

<b>Key Budget Action Plans and Budget Variations:</b>				<b>Action Plan Value £m</b>	<b>Variation against Plan/Budget £m</b>
		<b>Lead Officer</b>	<b>Additional Comments</b>		
<b>A. Key Budget Action Plans</b>					
1.	Finance	Doug Meeson	Budgeted savings achieved	0.75	0.0
2.	HR	Lorraine Hallam	Budgeted savings achieved	0.62	0.0
3.	ICT	Dylan Roberts	Actions delivered £448k of savings. Plans in place for delivery of residue.	0.71	0.0
4.	Legal and Democratic Services	Catherine Witham	Legal services savings of £117k achieved. 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 .	0.45	0.0
5.	Strategy and Improvement	Mariana Pexton	Required level of savings have now been achieved through staff movements, leavers and ELI.	0.25	0.0
6.	Business improvement - print savings	Dylan Roberts	Implemented and savings being delivered on target.	0.20	(0.1)
7.	Income - court fees	Doug Meeson	Shortfall of £203k projected	0.20	0.2
<b>B. Other Significant Variations</b>					
1.	Net effect of other minor variances	All			(0.5)
<b>Strategy and Resources Directorate</b>					<b>(0.5)</b>

**CIVIC ENTERPRISE LEEDS  
2015/16 FINANCIAL YEAR - OUTTURN**

**Overall**

Overall, CEL had a small underspend of £22k, comprising overspends on some of the Commercial Services, offset by savings within BSC and Facilities Management.

**Business Support Centre**

Savings of £570k have been achieved, mainly arising from staffing savings linked to the implementation of Employee Self Service/ Manager Self Service and Better Business Administration and additional income from schools and academies. In order to create Shared Services budgets for Mailroom , Document Management and Services Agency (Print and Signs) have transferred to BSC (from Facilities).

**Commercial Services**

Other than additional income to recover additional expenditure, the £736k shortfall against the budget is due to a non achievement of the budgeted income in parts of Commercial Services plus non achievement of the full £200k budgeted savings for a lower cleaning specification.

**Facilities**

Savings of £214k have been achieved mainly against the staffing and utilities budgets. There is an over recovery of income which is explained by the recovery of additional expenditure. There are risks around the income accruals for service charges for 2013/14 and 2014/15 relating to the joint service centres of £332k. The payment of these charges and those in 2015/16 is being dealt with by Legal Services and an accrual has been done again in 2015/16 assuming recovery of this income. There is also a potential risk on savings assumed in the Asset Rationalisation programme for Merrion House NNDR of £430k, following advice the decision has been taken to accrue this in 2015/16.

**Corporate Property Management**

The service has a small overspend of £26k mainly explained by an overspend against the building maintenance budget.

**Budget Management - net variations against the approved budget**

				ACTUAL VARIATIONS											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	
Business Support Centre	15,047	(5,779)	9,268	(329)	10	80	(9)	75	0	0	0	0	(173)	(397)	(570)
Commercial Services	55,618	(55,136)	482	940	155	177	6	(47)	0	0	0	0	1,231	(495)	736
Facilities Management	9,673	(3,548)	6,125	(58)	209	103	14	46	0	0	4	0	318	(532)	(214)
Corporate Property Management	6,819	(535)	6,284	37	110	40	3	0	0	0	0	0	190	(164)	26
<b>Total</b>	<b>87,157</b>	<b>(64,998)</b>	<b>22,159</b>	<b>590</b>	<b>484</b>	<b>400</b>	<b>14</b>	<b>74</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>1,566</b>	<b>(1,588)</b>	<b>(22)</b>

