

Report of the Deputy Chief Executive

Report to Executive Board

Date: 21st September 2016

Subject: Financial Health Monitoring 2016/17 – Month 4

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

Summary of main issues

1. The purpose of this report is to inform the Executive Board of the financial health of the authority in respect of the revenue budget, and the Housing Revenue Account.
2. The 2016/17 financial year is the first year covered by the 2015 Spending Review and again presents significant financial challenges to the Council. The Council to date has managed to achieve considerable savings in the order of £330m since 2010 and the budget for 2016/17 will require the Council to deliver a further £76m of savings.
3. The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions. Whilst the Council continues to make every effort possible to protect the front line delivery of services, it is clear that the position is becoming more difficult to manage and it will be increasingly difficult over the coming years to maintain current levels of service provision without significant changes in the way the Council operates. A separate report on this agenda presents the Council's updated Medium Term Financial Strategy for 2017/18 through to 2019/20.
4. Executive Board will recall that the 2016/17 general fund revenue budget, as approved by Council provides for a variety of actions to reduce net spend by £31.5m delivering some £76m of budget action plans by March 2017. After the first quarter of the financial year, it is clear that the majority of these actions and savings

plans are on track to be delivered. However this report highlights a potential overall overspend/risk of £4.4m.

5. This is clearly not a sustainable position and Corporate Directors have been requested to liaise with the Lead Members to implement their contingency plans and any other measures to reduce net spend, including bringing-forward service and policy proposals.
6. At quarter 1, the Housing Revenue Account is projecting a marginal underspend of £0.1m.

Recommendation

7. Executive Board are asked to note the projected financial position of the authority.

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2016/17 at month 4.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations after the first quarter of the year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2016/17 was set at £496.4m, supported by the use of £3.5m of general reserves.
- 2.2 The balance of general reserves at the end of March 2016 was £21.3m and when taking into account the budgeted use of £3.5m in 2016/17 will leave an anticipated balance at March 2017 of £17.8m.
- 2.3 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.
- 2.4 A separate report on this agenda presents the Council's updated Medium Term Financial Strategy for the financial years, 2017/18 to 2019/20.
- 2.5 Appendix 2 provides the quarterly procurement update including analysis of spend with local suppliers, the third sector and small & medium sized companies.

3. Main Issues

- 3.1 At quarter 1 an overspend of £4.4m is forecast, as shown in Table 1 below.

Table 1 – forecast 2016/17 budget variations by directorate

Directorate	Director	(Under) / Over spend for the current period				1st Quarter Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adult Social Care	Cath Roff	(1,366)	885	(842)	43	686
Children's Services	Nigel Richardson	(77)	8,684	(3,431)	5,253	3,800
City Development	Martin Farrington	(437)	(201)	(25)	(226)	(226)
Environment & Housing	Neil Evans	(333)	1,478	(1,567)	(89)	(88)
Strategy & Resources	Alan Gay	(904)	(909)	1,202	293	(25)
Citizens & Communities	James Rogers	(70)	(8,564)	8,555	(9)	(136)
Public Health	Dr Ian Cameron	(167)	(27)	0	(27)	(68)
Civic Enterprise Leeds	Julie Meakin	1,172	1,645	(1,444)	201	0
Strategic & Central	Alan Gay	400	(101)	(960)	(1,061)	(1,065)
Total Current Month		(1,782)	2,890	1,488	4,378	2,878

3.2 The key variations against the budget are outlined below and more detailed information is included in the financial dashboards at appendix 1.

3.2.2 Adult Social Care – the directorate is currently projecting a balanced budget position by the financial year-end, a net reduction of £0.6m from the quarter 1 position.

A comprehensive review of all budget action plans has taken place and slippage totalling £2.6m is projected at the year end, although substantial contingency savings have also been identified to partly offset the impact. There is a projected shortfall of £1.4m in delivering the specific actions within the community care packages budget, with the largest shortfall relating to learning disability services. Slippage of £0.9m relates to contracts and grants budgeted savings and £0.3m to the Better Lives programme within older people's residential and day care services.

The main forecast budgets variations at month 4 across the key expenditure types are in staffing [underspend of £1.4m], Community care packages [overspend of £1.5m], Transport [overspend of £0.6m] and additional income of £0.8m.

3.2.3 Children's Services – at month 4 the directorate is reporting a potential overspend of £5.3m. The month 4 position represents an increase of £1.4m from the quarter 1 position mainly due to an increase of £1.0m in the forecast transport spend together with a reduction in the anticipated savings on commissioned services. It should be stressed that whilst the directorate has committed to a number of actions to mitigate against budget pressures there are a number of risks within this forecast which, if all materialised to the worst case level, would increase the bottom-line overspend. The key risks are with the children looked after budget, the additional savings on staffing and other expenditure and external income currently assumed in the projection. Actions to mitigate against the budget pressures include additional controls on recruitment and promoting the Early Leaver Initiative scheme in some areas, a review of contracts and a review of spend including restrictions in all areas of non-

essential spend. In addition, the directorate is anticipating additional DfE funding, although this will be subject to the approval of a funding bid.

In terms of children in care, at the end of July, the directorate is looking after an additional 56 children and young people in externally provided residential and fostering placements than the 2016/17 budget provides for which will potentially result in a £4.9m pressure on the demand-led budgets (£3.5m external residential & £1.4m independent fostering agencies). In the last quarter of 2015/16 numbers had increased and numbers continued to increase in April but there has been a steady reduction in children looked after numbers since May. There are currently 1,237 children and young people in care which includes 55 externally provided residential placements and 218 placements with independent fostering agencies. The current projection assumes that the looked after children numbers will continue to gradually reduce during the remainder of the financial year.

In respect of transport, the home to school and home to college transport budget is under significant pressure due to a rise in the number of young people with complex needs, a rise in the transport requirements outside the city and an increase in private hire rates. The pressure is currently identified at £2.7m, which is an increase of £1.0m on the previously reported position and is based on the latest demand and price information.

- 3.2.4 City Development – overall, the directorate is anticipating an underspend of £0.2m against the £43m net managed budget. There are a number of identified risks/pressures notably around planning appeals and income, but these are mitigated by anticipated income from the Bridgewater Place settlement [£0.9m] and savings on the debt costs for the Arena [£0.5m].
- 3.2.6 Environment & Housing – at month 4 the directorate is forecasting a marginal underspend of £0.1m against its £53m net managed budget. Within this overall figure, there is a pressure on the waste management budget of £0.1m which is mainly due to increased disposal costs. In car parking, staffing savings and additional income are expected to deliver a saving of £0.2m and in Community Safety there is a forecast underspend of £0.1m due again to staffing savings, one-off income from the WYPCC and additional Ministry of Justice funding.
- 3.2.7 Strategy & Resources – overall, the directorate is highlighting a potential overspend of £0.3m which is due a potential reduction in external income in the Projects, Programmes and Procurement Unit of £1m offset by forecast staffing savings of £0.7m. The rest of the directorate is anticipated to deliver on its budget action plans.
- 3.2.8 Civic Enterprise Leeds – the bottom-line position for CEL is an overspend of £0.2m which is due to a £200k overspend against the Catering net budget. The Catering overspend is mainly as a result of the marginal impact of the 7 schools which have been lost to the service plus the marginal impact of a shortfall against the adjusted meal numbers.
- 3.2.9 Strategic & Central budgets – at month 4, the strategic and central budgets are anticipated to underspend by £1.1m. The key variations include;

- i. Debt - a forecast pressure of £1.4m due to the conversion of short-term debt to long-term to take advantage of low long-term interest rates.
- ii. Section 278 income - a potential £1.5m risk due to lower levels of development activity.
- iii. Procurement - a £1m variation which reflects that the procurement savings will be managed through directorate budgets.
- iv. Early Leaver Initiative - a potential £0.4m additional spend over the £2m earmarked reserve.
- v. Savings of £2m from the additional capitalisation of eligible spend in general fund and school budgets.
- vi. Appropriation of £2.7m of earmarked reserves.
- vii. Savings of £0.7m on the levy contribution to the business rates

3.3 Other Financial Performance

3.3.1 Council Tax

The Council Tax in-year collection rate at the end of July was 37.13% which is in line with the performance in 2015/16. At this stage of the year, the forecast is to achieve the 2016/17 in-year collection target of 95.9% collecting some £299m of income.

3.3.2 Business Rates

The business rates collection rate at the end of July was 39.02% which is 1.15% below the performance at this stage in 2015/16. The forecast is still to achieve the 2016/17 in-year collection target of 97.7% collecting some £385m of income.

