

Report of the Chief Officer Financial Services

Report to Executive Board

Date: 25th July 2018

Subject: Financial Health Monitoring 2018/19 – Quarter 1

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 both the revenue budget and the Housing Revenue Account for the first quarter of the financial year.
2. The 2018/19 financial year is the third 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 since 2010 and the budget for 2018/19 requires the Council to deliver a further £34m 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 remains challenging.
4. This is the second budget monitoring report of the year, and Executive Board will recall that the 2018/19 general fund revenue budget, as approved by Council, provides for a variety of actions to reduce net spend through the delivery of £34m of budget action plans by March 2019. At this early stage of the financial year, it is clear that the majority of these actions are on track to be delivered, however this report highlights a potential overall overspend of £2.9m and measures will be

required to be identified and implemented so that a balanced budget position can be delivered.

5. At Quarter 1, the Housing Revenue Account is projecting a balanced budget position.

Recommendation

6. Executive Board are asked to note the projected financial position of the authority as at Quarter 1.

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2018/19 at Quarter 1.
- 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 two months of the year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2018/19 was set at £510.9m.
- 2.2 Following the closure of the 2017/18 accounts, the Council's general fund reserve stands at £25.6m. The 2018/19 budget assumes a further contribution of £1.0m to this reserve during this financial year.
- 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 Looking beyond 2018/19, a further report providing an update to the medium-term financial strategy is also being considered at July's Executive Board. This separate report takes account of the final year of the government's 4-year funding settlement, the move to greater business rate retention, any changes to funding from local taxation and income, the impact of increasing demand and cost pressures and ultimately what actions and decisions will need to be taken in order to stay within the anticipated financial resources in the years to 2021/22.

3. Main Issues

3.1 At Quarter 1 an overspend of £2.9m is projected, as shown in Table 1 below.

Table 1

Summary Position - Financial Year 2018/19 Quarter 1

Directorate	Director	(Under) / Over spend for the current period				Previous month's Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(1,118)	(127)	127	0	0
Children and Families	Steve Walker	0	798	101	899	912
City Development	Martin Farrington	(1,546)	(874)	874	0	0
Resources & Housing	Neil Evans	(2,135)	907	(907)	0	0
Communities & Environment	James Rogers	172	680	(465)	215	0
Strategic	Doug Meeson	0	656	1,099	1,755	1,285
Total Current Month		(4,627)	2,040	829	2,869	2,197

Previous month (under)/over spend	(3,684)	(435)	2,632	2,197
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3.2 The major variations are outlined below, with additional detail provided on the Directorate dashboards which are appended to this report;

3.2.1 **Adults & Health** are currently projecting a balanced position. At this stage it is anticipated that all Budget Action Plans will be delivered successfully. Other significant variations include £1.0m of anticipated cost pressures relating to Community Care Packages and £0.1m of reduced income related to delays in setting up Leeds Care Plan Team, offset by £1.1m of projected savings relating to staff turnover and slippage in employing new staff.

3.2.2 **Children and Families** – Whilst still early in the financial year there are a number of budget pressures that mean it will be challenging for the directorate to contain spend within the approved budget without additional saving proposals being identified, agreed and implemented. The projected year-end position at Quarter 1 is an overspend of £0.9m. This is significantly lower at this stage than in recent years and reflects the increases made to the Children and Families budget, particularly demand-led budgets, over the last two years.

As in previous years the main budget pressures are the demand led budgets of Children Looked After (CLA) and transport. Whilst the CLA budget has been increased by £8m over the last two years there are still significant demand and demography pressures on this budget that are resulting in an upward pressure in terms of costs. External Residential (ER) and Independent Fostering Agency (IFA) placements are both currently higher than the budgeted assumptions although the variance is much lower than in previous years. The directorate has agreed a

number of actions including reviewing ER placements in order to ensure that placements are still appropriate. The number of children in ER placements has reduced since the start of the financial year, however at the end of May 2018 External Residential (ER) numbers were 61 compared to the budgeted number of 53. The ER budget is projected to overspend by £0.8m but there remains a risk that numbers do not reduce as assumed.

Additionally there are projected income pressures of £0.3m in regard to Children's Centres and likely slippage in achieving planned savings from service reviews and restructures (£0.6m). These pressures are offset by £0.6m of other projected staff savings and £0.2m of additional schools funding contributions to External Residential placements.

The 2018/19 budget included savings of £5m. All the actions are being implemented and are expected to deliver the required level of savings.

