

## Report of the Chief Officer Financial Services

### Report to Executive Board

Date: 21<sup>st</sup> June 2017

Subject: Financial Performance - Outturn Financial year ended 31<sup>st</sup> March 2017

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 2016/17. The pre-audited accounts will be presented to the Corporate Governance and Audit Committee at its meeting on the 23rd June 2017.
2. As set out below, the final position on the General Fund shows an underspend of £2.6m after the creation of a number of earmarked reserves. This is an increase in the underspend of £0.6m when compared to the provisional outturn position that was received at Executive Board in April. The budget assumed a use of general reserve at £3.5m, however the final outturn underspend results in an actual use of reserves of only £0.9m
3. The Housing Revenue Account outturn reflects a surplus of £3.6m.
4. As at April 2015 General Reserve were £21.6m. As per table 3 at paragraph 5.2 the amount of General Reserve as at 31<sup>st</sup> March 2017 is £20.7m

### Recommendations

5. Members of the Executive Board are asked to;
  - a. Note the outturn position for 2016/17 and to agree to the creation of earmarked reserves as detailed in paragraphs 3.5 and 5.5 and delegate their release to the Chief Officer Financial Services.

- 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 2016/17 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 2017, 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 2016/17 general fund revenue outturn position after the creation and transfer of a number of earmarked reserves as detailed in paragraph 5.5 is an underspend of £2.6m.

*Table 1 - summary outturn position*

Directorate	Director	(Under) / Over spend for the year			
		Staffing	Total Expenditure	Income	Total (under) /overspend
		£000	£000	£000	£000
Adult Social Care	Cath Roff	(1,151)	2,060	(2,060)	0
Children's Services	Steve Walker	707	17,469	(9,484)	7,985
City Development	Martin Farrington	(721)	6,479	(12,929)	(6,450)
Environment & Housing	Neil Evans	(1,833)	8,204	(9,510)	(1,306)
Strategy & Resources	Alan Gay	(1,456)	(1,489)	1,158	(331)
Citizens & Communities	James Rogers	386	1,821	(1,741)	78
Public Health	Dr Ian Cameron	(321)	1,210	(1,262)	(52)
Civic Enterprise Leeds	Julie Meakin	490	997	(1,895)	(898)
Strategic & Central	Alan Gay	(480)	(4,211)	2,548	(1,663)
<b>Total</b>		<b>(4,379)</b>	<b>32,540</b>	<b>(35,175)</b>	<b>(2,637)</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 . The main directorate issues contributing toward the outturn position are as follows:-

2.3 **Adult Social Care** - the directorate has achieved a balanced position at the financial year-end. Staffing savings across all services have delivered a £1.2m saving. This reflects a reduction in staffing numbers within the Community Support Service and general vacancies, partly offset by slippage relating to the Better Lives programme within older peoples residential and day care services.

Passenger Transport costs overspent by £0.7m where costs for clients have come in higher than budgeted. This is primarily due to increased level of support required for clients (along with an equal pay resolution) rather than increased demand for the service.

Income is slightly higher than budgeted through increased Service User contributions £0.2m and the directorate will be using £1m less of earmarked reserves than was assumed in the original budget.

Other variations across the net £200m budget total (£0.3m)

The cost of community care packages is consistent with the budget despite expenditure on the learning disability pooled budget exceeding the budget provision. Savings in Direct Payments mitigated the position.

2.4 **Children's Services** – at outturn the directorate overspent by £7.98m.

As reported during the year the main budget pressures faced by the directorate were on demand-led budgets, particularly Children Looked After (CLA) and transport. Together these accounted for £5.6m of the overspend after allowing for the release of £2.9m from the demand and demography reserve. The actual release from reserves was £0.4m lower than previously projected and accounts for the increase in the overall directorate overspend from that reported for the provisional outturn position. Lower partner funding than budgeted for accounted for £1.6m of the overspend. There were net other variances of £0.8m on all other budgets with an overspend on staffing accounting for £0.7m.

At outturn there are an additional 34 children looked after in external residential placements and with independent fostering agencies (IFAs) than the 2016/17 budget provided for. This has resulted in a £3.9m variation against the budget after allowing for the release from reserves of £2.3m. Other net variations on the CLA budget were £0.4m, mainly accounted for by an increase in leaving care costs. ER placements reduced during the first half of 2016/17 but steadily increased during the second part of the year. The number of children with IFAs reduced throughout the year but did not reduce to the level assumed in the 2016/17 budget.

The home to school and home to college transport budget overspent by £1.3m, after allowing for the release of reserves of £0.6m, and was a result of 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.

Staff costs were £0.7m over budget. The 2016/17 budget included significant staff savings and these were largely achieved although there was an overspend on agency and overtime costs.

A shortfall in partner funding for family services amounted to £1.6m. This was budgeted income for Children's Centres in 2016/17 but the funding was actually received in 2015/16.

The outturn position also includes the carry forward to 2017/18 of all the £7.3m new DfE Innovations and Partners in Practice funding received in March 2017. This will enable the impact of the additional investment in services to be maximised over the next three years.

It has previously been reported that pressures have emerged during the year on the Dedicated Schools Grant in relation to Social Emotional and Mental Health provision, Funding for Inclusion numbers and the Central Early Years expenditure which totals £4.2m, slightly lower than previously projected. Other variations of £0.5m contribute towards reducing the overall outturn deficit on the DSG to £3.63m. This will be carried forward to 2017/18 and this deficit is included within the total schools reserves shown in Table 3.

**2.5 City Development** –The overall outturn position for 2016/17 is an under spend of £6.4m. This underspend is mainly due to a number of large one off items which include;

- £2.78m income from the PFI Street Lighting contract share sale;
- £1.79m use of items from the balance sheet to support the General Reserve;
- £930k of accrued income from Bridgewater Place, and
- £991k of additional capitalisation of Highways works.

**2.6 Environment & Housing** – At outturn the directorate position is an under spend of £1.3m against its £53m net managed budget. Within this overall figure, the waste management budget underspent by £1.0m, of which £0.45m relates to lower business rates costs of the RERF. Recycling processing costs are lower by £0.3m as a result of increases in the market prices of recycled material. Operational running costs of the service were £0.26m under the budget.

In car parking, staffing savings and additional income delivered a saving of £0.4m and in Community Safety there is an underspend of £0.3m due to a combination of staffing savings and additional income from the West Yorkshire Police and Crime Commissioner and the Ministry of Justice.