4. Housing Revenue Account (HRA)

- 4.1 At month 4 the HRA is projecting a marginal underspend of £0.1m against the 2016/17 budget. Projected combined income from rents and service charges are forecast to be in line with the budget with a marginal £38k anticipated net variation at this stage of the year. There are a number of marginal variations against the expenditure budgets which when combined total an underspend of £39k. Further detailed information is included in the financial dashboard at appendix 1.

5. Corporate Considerations

5.1 Consultation and Engagement

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

5.2 Equality and Diversity / Cohesion and Integration

- 5.2.1 The Council's revenue budget for 2016/17 was subject to equality impact assessments where appropriate and these can be seen in the papers to Council on 24th February 2016.

5.3 Council Policies and Best Council Plan

- 5.3.1 The 2016/17 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on the financial

performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

5.4 Resources and Value for Money

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

5.5 Legal Implications, Access to Information and Call In

5.5.1 There are no legal implications arising from this report.

5.6 Risk Management

5.6.1 Financial management and monitoring continues to be undertaken on a risk-based with key budget risks identified as part of the annual budget-setting process and specifically monitored through the financial year. Examples include the implementation of budget action plans, those budgets which are volatile and subject to fluctuating demand, key income budgets, etc. The information in the financial dashboards at appendix 1 includes specific information on these risk areas.

6. Recommendations

6.1 Executive Board are asked to note the projected financial position of the authority.

7. Background documents¹

7.1 None

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

ADULT SOCIAL CARE 2016/17 BUDGET FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR

Month 4 (April to July)

Overall narrative

The directorate is currently projecting a balanced position by the financial year-end, a reduction of £1.2m since Period 3. Projected spend on community care packages and general running expenses has reduced, partly offset by an increase in transport costs.

A comprehensive review of all budget action plans has taken place and slippage totalling £2.6m is projected at the year end, although substantial contingency savings have also been identified to partly offset the impact. There is a projected shortfall of £1.4m in delivering the specific actions within the community care packages budget, with the largest shortfall relating to learning disability services. Slippage of £0.9m relates to contracts and grants budgeted savings and £0.3m to the Better Lives programme within older people's residential and day care services. Some other budget pressures and savings have been identified, further details of which are outlined below.

The main variations at Month 4 across the key expenditure types are as follows:

Staffing (-£1.4m – 2.7%)

Savings within Access and Care Delivery total £0.3m. This mainly reflects reducing staffing numbers within the Community Support Service since the budget was set and vacancies within the care management and business support services, partly offset by slippage relating to the Better Lives programme within older people's residential and day care services. Savings of £1.1m are projected in commissioning services, resources and strategy and health and wellbeing due to ongoing vacancies.

Community care packages (+£1.5m – 0.8%)

Expenditure on the learning disability pooled budget is currently projected to exceed budget provision mainly due to slippage in delivering the budgeted savings, but work is underway to bring this back on track as far as possible by the year-end. There are also some pressures on residential and nursing care placements reflecting the trend in the last quarter of 2015/16 and a higher number of residents at the start of the current financial year than was assumed when the budget was set. Actions are underway to minimise the impact of these pressures by the year-end.

Transport (+£0.6m – 13.6%)

The most recent projections from Passenger Transport Services indicate higher than budgeted costs. The information available indicates that the majority of the projected overspend relates to costs rather than demand, but further work is needed to understand this more fully. This is being undertaken in conjunction with Passenger Transport Services.

Income (-£0.8m – 1.3%)

Service user contributions are slightly higher than budgeted, mainly due to some slippage in the Better Lives programme within older people's residential and day care services. Funding for staffing costs through the learning disability pooled budget is also higher 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	365	(112)	252	(93)	0	85	0	4	141	0	0	0	136	(225)	(89)
Access & Care Delivery	245,854	(39,420)	206,434	(331)	31	(85)	(52)	659	456	925	0	0	1,603	(363)	1,241
Commissioning Services	12,828	(24,298)	(11,470)	(539)	0	(172)	(1)	204	521	0	0	0	12	(551)	(539)
Resources and Strategy	7,067	(1,008)	6,059	(404)	(1)	(137)	(3)	(323)	0	0	0	0	(867)	297	(570)
Total	266,113	(64,838)	201,275	(1,366)	30	(309)	(56)	543	1,118	925	0	0	885	(842)	42

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1.	Older people's residential and day care	D Ramskill	Full-year effects and ongoing Better Lives programme		0.9	0.3
2.	Assessment and care management practice	S McFarlane	Delivering the most cost effective service for new customers based on the strengths based approach and the use of reablement and telecare services		1.0	0.4
3.	Review of care packages - mental health	M Ward / M Naismith	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning		0.5	0.0
4.	Review of care packages - physical impairment	J Bootle	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning		0.5	0.0
5.	Review of care packages - learning disability	J Wright / M Naismith	Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning		3.0	1.0
6.	Assessment and care management efficiencies	S McFarlane	Review of skills mix and business processes		0.5	0.0
7.	Grants and contracts	M Ward	Review of contracts and grants across client groups		1.4	0.9
8.	Vacancy management	Various	Mainly non-frontline services		0.8	0.0
9.	Fees and charges	A Hill	Implementation of February 2016 Executive Board decisions		1.0	0.0
10.	Health funding	S Hume	Mainly funding received in 2015/16 on a non-recurring basis		3.9	0.0
11.	Better Care Fund	S Hume	Exploring opportunities to realign spend between capital and revenue		1.8	0.0
B. Other Significant Variations						
1.	Staffing	Various	Ongoing tight vacancy management and reducing staff numbers in the Community Support Service			(2.7)
2.	Community care packages	J Bootle / M Naismith	Pressures experienced in 2015/16 on residential & nursing placements and the learning disability pooled budget are continuing			0.7
3.	Transport	J Bootle / M Naismith	Mainly increased costs, which are under investigation with Passenger Transport Services			0.6
4.	Other expenditure	Various	Savings on general running expenses through careful budget management, including the projected impact of essential spend only for the remainder of the year			(0.6)
5.	Income	Various	Mainly funding for staffing costs through the learning disability pooled budget and service user contributions			(0.6)
					Adult Social Care Directorate - Forecast Variation	
					0.0	

CHILDREN'S SERVICES FINANCIAL DASHBOARD

MONTH 4 (JULY 2016)

Overall - At period 4 the directorate is reporting a projected overspend of £5.25m. The Period 4 position is an increase of £1.45m on that reported at Period 3 and is mainly due to an increase of £1m in the projected overspend on transport and a reduction in the projected savings from commissioning. The directorate is facing a number of budget pressures, if all materialised to the worst case level then the extent of the overspend could be higher than the £5.25m projected position. The directorate has committed to a number of actions to mitigate against these budget pressures including additional controls on recruitment and promoting the ELI scheme in some areas, a review of contracts and a review of spend including restrictions in all areas of non-essential spend. In addition, the directorate is anticipating additional DfE funding, not all of which will result in additional spend although this will be subject to the approval of a bid.

CLA Obsession - At period 4, the directorate is looking after an additional 56 looked after children in external residential placements and with Independent Fostering Agencies than the 2016/17 budget provides for and this has resulted in a projected £4.9m pressure around CLA demand budgets (£3.5m External Residential & £1.4m Independent Fostering Agency). In the last quarter of 2015/16 numbers had increased and numbers continued to increase in April but there has been a steady reduction in children looked after numbers since May. There are currently 1,237 CLA children; this includes 55 with external residential and 218 with independent fostering agencies. There is a £0.9m pressure on in-house fostering but this is partly off-set by additional income on adoption. Overall the CLA budget supports 1,170 placements which includes provision for 36 ER and 185 IFA placements. The current projection assumes that the looked after children numbers will continue to gradually reduce during the remainder of the financial year.

Staffing - Current assumption is for pay to balance. There are some risks around this forecast although the directorate has committed to take action to reduce staffing numbers. Current FTE levels (2,420) and spend would suggest an overspend of approximately £0.5m although FTE numbers have reduced in May, June and July and the monthly spend on pay is reducing.

Commissioned Services - A £0.1m saving target around the £10m of commissioned contracts and other spend within the directorate. There is a risk that this saving target is not achieved. The target has been reduced from Period 3 by £0.4m.

DfE Innovations Funding - There is a potential pressure of £0.8m with the existing DfE Innovations funding. The current projection assumes that actions will be taken so that overall commitments match the funding available but there is still a significant risk that commitments will exceed the available funding in 16/17.

Transport - The home to school and home to college transport budget is under significant pressure due to a rise in the number of young people with complex needs, a rise in the transport requirements outside the city and an increase in private hire rates. The pressure is currently identified at £2.7m, this is an increase of £1m on the position reported for Period 3 and is based on the latest demand and price information.

Other Income - Additional £2m DfE Innovations & Partners in Practise grant (part of a new 4 year bid which has not been secured yet). A further £0.3m HRA income to support the FIS and MST Service. Offsetting this is a net £0.6m pressure from the loss of £1.6m CCG income supporting the Children's Centres offset by an anticipated £1m health income from ASC.