- 3.2.3 City Development** – the Directorate are projecting a balanced budget position at the year-end, however there are a number of significant pressures which will require positive management actions to deliver this.

The budgeted return on the Council's commercial asset portfolio increased by £1m to £3.36m in the approved 2018/19 budget but the development of the Council's commercial asset portfolio has been slower than anticipated, largely due to a lack of suitable investment opportunities. The Directorate will continue to seek suitable opportunities and will seek to mitigate this pressure through savings within other areas of income and expenditure.

Additionally, there is an identified budget pressure of over £300k relating to advertising income. In response the Directorate has established an Advertising Board to seek out new advertising opportunities, appointed a company to provide specialist knowledge and expertise thereby optimising income opportunities from existing and new contracts, and has finalised the contract with Clear Channel for 6 sheet advertising, which will deliver a six figure income sum this year.

- 3.2.4 Resources & Housing** – the Directorate are projecting a balanced year-end position at Quarter 1. There are a number of emerging risks, for example around the timely implementation of some of the savings incorporated as part of the 2018/19 budget strategy which will require a directorate wide plan to deliver alternative savings of around £0.8m.
- 3.2.5 Communities & Environment** – there is a projected budget pressure of £0.2m at Quarter 1. Within the Refuse Service it is currently anticipated that there will be an overspend of £0.5m, largely due to anticipated slippage of 7 months (to November) in respect of the budgeted route efficiencies, as the route review programme continues. The Directorate will work towards identifying appropriate actions to mitigate the projected overspend and savings of £0.3m have been assumed at this stage.
- 3.2.6 Strategic & Central Accounts** - At Quarter 1, the Strategic & Central budgets have a projected overspend of £1.8m. The key variations are:
- A £1.0m projected shortfall in S278 income as a result of lower levels of development activity;

- a projected net shortfall of £0.4m in S31 grant income for business rates, due to changes in the calculation methodology after the 2018/19 budget had been set, offset by estimated additional S31 grant income; and
- a projected shortfall of £0.3m in New Homes Bonus.

3.3 Other Financial Performance

3.3.1 Council Tax

The Council Tax in-year collection rate at the end of April was 19.37% which is slightly ahead of performance in 2017/18. At this early stage the forecast is to achieve the 2018/19 in-year collection target of 96.1% collecting some £338m of income.

3.3.2 Business Rates

The business rates collection rate at the end of May was 23.14% which is 0.36% ahead of performance in 2017/18. The forecast is to achieve the 2018/19 in-year collection target of 97.7% collecting some £386m of income.

The total rateable value of business properties in Leeds has increased from £921.06m at 1st April to £925.33m at the end of May, growth of £4.27m. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the national business rates multiplier (48.0p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (99%) and West Yorkshire Fire Authority (1%). Following deductions for the Business Rates tariff and to meet the business rates deficit brought forward, Leeds' actual business rates income is projected to be in the region of £204.9m, which is £4m below budgeted expectations.

3.3.3 Business Rates Appeals

The opening appeals provisions for 2018/19 are £21.5m, made up of £11.5m relating to appeals received against the 2010 ratings list and £10m estimated costs in relation to the 2017 ratings list. Under the 100% Business Rates Retention pilot, Leeds' budget is affected by 99% of any appeals provision made in this year but provisions brought forward from 2017/18 were made at 49%.

On the 1st May 2018, there were 2,548 appeals outstanding against the 2010 ratings list. During May 143 appeals have been settled, of which 89 have not resulted in changes to rateable values. 8 new appeals were received in May, the low number received reflecting that appeals are no longer accepted against the 2010 list except in very specific circumstances. At 31st May there are 2,413 outstanding appeals in Leeds, with 23.5% of the city's total rateable value in the 2010 list currently subject to at least one appeal.

No appeals have been received to date against the 2017 list, with only 1.5% of the city's total rateable value in the 2017 list currently subject to either a 'check' or a 'challenge', the pre-appeal stages of the new appeals process introduced in 2017.

4. Housing Revenue Account (HRA)

- 4.1 At the end of Quarter 1 the HRA is projecting a balanced position against the 2018/19 Budget.

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 2018/19 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 21st February 2018.

5.3 Council Policies and Best Council Plan

- 5.3.1 The 2018/19 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.

6. Recommendations

- 6.1 Executive Board are asked to note the projected financial position of the authority as at Quarter 1.

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.

ADULTS AND HEALTH

Financial Dashboard - 2018/19 Financial Year

Quarter 1

Though there is very little activity for the current year, it is considered that the Directorate will achieve a balanced position for the year.