Environmental Action & Health have a £0.6m underspend mainly attributed to staffing savings and additional pest control income. Housing support also delivered a £0.1m underspend, again due to staffing savings.

Collectively these savings have enabled the directorate to both manage the directorate wide staffing efficiency target (£1m) and offset other net pressures within the directorate £0.1m.

2.7 **Public Health** –The 2016/17 budget reflected the reduction in government grant income of £1.1m and an associated reduction in spend on public health services.

The budget also assumed that public health would need to borrow £1.3m of reserves to fund spend on council led public health services. At outturn due to underspends of £0.8m, the actual amount borrowed was only £0.5m. This underspend and the reduced borrowing requirement net off and have no effect on the public health bottom line variation.

Supporting people services, which operate outside of the public health grant ring-fence, outturned with a small saving of £0.05m.

2.8 **Strategy & Resources** – In total the Directorate underspent by £0.3m. The Projects, Programmes and Procurement Unit overspent by £0.17m which has arisen from the NGT and Health Transformation projects not progressing (£0.7m) although this has been offset by corresponding staff savings. Savings in other support services divisions totalled £0.5m.

2.9 **Citizens & Communities** – The final outturn position is a small overspend of £0.08m against the £29m budget. This overspend is in line with previous forecasts and is mainly attributable to an overspend in Customer Access of £0.38m which is partially offset by savings in Elections of £0.25m. Other minor variations total a saving of £0.05m.

2.10 **Civic Enterprise Leeds (CEL)** – the overall outturn position reflects an underspend of £0.9m and is largely explained by the additional £1.0m saving resulting from vacant posts within Shared Services.

Facilities Management and Commercial Services achieved a balanced position. Within the catering service a variance of £0.2m arose from the impact of the loss of school contracts although this was offset by increased surpluses of (£0.2m) on Cleaning and Fleet.

There was a £0.1m overspend on the Corporate Property Management function due to additional building maintenance expenditure incurred on void properties.

2.11 **Strategic & Central budgets** - overall, the strategic & central budgets underspent by £1.7m. There are a number of key variations within this figure.

- The business rates levy to the Leeds City region pool is £1.2m compared to the budgeted sum of £3m.
- Savings of £2.8m from the additional capitalisation of eligible spend in general fund and school budgets.
- The strategic budget also recognises that the £1.9m corporate procurement savings and PFI contract savings have been achieved through Directorate budgets.
- 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 was initially payable for six years. The 2016/17 budget assumed some £19.2m in respect of New Homes Bonus, however reforms introduced in the 2017 Spring Budget reduced the number of year's payable and introduced a growth baseline. The outturn position recognises a shortfall of £4.76m, of which £0.26m relates to performance and £4.5m arises as a result of these changes to the scheme.

- Early Leavers Initiative – £2.7m of severance costs have been funded from the flexible use of capital receipts in line with the policy approved at full Council in March 2017.
- There was a reduction in level of section 278 income receivable of approximately £2.3m and this reflected lower development activity than was anticipated.
- Debt – the overspend of £1.1m was due to the conversion of short-term debt to long-term debt in order to take advantage of low long-term interest rates.
- An underspend of £9.3m in the MRP charge to revenue is due to a revision in the calculation of the charge. This review had identified that there was overprovision in previous years.
- Staffing cost variations of £0.1m reflect the a additional cost of implementing Leeds City Council's minimum pay rate on January 1<sup>st</sup> 2017 and a reduction in unfunded pension costs of £0.5m.
- Creation of £1.2m of new earmarked reserves which are further explained in paragraph 5.5 and the transfer of £1m of the Street Lighting contract share income to the capital reserve to be used to fund the 2017/18 base budget.
- Joint Committees. A £0.1m overspend for the West Yorkshire Coroners' services.
- Other variations amount to £0.2m

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

- 3.1. Following finalisation of the HRA the outturn for the year is a surplus of £3.6m when compared against the 2016/17 budget.
- 3.2. The budget for disrepair was overspent by £0.7m. This was largely as a result of a combination of resolving an increased number of disrepair cases and by taking a more pro-active approach to avoid expensive claims in the future.
- 3.3. An increased level of Right to Buy resulted in lower rental income as stock numbers were lower than budgeted for although this was partially offset by lower void levels. The net variation was £0.2m.
- 3.4. The variations identified above have been offset by the following savings:

- Income other than rents was £1.2m higher than budgeted.
- Additional income of £0.6m was received through the 'Gainshare' arrangements with the Council's external maintenance contractors whereby the Council shares in the benefit of external contract costs being less than the initial target cost.
- An increase in Right To Buy (RTB) sales has generated additional fee income of £0.2m.
- External funding contributions for a number of initiatives such as Biomass, Solar Panel, Telecoms and secondments to external organisations have generated £0.3m more than budgeted.
- Income from miscellaneous streams such as insurance refunds, property income and charges for paralegal costs and additional leasehold income have generated £0.2m variation against budget
- This additional income has offset reduced income realised from the capitalisation of salaries. This was due to the service carrying a number of vacant posts in 2016/17.
- Against a budget of £43.5m expenditure on maintaining and repairing the Council's housing stock was £0.4m underspent.
- Savings of £0.7m on employees arose due to posts being held vacant pending the implementation of new structures.
- Net savings of £0.8m have been realised in relation to Supplies and Services. These include ICT budgets (£0.2m), office equipment (£0.1m), tenant mobility (£0.1m), reduced transaction charges (£0.1m), Changing the Workplace (£0.1m) and a range of other minor variations totalling (£0.2m).
- A reduction in charges for services commissioned from other Council services has resulted in a saving of £0.5m. These include services provided by legal, internal audit, community safety and environmental services.
- Other key savings include a reduction in the contribution to the provision for doubtful debts £0.3m, payments to external organisations £0.1m, transport costs £0.1m along with minor variations on remaining budget headings totalling £0.4m.
- The variation against budget on the Capital Programme of £1.9m expenditure on the Environmental Improvement Programme and Sheltered Housing schemes has been funded through the use of earmarked reserves. This contribution is reflected in the appropriation account.
- The Capital charges overspend of £1.6m is largely due to a revision to the timetable for the capital contribution from the Council to the contractor delivering the PFI contracts in Little London, Beeston Hill and Holbeck. The

£1.6m repayment of the PFI is offset by adjustments within the PFI Unitary Charge.