Dedicated Schools Grant (DSG) Pressure- Pressures have emerged over the past term principally in relation to the Social Emotional and Mental Health provision, Funding for Inclusion numbers and Central Early Years expenditure which total £4.6m. In addition there is a risk re receiving the budgeted Schools Forum funding for the Readiness for Learning proposal. Options are being considered as to manage this pressure over the medium term.

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	19,467	(1,137)	18,330	622	0	(583)	2,700	0	0	0	0	0	2,739	(40)	2,699
Learning, Skills & Universal Services	129,226	(116,971)	12,255	(687)		(686)	0	(119)	(942)			153	(2,281)	1,841	(440)
Safeguarding, Targeted & Specialist Services	121,679	(29,547)	92,132	(12)	1	(297)	186	(74)	7,547			875	8,226	(5,232)	2,994
Central Overheads	8,933	(11,878)	(2,945)	0	0	0	0	0	0	0	0	0	0	0	0
Total	279,305	(159,533)	119,772	(77)	1	(1,566)	2,886	(193)	6,605	0	0	1,028	8,684	(3,431)	5,253

Key Budget Action Plans and Budget Variations:					Action Plan Value	Forecast Variation
		Lead Officer	Additional Comments		£m	£m
A. Significant Variations						
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies) partly offset by additional income from adoption.			4.90
	Passenger Transport	Sue Rumbold	Increased numbers of children requiring education outside the city, increased complexity of need and an increase in private hire rates. .			2.70
	Income - DSG	Steve Walker	The current projection allows for a £0.75m shortfall against the budgeted income. The other pressures on the DSG could be partly met by exploring options in relation to balances and re-examining eligibility criteria. Options to be presented to School Forum in October.			0.75
	Income - DfE BID	Steve Walker	New BID to DfE in 2016/17. Assumes that not all the proposed expenditure will be additional.			-2.00
	Commissioning	Sue Rumbold	Target saving against the £10m commissioning budget. Specific savings proposals to be presented to CSLT. There is a risk that sufficient savings cannot be achieved in 2016/17.			-0.10
	HRA - funding	Steve Walker	Additional HRA income re signpost and MST service may not be forthcoming. It is subject to agreement with Environments & Housing.			-0.30
	Savings challenge across department	All	Target savings against running costs and staffing budgets. Proposals are being considered by CSLT. There is a risk that sufficient savings are not identified.			-1.80
B. Key Budget Action plans (BAP's)						
A1	Securing additional income from Schools Forum	CSLT	£3.4m of funding per academic year provisionally agreed subject to delivery of activity and funds being available from DSG.	2.40		0.00
A2	Health Funding For Children's Centres	CSLT	Negotiate with CCG's to extend 15/16 funding into 16/17. Income unlikely to be received from CCGs but alternative funding being pursued.	1.60		0.60
C1	Reconfigure services to young people at risk of becoming NEET	Andrea Richardson	IAG contract has been extended to July 2016. Some existing provider staff will TUPE.	1.20		0.25
E1/E2/E4	Staff savings	Sue Rumbold	Reduction in posts/additional trading opportunities and ELIs. Linked to medium term strategy for the directorate. Further staff reductions are required to meet budget assumptions.	1.40		0.00
E5	Reduce net cost of Learning For life managed Children's Centres Childcare.	Andrea Richardson	Ensure childcare income generated is reflected in childcare staffing levels	0.50		0.30
A3	Improvement partners	Steve Walker	Maximise income from supporting other LA's. Work underway with Manchester. Other expressions of interest from other LA's. Innovations bid to DfE ongoing. Decision due late summer.	0.50		0.00
A4	Adel Beck	Francis N'Jie	Maximise income from selling to other LA's. Rates revised for 16-17 to recover this additional income subject to occupancy levels being achieved.	0.40		0.00
E3	Impact of residential review on overtime costs	Steve Walker	Running cost efficiencies following closure of Pinfolds and Bodmin. Linked to the overall pay strategy for the directorate.	0.40		0.00
	Various other budget savings (10)	All CO's	Including reconfiguration of Targeted Services, a review of assets, additional trading with schools, reviewing non Statutory costs etc.	2.29		(0.05)
C. OTHER VARIATIONS						
Children's Services Directorate - Forecast Variation						5.25

CITY DEVELOPMENT 16/17 BUDGET PERIOD 4 (April - July)

Overall - At Period 4 the underlying position in City Development is a projected overspend of **£1.26** against the 2016/17 budget however this is being offset this year by the use of Bridgewater Place money estimated at £916k and Arena Debt savings and asset income of £570k to reduce this to a projected underspend of **£226k**. This is based on a number of assumptions and recognising some high level risks within the budget:

There are concerns around Planning Appeals costs this year as the service currently have a number of appeals ongoing from 2015/16 and new ones coming in in 2016/17, this is currently estimated at £200k., and is partially offset by increased CIL income and an underspend on staffing.

In Economic and Asset Management the advertising Income pressure has increased by £31k to £319k. Although the income target was reduced in the 2016/17 estimates cycle by £200k it is unlikely to achieve its target this year due to time required to build up the advertising sites portfolio and programme delays around approvals for the advertising sites. It is assumed that this will be offset by Arena debt savings (£450k) and income from two new asset purchases recently approved by Executive Board (£120k). Income receipts at Kirkgate Market are also under pressure due to the extension of rent discounts into 2016-17 and later than anticipated new lettings resulting from delays to its redevelopment. The projected effect will be an under recovery of £460k against the income budget.

Highways and Transportation have a number of budget pressures specifically in relation to drainage and roads maintenance issues (£230k) which are to be funded from increased external income.

In LAH there is a projected loss of income from Room Hire at the Art Gallery (closed for roof repairs) £100k, which is offset by the NNDR Rebate and there is increased Town Hall bar and catering income

Overspends in supplies and services are funded by and related to increased events income etc. Within the Sport Service overspends on supplies and services including catering, resalables and Consultancy costs are offset with associated increases in projected income, which also includes an anticipated £40k shortfall of income in relation to the pool closure and refurbishment at John Smeaton and a £60k pressure due to incorrect treatment of VAT on the Fitness and Swim Bodyline Offer.

The Directorate Strategy is to use the proposed £916k Bridge Water Place settlement to part fund these net pressures and contribute the balance to the corporate strategy. In the service analysis below £460k is utilised against specific services and £456k Highways & Transportation.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Planning and Sustainable Development	8,571	(5,753)	2,818	(77)	0	197	0	17	0	0	0	0	137	(50)	87
Economic Development	4,886	(4,011)	875	59	61	42	0	22	0	0	0	0	184	263	447
Asset Management and Regeneration	11,170	(10,405)	765	(79)	(4)	(26)	(1)	(134)	0	0	0	0	(245)	(37)	(282)
Highways and Transportation	55,788	(39,605)	16,183	(257)	5	(174)	25	(8)	0	0	0	0	(409)	(37)	(446)
Libraries, Arts and Heritage	22,490	(7,644)	14,846	(70)	(120)	257	(1)	8	22	0	0	0	96	(140)	(44)
Sport and Active Recreation	24,418	(18,753)	5,665	(5)	15	28	3	4	0	0	0	0	44	(24)	20
Resources and Strategy	1,720	(95)	1,625	(8)	0	0	0	0	0	0	0	0	(8)	0	(8)
Total	129,043	(86,266)	42,777	(437)	(44)	324	25	(91)	22	0	0	0	(201)	(25)	(226)

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
A. Budget Action Plans					£'000	£'000
		Lead Officer	Additional Comments			
1.	Planning and Sustainable Development	Tim Hill	Reduction in the net cost of service through management restructure, staffing savings and increased income generation		550	(113)
2.	Economic Development	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation		280	(13)
3.	Asset Management & Regeneration	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation		410	(155)
4.	Highways and Transportation	Gary Bartlett	Reduction in the net cost of service via alternative service delivery, removal of subsidies, staffing savings and additional income		440	10
5.	Libraries, Arts and Heritage	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation		570	(44)
6.	Arts Grant	Cluny MacPherson	Full Year Effect of new grant allocations will deliver the savings. DDN published 25 March 2015 and implemented 1st April 2015		125	0
7.	Sport and Active Recreation	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation		440	20
8.	Resources and Strategy	Ed Mylan	Reduction in the net cost of service via efficiency and staffing savings		30	(8)
9.	Directorate	All Chief Officers	Directorate-wide additional income target		460	0
B. Other Significant Variations						
1.	Asset Management	Tom Bridges	Reduced borrowing costs at Leeds Arena (£450k) income from new assets (£120k) offsetting reduced income from Advertising and increased legal costs			(127)
2.	Highways	Gary Bartlett	Additional Highways Income			0
3.	Planning Appeals	Tim Hill	Uncertainty at this stage around the costs of planning appeals			200
4.	Kirkgate Market	Tom Bridges	Extension of rent discounts and other rent reductions resulting from the delay in the Kirkgate redevelopment.			460
5.	Bridgewater Place	Martin Farrington	As per the Directorate Strategy, use of balance of Bridgewater Place settlement to mitigate pressures			(456)
					City Development Directorate - Forecast Variation	
					(226)	