Budget Action Plans are expected to be delivered and it is noted that 80% of the plans are effectively delivered.

The main variations at Q1 across the key expenditure types are as follows:

Staffing (-£1.1m – 2.1%)

There is a pressure within Access & Care which is still being investigated; savings are forecast across most areas but principally within Strategic Commissioning (however there is a review currently being undertaken) and there is slippage within the Leeds Plan team.

Community care packages (+£0.9m – 0.4%)

There is an anticipated cost pressure related to higher than budgeted fee increase.

Public Health Commissioning (+£0.1m - 0.2%)

It is currently assumed that staffing based savings will be recycled to meet demand pressures on commissioned services.

General Running Costs (-£0.1m - 0.1%)

Savings will be evidenced against budgets relating to debt repayment and against general expenditure heads.

Income (+£0.1m – 0.1%)

Contributions from partners are forecast to be lower than budgeted due to slippage in the formation of the Leeds Plan team offset by additional external income.

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	1,015	(660)	355	(299)	0	0	0	0	0	0	0	0	(299)	346	47
Access & Care Delivery	259,968	(45,900)	214,068	10	(0)	(6)	28	(163)	355	523	0	0	747	(219)	528
Service Transformation Team	1,301	0	1,301	(67)	0	0	0	0	0	0	0	0	(67)	0	(67)
Commissioning Services	34,377	(47,023)	(12,646)	(549)	0	0	0	100	0	0	0	0	(449)	0	(449)
Resources and Strategy	4,855	(553)	4,302	(64)	0	0	4	0	0	0	0	0	(59)	0	(59)
Public Health (Grant Funded)	44,989	(44,607)	382	(149)	0	0	0	0	149	0	0	0	0	0	0
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	346,506	(138,744)	207,762	(1,118)	(0)	(6)	32	(63)	504	523	0	0	(127)	127	(0)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
A. Key Budget Action Plans						
1.	Additional funding	S Hume	iBCF, Spring Budget, War Pension Disregard Grant, Social Care Grant	B	(24.5)	0.0
2.	Demand Based Savings - Learning Disability	S McFarlane		A	(2.5)	0.0
3.	Demand Based Savings - Mental Health	S McFarlane		A	(0.4)	0.0
4.	Demand Based Savings - Physical Impairment	S McFarlane		A	(0.2)	0.0
5.	Demand Based Savings - Telecare	S McFarlane		A	(0.2)	0.0
6.	Demand Based Savings - Recovery Beds	S McFarlane		A	(0.1)	0.0
7.	Demand Based Savings - Reablement	S McFarlane		A	(0.1)	0.0
8.	Demand Based Savings - Direct Payment Trend	S McFarlane		A	(0.1)	0.0
9.	Client Transport	S McFarlane		A	(0.2)	0.0
10.	Recovery model/Full Year Effect of Phase III	S McFarlane		B	(0.9)	0.0
11.	Vacancy management	Various	Mainly non-frontline services	G	(0.9)	0.0
12.	Fees and charges	S Hume	Improved income collection and income recovery from direct payment audit	A	(1.0)	0.0
13.	Direct Payment Audit Team	S Hume	Recovery of unspent sums	G	(0.4)	0.0
14.	Review non-essential spend	Various	Review and top-slicing of non-essential spend	G	(0.6)	0.0
15.	Public Health	I Cameron	Review of commissioned services	B	(1.2)	0.0
B. Other Significant Variations						
1.	Staffing	All	Relating to staffing turnover and slippage in employing new staff			(1.1)
2.	Community care packages	Various	Anticipated cost pressures			1.0
3.	General running costs	All	Savings primarily based on reduced borrowing costs			(0.0)
4.	Use of reserves	All	Contribution to reserves			0.0
5.	Income	S Hume	Reduced income related to delay in setting up Leeds Care Plan Team			0.1
					Adults and Health Directorate - Forecast Variation	
					0.0	

CHILDREN & FAMILIES FINANCIAL DASHBOARD 2018/19 FINANCIAL YEAR Quarter 1

Overall Summary - At Q1 the directorate is projecting an overspend of £899k against the approved budget of £121.527m, a variance of less than 1%. The 2018/19 budget provides for a net increase of £8.7m (7.7%) when compared against the adjusted budget for 2017/18. The increase in the net budget recognises a number of budget pressures and also the loss of grant funding. The budget also includes £5m of budget actions that will need to be delivered during the year. At this point at the start of the financial year the key budget risks are expected to be the Children Looked After budget, some income targets and achieving some of the staff saving targets. Action plans covering these key budget risks have been developed and will be closely monitored by the Children and Families management team.