<b>Key Budget Action Plans and Budget Variations:</b>				<b>Action Plan Value</b>	<b>Variation against Plan/Budget</b>
		<b>Lead Officer</b>	<b>Additional Comments</b>	<b>£m</b>	<b>£m</b>
<b>A. Key Budget Action Plans</b>					
1	Asset rationalisation	Julie Meakin	Primarily reduction in utility bills/bus rates on Merrion and other vacated buildings. Merrion vacated March 2015	0.87	0.0
2	Better business management: admin/intel/mail & print/prog & project management	Jo Miklo	Virements for centralising Core Admin & Exec Support into BSC completed. Overall savings target achieved.	0.21	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	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	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	0.0
6	Other savings: insurance, JNC review, legal charges, TU convenors	Julie Meakin	No variation	0.06	0.0
7	Procurement off contract spend	Dave Outram/Julie Meakin	See comments in S&R tab against Procurement non-contract spend	TBC	0.0
8	Extension of catering in Civic Hall	Mandy Snaith	Savings proposals actioned	0.05	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	0.0
10	Efficiencies from lower cleaning spec to building and selling services to others	Richard Jackson	Not all savings from lower cleaning spec's achieved, but shortfall contained within overall Directorate position.	0.20	0.1
<b>B. Other Significant Variations</b>					
1	Net effect of all other variations				(0.1)
				<b>Civic Enterprise Leeds</b>	<b>0.0</b>

## STRATEGIC & CENTRAL ACCOUNTS 2015/16 FINANCIAL YEAR - OUTTURN

### Overall :

The Strategic budget outturned at an underspend of £0.8m.

### 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. This savings target has been achieved through 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. External debt savings of £339k have been achieved in year.

### Corporate targets

The Strategic budget includes targets for general capitalisation of £4.9m, capitalisation of spends in schools revenue budgets of £2.5m and in line with the 2014/15 outturn. 2015/16 outturn includes additional savings from capitalising eligible costs. In addition the strategic budget includes savings of £1m around procurement (£1m forecast variation at month 11) together with a PFI contract/monitoring target of £0.9m which has had a £1.5m variation. There is also a shortfall in achieving the £1.0m Directorate Procurement target which is currently held across Directorate budgets.

### Budget Management - net variations against the approved budget

				ACTUAL VARIATIONS											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)	1,032	(147)	(925)				2,301		1,794	4,055	1,136	5,191
Debt	47,052	(1,075)	45,977								(1,898)		(1,898)	155	(1,743)
Govt Grants	2,828	(27,830)	(25,002)										0	(4,090)	(4,090)
Joint Committees	37,697	0	37,697	(163)					46				(117)	(8)	(125)
Miscellaneous	2,317	(1,172)	1,145	(118)		(10)	(4)	1	(26)				(157)	139	(18)
Insurance	10,227	(10,227)	0			7,811		(49)				(4,483)	3,279	(3,279)	0
<b>Total</b>	<b>88,641</b>	<b>(72,792)</b>	<b>15,849</b>	<b>751</b>	<b>(147)</b>	<b>6,876</b>	<b>(4)</b>	<b>(48)</b>	<b>20</b>	<b>2,301</b>	<b>(1,898)</b>	<b>(2,689)</b>	<b>5,162</b>	<b>(5,947)</b>	<b>(785)</b>