ENVIRONMENT & HOUSING DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR
 Month 4 Report - July 2016

<p>Overall Position (£89k under budget)</p> <p>Community Safety (£129k under budget) The service is projecting an underspend on staffing of £186k (offset by reduced charges to HRA of £75k). One off income in year has been received from West Yorkshire Police & Crime Commissioner (£85k) for contributions to LASBT (Leeds Anti social behaviour team) and additional Ministry of Justice funds (£89k) have been utilised. CCTV income is projected to be lower than budgeted by £77k. Other variances (+£79k).</p> <p>Parks & Countryside (£83k under budget) Even though there was no Easter in 16/17, turnover at attractions (including cafe/retail) continues to be strong with a projected increased surplus (£123k). Staffing savings of £79k are partially offsetting the projected reduction in Golf income £92k and additional marketing activity at Tropical World £66k. Other net savings across the service total (£39k).</p> <p>Environmental Action & Health (£143k under budget) Env Action - Projected staffing savings of (£294k) are offset by loss of Wellbeing funding £36k and £112k additional transport costs in respect of GPS system for gully tankers and additional vehicles. Other variations of +£36k. Env Health - projected staffing savings of (£57k) + other minor costs (+£23k).</p>	<p>Car Parking (£235k under budget) Ongoing vacant attendant posts (£141k) partially offset by additional expenditure of £43k (mainly for P&D machine maintenance and the upgrades required to facilitate the new £1 coin coming into circulation in 2017). Overall income is projected to be increased by (£137k). This includes: Woodhouse Lane (£116k) of which (£90k) is for the 50p increase (in June); other variations being off street parking (£95k), On street £190k, PCN/BLE (£86k) and other income (£30k).</p> <p>Housing Support/Partnerships/SECC/SP Contracts +£45k over budget Housing staffing underspends (£449k) due to vacant posts are partially offset by a reduction of £398k corresponding income charged to HRA. Variations in SP contracts are £25k Other variations across all areas are projected to be £122k.</p> <p>General Fund SS (+£367k over budget) Of the £970k Directorate wide staffing efficiency target, £604k savings have been included within the projected position of individual services and therefore remains a pressure within GFSS. (It is assumed that the remaining £366k will be found across the directorate in year). Offsetting the £604k are staffing savings in Intelligence & Improvements (£107k) and assumed directorate line by line savings of (£128k).</p> <p>Leeds Building Services (£0k Nil variance) The service is currently projecting an overspend on staffing of +£238k, this being offset by corresponding reduction in the Sub Contractor costs. The service has a WIP of £15.7m.</p>	<p>Waste Management +£89k over budget</p> <p>Refuse (£0k nil variance) Additional staffing costs relating to additional back up routes and sickness levels being above target are anticipated to be offset by the identification of other staffing savings. No overall variance is projected.</p> <p>HWSS & Infrastructure (£8k under budget) Additional staffing costs of £107k are forecast, reflecting additional operatives at HWSS required to deal with higher than anticipated waste volumes. Additional weighbridge and collection contract income is projected to offset these costs.</p> <p>Waste Strategy & Disposal (+£97k over budget) The continuing reduction of volumes at the RERF and higher than anticipated share of electricity (£60k) has resulted in a projected underspend of £245k. Higher than anticipated volumes of residual tonnages at HWSS are projected to cost an additional £191k. There is also a projected pressure of £234k re the disposal of Transfer Loading Station weighbridge tonnes. Some of this is external waste with an associated increase in income projection within Household Waste Sites & Infrastructure and the remainder is due to the disposal of internal waste mainly arising from Localities and Housing Leeds (with an assumed contribution of £100k). There is a pressure of £44k for disposal of collection contracts waste, which is offset by income in HWSS & Infrastructure. The projected overspend in respect of SORT disposal costs has reduced to £31k, reflecting a reduction in gate fees in recent months. All other tonnages and assumed actions to address the pressures are anticipated to reduce the overall overspend by £165k.</p>
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Budget Management - net variations against the approved budget;

Summary By Service				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		
Community Safety	8,723	(6,530)	2,193	(186)		65		(8)	(154)				(283)	154	(129)	
Strategic Housing, SECC, Contracts	18,610	(9,429)	9,181	(482)	(5)	105		2		100			(280)	325	45	
General Fund Support	(429)	(408)	(837)	495		(128)							367		367	
Leeds Building Services	45,305	(51,376)	(6,071)	174	174	1,116		(224)					1,240	(1,240)	0	
Parks & Countryside	29,328	(21,309)	8,019	80	(26)	354		(30)	102				480	(563)	(83)	
Waste Strategy and Disposal	20,429	(5,749)	14,680	(27)		124							97		97	
Household Waste Sites & Infrastructure	4,502	(480)	4,022	108	9	6		8					131	(139)	(8)	
Refuse Collection	16,747	(375)	16,372	(3)					3				0		0	
Environmental Action	15,346	(4,343)	11,003	(294)	19	14		113	3				(145)	36	(109)	
Environmental Health	3,164	(765)	2,399	(57)		(3)		0	29				(31)	(3)	(34)	
Car Parking	5,003	(12,614)	(7,611)	(141)	2	41							(98)	(137)	(235)	
Total	166,728	(113,378)	53,350	(333)	173	1,694		(139)	(17)	100	0	0	0	1,478	(1,567)	(89)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1.	Dealing Effectively with the City's waste	Susan Upton	FYE of Waste Strategy and assumes PFI at £53.3 for B1 tonnes; £0.3m for additional recycling performance		(4.5)	0.0
2.	HWSS Strategic Review	Susan Upton	Service still reviewing options but likely to be 2017/18. Other savings to be identified.		(0.1)	0.0
3.	Parks and Countryside additional income	Sean Flesher	Implement price rises, plus additional income at various attractions		(0.6)	0.0
4.	Leeds Building Services	Simon Costigan	Identification of savings to fund PPPU costs		(0.2)	0.0
5.	Car Parking	Helen Freeman	Review of Price tariffs and additional income target. Delay in implementation (DDN being drafted)		(0.2)	0.0
6.	WYP & CC grant use	Sam Millar	£713k funding budgeted but not confirmed therefore remains a risk		(0.7)	0.0
7.	Savings in Housing related support programme	Neil Evans	FYE of 15/16 plus recommissioning of more SP contracts		(0.3)	0.1
8.	Directorate wide staffing reductions	Neil Evans	£0.9m unallocated in Support accounts, current level reduced to £0.4m + £0.3k of other staffing targets		(1.2)	0.0
9.	Contract / Procurement Savings / Line by Line		Target for contract savings in the base. (not shown as a variance as reported corp in 15/16)		(0.3)	0.0
10.	All Other action plan items				(0.1)	0.0
B. Other Significant Variations						
1.	Waste Disposal Costs	Susan Upton	Net budget £15.7m for 329.2k tonnes of waste; Detailed in year monitoring			0.1
2.	Refuse Collection staffing costs	Susan Upton	£12.2m pay budget in service; £0k variation anticipated at P4			0.0
3.	Refuse Collection vehicle costs	Susan Upton	Repairs £0.7m; Fuel £1.2m. Nil variance at P4 (Service currently pursuing Transport recharges)			0.0
4.	Car Parking BLE / PCN income	Helen Freeman	BLE £1.4m; PCNs £2.3m - (£86k) variance projected at P4			0.0
5.	Car Parking Fee Income	Helen Freeman	£8.4m budget increase of £810k from 15/16. (Introduced new WHLCP increased by 50p June 2016)			(0.1)
6.	Environmental Action staffing	Helen Freeman	£13.5m pay budget in service			(0.2)
7.	Property Maintenance	Simon Costigan	Budgeted surplus of £5.2m required to be delivered. Service currently operating with £15.7m WIP			0.0
8.	Parks and Countryside - Tropical/ Lotherton	Sean Flesher	£1.7m Income budget (incl: TWorld £1.3 m budget)			(0.1)
9.	Parks and Countryside - Bereavement Services	Sean Flesher	£6.3 m budget			(0.1)
10.	All other variations					
Environment & Housing - Forecast Variation						(0.1)

**STRATEGY AND RESOURCES
FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR
MONTH 4**

Overall

Action plans are generally on line to deliver the budgeted savings. The only area currently expected to create a pressure is income within the PPPU which currently is reporting a net overspend of £318k.