3.5. The surplus on the Housing Revenue Account is £3.61m. It is recommended that earmarked reserves are created for;

- £0.26m to fund costs of scanning Housing Management paper files. This will facilitate the Housing Service exiting the current Housing offices in order to provide the service from Community Hubs. The hubs will provide accessible and integrated services, bringing together existing one-stop shops, libraries and housing offices thereby realising capital receipts in excess of £2m.
- b) £0.35m to fund anticipated costs of 'Changing the Workplace'. The balance of the in year surplus of £3m will be transferred to the HRA Capital Reserve to fund expenditure on multi-storey dwellings.

#### 4. Schools

4.1 The 2016/17 outturn position for schools is shown in table 2 below;

Table 2

4.2

<b>Outturn</b>	<b>£m</b>
<b>Schools Reserves</b>	
Balance Brought Forward	28.8
Net Contribution from Reserves	(8.2)
Balance Carried Forward	<b>20.6</b>
<b>Extended Services &amp; Partnerships</b>	
Balance Brought Forward	10.2
Net Contribution from Reserves	(1.2)
Balance Carried Forward	<b>9.0</b>
<b>Central Schools Block Dedicated Schools Grant</b>	
Surplus Brought Forward	3.7
Contribution to Life Ready for Learning	(2.3)
2016/17 in year overspend	(5.0)
Deficit Balance Carried Forward	<b>(3.6)</b>

4.3 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 2017, mainstream school reserves stand at £20.6m.

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 £0.6m was still outstanding. In addition, there is outstanding borrowing against



school reserves for school VER costs totalling £0.7m together with a further £4.0m to support early intervention and preventative services in Children's Services in 2013/14.

After netting the above items from the £20.6m, the net mainstream schools reserves position totalled £15.3m as at 31<sup>st</sup> March 2017. There is also a further ring-fenced school reserve of £1.8m specifically relating to the carry forward of in year PFI scheme balances, giving overall school reserves of £17.1m as at 31<sup>st</sup> March 2017.

4.4 Extended Services & Partnerships reserves amount to £9.0m as at 31<sup>st</sup> March 2017. These include balances held by AIPs and Clusters.

4.5 At the start of 2016/17 the ring fenced DSG reserve totalled £3.7m. Of this Schools Forum agreed to use £2.3m in 2016/17 to fund A Life Ready For Learning in Children and Families. The balance of the reserves have helped reduce the in-year overspend. During 2016/17 there has been an overall overspend on DSG services of £5m, mainly in the High Needs block. This is largely due to increasing numbers of students and the increasing complexity of cases requiring additional top-up payments (£2.5m). In addition, place funding is now required for Wellspring (£1.0m) and there have been additional costs for deficit SILC balance (£0.7m). In total a deficit balance of £3.6m will be carried forward to 2017/18 after allowing for the unspent reserves brought forward from 2015/16. Schools Forum approval to the deficit being carried forward will be sought at the meeting on the 22<sup>nd</sup> June. Schools Forum have been consulted on options to balance the DSG in 2017/18 and to repay the deficit over the medium term. The Children and Families Directorate has also commenced a review of the High Needs Block which will include looking at options to address the pressures and the deficit DSG balance..

## 5.0 Reserves

5.1 A full statement of all Council reserves can be found at Appendix 2. A summary of the reserves is shown in table 3 below;

Table 3

<b>Reserves</b>	<b>Balance at 31.3.16 £m</b>	<b>Transfer to/(from) £m</b>	<b>Balance at 31.3.17 £m</b>
<b>General Fund:</b>			
General reserve	21.6	(0.9)	20.7
Earmarked reserves	29.6	(11.6)	18.0
Ring-fenced & grant reserves	6.7	4.3	11.0
<b>Total</b>	<b>57.9</b>	<b>(8.2)</b>	<b>48.7</b>
<b>Schools</b>			
Ring-fenced reserves	38.1	(15.6)	22.5
<b>Housing Revenue Account:</b>			
General reserve	7.3	(0.7)	6.6
Earmarked reserves	62.5	(10.6)	51.9

<b>Total</b>	<b>69.8</b>	<b>(11.3)</b>	<b>58.5</b>
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## 5.2 General Reserve

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

5.4 *Table 4*

<b>General Fund Reserve</b>	<b>£m</b>
<b>Opening Balance 1<sup>st</sup> April 2016</b>	<b>21.6</b>
Budgeted usage	(3.5)
In-year underspend	2.6
<b>Closing Balance 31<sup>st</sup> March 2017</b>	<b>20.7</b>

## 5.5 Creation of New Earmarked Reserves

- Communities Innovations Fund £80k. This reserve is required to fund work that is committed with the Third Sector, primarily to support activities that seek to deliver financial sustainability within the sector by maximising external funding.
- Adult Social Care safeguarding reserve £94k. To carry forward the balance of partner contributions relating to adults safeguarding.
- Invest to Save Reserve £1m. This proposal is to create an invest to save reserve to enable Directorates to develop projects / schemes which will generate future revenue savings. Details of how the fund will operate are yet to be finalised, but it is intended that some of the savings realised should be recycled to back to the fund so that it is sustainable on an ongoing basis to resource future projects.
- In April 2017 Executive Board agreed to the creation of a reserve for Armed Forces Day £30k.

## 6. Capital Programme

6.1 The actual capital expenditure for General Fund and HRA in 2016/17 is £392.9m, an underspend of £8.8m or a 1.4% variation against the February 2017 Capital Programme projected outturn

### 6.2 General Fund

6.3 The following table shows the in-year actual General Fund capital expenditure against the estimated level of capital expenditure:

General Fund	Feb 17	Apr 17	Variation	
	Estimate	Outturn	£m	%
	£m	£m	£m	%
City Development	162,415.5	161,081.7	(1,333.8)	(0.8%)
Children's Services	67,369.9	65,907.9	(1,462.0)	(2.2%)
Environment & Housing	30,546.5	25,047.5	(5,499.0)	(18.0%)
Adult Services	1,866.0	2,092.8	226.8	12.2%
Strategy and Resources	42,228.3	46,182.9	3,954.6	9.4%
<b>Total Spend</b>	<b>304,426.2</b>	<b>300,312.8</b>	<b>(4,113.4)</b>	<b>(1.4%)</b>
<b>Financed by</b>				
General Fund Borrowing	189533.4	180018.0	(9,515.4)	(5.0%)
General Fund Specific Grants and Contributions	114892.8	120294.8	5,402.0	4.7%
<b>Total Funding</b>	<b>304426.2</b>	<b>300312.8</b>	<b>(4,113.4)</b>	<b>(1.4%)</b>

6.4 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.

6.5 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.