Children Looked After (CLA): - The Children Looked After budget (CLA) was increased by £4.9m in the 2018/19 budget. The budget took into account the level of supported children in the autumn of 2017 with only a small reduction in numbers anticipated in 2018/19 equivalent to a 1.5% reduction in overall CLA numbers over the year. At the end of May 2018 the External Residential (ER) numbers were 61 compared to the budgeted number of 53 (a reduction of 3 from period 1). It is anticipated that there will be some reductions in numbers as a number of children currently in ER placements turn 18 during the year. An action plan has been developed to ensure that the service is focused on delivering within budget. However, at this early stage of the year an overspend of £800k is projected. This is mainly on ER placements and reflects the current level of placements.

Staffing: Overall the staffing budgets are projected to be balanced at the end of the year. Whilst there are delays in achievement of budget action plans requiring restructures it is anticipated by careful management of vacancies and use of agency staff that the required savings will be achieved.

Transport - It is projected that the £250k efficiency built into the 2018/19 budget will be achieved.

Trading and Commissioning: Although the Trading areas of the directorate collectively underachieved their income targets in 2017/18, action plans have been developed for the areas where income was below budget in 2017/18. There is a risk around achieving the budgeted level of income in the childcare service.

Other Costs - There is a risk that the external legal disbursement costs will exceed the budget, hence there will be close monitoring of these expenses.

Other Income - An action plan has been developed to look at maximising income from Children Centres but the Period 2 projection does allow for a shortfall of £300k against budgeted income. Additional Income of £200k is anticipated from the DSG to contribute to the education costs of External Residential placements.

Dedicated Schools Grant - There is a separate Dashboard for DSG

Budget Management - net variations against the approved budget

	Expenditure Budget	Income Budget	Latest Estimate	PROJECTED VARIANCES											Total (under) / overspend
				Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Demand Led Budgets:															
In House placed CLA	19,994	(3,195)	16,799	0	0	0	0	0	0	0	0	0	0	0	0
Independent Fostering Agency	7,446		7,446	0	0	0	0	0	0	0	0	0	0	0	0
External Residential	10,886		10,886	0	0	0	0	0	800	0	0	0	800	(200)	600
Other Externally placed CLA	2,599		2,599	0	0	0	0	0	0	0	0	0	0	0	0
Non CLA Financially Supported	13,066	(2,389)	10,677	0	0	0	0	0	0	0	0	0	0	0	0
Transport	14,565	(467)	14,098	0	0	0	0	0	0	0	0	0	0	0	0
Sub total Demand Led Budgets	68,556	(6,051)	62,505	0	0	0	0	0	800	0	0	0	800	(200)	600
Other Budgets															
Partnerships & Health	11,571	(6,022)	5,549	27	0	0	0	0	0	0	0	0	27	(1)	26
Learning	89,053	(82,278)	6,775	150	0	0	0	0	0	0	0	0	150	0	150
Social Care	115,240	(68,542)	46,699	(177)	0	(2)	0	0	0	0	0	0	(179)	302	123
Sub total Other Budgets	215,864	(156,842)	59,022	0	0	(2)	0	0	0	0	0	0	(2)	301	299
Total	284,420	(162,893)	121,527	0	0	(2)	0	0	800	0	0	0	798	101	899