**Key Budget Action Plans and Budget Variations:**

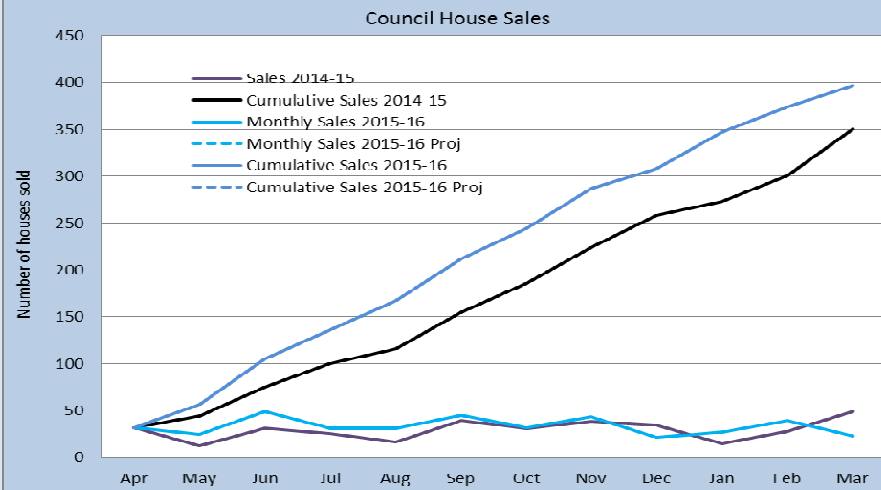
			Budget	Variation against Budget
			£'000	£'000
		Lead Officer	Additional Comments	
<b>A. Major Budget Issues</b>				
1.	Debt Costs and External Income	Doug Meeson	Marginal underspend on external interest costs	16,208 (339)
2.	Minimum Revenue Provision	Doug Meeson	Calculated £12m reduction in MRP from asset life method (budgeted £4.3m). Required usage of capital receipts to balance to budget is therefore reduced.	29,769 0
3.	New Homes Bonus	Doug Meeson	Activity across the City increasing, however marginal shortfall in anticipated grant income forecast for 2015/16	(18,446) 841
4.	Business Rates (S31 Grants & EZ)	Doug Meeson	£0.1m loss as a result of 14/15 NNDR3 final adjustments, £0.5m tariff adjustment.	(9,171) 435
5.	S278 Contributions	Doug Meeson	Reflecting reduced level of spend	(5,200) 3,107
6.	General capitalisation target	Doug Meeson	Additional capitalisation of eligible costs held across Directorate revenue budgets	(4,982) (1,924)
7.	Schools capitalisation target	Doug Meeson	Additional capitalisation of eligible costs held across school revenue budgets	(2,500) (2,614)
8.	Corporate Procurement Target	Doug Meeson	Centrally-held budget savings target. Actual savings will be shown in Directorate budgets.	(1,000) 1,000
9.	PFI Contract Monitoring Target	David Outram	Centrally-held budget savings target. Actual savings will be shown in Directorate budgets.	(860) 575
10.	Early Leaver Initiative	Doug Meeson	£2m earmarked reserve established to fund the severance costs in 2015/16. This reserve has been maintained, with in-year costs being met from the general fund.	0 2,733
11.	Directorate Procurement Target	David Outram	Centrally-held budget savings target. Actual savings will be shown in Directorate expenditure budgets.	(1,200) 1,023
12.	Flood relief grant	Doug Meeson	Element relating to business rates and council tax reliefs affecting 2015/16 Collection fund	0 (1,246)
<b>B. Other Significant Budgets</b>				
1.	Insurance	Doug Meeson	Potential additional costs in-year which will be managed through the Insurance Reserve	0 0
2.	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 (2,136)
3.	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) (266)
4.	Enhancement to holiday pay	Doug Meeson	Central account has funded Holiday Pay enhancements	0 990
5.	Earmarked Reserves & Provisions	Doug Meeson	Maximising the use of earmarked reserves	0 (2,178)
6.	Waste PFI acquisition	Doug Meeson	Element of fees paid during commissioning which relate to capital cost of the asset.	0 (1,404)
7.	Other - Provisions, Joint Committees, Misc Receipts, etc	Doug Meeson	Various	0 618
<b>Strategic &amp; Central Accounts</b>				<b>(785)</b>