Strategy & Improvement

Total staffing savings amount to £63k - this arises from staff leaving via ELI and vacant posts not yet filled or not being filled.

Internal income to be generated by Business Improvement Hub of £180k is now to be funded by savings identified via the Support Services review. The apparent shortfall in income relates to efficiencies input into Strategy and Improvement's income budget to cover a shortfall in the budget requirement of the service - savings identified by the service means these efficiencies will be achieved.

Finance

The current projection shows the Finance budget approx £100k overspent at year end. Further leavers are expected though and it is anticipated that a balanced position will be achieved by year. The key risk however is the level of court summons income.

Human Resources

Staffing underspend due to freezing of posts. Supplies and services pressure due to insufficient budget for SAP Maintenance, supplies and services savings due to reduced Legal costs expected for Schools offset against reduction in Schools income.

Information Technology

Savings on staffing costs due to vacant posts are expected to be offset by reduced income as these posts are income generating.

PPPU

Based on current projections, the Unit will be £718k overspent at year end. Even though there is an underspend on pay of £671k and a freeze on posts is in place, income is projected £1,389k less than budget. The main reasons for the shortfall in income are the fall out of NGT (£619k), Health Transformation (£81k) and various capital schemes (£559k). PPPU's Senior Management Team are reviewing workload and income streams and the reported variance assumes that an extra £400k of income can be realised by year end. Obviously this is a significant risk area for the Directorate.

Legal Services

Legal are currently under budget on staffing by £32k and all expenditure budgets are online. There is a risk that internal income will be significantly below budget, principally because of the reductions in the legal establishment. An action plan is, however, in place and the position is being monitored closely.

Democratic Services

Savings built into the budget in respect of superannuation on Members allowances have been delivered; following the May elections there are now no members in the scheme. We are currently forecasting a saving of £26k on Scrutiny as a member of staff has left and the service will manage those workloads from existing resources. Governance is on line to achieve budget and will take opportunities as they arise to deliver savings. There is an underlying, ongoing pressure on the Members Support budget due to continuing high demand, but the service will take opportunities to deliver savings as they arise.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Strategy & Improvement	4,822	(471)	4,351	(63)	0	1	0	0	0	0	0	0	(62)	62	0
Finance	15,843	(7,004)	8,839	9	0	5	0	0	0	0	0	0	14	(13)	1
Human Resources	8,294	(1,903)	6,391	(124)	0	13	4	(30)	0	0	0	0	(137)	137	0
Information Technology	19,369	(6,015)	13,354	3	0	0	0	0	0	0	0	0	3	(3)	0
Projects, Programmes & Procurement	7,658	(6,085)	1,573	(671)	0	0	0	0	0	0	0	0	(671)	989	318
Legal Services	4,736	(6,915)	(2,179)	(32)	0	0	0	2	0	0	0	0	(30)	30	0
Democratic Services	4,944	(26)	4,918	(26)	0	0	0	0	0	0	0	0	(26)	0	(26)
Total	65,666	(28,419)	37,247	(904)	0	19	4	(28)	0	0	0	0	(909)	1,202	293

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
Efficiencies						
1	Financial services	Doug Meeson	Further changes to way services provided, self service, less internal audit, centralisation.		0.76	0.00
2	HR	Lorraine Hallam	On-line advice, less HR input into low level cases, ELI and vacancy management		0.37	0.00
3	ICT staffing	Dylan Roberts			0.12	0.00
4	ICT Print Smart	Dylan Roberts	Further efficiencies on top of those delivered in 2015/16		0.10	0.00
5	Legal Services	Catherine Witham			0.05	0.00
6	Corporate Communications and intelligence	Mariana Pexton	Staffing and efficiency savings, mainly within the Communications Team		0.38	0.00
7	Democratic services	Catherine Witham	Staffing and efficiency savings. Member pension saving		0.12	0.00
8	ICT procurement savings	Dylan Roberts	Modernisation of telephony		0.33	0.00
9	PPPU	David Outram	Significant reduction in Procurement particularly low value procurements. Additional external income		0.66	0.32
Additional income - traded services, partner and other income						
10	ICT	Dylan Roberts	Provision of managed service to WY Joint Services		0.15	0.00
B. Other Significant Variations						
Net effect of all other variations						-0.03
Strategy and Resources Directorate - Forecast Variation						0.29

CITIZENS AND COMMUNITIES
FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR
MONTH 4

Overall

Budget action plans have been reviewed with each Chief Officer in April and at present it is anticipated that all plans will be achieved, therefore the Directorate is currently projected to come in slightly under budget.

Communities

The latest figures for Community Centres indicate a potential overspend of £50k, although this assumes no savings in utility costs (last year this was £50k) which could balance the overall position. We have also assumed a drop in income as Leeds City College will be moving out of St Barts/Strawberry Lane and this used to bring in £30k per year. Budgeted savings in respect to Well Being, Youth Activities, Innovation Fund have been delivered. The full saving of 3rd Sector Infrastructure Grant will not be delivered in year but this will be offset by savings elsewhere within the service. The variances recorded below all relate to Migration Services and reflect some savings on staffing cost due to delayed recruitment and transfer of income in year to reserve. Overall the service will balance to resources in year.

Customer Access

Savings targets built in to the budget for 2016/17 are challenging and there is a significant amount of work involved in developing the Community Hubs. The budget for 2015/16 had a saving of £100k built in for Community Hubs and there is a further £100k saving for 2016/17. The development of the Community Hubs and the service integration is fundamental to being able to deliver both the staffing and the asset savings (a further £120k). The Executive Board report requesting approval of £4.6M of capital spend which is required to develop the retained assets that are becoming the hub sites to allow both service integration and release of surplus assets was approved and work is now underway. This is clearly a complex process and there remains a risk that these savings may not be achieved in year. This risk will be mitigated through regular meetings and careful planning. At this stage we are optimistic that the budget savings can be achieved.

The Transactional Web savings of £200k relate to staffing costs in the Contact Centre and these are currently on line to be delivered.

Elections, Licensing & Registration

A small underspend of £9k is expected, largely due to staff vacancies.

Benefits, Welfare and Poverty

Benefits will start to feel the effects of the initial changes from the introduction of Universal Credit (commenced Feb 2016). Only one benefit has been taken out of LCC control for new cases but there may well be a noticed change to case load. Of the vacancies held in Benefits, 7 of those are seeking recruitment this financial year. These vacancies have accumulated over a number of financial years.

Overtime, in comparison to last year, is down but without a budget in place for it the costs are all at overspend. There have been a couple of windfall grants notified to us but these have not as yet been declared ie Pension Assessed Income, Temporary Absence, Family Premium which relate to the DWP New Burdens. The FERIS and Single Fraud grants have been declared to match additional off-site processing work.

Staffing overall is slightly underspent - again the Social Inclusion team will be fully funded by the Casino Reserve and with the Casino opening later this year additional income from the profits of the casino should enhance income further, though this may not be fully realised until 17/18 accounts. With the newly procured suppliers for postages LCC should see the reductions in costs materialising which should mean meeting the supplies and services efficiencies.

Housing Benefit and Caseload

In comparison to Period 3 in 15/16 the HB total caseload has decreased by 3,400 to 65,422.

Projected total expenditure for 16/17 is £278m in comparison to last years outturn of £288m, this was projected in the initial Estimate that was submitted to DWP.

The service continues to undertake campaigns of interventions (claim reviews). In 15/16 there were 4 campaigns of 10,000 claims. In 16/17 only the first campaign has been completed and therefore has yet to have an effect on the level of overpayments raised. Work with the DWP / HMRC provides Real Time Information (RTI) - to identify Earned Income and Private Pensions either not declared or under declared by customers in respect of their HB claim. These continue to be received by the service on a monthly basis. Both LA Error & Eligible Error, which were on a par with values raised at Month 2 in 15/16, are reporting at Month 4 a reduced level. This could be a one month "blip" that will only be realised in future months. In the month 4 projection therefore, it is still assumed that the value of overpayments will pick up and return to the level budgeted for, however this is a risk area.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES															Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Communities	12,452	(6,900)	5,552	(27)	0	33	0	(2)	0	0	0	42	46	(46)	0	
Customer Access	16,930	(1,568)	15,362	0	0	0	0	0	0	0	0	0	0	0	0	
Elections, Licensing & Registration	6,751	(6,024)	727	42	1	6	5	(4)	0	0	0	0	50	(59)	(9)	
Benefits, Welfare and Poverty	298,425	(295,513)	2,912	(85)	15	103	(10)	160	0	(8,843)	0	0	(8,660)	8,660	0	
Total	334,558	(310,005)	24,553	(70)	16	142	(5)	154	0	(8,843)	0	42	(8,564)	8,555	(9)	