6.6 The General Fund capital programme delivered £300m of expenditure including major works on our Highways programme, Flood Alleviation, City Cycle Connect, Kirkstall Forge Rail Growth, Kirkgate Market Strategy, Change in the Workplace, Learning Places programme, Strategic Investment Fund, provision of adaptations grants, vehicle replacement programme underpinning the council's emissions reduction programme and essential technology and customer access programmes.

## 6.7 Housing Revenue Account

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

HRA	Feb 17	Apr 17	Variation	
	Estimate	Outturn	£000s	%
	£000s	£000s	£000s	%
Council Housing Growth Programme	17,614.7	16,030.1	(1,584.6)	(9.0%)
Housing Leeds Council House Programme	77,000.0	73,982.8	(3,017.2)	(3.9%)
BITMO Council House Programme	2,706.3	2,570.1	(136.2)	(5.0%)
<b>Total Spend</b>	<b>97,321.0</b>	<b>92,583.0</b>	<b>(4,738)</b>	<b>(4.9%)</b>
<b>Financed by</b>				
HRA Self-Financing	83273.9	77315.9	(5,958)	(7.2%)
HRA Capital Receipts RTBs	7723.4	9895.8	2,172.4	28.1%
HRA Specific Grants and Contributions	6323.7	5371.3	(952.4)	(15.1%)
<b>Total Funding</b>	<b>97321.0</b>	<b>92583.0</b>	<b>(4,738)</b>	<b>(4.9%)</b>

## 6.9 Capital Programme Resources

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

	Feb 17 Estimate	Apr 17 Outturn	Variation £m	
<b>Net Capital Spend</b>	<b>401.7</b>	<b>392.9</b>	<b>(8.8)</b>	<b>(2.2%)</b>
<b>Financed by</b>				
General Fund Borrowing	189.5	180.0	(9.5)	(5.0%)
General Fund Specific Grants and Contributions	114.9	120.3	5.4	4.7%
General Fund Capital Receipts	0	0	0	0%
HRA Self-Financing	83.3	77.3	(6.0)	(7.2%)
HRA Capital Receipts RTBs	7.7	9.9	2.2	28.6%
HRA Specific Grants and Contributions	6.3	5.4	(0.9)	(14.3%)
<b>Total Funding</b>	<b>401.7</b>	<b>392.9</b>	<b>(8.8)</b>	<b>(2.2%)</b>

6.11 Capital receipts of £3m have been utilised in 2016/17 as a funding source for general fund expenditure, primarily to make use of the new flexibility to treat transformational revenue expenditure as capital expenditure funded by capital receipts. In line with existing accounting policy £2.5m of receipts have been utilised to fund PFI liabilities and £16.3m have been used to repay debt, and borrowing of £2.9m has been undertaken in lieu of section 278 contributions.

6.12 HRA Council Housing Growth Programme, Housing Leeds and BITMO have utilised £77.3m of self-financing funding, £5.4m of external contributions and have utilised £9.9m of Right to Buy receipts.

6.13 The net debt of the Council as at 31<sup>st</sup> March 2017 is £1,809m. Further details of this and the debt financing costs will be presented in the 2016/17 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	2016/17 Leeds Actual
Council tax collection	96.7%	96.6%	96.6%	95.7%	95.7%	95.9%	96.1%
Business Rates	97.9%	97.5%	97.6%	97.1%	97.3%	97.8%	97.5%

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 but was then set at 25% for 2015/16 and 2016/17. The collection position at the end of March was as follows:

- Council tax in-year collection rate – 96.1% (95.9% last year). The in-year collection rate target for the current year was 95.9%. £303.9m has been collected in respect of 2016/17 bills, an increase of £16.4m compared to the previous year.
- Collection rate for those affected by Council Tax Support scheme – 73.9% (71.7% last year)
- Collection rate for those previously getting 100% Council Tax benefit – 64.3% (63.6% last year)
- The collection of non-domestic rates for the year is 97.54% of the current net debit of £389.8m. This represents a decrease of 0.3% in comparison to 2015/16.
- Discretionary Business Rate Relief Scheme – against a budget of £500k in 2016/17 some £323k of local discounts were approved under the scheme to support the creation of employment and economic growth and to increase the business rates base

## 8. **Prompt Payment of Creditors**

8.1 The prompt payment result at the year-end was 91.79% of undisputed invoices processed within 30 days. This was against a target of 92%.

## 9. **Corporate Considerations**

9.1 Consultation and Engagement - This is a factual report and is not subject to consultation.

9.2 Equality and Diversity / Cohesion and Integration - 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

9.3 Council Policies and Best Council Plan - The 2016/17 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.

9.4 Resources and Value for Money -

9.5 This is a financial report and all financial implications are detailed in the main body of the report.

## 9.6 **Legal Implications, Access to Information and Call In**

9.7 There are no legal implications arising from this report.

## 9.8 **Risk Management**

9.9 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 2016/17.

## 10. **Recommendations**

10.1 Members of the Executive Board are asked to;

10.2 Note the outturn position for 2016/17 and to agree to the creation of earmarked reserves as detailed in paragraphs 3.5 and 5.5 and delegate their release to the Chief Officer Financial Services.

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

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

11.1 There are no background documents relating to this report

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<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.

**CITY DEVELOPMENT 16/17 BUDGET - OUTTURN  
FINANCIAL DASHBOARD**

**Appendix 1**

**Overall -**

The 2016/17 outturn position is an underspend of (£6,450k). This underspend is due to a number of one off items which include £2.78m income from the PFI Street Lighting contract share sale, £1.79m use of balances to support the General Reserve, £930k of accrued income from Bridgewater Place, and £991k of additional capitalisation of Highways works.

The Planning and Sustainable Development Service has seen continued growth in activity across the service throughout 2016/17 resulting in exceeding income targets by over £800k, whilst still delivering staffing savings of over £200k through careful vacancy management. This has facilitated funding other activities and pressures within supplies and services, including a £239k overspend on Planning Appeals costs.

Kirkgate Market income remains the main pressure in Economic Development, a shortfall of £750k. This pressure is due in the main to the in year extension of rent discounts for both indoor and outdoor tenants, later than anticipated new lettings resulting from delays to the market redevelopment plus additional demands on maintenance and promotional expenditure.

Asset Management and Regeneration has been very successful in the acquisition of new income generating assets delivering a net £896k of additional income, which offsets the shortfall in advertising income of £328k from delays in the development and operation of new sites. An additional provision of £177K has been made in respect of a number of dilapidation claims made against the authority for premises formerly leased in, which is offset by the revised Arena debt savings of (£179k).