## Housing Revenue Account - Outturn

### Financial Dashboard - 2015/16 Financial Year

#### Summary of actual over / under spends (Housing Revenue Account)

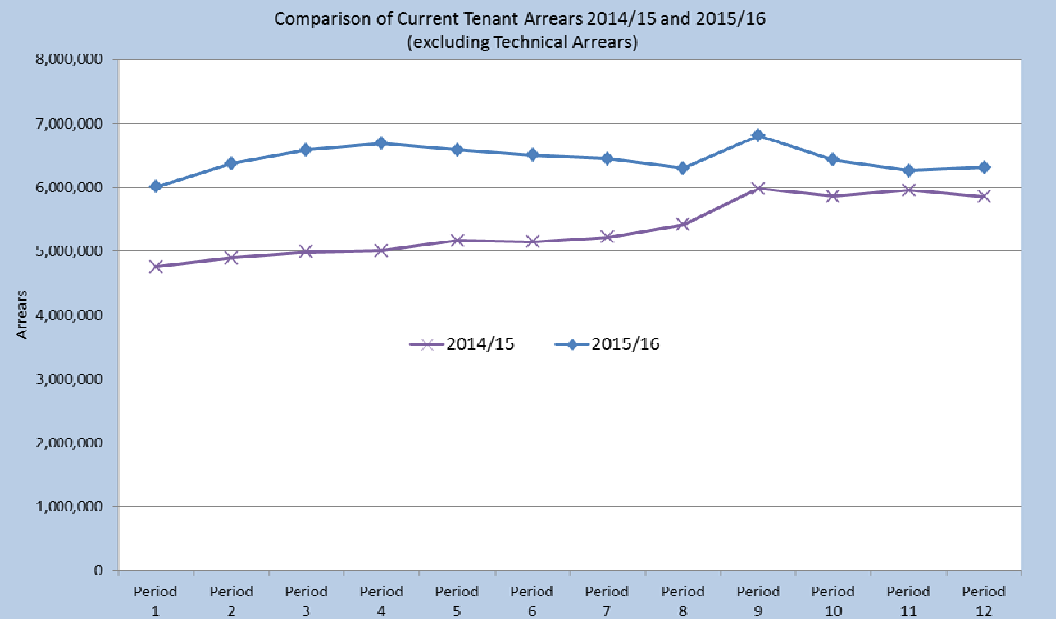
Directorate	Current Budget	Year End Position	Variance to budget	Major variations	Previous Month (Under) / Over Spend
	£000	£000	£000		£000
<b>Income</b>					
Rents	(220,466)	(220,892)	(426)	Void numbers lower than budget.	(443)
Service Charges	(6,588)	(6,956)	(368)	Contributions from leaseholders for major works (£186k), additional income from furniture and MSF service charges (£222k). Reduction in income from housing for older people (£40k).	(335)
Other Income	(28,821)	(29,189)	(368)	Savings in DR&M (£71k), additional RTB administration income based on 397 sales (£61k), capitalisation of salaries (£233k). Other minor variations.	84
<b>Total Income</b>	<b>(255,875)</b>	<b>(257,037)</b>	<b>(1,161)</b>		<b>(694)</b>
<b>Expenditure</b>					
Disrepair Provision	1,500	1,765	265	Disrepair compensation & fees.	243
Repairs to Dwellings	42,733	45,025	2,292	Additional expenditure incurred due to the requirement to address outstanding repairs and taking a more pro-active approach to avoid disrepair claims in the future.	696
Council Tax on Voids	663	700	37		37
Employees	27,019	26,160	(859)	Savings on vacant posts (£1,041k) and training (£237k), Occupational Health (£47k) offsetting additional pensions and severance costs £192k and Agency £330k. (£56k) Other minor Variations.	(874)
Premises	7,205	6,780	(425)	Savings on utilities (£372k), carbon reduction levy (£38k) rents and other minor variations (£15k).	(369)
Supplies & Services	5,749	4,608	(1,141)	Increase in insurance charge due to additional large claims £364k. Offset by Heat lease refund (£775k), underspends on office accommodation rationalisation (£226k) and local initiatives (£128k), savings on tenant mobility scheme (£178k), EPCs (£56k), publications (£37k) and bank charges (£76k).	(928)
Internal Services	37,111	37,298	187	Additional charges for supporting troubled families £300k, welfare advice & support £300k, energy portfolio £110k, HR £116k. Offset by savings on CDC Recharges (£197k), Housing Services (£123k), Community Safety (£149k), Parks & Countryside (£104k), and Surveyors Fees (£85k).	444
Capital Programme	69,284	69,786	502	Reflects environmental schemes charged to capital. Funded through transfer from Environmental Reserve.	-
Unitary Charge PFI	7,211	7,051	(160)	Savings on Swarcliffe (£86k) and Little London (£74k) Unitary Charge.	(160)
Capital Charges	67,132	66,987	(146)	Capital charges & interest (£282k), impairment (£455k) offset by reduction in voluntary set aside funded from revenue £(884)k.	338
Other Expenditure	7,605	7,138	(467)	Savings on transport costs (£165k) and reduction in the provision required for bad debts (£270k).	(125)
<b>Net Expenditure</b>	<b>17,337</b>	<b>16,261</b>	<b>(1,076)</b>		<b>(698)</b>
<b>Appropriations</b>					
Sinking Funds	(16,009)	(15,285)	724	Transfer from PFI reserves.	
Earmarked Reserves	(1,328)	(1,793)	(465)	See Reserves statement attached.	375
<b>(Surplus)/deficit</b>	<b>-</b>	<b>(817)</b>	<b>(817)</b>		
<b>Proposed New Reserve - ELI</b>	<b>-</b>	<b>522</b>	<b>522</b>		
<b>Transfer to General Reserve</b>	<b>-</b>	<b>295</b>	<b>295</b>		
<b>Total</b>	<b>-</b>	<b>0</b>	<b>0</b>		<b>(1,017)</b>