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	Action Plan Value	Forecast Variation
A. Significant Variations			RAG	£m	£m
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies).	R	0.80
	Staffing Related Costs	CSLT	At Q1 it is assumed that saving will be delivered from the management of posts - slippage of appointment to the senior management structure & further vacancy control.		(0.559)
	Childrens Centre Income	A Richardson	There is a projected shortfall of income from Childrens Centre until the Service recruits and retains staff at full structure.		0.30
					0.00
B. Key Budget Action plans (BAP's)					
	Service Reviews / Restructures	CSLT	Savings likely to slip depending on MSR/ELI process. Stage 1 review complete. Stage 2 reviews to be progressed once revised directorate structure has been implemented.	R	(1.27) 0.56
	Progress alternative Transport funding models	S Rumbold / S Martin	Pilots are being established around alternative payment approach	A	(0.25) 0.00
	Family Services restructure and reduced funding	A Richardson	Proposals in place to secure the savings, DDN to implement the new structure implemented.	G	(0.25) 0.00
	Reduced spend on Independent Support Workers	S Rumbold	Based on current spend the savings should be realised.	G	(0.25) 0.00
	Commissioning Reviews	S Rumbold	Various commissioning reviews are in progress. There is the risk that the level of savings will not be achieved.	G	(0.30) 0.00
	Achieve Increased income from Adel Beck	S Tariq	Day rates at Adel Beck have been increased. Higher charges may impact on demand.	G	(0.35) 0.00
	Achieve Increased income from Child Protection: Education Safeguarding Team	S Rumbold	The Team is anticipated to continue high level of trading.	G	(0.10) 0.00
	Achieve additional Unaccompanied Asylum Seeking Children grant	S Tariq	This action is linked to the number of unaccompanied asylum seeker children	G	(0.40) 0.00
	Achieve additional DfE Improvement Partner Income	S Tariq	Subject to Final Agreement with Kirklees	G	(0.10) 0.00
	Other Action Plans which have been achieved.	various	Includes continuation of School Improvement and Brokerage grant £0.7m	G	(1.75) 0.00
					0.00
C. Contingency Plans					
	Utilisation of External Income		Additional schools funding contribution to area External Residential placements £0.2m.	G	(0.20)
Children and Families Directorate - Forecast Variation					0.899

CHILDREN & FAMILIES 2018/19 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD

Quarter 1

Overall Summary - From 2018/19, the Dedicated Schools Grant (DSG) is made up of 4 separate blocks - the Schools Block, Central School Services Block, Early Years Block and High Needs Block. At Q1 there is a projected overspend of £500k.

Schools Block - This is the largest element of the DSG and mostly consists of delegated funding to local authority maintained schools. From this, there are a number of "de-delegated" services where schools have agreed for the local authority to retain funding back to cover some costs centrally which otherwise would need to be charged to schools (such as maternity costs, trade unions costs and the libraries service). The Growth Fund budget remains part of this block. Although there are no variances projected at this stage, there are risks over the levels of maternity pay costs within the de-delegated budgets.

Central School Services Block

This is a new block created from 2018/19 which covers costs such as prudential borrowing repayment, equal pay costs, the admissions service and the retained duties element of what used to be the Education Services Grant (which covers statutory and regulatory duties, asset management and welfare services). There are no variances currently projected on these services.

Early Years Block - This element is concerned with provision to pre-school children. The final grant amount received is largely based on the January 2019 census and so will not be confirmed until the 2019/20 financial year. Following the significant underspend in 2017/18, the unit rates paid to providers has been increased for both 2 year old and 3 & 4 year old providers. However, it is still expected that there could be an underspend of up to £1m.

- for 2 year olds, the January census has usually been the lowest of the year and in order to not overspend this budget, the amount paid to providers is £5.10 an hour (an increase from £5.05 in 2017/18) while the funding is £5.20 per hour to compensate for this, although the hourly rate received from the ESFA has not increased from 2017/18.
- for 3 and 4 year olds, the hourly rate has been increased from £4.20 to £4.25, though the hourly rate received from the ESFA remains the same.
- the SEND Inclusion Fund budget has been reduced to £485k and the process for accessing this fund has been simplified for 2018/19 to encourage more providers to take up the available funding.
- the contingency fund did not have any calls on it during 2017/18 and so has been reduced from £400k to £170k.

High Needs Block - This element is used to support provision for pupils and students with special educational needs and disabilities. This block is currently experiencing increasing costs due to high levels of demand and increasing complexity of cases. There are a number of areas of risk in these budgets, including:-

- The deficit on the North West SILC budget is likely to be a charge during 2018/19. At the end of 2017/18 the deficit was £1.355m, though a deficit action plan is now being worked on, though there is a risk that this deficit could increase further.
- a high lever assessment of the number and complexity of children with SEN suggests there could be a significant risk of up to £2.5m on this budget.
- due to the projected overspends listed above, the budgeted contribution to reserves is not expected to be made.