Key Budget Action Plans and Budget Variations:							
	Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m		
A. Key Budget Action Plans							
Efficiencies							
	Community hubs	Shaïd Mahmood	Efficiencies from bringing services together, linked to Phase 1 and 2 of the capital investment in the service		0.10	0.00	
	Running costs	Shaïd Mahmood	Main savings in Communities		0.29	0.00	
	Transactional web	Lee Hemsworth	Further savings from the implementation of transactional web, mainly staffing		0.20	0.00	
	Registrars	John Mulcahy	Review of costs and income		0.07	0.00	
	Asset savings	Shaïd Mahmood/Lee Hemsworth	Savings in line with the asset management plan for closure of buildings and move of some HRA functions into the Community Hubs		0.12	0.00	
	Other	All CO's	£64k from PPE, printing and mail		0.10	0.00	
Changes to service							
	Third sector infrastructure grant	Shaïd Mahmood	Grant reduction		0.07	0.00	
	Reduction in wellbeing and youth activities	Shaïd Mahmood	Reduction in budget		0.20	0.00	
	Innovation Fund	Shaïd Mahmood	Budget reduction		0.05	0.00	
Additional income - traded services, partner and other income							
	Housing benefits overpayments	Steve Carey	Level of overpayments down compared to last year. Projections still assume that the trend will pick up and the budget will be met, although this is a significant risk area.		0.35	0.00	
	Council Tax Single Person Discount	Steve Carey	Continue Capita work £200k target added to CT base		0.00	0.00	
	Advice consortium and welfare rights	Steve Carey	HRA contribution relating to under occupancy and rent arrears		0.20	0.00	
	Local Welfare Support Scheme	Steve Carey	HRA contribution in respect of support of Council tenants		0.10	0.00	
B. Other Significant Budgets							
	Net effect of all other variations					-0.01	
Citizens and Communities Directorate - Forecast Variation						-0.01	

**PUBLIC HEALTH
FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR
MONTH 4**

Overall

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The allocation of the ring fenced Public Health grant for 2016-17 is £46,630k, this includes an additional £4,993k of funding for the full year effect for the 0-5 years services (Health Visiting and Family Nurse Partnership) which transferred to LCC in October 2015. On the 4th November 2015 the 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%, this has been confirmed as a recurrent cut, resulting in a £2.818m recurrent cut for Leeds City Council. In addition to the £2.818 cut, the 2015 comprehensive spending review has shown a further 3.9% real terms reduction in 2016-17 which equates to an additional reduction of £1.1m. The grant allocation represents a cash reduction of £3,896k or 7.71%.

Although the Public Health grant for 2016-17 is fully committed, a 2 year cuts plan has been implemented in order to meet the required savings. Work has taken place to identify options for savings and critical difficult decisions have had to be taken in order to meet this significant challenge. Savings have been made through successful consultation and negotiation with our partners and providers including 3rd Sector and NHS providers, this has resulted in approx. £1.1m of savings. In addition savings have been made from the Public Health funding which is provided across Council directorates to support joint commissioning and commissioning of Council run services resulting in £355k of savings. Savings of £955k have been found from Public Health programme budgets, vacant posts, support services and running costs. In 2016-17 there is a £1.3m shortfall to meet the required £3.9m cut, this amount has been taken from Council reserves and will be paid back by the end of 2017-18 as part of the Public Health cuts plan.

Detailed Analysis

The planned saving of £233k as part of the transfer of the TB contract will not materialise, though work to find compensating savings is now completed and is currently predicted to slightly over-achieve. Due to overtrading of sexual health services, provision was made for anticipated costs however it is likely that these costs will not materialise in full therefore resulting in savings to compensate for this risk.

Due to staff turnover and vacant posts on hold as a result of a review to prioritise critical posts that need to be filled, pay costs are projected to be £140k underspent. Work is continuing to identify potential financial pressures particularly in relation to costs associated with the new drugs and alcohol contract and Public Health activity contracts which are paid based on demand and some on NHS tariff.

Overall, this means that the grant funded budgets are projected to be £172k underspent. This underspend will be used to reduce the amount required from reserves to fund the budget shortfall.

In Supporting People there are a number of vacancies which has resulted in a projected underspend of £27k.

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		(46,630)	(46,630)	0	0	0	0	0	0	0	0	0	0	0	0	0
Staffing and General Running Costs	5,023		5,023	(140)	0	0	0	0	0	0	0	0	(140)	0		(140)
Commissioned and Programmed Services:																
- General Public Health	208		208	0	0	0	0	0	0	0	0	0	0	0	0	0
- Population Healthcare	283		283	0	0	0	0	0	0	0	0	0	0	0	0	0
- Healthy Living and Health Improvement	15,329	(140)	15,189	0	0	0	0	0	(36)	0	0	0	(36)	0		(36)
- Older People and Long Term Conditions	2,361	(47)	2,314	0	0	0	0	0	0	0	0	0	0	0	0	0
- Child and Maternal Health	14,059		14,059	0	0	0	0	(4)	0	0	0	0	(4)	0		(4)
- Mental Wellbeing and Sexual Health	9,248		9,248	0	0	0	0	0	(225)	0	0	0	(225)	0		(225)
- Health Protection	806		806	0	0	0	0	0	233	0	0	0	233	0		233
Transfer From Reserves		(500)	(500)	0	0	0	0	0	0	0	0	172	172	0		172
Supporting People	964	(637)	327	(27)	0	0	0	0	0	0	0	0	(27)	0		(27)
Drugs Commissioning	1,260	(1,260)	0	0	0	24	0	0	(24)	0	0	0	0	0		0
Total	49,541	(49,214)	327	(167)	0	24	0	(4)	(52)	0	0	172	(27)	0		(27)

Key Budget Action Plans and Budget Variations:

	Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans					
Efficiencies					
- General efficiencies on contracted services	Ian Cameron	A combination of reductions in demand, expiry of contracts, ending one-off contributions and activities now funded by other contracts or organisations		0.80	0.00
- Staff savings	Ian Cameron	Reduction in staffing pay budget through vacant posts on hold and vacancy management throughout 2016/17		0.42	0.00
Review of commissioned services					
Third Sector					
- Savings on contracts due to expire	Ian Cameron	5% saving on 22 contracts due to expire. Areas covered community development, food and nutrition, vulnerable groups, older people, sexual health, domestic violence, mental health, cancer screening, children's physical activity, obesity and breast feeding. All affected 3rd Sector providers have confirmed their acceptance of the 5% saving, public health contract managers continue to provide support to all providers.		0.16	0.00
- Drugs and alcohol services	Ian Cameron	Initial consultation with provider has taken place, further discussions are planned.		0.20	0.00
- Drug Intervention Programme and Integrated Offender Management	Ian Cameron	Consultation with partners and providers have begun in order to realise savings.		0.38	0.00
- Savings on existing contracts	Ian Cameron	Contracts affected include Health Visiting, School Nursing, Healthy Lifestyles, Smoking Cessation, Weight Management, Infection Control. Consultation with NHS provider has started, further discussions planned.		0.29	0.00
- Transfer of TB service to NHS provider	Ian Cameron	Following consultation with NHS Partners this saving will not be realised		0.23	0.23
Leeds City Council services					
	Ian Cameron	In response to this proposed reduction in public health funding in 16/17 to council provided services, £1.3m of non-recurrent earmarked reserves will be used to maintain services to March 17. LCC directorates and heads of finance have confirmed savings have been achieved and implemented either by absorbing the saving or in consultation with relevant provider.		1.75	0.00
Programmed budgets					
	Ian Cameron	Programme budgets removed for area health priorities across ENE, S&E and WNW. Adult public health programmes including drugs and alcohol, mental health, sexual health, infection control and fuel poverty. Children's public health programmes including obesity, breastfeeding, alcohol, drugs infant mortality and oral health.		0.60	0.00
B. Other Variations					
Projected underspend on staffing costs					(0.17)
Net effect of all other variations					(0.09)
Public Health - Forecast Variation					(0.03)

CIVIC ENTERPRISE LEEDS
FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR
MONTH 4

Overall

The overall projected position at period 4 is an overspend of £201k explained by a £200k overspend against the Catering net budget. The Catering overspend is mainly as a result of the marginal impact of the 7 schools which have been lost to the service plus the marginal impact of a shortfall against the adjusted meal numbers.

Business Support Centre

BSC are forecast to be on track to meet their 2016/17 savings target of £400k which is to be achieved through the freezing of posts and ELIs.