Change in Stock	Budget	Actual
Right to Buy sales	350	397
Taken out of Charge	50	50
New Build (PFI)	(250)	(255)
New Build (Council House Growth)	(142)	(32)
Brought back into Charge	(30)	(30)
<b>Total</b>	<b>(22)</b>	<b>130</b>

Provisions	Budget	Actual
Disrepair provision	1,928	944
Bad Debt provision (Current Tenants)	1,610	1,747
Bad Debt provision (Former Tenants)	2,835	3,145
Others	1,124	1,186
<b>Total</b>	<b>7,497</b>	<b>7,022</b>

	2014/15 Week 52	2015/16 Week 52	Variance
	£000	£000	£000
<b>Tenant Arrears (Domestic Rents and Charges)</b>			
Current Tenants - exc Tech	5,847	6,309	462
Former Tenants	3,037	3,393	356
	8,884	9,702	818
<b>Under occupation</b>			
Volume of Accounts	5,255	5,078	(177)
Volume in Arrears	2,792	2,628	(164)
% in Arrears	53%	52%	-1%
	855	825	(30)
<b>Collection Rates</b>			
Dwelling rents	97.45%	97.24%	-0.21%
Target	98.06%	98.06%	0.00%
Variance to Target	-0.61%	-0.82%	-0.21%





APPENDIX 2

Reserves Statement 2015/16 Outturn

	Balance 31st March 2015	Transfers out	Transfers in	Balance 31st March 2016	Change in year	Reason for the Reserve
	£k	£k	£k	£k	£k	
<b>General Reserve</b>	<b>(22,341)</b>	<b>1,450</b>	<b>(391)</b>	<b>(21,282)</b>	<b>1,059</b>	
<b>Earmarked Reserves</b>						
Tower Works and Engine House Holbeck	(1,629)	1,629	0	0	1,629	To fund future repair and maintenance of the Venetian Towers. Balance taken to revenue in 2016/17 and future commitments will be managed as they arise
HS2	(156)	0	0	(156)	0	To support the costs in 2014/15 and 2015/16 of developing and progressing master planning for the Southbank, including HS2 planning.
Parks Special Project	(81)	0	0	(81)	0	Settlement received in 13/14 and 14/15 for the fire damage caused at Temple Newsam Home farm, reserve has been created to cover expected associated costs in 15/16.
Homelessness Prevention Fund	(120)	0	0	(120)	0	Homelessness prevention
Health Innovations	(544)	544	(574)	(574)	(30)	Monies given by Health Service for a number of joint initiatives around commissioning & children's centres
Safeguarding (Children's) - LSCB	(130)	83	(70)	(117)	13	Independent Safeguarding Board - c/f of partner contributions to fund serious case reviews
Demographic and Demand Reserves	(901)	3,294	(5,686)	(3,293)	(2,392)	Previously individual earmarked reserves - amalgamated to provide reserve to flexibly respond to in-year volatility in those budgets subject to fluctuating demand
Health and Social Care (CCG)	(16,547)	8,900	(4,639)	(12,286)	4,261	Monies received from CCGs to help deliver the Health and Social Care agenda
S256 funding for health inequalities	0	0	(3,000)	(3,000)	(3,000)	Specific funding from Leeds South and East CCG for tackling health inequalities. Spend projected each year up to and incl 2019/20
Information Centre	(70)		(100)	(170)	(100)	To fund Customer Services contact centre improvements
Casino License	(798)	201	0	(597)	201	As part of the process for the awarding of the large casino license, the applicants were required to bid for the license fee. The winning bid was used to create a social inclusion fund, to be spent in line with the stated objectives.
Immigration Advice reserve	(60)		0	(60)	0	Fund to assist Chapeltown Citizens Advice Bureau provide immigration advice to clients
Members club	(8)		0	(8)	0	Surplus on the members club. Probably used in 2016/17.
Mutual Municipal Insurance Reserve	(494)	483	0	(11)	483	Reserve to fund potential additional clawbacks of past insurance receipts from MMI.
Schools fire insurance	0	653	(653)	0	0	School reserve to fund any related costs as a result of fires not covered by insurance. Reserve utilised in 14/15 to fund in year school based insurance costs and has been recreated from 2015/16 school insurance premiums.
General Insurance Reserve	(3,139)	3,347	(971)	(763)	2,376	To fund claims received after year end relating to incidents in prior years. Bal b/f changed 8/9/15 due to 14/15 Post B/S Event re NNDR (reversal of levy accrual put to this reserve v697)
Lord Mayor	(16)	16	(14)	(14)	2	Unspent mayoral allocation cfwd at year end due to the difference between the financial & mayoral years.
Young Foundation	(114)	114		0	114	Funds placed in reserve to cover commitment to the Young Foundation project joint collaboration with Joseph Rowntree.
Business Transformation Reserve	(47)	47	(47)	(47)	0	Siebel review (system of customer facing communication etc).
Energy efficiency reserve - LCC	(5)	18	(17)	(4)	1	Energy efficiency reserves to fund invest to save energy efficiency initiatives.
Economic, Social and Environmental Wellbeing fund	(316)		(181)	(497)	(181)	Underspends on the wellbeing area committees.
ELI Reserve	(2,000)	2,000	(2,000)	(2,000)	0	Use of balance sheet items to fund Early Leavers Initiative - Projection of a cost of £3.7m in 2015/16 which is a <b>shortfall of £1.7m</b> against the £2m earmarked reserve.
Legal Cost of VAT claims	(100)	37		(63)	37	£100k set aside from £8.4m VAT claim refund received in 2010/11 to help fund legal costs for remaining VAT cases. (Potentially used for appeal heard in Dec 2015 - decision expected Feb-March 2016.)
Manager Challenge	(126)	126		0	126	Carry forward of unspent Contingency to fund the Manager Challenge initiative.
Capital reserve	(5,116)	4,419	(5,059)	(5,756)	(640)	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. Includes school contributions for Equal Pay.
<b>Total Earmarked Reserves</b>	<b>(32,517)</b>	<b>25,911</b>	<b>(23,011)</b>	<b>(29,617)</b>	<b>2,900</b>	
<b>Total non-Ring fenced Reserves</b>	<b>(54,858)</b>	<b>27,361</b>	<b>(23,402)</b>	<b>(50,899)</b>	<b>3,959</b>	