Grant Income - The initial DSG grant for 2018/19 year was announced in December 2017. However, there will continue to be changes to this figure during the year, in addition, the early years element will not be known until July 2019. At this early stage of the year there are no changes to the projected grant due.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(320,706)	(320,706)	0
Individual Schools Budgets	313,490	313,490	0
De-delegated budgets	4,316	4,316	0
Growth Fund	2,900	2,900	0
	0	0	0
Central School Services Block			
DSG Income	(5,171)	(5,171)	0
CSSB Expenditure	5,171	5,171	0
	0	0	0
Early Years Block			
DSG Income	(55,367)	(55,367)	0
FEEE 3 and 4 year olds	44,216	43,386	(830)
FEEE 2 year olds	7,903	7,903	0
Other early years provision	3,248	3,078	(170)
	0	(1,000)	(1,000)
High Needs Block			
DSG Income	(60,300)	(60,300)	0
Funding passported to institutions	53,393	55,839	2,446
Commissioned services	1,549	1,549	0
In house provision	4,412	4,412	0
Contribution to /from reserves	946	0	(946)
	0	1,500	1,500
Total	0	500	500

Latest Estimate

Balance b/fwd from 2017/18
 Net contribution to/from balances
Deficit c/fwd to 2019/20

General £'000	De-delegated £'000	Total £'000
3,379	(425)	2,954
(946)	300	(646)
2,433	(125)	2,308
3,379	(425)	2,954
500	300	800
3,879	(125)	3,754

Projected Outturn

Balance b/fwd from 2017/18
 Net contribution to/from balances
Deficit c/fwd to 2019/20

Key Budget Action Plans and Budget Variations:

	Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
				£m	£m
A. Key Budget Action Plans					
Transfer funding to High Needs Block		Transfer of £2m from the schools block and £500k from the central school services block to the high needs block as detailed in report to Schools Forum in January 2018.	B	2.50	0.00
Reduction in Funding for Inclusion unit value		The reduction in the unit rate from £684 to £600 has been applied.	B	1.37	0.00
Reductions in mainstream funding for additional places		A change in the criteria before additional funding is due will be applied.	G	0.49	0.00
B. Significant Variations					
Early Years Block		Likely underspend on early years block.			(1.00)
High Needs Block		Estimated increase in payments to institutions due to increase in number and complexity of cases.			1.09
High Needs Block		Deficit balance on North West SILC as academy conversion due to take place during 2018/19.			1.36
High Needs Block		Budgeted contribution to reserves will not be made			(0.95)

Dedicated Schools Grant - Forecast Variation

0.50

CITY DEVELOPMENT 2018/19 BUDGET
FINANCIAL DASHBOARD 2018/19 FINANCIAL YEAR
Quarter 1

Overall -

At Q1 City Development is projecting a breakeven position although there are a number of known significant pressures which will require positive management actions to develop and deliver mitigating solutions.

As per the approved 2018/19 budget, the budgeted return on the Council's commercial asset portfolio has increased by £1m in 2018/19 to £3.36m.

The development of the Council's commercial asset portfolio has however been slower than anticipated. This is largely due to a lack of supply of suitable investments to acquire that meet the Council's risk profile. The Directorate will continue to seek out suitable investment opportunities and, given the slower than anticipated development, the Directorate will seek to mitigate against this through savings within other areas of income and expenditure.

Advertising income represents another potential budget pressure rolling through from 2017/18, with a potential underlying budget pressure of between £ 300k and £ 400k. However the following progress has now been made :

- The establishment of an Advertising Board with a focus on seeking out new advertising opportunities;
- The appointment of a company to provide specialist knowledge and expertise in relation to this complex and competitive market, thereby optimising income opportunities from existing and new contracts;
- Finalising the contract with Clear Channel for 6 sheet advertising, which will deliver a six figure income sum this year.

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 & Sustainable Development	9,219	(7,368)	1,851	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic Development	1,942	(552)	1,390	(73)	0	3	0	0	0	0	0	0	(70)	68	(2)	
Markets & City Centre	2,957	(3,612)	(655)	(3)	1	0	0	0	0	0	0	0	(2)	12	10	
Asset Management & Regeneration	16,838	(18,261)	(1,423)	(44)	(40)	0	0	0	0	0	0	0	(84)	27	(57)	
Employment & Skills	3,881	(2,166)	1,715	0	0	0	0	0	0	0	0	0	0	0	0	
Highways & Transportation	61,276	(46,452)	14,824	(1,397)	(2)	726	3	1	0	0	0	0	(669)	762	93	
Arts & Heritage	17,821	(7,535)	10,286	0	0	0	0	0	0	0	0	0	0	0	0	
Sport & Active Lifestyles	24,489	(19,881)	4,608	(17)	(20)	0	0	0	0	0	0	0	(37)	46	9	
Resources & Strategy	1,126	0	1,126	(12)	0	0	0	0	0	0	0	0	(12)	(40)	(52)	
Total	139,549	(105,827)	33,722	(1,546)	(61)	729	3	1	0	0	0	0	(874)	874	0	