Highways and Transportation have contracted further work with their strategic partners Mouchel increasing external spend, offset by savings on Winter Maintenance which has resulted in a real position of an £80k underspend, however the one off income items detailed above are held here.

In Arts and Heritage there is a projected loss of income from Room Hire at the Art Gallery (closed for roof repairs) £100k, which is offset by a NNDR Rebate and increased Town Hall bar and catering income. Increased spend in supplies and services are generally funded by and relate to the increase in income from events.

Sport and Active Recreation increased expenditure on catering, resalable items and consultancy costs are offset by additional income. Pressures on income include £40k relating to the pool closure and refurbishment at John Smeaton and a £60k due to a VAT error on the Fitness and Swim Bodyline Offer. The service is also experiencing a downturn in Bodyline income due to the number of budget gyms that have opened across the city within the last 18 months.

The Directorate Strategy is to use the proposed £930k Bridge Water Place settlement to part fund these net pressures and contribute the balance to the corporate strategy. In the service analysis below £371k is utilised against specific services and £559k in 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	8,647	(5,789)	2,858	(246)	25	363	(8)	259	0	0	0	0	393	(807)	(414)
Economic Development	5,145	(4,263)	882	50	151	2,463	3	28	0	(550)	0	0	2,145	(1,459)	686
Asset Management and Regeneration	11,195	(10,412)	783	(201)	539	(203)	(4)	1,077	0	(122)	0	0	1,086	(1,685)	(599)
Highways and Transportation	56,590	(40,688)	15,902	(391)	2,220	(553)	797	(1)	0	(40)	0	0	2,032	(8,232)	(6,200)
Arts and Heritage	17,004	(7,126)	9,878	39	(33)	(88)	75	43	22	402	57	0	517	(511)	6
Sport and Active Recreation	24,415	(18,693)	5,722	82	101	296	1	(89)	(85)	29	0	111	446	(241)	205
Resources and Strategy	1,855	(1,162)	693	(54)	(5)	(36)	(1)	(44)	0	0	0	0	(140)	6	(134)
<b>Total</b>	<b>124,851</b>	<b>(88,133)</b>	<b>36,718</b>	<b>(721)</b>	<b>2,998</b>	<b>2,242</b>	<b>863</b>	<b>1,273</b>	<b>(63)</b>	<b>(281)</b>	<b>57</b>	<b>111</b>	<b>6,479</b>	<b>(12,929)</b>	<b>(6,450)</b>

<b>Key Budget Action Plans and Budget Variations:</b>								
		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget		
<b>A. Budget Action Plans</b>					£'000	£'000		
1.	Planning and Sustainable Development	Tim Hill	Reduction in the net cost of service through management restructure, staffing savings and increased income generation.	G	550	(653)		
2.	Economic Development	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation.	A	280	260		
3.	Asset Management & Regeneration	Tom Bridges	Reduction in the net cost of service through staffing savings and increased income generation.	G	410	(29)		
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.	G	440	(80)		
5.	Arts and Heritage	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation.	G	570	6		
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.	G	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.	A	440	205		
8.	Resources and Strategy	Ed Mylan	Reduction in the net cost of service via efficiencies and staffing savings.	G	30	(134)		
9.	Directorate	All Chief Officers	Directorate-wide additional income target.	G	371	0		
<b>B. Other Significant Variations</b>								
1.	Asset Management	Tom Bridges	Reduced borrowing costs at Leeds Arena (£179k) income from new assets (£896k) offsetting reduced income from Advertising £328k and dilapidation claims £177k.			(570)		
2.	Planning Appeals	Tim Hill	Increased planning appeal costs.			239		
3.	Kirkgate Market	Tom Bridges	Extension of rent discounts and other rent reductions resulting from the delay in the Kirkgate redevelopment.			426		
4.	Bridgewater Place	Martin Farrington	As per the Directorate Strategy, use of balance of Bridgewater Place settlement to mitigate pressures and contribute to delivering an underspend to support the Council Financial Strategy.			(559)		
5.	Street Lighting	Gary Bartlett	PFI Street Lighting Contract Share Sale			(2,780)		
6.	Highways	Gary Bartlett	Additional Capitalisation			(991)		
7.	Balances	Martin Farrington	Use of releasable balances to support the the General Reserve			(1,790)		
					<b>City Development Directorate - Forecast Variation</b>		<b>(6,450)</b>	