**APPENDIX 2 CONTINUED**

	Balance 31st March 2015	Transfers out	Transfers in	Balance 31st March 2016	Change in year
	£k	£k	£k	£k	£k
<b>General Fund Ring fenced Reserves</b>					
Public Health reserve	(1,211)	1,211		0	1,211 Unused ringfenced grant from 14/15 in accordance with grant conditions.
Extended schools balances	(10,464)	10,464	(10,194)	(10,194)	270 Surpluses on extended school activities carried forward;
Schools Balances	(22,669)	28,167	(29,712)	(24,214)	(1,545) Schools Balances net of VER, Children's Services and BSF PFI borrowing.
Central schools block - DSG	(11,712)	11,712	(3,681)	(3,681)	8,031 Carryforward of ring fenced DSG for centrally managed pupil orientated services.
Taxi & Private Hire licensing surplus	(326)		(66)	(392)	(66) Ring fenced reserve for taxi and private hire licensing service. Will probably be used in 16/17.
Energy efficiency reserve - Salix	0	128	(150)	(22)	(22) Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Revenue grants	(6,499)	7,237	(6,974)	(6,236)	263 Revenue grants carried forward as per IFRS requirements (See note 1)
<b>Total General Fund Ring fenced Reserves</b>	<b>(52,881)</b>	<b>58,919</b>	<b>(50,777)</b>	<b>(44,739)</b>	<b>(8,142)</b>
<b>HRA Ring fenced Reserves</b>					
HRA General Reserve	(7,032)		(295)	(7,327)	(295)
Major repairs reserve	(50,364)	178,588	(159,999)	(31,775)	18,589 Ringfenced to fund capital expenditure or redeem debt.
Housing Advisory Panels (HAPs) Reserve	(587)	70	(37)	(554)	33 To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.
LLBH&H PFI Sinking fund	(23,441)	16,414	(604)	(7,631)	15,810 PFI Sinking Fund
Environmental Works	(3,006)	433		(2,573)	433
Swarcliffe Environmentals	(50)	24		(26)	24 To fund environmental works in the Swarcliffe PFI area
Sheltered Works Reserve	(4,088)			(4,088)	0 To fund investment in sheltered housing schemes which still contain shared bathing facilities and fund improved access for people with mobility issues.
Holdsworth Place - land purchase	(64)			(64)	0 To fund the purchase of land at Holdsworth Place
Insurance Claims to be incurred	(386)			(386)	0 To fund the cost of insurance claims
Welfare Reform	(3,303)	1,303		(2,000)	1,303 To fund pressures arising from welfare reform.
Swarcliffe PFI	(12,422)		(525)	(12,947)	(525) PFI Sinking Fund
Early Leavers' Initiative	0		(522)	(522)	(522) New reserves subject to Executive Board approval
<b>Total Other HRA Reserves</b>	<b>(104,743)</b>	<b>196,832</b>	<b>(161,982)</b>	<b>(69,893)</b>	<b>34,850</b>
<b>Total Ring fenced Reserves</b>	<b>(157,624)</b>	<b>255,751</b>	<b>(212,759)</b>	<b>(114,632)</b>	<b>42,992</b>
<b>Total Reserves</b>	<b>(212,482)</b>	<b>283,112</b>	<b>(233,768)</b>	<b>(165,531)</b>	<b>46,951</b>