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments		£m	£m
A. Budget Action Plans						
1.	Planning and Sustainable Development	Tim Hill	Additional income from charging	G	(0.40)	0.00
2.	Economic Development		Expenditure savings	G	(0.12)	(0.00)
3.	Markets & City Centre	Susan Upton	Additional income from events and speciality markets	G	(0.07)	0.01
4.	Asset Management & Regeneration	Angela Barnicle	Strategic Investment Fund & fee income	A	(1.52)	(0.06)
5.	Highways and Transportation	Gary Bartlett	Fees & Charges	G	(0.81)	0.09
6.	Arts and Heritage	Cluny MacPherson	Savings via increased income opportunities across the Service	G	(0.40)	0.00
7.	Employment and Skills	Sue Wynne	Staffing & running cost savings	G	(0.02)	0.00
8.	Sport and Active Lifestyles	Cluny MacPherson	Reduction in the net cost of service via increased income, operational cost reductions and VAT exemption	G	(1.59)	0.01
Total Budget Action Plan Savings					(4.93)	0.1
B. Other Significant Variations						
1.	City Development	All	Mitigating Actions			(0.04)
2.	Resources and Strategy	Ed Mylan	Staffing Savings			(0.01)
3.						
4.						
5.						
6.						
City Development Directorate - Forecast Variation						0

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2018/19 FINANCIAL YEAR

Quarter 1

Overall

At this early stage in the year a balanced position is projected. There are a number of emerging risks around the timely implementation of some of the savings incorporated as part of the 2018/19 budget strategy which will require an directorate wide plan to deliver alternative savings of around £0.8m

Resources

It is assumed that support services will achieve the almost £3.5m savings which form part of the 2018/19 budget strategy. Most of these (£2.2m) centred on staffing savings and early projections indicate these will be delivered. However, there is a risk for those services which are experiencing a reduction in schools income, particularly HR. Plans will need to be implemented to compensate for the loss of income.

Leeds Building Services

A balanced position is projected for LBS. The budget assumes an additional surplus of £1.1m to be delivered through increased turnover of around £10m when compared to the 17-18 budget. Delays in the recruitment of front line staff are assumed to offset by the additional use of sub contractors to deliver the 2018-19 programme.

Housing and Property Services

Housing and Property Services are expected to achieve the £430k of budgeted savings in this financial year. An additional £0.5m has been included in Corporate Property Management maintenance budget for 2018/19. Current projected spend assumes that £0.4m of works can again be capitalised in 2018/19 to balance the budget.

Civic Enterprise Leeds

At this stage in the financial year a balanced position is projected for CEL although we will continue to closely monitor some of the significant income generating services within the group.

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	
Resources	93,404	(26,892)	66,512	(1,447)	61	807	(11)	(50)	0	0	0	0	(640)	640	0
LBS	55,660	(65,271)	(9,611)	(983)	0	690	0	0	0	0	0	0	(293)	293	0
Housing & Property	26,417	(12,058)	14,359	0	372	0	0	0	0	0	0	0	372	(372)	0
CEL	74,430	(63,658)	10,772	295	(6)	708	426	45	0	0	0	0	1,468	(1,468)	(0)
Total	249,911	(167,879)	82,032	(2,135)	427	2,205	415	(5)	0	0	0	0	907	(907)	(0)