**ENVIRONMENT & HOUSING DIRECTORATE SUMMARY**  
**FINANCIAL DASHBOARD - 2016/17 FINANCIAL YEAR**  
**Outturn**

<p><b>Overall Position (£1,306k under budget)</b></p> <p><b>Community Safety (£254k under budget)</b>                  The overall staffing underspend was £229k (offset by reduced charges to HRA of £77k). One off income in year has been received from West Yorkshire Police &amp; Crime Commissioner (£219k) for contributions to LASBT (Leeds Anti social behaviour team), additional Ministry of Justice funds (£85k). There was a shortfall of CCTV income of £234k. Other variances total (£32k).</p> <p><b>Parks &amp; Countryside (£158k under budget)</b>                  The service has generated additional income, mainly due to the strong performance across all Cafes (£314k). Staffing savings and additional income has contributed to a net surplus of (£126k) within Bereavement Services. These savings have been partially offset by a reduction in Golf income £63k, additional bonfire expenditure of £73k and other variations in expenditure of £146k.</p> <p><b>Environmental Action &amp; Health (£578k under budget)</b>                  Env Action - Staffing savings of (£875k) have been offset by reduced income from HRA of £167k, loss of Wellbeing funding of £36k and additional transport costs of £261k in respect of additional hired vehicles and GPS system for gully tankers. Other variations total £69k.                  Env Health - staffing savings of (£206k) and additional pest control income (£39k) have been partially offset by increased legal costs £32k and other variations of (£23k).</p>	<p><b>Car Parking (£427k under budget)</b>                  In year vacant attendant posts (£351k) and reduced expenditure variations of (£160k) have been partially offset by the reduction in overall income of £84k. Income variations include: Woodhouse Lane (£130k), of which (£90k) is for the 50p increase (in June); other off street parking of (£198k); a shortfall in on-street income of £383k and a shortfall in PCN income (including BLE ) of £132k. Other income variations total (£103k).</p> <p><b>Housing Support/Partnerships/SECC/SP Contracts (£121k under budget)</b>                  Housing staffing underspends (£458k), due to vacant posts, are partially offset by a reduction of £178k corresponding income charged to HRA. Variations in SP are £17k and SECC (£42k). Other variations across all areas are £184k, which includes additional Travellers costs £51k and £40k St Georges Crypt contribution.</p> <p><b>General Fund SS (+£948k over budget)</b>                  A £1m staffing savings target was included in the 2016/17 budget as a centralised directorate wide target to give greater flexibility in-year over which services would achieve the savings. These savings have been delivered in full but the incidence is within individual services. This has had the impact of increasing the staffing underspend within services but presenting an overspend against the centrally held savings target.</p> <p><b>Leeds Building Services (+£339k over budget)</b>                  Additional turnover has been generated through Housing Leeds repairs and work for capital schemes which has resulted in additional sub contractor spend, partially offset by reductions in internal costs. Vacancies early in the financial year within the service have resulted in an under-recovery of income. Investment of £140k has been incurred in respect of the integration of Construction Services and Property Maintenance which should generate significant efficiencies in 2017/18.</p>	<p><b>Waste Management (£1057k under budget)</b></p> <p><b>Refuse (£105k under budget)</b>                  Additional staffing costs have been incurred in respect of back up routes, sickness cover, christmas cover and union support for the redesign of collection routes efficiency programme. These have been largely offset by other staffing and expenditure savings, with an underspend of £155k in respect of vehicle repairs.</p> <p><b>HWSS &amp; Infrastructure (£156k under budget)</b>                  Additional staffing costs of £146k have been incurred, reflecting additional operatives at HWSS dealing with the higher than anticipated waste volumes and also cover for increased sickness levels. These costs, together with other minor variations, have been offset by additional income (£319k) at the Council's weighbridges reflecting the increased volumes.</p> <p><b>Waste Strategy &amp; Disposal (£797k under budget)</b>                  Following the determination of the rateable value of the RERF, there has been a saving of (£450k) in respect of business rates from the budgeted amount of £1.07m. In addition, lower than anticipated tonnage volumes and a share of electricity/penalty income have resulted in a further underspend of (£115k) at the RERF. The reduction in SORT disposal costs experienced in recent months has resulted in a year end underspend of (£302k). There has been additional disposal costs associated with the increased volumes at Household Waste Sorting Sites (+£355k), partially offset by other variations of (£285k) which includes staffing savings of (£73k) and additional recycling income of (£203k).</p>
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**Budget Management - net variations against the approved budget;**

Summary By Service	OUTTURN 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	8,806	(6,847)	2,159	(215)	11	(181)	10	(193)	(58)		13		(581)	337	(254)	
Strategic Housing, SECC, Contracts	18,565	(8,564)	8,991	(820)	(10)	431	43	98	15				(43)	(78)	(121)	
General Fund Support	(333)	(439)	(772)	800		153	(2)	(3)					948	0	948	
Leeds Building Services	45,309	(51,376)	(6,067)	(352)	107	8,283	(243)					1,600	9,395	(9,055)	340	
Corporate Property Maintenance	907	0	907	6			(2)						4		4	
Parks & Countryside	29,349	(22,420)	6,929	(205)	(233)	1,892	(87)	342					1,717	(1,878)	(159)	
Waste Strategy and Disposal	20,372	(5,749)	14,823	(73)	(50)	(483)	(8)						(594)	(204)	(798)	
Household Waste Sites & Infrastructure	4,578	(574)	4,002	148	12	53	(48)	(2)					163	(319)	(156)	
Refuse Collection	18,680	(389)	18,301	114	(14)	(9)	(131)	(43)					(83)	(22)	(105)	
Environmental Action	15,566	(4,537)	11,019	(876)	77	140	258	(38)			19		(421)	79	(342)	
Environmental Health	3,145	(794)	2,351	(208)	(8)	(3)	(5)	43					(177)	(58)	(235)	
Car Parking	5,003	(12,670)	(7,667)	(352)	9	(145)	24	(48)					(512)	84	(428)	
<b>Total</b>	<b>167,936</b>	<b>(116,169)</b>	<b>62,776</b>	<b>(1,833)</b>	<b>(97)</b>	<b>10,171</b>	<b>(189)</b>	<b>155</b>	<b>(41)</b>	<b>0</b>	<b>40</b>	<b>1,600</b>	<b>9,806</b>	<b>(11,112)</b>	<b>(1,306)</b>	

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

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
<b>A. Key Budget Action Plans</b>						
1.	Dealing Effectively with the City's waste	Andrew Lingham	Projected underspend reflects savings on Business Rates at the RERF	G	(4.5)	(0.5)
2.	HWSS Strategic Review	Andrew Lingham	Service still reviewing options. Other savings identified in 16/17.	G	(0.1)	0.0
3.	Parks and Countryside additional income	Sean Flesher	Implement price rises, plus additional income at various attractions	G	(0.6)	0.0
4.	Leeds Building Services	Simon Costigan	Identification of savings to fund PPPU costs	G	(0.2)	0.0
5.	Car Parking	Helen Freeman	Review of Price tariffs and additional income target.	G	(0.2)	0.0
6.	WYP & CC grant use	Sam Millar	£713k funding budgeted - share of £1m for WY districts now agreed.	G	(0.7)	0.0
7.	Savings in Housing related support programme	Neil Evans	FYE of 15/16 plus recommissioning of more SP contracts	G	(0.3)	0.0
8.	Directorate wide staffing reductions	Neil Evans	Pressure of £0.98m offset by staffing savings in services (see 6 and 10 below)	G	(1.2)	0.9
9.	Contract / Procurement Savings / Line by Line		Contract savings target (£358k). Savings identified to offset.	G	(0.3)	0.0
10.	All Other action plan items			G	(0.1)	0.0
				Sub Total	(8.4)	
<b>B. Other Significant Variations</b>						
1.	Waste Disposal Costs	Andrew Lingham	Net budget £15.7m for 329.2k tonnes of waste; -£200k variation			(0.2)
2.	Refuse Collection staffing costs	Tom Smith	£12.2m pay budget in service; +£114k variation			0.1
3.	Refuse Collection vehicle costs	Tom Smith	Repairs £0.7m; Fuel £1.2m. Fuel +£8k variance, repairs £155k under			(0.1)
4.	Car Parking BLE / PCN Income	Helen Freeman	BLE £1.4m ; PCN's £2.3m. Outturn income overall £132k below budget			0.1
5.	Car Parking Fee Income	Helen Freeman	£8.4m budget increase of £810k from 15/16. (Introduced new WHLCP increased by 50p June 2016)			(0.0)
6.	Environmental Action staffing	Helen Freeman	£13.5m pay budget in service			(0.9)
7.	Property Maintenance	Simon Costigan	Budgeted surplus of £5.2m, £339k variation at outturn.			0.3
8.	Parks and Countryside - Attractions	Sean Flesher	£2.1m Income budget (incl. TWorld £1.3 m budget)			(0.0)
9.	Parks and Countryside - Bereavement Services	Sean Flesher	£3.5m net budget. Variance at outturn (£126k)			(0.1)
10.	All other variations		Mainly staffing			(1.0)