Commercial Services

The Commercial Services overspend of £201k is, as explained above, accounted for by the marginal impact of the 7 schools which were lost from the Catering service plus the marginal impact of a shortfall against the adjusted meal numbers. The projected overspend on staffing is mainly within the Cleaning Service and is offset by additional income. Work will be done with the Head of Service to identify the permanent resources requirement and income so that a virement can be done to ensure an accurate expenditure and income budget moving forward for Cleaning Services. Once this budgetary realignment is done, this will show that following the implementation of day time cleaning in civic buildings (thus avoiding premium staffing payments) and reduced cleaning frequencies and using the ELI initiative, the service is on track to meet the £200k savings from a lower cleaning specification included in the 2015/16 base budget and should provide a platform for savings in the following financial year.

Facilities Management

A balanced position is projected at month 4 although there are risks around accruals for services charges for the two joint service centres going back to 2013/14. The payment of these charges is being dealt with by Legal Services. There is also a potential risk on savings assumed in the Asset Rationalisation programme for Merrion House NNDR where, following advice, an accrual of £430k has been provided in 2015/16.

Corporate Property Management

A balanced position is projected at month 4 which assumes budgeted savings of £150k staffing and £450k on building maintenance will be achieved.

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	
Business Support Centre	15,090	(5,410)	9,680	(3)	1	(64)	0	0	0	0	0	0	(66)	66	0
Commercial Services	59,493	(56,858)	2,635	1,110	72	(216)	665	56	17	0	0	0	1,704	(1,503)	201
Facilities Management	9,919	(3,955)	5,964	(45)	30	22	0	0	0	0	0	0	7	(7)	0
Corporate Property Management	5,959	(587)	5,372	110	(117)	0	0	7	0	0	0	0	0	0	0
Total	90,461	(66,810)	23,651	1,172	(14)	(258)	665	63	17	0	0	0	1,645	(1,444)	201

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1	Asset rationalisation	Sarah Martin	Savings from: 1&3 Reginald Terr £29k, Belgrave Hse £60k, Deacon Hse £30k, South Pudsey Centre £25k, Tribecca £110k		0.29	0.0
2	Maintenance of council buildings	Sarah Martin	Reduce responsive maintenance		0.60	0.0
3	Catering Savings	Mandy Snaith	Agency staff		0.05	0.0
4	Energy	Sarah Martin	Impact of energy efficiency measures		0.05	0.0
5	BBM - admin, mail and print	Helena Phillips	Significant changes in respect of business processes required to deliver these savings across 4 contract areas.		0.37	0.0
6	Vehicle Fleet	Terry Pycroft	Extend life of light commercial vehicles		0.20	0.0
7	Recover cost of living wage	Richard Jackson	Recover from Property Cleaning.		0.20	0.0
8	Catering additional income.	Mandy Snaith	Increased income/efficiencies.		0.05	0.0
9	Additional MOT income.	Terry Pycroft	Increase number of MOTs undertaken.		0.03	0.0
10	Recovery of cleaning charges.	Les Reed	Recovery of charges from clients.		0.07	0.0
B. Other Significant Variations						
1	Net effect of all other variations					0.2
Civic Enterprise Leeds - Forecast Variation						0.2

STRATEGIC & CENTRAL ACCOUNTS 2016/17 BUDGET Period 4

Overall :

At month 4 , the strategic & central budgets are anticipated to underspend by £1.1m.

The key variations are;

- Debt - a forecast pressure of £1.4m due to the conversion of short-term debt to long-term to take advantage of low long-term interest rates.
- Section 278 income - a potential £1.5m risk due to lower levels of development activity.
- Procurement - a £1m variation which reflects that the procurement savings will be managed through directorate budgets.
- Early Leaver Initiative - a potential £0.4m additional spend over the £2m earmarked reserve.
- Savings of £2m from the additional capitalisation of eligible spend in general fund and school budgets.
- Appropriation of £2.7m of earmarked reserves.
- Savings of £0.7m on the levy contribution to the business rates

Budget Management - net variations against the approved budget

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	PROJECTED VARIANCES											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		
Strategic Accounts	(11,480)	(32,488)	(44,422)	400		1,000						(2,735)	(2,000)	(3,335)	1,500	(1,835)
Debt	24,380	(1,103)	23,277									1,364		1,364	0	1,364
Govt Grants	3,015	(26,434)	(23,419)											0	(590)	(590)
Joint Committees	37,411	0	37,411											0		0
Miscellaneous	2,450	(1,311)	1,139											0		0
Insurance	9,831	(9,831)	0			2,858		36					(1,024)	1,870	(1,870)	0
Total	65,607	(71,167)	(6,014)	400	0	3,858	0	36	0	0	(1,371)	(3,024)	(101)	(960)	(960)	(1,061)

Key Budget Action Plans and Budget Variations:

				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Doug Meeson	Latest projection of increased debt costs due to new long term borrowing.	A	13.0	1.4
2.	Minimum Revenue Provision	Doug Meeson	The budget assumes the use of £23.4m capital receipts to repay debt. There is a risk that capital receipts available to fund this may fall short by up to £2.1m.	A	10.3	0.0
3.	New Homes Bonus	Doug Meeson	No material variation anticipated at this stage in the year	G	(19.2)	0.0
4.	Business Rates (S31 Grants, Tariff adjustment & EZ)	Doug Meeson	Tariff adjustment £480k and Enterprise zone reliefs £370k not budgeted for.	A	(7.1)	0.1
5.	S278 Contributions	Doug Meeson	Projection from Capital team is £3m, therefore potential risk of £2.2m depending on development activity to the year-end	A	(5.2)	1.5
6.	General capitalisation target	Doug Meeson	Capitalisation of eligible spend in directorate/service revenue budgets. No variation anticipated at this stage.	A	(3.0)	(1.0)
7.	Schools capitalisation target	Doug Meeson	Capitalisation of eligible spend in school revenue budgets.	A	(2.5)	(1.0)
8.	Corporate Savings Target	Doug Meeson	Centrally-held budget savings target. Actual savings will be shown in Directorate budgets.	A	(1.0)	1.0
9.	PFI Contract Monitoring Target	David Outram	Budget held in the strategic accounts pending confirmation of where the reductions in expenditure will be achieved	A	(0.9)	0.0
10.	Early Leaver Initiative	Doug Meeson	£2m earmarked reserve established to fund the severance costs in 2016/17.	A	0.0	0.4
B. Other Significant Budgets						
			Potential additional costs in-year which will be managed through the Insurance Reserve			
1.	Insurance	Doug Meeson	No material variation anticipated at this stage.	A	0.0	(1.0)
2.	Business Rates Levy	Doug Meeson	Contra budgets in directorate/service accounts. No material variation at this stage.	G	3.0	(0.7)
3.	Prudential Borrowing Recharges	Doug Meeson		G	(11.9)	0.0
4.	Earmarked Reserves	Doug Meeson	Capital Reserves.	G	0.0	(1.7)
4.	Bridgwater Place	Doug Meeson	Compensation to be received from the developer.	G	0.0	0.0
Strategic & Central Accounts - Forecast Variation					(1.1)	

1. 2016-17 Procurement Report

- 1.1 The Chief Officer for the Projects Programmes and Procurement Unit is required to provide statistical procurement information to Executive Board every quarter. This report provides information in relation to **Q1 of the 2016/17** financial year.

2. Procurement Savings

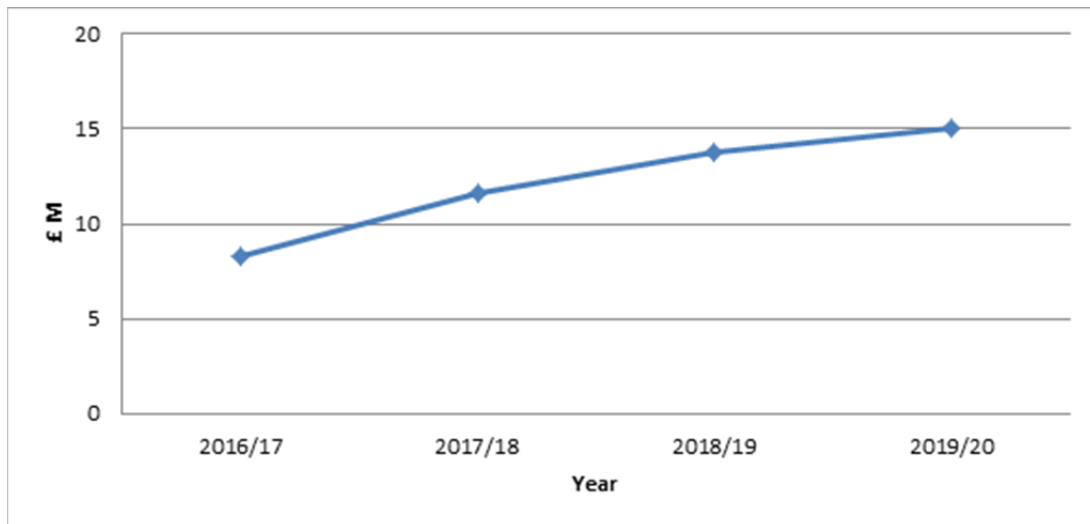
- 2.1 The delivery of procurements, and in turn procurement savings, are a result of cross-functional working with directorates. The procurement category teams work closely with directorate colleagues to seek to secure procurement and contract efficiencies and to reduce off-contract and non-contract spend. Agreeing and 'capturing' procurement savings, in discussion with directorates, enables budget holders to make informed choices and, where possible, translate identified saving opportunities into 'cashable' savings. The high level forecast savings are detailed below.