## CAPITAL PROGRAMME - 2015/16 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2016 and the final 2015/16 outturn. The variations are based on those programmes/schemes with significant variations both over/under > £100k.

Directorate	Programme/ Scheme	2015/16 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Adults Social Care	ASC Digital Transformation programme	0.0	(223.6)	Anticipated spend didn't transpire in 2015/16 as priorities for staff concentrated on the Client Information System implementation. This scheme will now complete in 2016/17
	Other ASC	2,169.7	(102.6)	No material variances on the remaining schemes within the ASC programme.
		<b>2,169.7</b>	<b>(326.2)</b>	
Strategic, Central and Corporate	General Capitalisations & Interest	9,244.3	3,878.2	Further identified capitalisations resulting in increased expenditure but a reduction in revenue spend in Highways, Corporate Property Management and Children's Services.
	Equal Pay Provision	(1,359.8)	(1,359.8)	Year end capitalisation adjustment in relation to Equal Pay Provision.
	Changing the Workplace	12,559.4	(1,737.9)	The Change in the work place programme variances are - Fast track moves Business Support Centre to St Georges House and ICT equipment delayed £316k, delayed approval on St Georges House fees and strip out £287k, Tribeca House move estimate overstated £190k, less enabling moves required £160k, delays in Legal Services move to Civic £154k, savings on Thorseby House E&H move £133k. No material variances on the remaining schemes.
	Corporate Property Management	3,599.8	(806.2)	The CPM annual programme variances on over 100+ schemes are mainly due to over estimating completion dates and final accounts coming in lower than anticipated.
	Other	9,777.6	(536.8)	No material variances on remaining schemes within the Strategic, Central and Corporate programme.
		<b>33,821.3</b>	<b>(562.5)</b>	
City Development	Highways	80,170.2	188.6	Highways accounts for 78% of the City Development programme and while there have been some overs and under variances in Highways they have managed to deliver the programme within 0.2% of projections. Highways delivered large programmes including Flood Alleviation, Cycle City Ambition, Inner Ring Road Tunnel, Kirkstall Forge, Other Bridges and Structures, Transport Package and the annual Identified Maintenance programmes.
	Asset Management	7,547.5	(800.6)	Change in the accounting treatment of the purchase of the leasehold of St Georges House resulted in a credit of (£391k), offset by Sovereign Square green space completing quicker than envisaged £174k. East Leeds Extension Land purchase - contract/legal delays (£139k). Derelict and Nuisance Property Programme (£164k) underspent. Holbeck Urban Village connectivity programme (£219k) - mainly Ninevah Rd and Water Lane pedestrian crossings delayed.
	Economic Development	12,985.8	(853.4)	Aire Valley Enterprise Zone Temple Green (£625k) - Wet ground conditions reduced the scope for earth shifting delaying the onsite works. - Broadband (£344k) - The take up of Superfast Broadband has been slow in hard to reach areas. The 2016/17 budget may not all be required. The take up of the super connected vouchers slowed towards the end of the year. Various slippages on several small City centre management legibility, signage and public realm schemes, small elements on George Street design fees and enabling works .
	Townscape Heritage Initiative programme	840.1	(704.4)	Townscape Heritage Initiative schemes in Armley (£195k) - On site delays. Chapeltown (£284k) - Grant extension to the scheme. Lower Kirkgate (£162k) - Slow take up in grants by 3rd party for refurbishing shop frontages despite promoting the availability of this grant funding source.
	Other City Dev Schemes	1,499.5	(261.7)	No material variances on remaining schemes within City Development.
		<b>103,043.1</b>	<b>(2,431.5)</b>	