**Environment & Housing - Forecast Variation (1.306)**

## Appendix 2

Description		Actual Balance 31st March 2016	Actual Transfers To & From Reserve to Date	Balance Reason for the Reserve Outturn
		£k	£k	£k
<b>GENERAL FUND</b>		<b>(21,560)</b>	<b>814</b>	<b>(20,746)</b>
Adults & Health	S256 funding for health inequalities	(3,000)	(615)	(3,615) Specific funding from Leeds South and East CCG for tackling health inequalities. Spend projected each year up to and incl 2019/20
Adults & Health	Health and Social Care (CCG)	(12,286)	10,295	(1,991) To fund Health and Social Care priorities
Adults & Health	Safeguarding Adults	0	(94)	(94) Independent Safeguarding Board - c/f of partner contributions
Children & Families	Health Innovations	(574)	(674)	(1,248) Monies given by Health Service for a number of joint initiatives around commissioning & children's centres
Children & Families	Safeguarding (Children's)	(117)	(84)	(201) Independent Safeguarding Board - c/f of partner contributions to fund serious case reviews
City Development	HS2	(156)		(156) To support the costs of developing and progressing master planning for the Southbank, including HS2 planning.
Communities & Environment	Casino License	(597)	162	(435) Reserve for creation of Social inclusion fund, as per license bid and to fund LCC inclusion teams.
Communities & Environment	Economic, Social and Environmental Wellbeing fund	(497)	148	(349) C/f balances on the wellbeing budgets of Community Committees.
Communities & Environment	Parks Special Project	(81)		(81) To cover cost of repairing fire damage at Temple Newsam Home farm. (To be used on Capital scheme)
Communities & Environment	Communities Innovation Fund	0	(80)	(80) Fund work with 3rd sector to develop future financial sustainability in the sector
Communities & Environment	Immigration Advice reserve	(60)		(60) Fund to assist Chapeltown Citizens Advice Bureau provide immigration advice to clients
Communities & Environment	Information Centre	(170)	170	0 To fund Customer Hub developments; Used in 16/17
Resources & Housing	Homelessness Prevention Fund	(120)		(120) Homelessness prevention - planned to use to fund £40k for next 3 years
Resources & Housing	Business Transformation Reserve	(48)		(48) Siebel review (system of customer facing communication etc)
Resources & Housing	Lord Mayor	(14)	(21)	(35) Balance of budget carried forward
Resources & Housing	Armed Forces Day	0	(30)	(30) Funding for Armed Forces Day 2017
Resources & Housing	Members club	(8)		(8) Surplus on the members club.
Strategic	Capital reserve	(5,756)	2,384	(3,372) 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.
Strategic	General Insurance Reserve	(763)	(1,896)	(2,659) Additional £1m contributed as per 16/17 budget+ £896k additional following review of insurance provisions
Strategic	ELI Reserve	(2,000)		(2,000) Reserve c/f to support 17/18 base; ELI severance now funded by capital receipts in line with Council agreed policy
Strategic	Invest to Save	0	(1,000)	(1,000) Fund to get projects off the ground that will generate future revenue savings
Strategic	Demographic and Demand Reserves	(3,293)	2,913	(380) Reserve to help fund future demographic demands ;
Strategic	Legal Cost of VAT claims	(63)		(63) £100k set aside from £8.4m VAT claim refund received in 2010/11 to help fund legal costs for remaining VAT cases.
Strategic	Mutual Municipal Insurance Reserve	(11)		(11) Reserve to fund potential additional clawbacks of past insurance receipts from MMI.
Strategic	Energy efficiency reserve - LCC	(4)		(4) Energy efficiency reserves to fund invest to save energy efficiency initiatives.
Sub-total Earmarked Reserves		<b>(29,617)</b>	<b>11,578</b>	<b>(18,040)</b>
<b>EARMARKED RESERVES</b>				
<b>Total non-ring fenced Reserves</b>		<b>(51,177)</b>	<b>12,392</b>	<b>(38,786)</b>

	Description	Actual Balance 31st March 2016	Actual Transfers To & From Reserve to Date	Balance Outturn	Reason for the Reserve
		£k	£k	£k	
	<b>GENERAL FUND RING FENCED RESERVES</b>				
Schools	Extended schools balances	(10,194)	1,177	(9,017)	Surpluses on extended school activities carried forward;
Schools	Schools Balances	(24,214)	7,056	(17,158)	Schools Balances net of VER, Children's Services and BSF PFI borrowing.
Schools	Central schools block - DSG	(3,681)	7,314	3,633	Carryforward of ring fenced DSG for centrally managed pupil orientated services.
Resources & Housing	Taxi & Private Hire licensing surplus	(392)	78	(314)	Ring fenced reserve for taxi and private hire licensing service.
Strategic	Energy efficiency reserve - Salix	(22)	(136)	(158)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic	Revenue grants	(6,236)	(4,261)	(10,497)	Revenue grants carried forward as per IFRS requirements (see note 1 below)
	Sub-total General Fund ring fenced reserves	<u>(44,739)</u>	<u>11,228</u>	<u>(33,511)</u>	
	<b>Note 1</b>				
	<b>Revenue Grants</b>				
	City Development	(1,504)	913	(591)	Revenue grants carried forward
	Environment & Housing	(8)		(8)	Bal for Year end relates to ESIF scheme.
	Children's Services - other	(2,423)	1,326	(1,097)	Revenue grants carried forward
	Children's Services - Department for Education Partners in Education (Re-Imagining Children Services for the 21st Century)	0	(7,318)	(7,318)	£7.318m DfE Partners In Practise funding received in 16-17 but to be used in 17/18 and 18/19
	Strategic	(2,301)	818	(1,483)	To fund costs relating to flood damage. £1.2m likely owed to DCLG.
	Sub-total Revenue Grants	<u>(6,236)</u>	<u>(4,261)</u>	<u>(10,497)</u>	
	<b>HRA RING FENCED RESERVES</b>				
	HRA General Reserve	(7,328)	697	(6,631)	
	Major repairs reserve	(31,764)	1,262	(30,502)	Ringfenced to fund capital expenditure or redeem debt.
	Housing Advisory Panels (HAPs) Reserve	(554)	(145)	(699)	To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.
	LLBH&H PFI Sinking fund	(7,631)	5,116	(2,515)	PFI Sinking Fund
	Environmental Works	(2,573)	905	(1,668)	To fund environmental works in the Swarcliffe PFI area
	Swarcliffe Environmentals	(26)	26	0	To fund environmental works in the Swarcliffe PFI area
	Sheltered Housing	(4,088)	850	(3,238)	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)	To fund the purchase of land at Holdsworth Place
	Insurance - large claims	(386)	249	(137)	To fund the cost of insurance claims
	Welfare Change	(2,000)	216	(1,784)	To fund pressures arising from welfare reform.
	Swarcliffe PFI	(12,947)	2,604	(10,343)	PFI Sinking Fund
	Early Leavers' Initiative	(522)	115	(407)	Reserve to fund the cost of approved severance payments
	Changing the Workplace	0	(353)	(353)	To fund the cost of 'new ways of working' for staff in Housing Leeds as office moves are completed.
	eFiles Box It Project	0	(262)	(262)	Principally to fund the scanning of Housing Management paper files to electronic files. This will assist the Housing Service in the preparation for moving to Community Hubs.
	Sub-total HRA reserves	<u>(69,883)</u>	<u>11,280</u>	<u>(58,603)</u>	
	<b>Total ring fenced Reserves</b>	<u>(114,622)</u>	<u>22,508</u>	<u>(92,114)</u>	
	<b>TOTAL RESERVES</b>	<u>(165,799)</u>	<u>34,900</u>	<u>(130,900)</u>	