2.2

Updated June 2016	Prior Years £000s	2016/17 £000s	Future Years £000s	Projected Whole Life Saving £000s
Savings already deducted from previous year's and future budgets	* (17,656)	* (5,421)	* (7,849)	* (30,926)
Additional Projected savings (revenue and capital)	-	(2,902)	-	(2,902)
Total Forecast Savings on Current contracts	(17,656)	(8,323)	(7,849)	(33,828)
*Savings reflect the whole life of the contract and are reflected in the budget for the year the contract is awarded				

- 2.3 Anticipated savings on new procurements for contracts awarded as at 30th June are £2.902m.
- 2.4 Forecast savings are based on predicted contract usage and will be updated on a quarterly basis to reflect this.
- 2.5 Further savings are anticipated in the remainder of the year however as market conditions dictate the final tender values, savings will only be estimated once the final tender values are known.
- 2.6 In addition to the cashable savings identified above, the savings report also identifies cost avoidance or 'non cashable savings', for example whereby having implemented good procurement controls, or contract management, a price increase has been avoided or where the re-procurement of a contract has resulted in 'more for less'. By definition it is difficult to prove these savings as they are not usually quantifiable from a budget perspective. Nevertheless they do demonstrate the value added by effective procurement intervention and add value to the process.

2.7 Graph of Cumulative Procurement savings 2016/17 to 2018/19



3. Orders Placed on the Financial Management System (FMS)

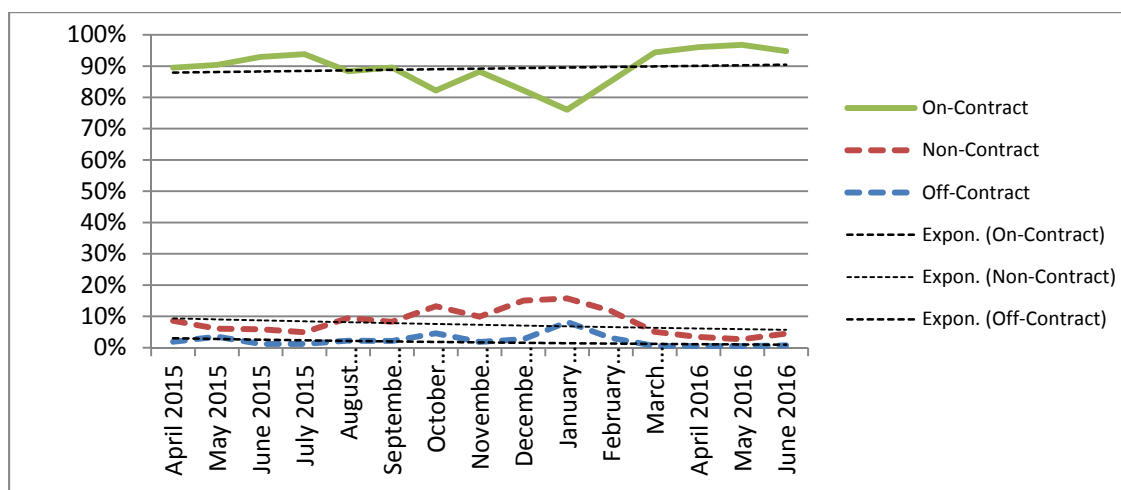
- 3.1 The following financial information is sourced from an analysis of all orders recorded in the council's main financial system, FMS. On the payments system, each creditor (a body or person to which a payment is made by the council) has an indicator on their record which allocates them to a category. Such categories include private companies, commercial individuals (sole traders), other public sector bodies, and the third sector. The classification of organisations is carried out by colleagues in corporate finance with typically several hundred new creditor organisations allocated to a category each month.
- 3.2 These figures do not include orders placed through feeder systems, such as Orchard², purchasing cards, or payment requisitions where BACS or cheque payments are made through FMS without the Business Support Centre processing an invoice and where therefore there is no associated order.
- 3.3 The table below shows all orders placed in FMS during Q1 2016/17. Data from the corresponding period in 2015/16 is included for comparison.

Classification	Q1 2015/16			Q1 2016/17		
	Order Value	Number of Orders	% of Total	Order Value	Number of Orders	% of Total
On Contract	£122,087,465	5,002	75.42%	£176,774,077	4,685	72.50%
Non-Contract	£10,060,210	4,571	6.21%	£5,825,169	4,338	2.39%
On Contract - Quasi	£24,599,485	1,623	15.20%	£55,386,454	2,153	22.72%
On Contract - Waiver	£258,108	22	0.16%	£2,251,455	75	0.92%
Off-Contract	£3,687,268	911	2.28%	£1,278,204	546	0.52%
Non-Contract - One off or non-influenceable	£1,194,586	269	0.74%	£2,308,866	375	0.95%
Grand Total	£161,887,122	12,398	100.00%	£243,824,227	12,172	100.00%

² Orchard is used by various council functions for dealing with the financial aspects of council owned property, for example to pay contractors for undertaking repairs to the housing stock.

On, off and non-contract orders placed on FMS

- a) The graph below shows the percentage of on, off and non-contract orders placed on FMS from April 2015 to June 2016.



4. Local Suppliers

- 4.1 Orders placed with local suppliers in **Q1 2016/17** are detailed below. Data from the corresponding period in 2015/16 is included for comparison.

Classification	Q1 2015/16			Q1 2016/17		
	Order Value	Number of Orders	% of Total	Order Value	Number of Orders	% of Total
Local Spend	£62,429,954	5,410	38.56%	£105,763,846	5,075	43.38%
Non-Local Spend	£99,457,167	6,988	61.44%	£138,060,381	7,097	56.62%
Grand Total	£161,887,122	12,398	100.00%	£243,824,227	12,172	100.00%

Suppliers with a Leeds metropolitan area postcode have been included in the above data. These are postcodes LS1 to LS29 plus BD3, BD4, BD10, BD11, WF2, WF3, WF10, WF12, WF17.

5. Third sector

- 5.1 Orders placed with third sector suppliers in **Q1 2016/17** are detailed below. Data from the corresponding period in 2015/16 is included for comparison.

Classification	Q1 2015/16			Q1 2016/17		
	Order Value	Number of Orders	% of Total	Order Value	Number of Orders	% of Total
Third Sector	£40,689,137	1,621	25.13%	£71,789,116	1,525	29.44%
Non Third Sector	£121,197,985	10,777	74.87%	£172,035,110	10,647	70.56%
Grand Total	£161,887,122	12,398	100.00%	£243,824,227	12,172	100.00%

6. Small and Medium Enterprises (SMEs)

- 6.1 Orders placed with SMEs in **Q1 2016/17** are detailed below. Data from the corresponding period in 2015/16 is included for comparison.

Classification	Q1 2015/16			Q1 2016/17		
	Order Value	Number of Orders	% of Total	Order Value	Number of Orders	% of Total
Not an SME	£96,183,639	4,790	59.41%	£131,124,986	4,771	53.78%
SME	£65,703,483	7,608	40.59%	£112,699,241	7,401	46.22%
Grand Total	£161,887,122	12,398	100.00%	£243,824,227	12,172	100.00%

7. Glossary

- 7.1 **On contract** is an order placed with a contracted supplier.
- 7.2 **Non-contract** is an order placed where no contract exists for the goods or service.
- 7.3 **Off contract** is an order placed where there is a contracted supplier but the order raiser uses a different supplier.
- 7.4 **Waivers** are required where the relevant Chief Officer is able to justify a genuine exception to the requirements for competition under Contract Procedure Rules.
- 7.5 **Quasi** contracts are virtual contracts put in place to aggregate spend with a view to evaluating the requirements of a contract.
- 7.6 The Local Government Association defines the third sector as “non-governmental organisations” (NGOs) that are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives.
- 7.7 **Third sector** includes charities, community groups, churches and faith groups, sports and recreational clubs, social enterprises and partnerships and trade unions and associations.
- 7.8 **SMEs** are defined as having a turnover of less than £25.9 million and fewer than 250 employees. This data was collated by using the categorisation selected by the supplier upon registration on YORtender (the council’s electronic tendering site) and then verified where possible against data from the Department of Business Innovation and Skills.