**CAPITAL PROGRAMME - 2015/16 GENERAL FUND OUTTURN VARIATIONS**

The following table highlights main scheme variations between the estimates in February 2016 and the final 15/16 outturn. The variations are based on those programmes/schemes with significant variations both over/under > £100k.

Directorate	Programme/ Scheme	2015/16 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Children's Services	Additional Schools Capitalisation	5,113.6	1,598.7	Further identified capitalisations within the schools programme.
	Other Children's Services Schemes	50,207.1	163.9	No material variances on remaining schemes within Children's Services.
		<b>55,320.7</b>	<b>1,762.6</b>	
Environment & Housing General Fund	Green Deal Communities fund	3,418.6	(488.6)	Other local authorities eligible Green Deal funding unclaimed. The Department for Energy and Climate Change have extended the programme to the end of June with a proportion of the unspent funding £161k going to support the Cross Green Group Repair Phase 4 below.
	Cross Green Group Repair & Sustainable Communities programme	3,528.9	(787.7)	Cross Green Phase 2&3 completed with an underspend of £500k due to less homes being completed however this funding will now go towards a Phase 4 which had not been finalised by the setting of the Feb 2016 capital programme. This will be approved May 2016 and deliver a circa £800k scheme in 2016/17. Also delays in delivering the Cross Green Highways improvement as part of the sustainable communities investment programme which has now been signed off to deliver by September 2016.
	Parks & Countryside	2,020.0	(1,049.3)	Whinmoor Nursery delays in planning consent £406k. Significant implementation overruns on the new Grounds Maintenance IT system £137k, Parks equipment slippage to 2016/17 £107k, Cottingley Cremator retention due but unpaid £141k. No other material variances on the P&C programme.
	Other E&H General Fund	42,667.5	(1,028.1)	Ordered replacement vehicles now arriving in 2016/17 £515k, Bin replacement programmes spend less than predicted £300k with a saving in revenue on the interest of not borrowing this amount. No other material variances on the other schemes within E&H
		<b>51,635.0</b>	<b>(3,353.7)</b>	
<b>Total General Fund Variances</b>		<b>245,989.8</b>	<b>(4,911.3)</b>	

**CAPITAL PROGRAMME - 2015/16 HRA, HOUSING LEEDS OUTTURN VARIATIONS**

The following table highlights main scheme variations between the estimates in February 2016 and the final 15/16 outturn. The variances are based on those programmes/schemes with significant variances both over/under > £100k.

Directorate	Programme/ Scheme	2015/16 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Environment & Housing HRA/ Housing Leeds	Council Housing Growth Programme	10,831.2	(2,182.8)	Over estimated the delivery of the Newbuild programme with delays in designing the schemes and finding the land to build on.
	Housing Leeds	84,233.4	3,756.2	Housing Leeds delivered more than was estimated at Feb capital programme. The acceleration of the heating and energy efficiency programme account for £1.9m of the additional spend in 2015/16. £1.3m accounts for the additional capitalisations on the disrepair programme. Housing Leeds were able to bring back resources to fund these schemes which had being slipped earlier in the year.
	BITMO	2,266.2	(648.4)	The position was over estimated at the setting of the capital programme in Feb 2016 which resulted in delivering 78% of the 15/16 budget. LCC will work with BITMO to better understand the cashflowing of their programme and the timing of the BITMO Boards are crucial to the projections we make in 2016/17.
<b>Total HRA Variances</b>		<b>97,330.8</b>	<b>925.0</b>	
<b>Total Capital Program Variances Cap Prog to</b>		<b>343,320.6</b>	<b>(3,986.3)</b>	