CAPITAL PROGRAMME - 2016/17 GENERAL FUND OUTTURN VARIATIONS

Appendix 3

The following table highlights main scheme variations between the estimates in February 2017 and the final 2016/17 outturn. The variations are based on those programmes/schemes with significant variations both over/under > £100k.

Directorate	Service	Programme/ Scheme	2016/17 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
City Development	Highways	Highways	77,001.8	1,938.1	Highways accounted for almost 50% of the City Development programme and while there have been some overs and under variances in Highways we have managed to deliver more than we estimated at the setting of the capital programme, within 2.5% of projections. The variances are mainly due to additional spend on Flood Alleviation £1.6m and the main highways maintenance programme £1.3m offset by circa (£1m) on various other schemes within the 350+ schemes delivered in year. Highways delivered large programmes including Flood Alleviation £21m, Local Transport Plan funded schemes £14m, Bridges and Structures £8m, Cycle City Ambition £6m and the annual maintenance programmes £15m .
		Sovereign Square Greenspace	665.9	539.8	To finalise the scheme a retrospective report to the Director of City Development in June 2017 will set out the funding solution £789k, being an injection of the overage payment received from the sale of Plot C at Sovereign Square to the developer and the agreed S106 contribution related to the development of 3 Sovereign Square. This will include the balance of spend on phase 2, £250k in 2017/18.
	Asset Management Services	Asset Management	57,969.6	(327.7)	The accounting treatment of the acquisition of 3 Sovereign square resulted in a transfer between capital and revenue at year end £0.7m which was not envisaged at the setting of the capital programme in Feb, this was offset by other expected acquisitions and the Heritage Asset annual programme coming in under expectations or being slipped to 2017/18 (£1m).
	Economic Development	Economic Development	20,626.5	(2,223.6)	Eastgate public realm works completed in 2016/17 but before we can release the payment (£0.9m) we are awaiting finalisation of receipts due in early 2017/18. Kirkgate Market has slipped (£0.6m) and will now complete in 2017/18. The residual Aire Valley Enterprise Zone programme (£0.3m) and Various other City centre management and public realm schemes (£0.3m) will now be delivered in 2017/18.
	Regeneration Management	Arts and Events	3,315.5	(526.4)	This is mainly due to contracts (£0.4m) on the Grand Theatre works not being signed in time resulting in payments not being made in year.
	Regeneration Management	Regeneration	559.5	(599.4)	A funding solution for the final scheme for the Chapeltown Townscape Heritage Initiative (THI) scheme (£0.3m) is now in place and will complete by November 2017. Lower Kirkgate THI (£0.2m) - Slow take up in grants by 3rd party for refurbishing shop frontages despite promoting the availability of this grant funding source. Spend to increase in 2017/18 with 3-4 new schemes expected on site during the year.
	Other schemes	Other City Dev Schemes	(160,038.8)	1,199.2	No material variances on remaining schemes within City Development.
				<b>100.0</b>	<b>0.0</b>

<b>Environment &amp; Housing General Fund</b>	Equity Loans	9,230.4	(698.4)	The expected grant (£0.2m) to Leeds Credit Union to administer the energy repayment loans fund will now happen in 2017/18. Other equity loan take ups £0.4m for vulnerable households and Leeds Empties loans have been slow and less than expected. The District Heating Fees came in £0.1m under expected spend.
	Waste Management	8,224.0	(1,044.1)	Over estimated the Kirkstall Household Waste site spend in year so this slipped into 2017/18 £0.4m which includes the retention. The rollout of garden expansion and the recycling improvement plan have not happened £0.4m in 2016/17.
	Parks & Countryside	6,447.3	(1,664.7)	P&C overestimated spend on a number of schemes within their programme including Whinmoor Nursery £0.4m. A delay in the purchase of vehicles to determine whether electric or gas hybrid was more economical resulted in less than expected spend £0.2m. P&C delivered 50+ schemes in 2016/17.
	Environmental Action Team Vehicles	0.0	(1,137.9)	Vehicles ordered back in November 2016 expected end of financial year but due to the specialist nature of some supplier parts these have been delayed until the new year.
	Car Parking	168.6	(348.9)	The Car Parking system scheme initially earmarked for capital spend is now more cost effective to be funded from revenue and has been taken out of the capital programme.
	Leeds Building Services	909.0	(445.2)	Expected spend on the Total Mobile technology suite initially budgeted (£0.3m) to spend in 16/17 will now slip to 2017/18. Vehicles expected at year end (£0.1m) didn't materialise and will now happen next financial year.
	Other E&H General Fund	68.2	(159.8)	No other material variances on remaining 6 schemes within E&H general fund.
	<b>25,047.5</b>	<b>(5,499.0)</b>		
<b>Total General Fund Variances</b>	<b>300,312.8</b>	<b>(4,113.4)</b>		