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	LBS	Simon Costigan	Additional turnover has been identified; budget reflects increased staffing to deliver turnover required and recruitment is underway;	G	(1.10)	
2	Housing	Jill Wildman	Commissioning Contract Savings - FYE of existing savings	G	(0.15)	
3	Housing	Jill Wildman	Review of housing support costs that can be more appropriately charged to the capital programme	G	(0.08)	
4	CPM	Simon Costigan	Target reduction in spend on repairs/security at Void properties	G	(0.20)	
5	Cleaning/Catering	Sarah Martin	Annual equipment replacement programme & investment in kitchen facilities to deliver savings.	G	(0.05)	
6	Cleaning/Catering	Sarah Martin	Operational cost savings within CEL from ASC Better Lives programme	G	(0.20)	
7	Cleaning	Sarah Martin	Additional income	G	(0.04)	
8	Facilities Management	Sarah Martin	Operational cost review.	G	(0.12)	
9	Fleet Services	Sarah Martin	Staffing restructure	G	(0.03)	
10	Fleet Services	Sarah Martin	Operational savings	G	(0.05)	
11	Directorate wide	All COs	Staffing savings above amounts in service accounts	G	(0.20)	
12	DIS	Dylan Roberts	Review of staff & other costs that can be more appropriately charged to the capital programme	G	(0.38)	
13	DIS	Dylan Roberts	Reduction in licence costs, the continued rationalisation of printers and a review of telephone costs as Skype is fully rolled out	G	(0.33)	
14	DIS	Dylan Roberts	Income from additional services to WY Joint Services; Alternative savings to be found.	A	(0.07)	
15	DIS	Dylan Roberts	Charge for personal use of Mobile phones; Alternative savings to be found	R	(0.06)	
16	DIS	Dylan Roberts	Mobile phone growth - additional budget required from Directorates	G	(0.05)	
17	Financial Services	Doug Meeson	Deliver £0.5m staffing savings to balance the 18/19 budget	G	(0.50)	
18	HR	Lorraine Hallam	Deliver £0.19m staffing savings to balance the 18/19 budget; Additional staffing savings used to offset income shortfall	G	(0.19)	(0.14)
19	HR	Lorraine Hallam	Additional income -mainly schools (price increases, fee on supply contract; Income from attendance/ disciplinary training	A	(0.10)	
20	HR	Lorraine Hallam	Replace HELP contract with telephone support service.	G	(0.09)	
21	HR	Lorraine Hallam	P-card payments - agency contract	G	(0.05)	
22	HR	Lorraine Hallam	Secure £40k of income chargeable to the Apprentice Levy	G	(0.04)	
23	Legal & Democratic Services	Catherine Witham	Deletion / Reconfiguration of posts or other cost savings	G	(0.07)	
24	Low Carbon	Polly Cook	Charges to University for contribution towards salary costs	G	(0.02)	
25	Shared Services	Helena Phillips	Deliver £1.1m staffing savings to balance the 18/19 budget	G	(1.10)	
26	Shared Services	Helena Phillips	Mail and Print - cross cutting savings	G	(0.10)	
27	Strategy and Improvement	Mariana Pexton	Deliver £0.13m staffing savings to balance the 18/19 budget	G	(0.13)	
28	Strategy and Improvement	Mariana Pexton	Additional comms team income - mainly from Schools	G	(0.05)	
B. Other Significant Variations						
1	HR	Lorraine Hallam	Net shortfall against schools income	A		0.84
2	All other variations	Dir Wide	Other minor variations +£0.1m & and Action plan required (£0.8m) to balance	G		(0.70)

Resources and Housing Directorate - Forecast Variation 0.00

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2018/19 FINANCIAL YEAR
Quarter 1

Overall Position (£215k over budget)

Communities (nil variance)
This service is projecting a nil variance.

Customer Access (nil variance)
Although the service is currently projecting a nil variation, the main area of risk is within the Contact Centre, which mainly reflects delays in delivering budgeted staffing efficiencies in respect of Channel shift/shove whilst maintaining satisfactory performance levels.

Electoral and Regulatory Services (- £47k below budget)
The projected underspend mainly reflects the final grant settlement in respect of Property Search fees received in 18/19 of £100k, partially offset by other expenditure variations of £53k. The planned fee review for Taxi and Private Hire Licensing (TPHL) has yet to be implemented and any further delays may impact on the current balanced position.

Welfare and Benefits (nil variance)
A balanced position is currently projected. Although the service has secured additional grant funding, mainly in respect of Verify Earnings and Pensions Alerts (£327k), this will be offset by additional expenditure to meet the grant requirements and other staffing variations across the service.
A significant area of risk is around the achievement of the budgeted level of overpayment income - a clearer indication of this will be possible after the first quarter.

Parks and Countryside (nil variance)
The service is projecting an overall nil variance at period 2. At this early stage of the year this includes a projected shortfall in income at both Lotherton Hall and Tropical World, although this is anticipated to be offset by additional income in other areas of the service.

Environmental Action (nil Variance):

Car Parking (nil variance)
The service is currently projecting a balanced budget, although this includes some risk as after 2 months of the year the income levels are below phased budgets, with shortfalls projected on both 'on street' parking and delays in the Woodhouse price increase. At this early stage of the year assumptions have been made that this will recover but this will need to be closely monitored to fully determine trends.

Cleaner Neighbourhoods Teams (nil variance)
The service is projecting a nil variance with projected staffing savings offset by additional overtime costs.

City Centre (nil variance)
The service is projecting a nil variance.

Environmental Health (nil variance)
The service is projecting a nil variance.

Waste Management (+£562k over budget):

Refuse: (+£518k over budget)
Within the Refuse Service it is currently anticipated that there will be slippage of 7 months (to November) in respect of the budgeted collection route efficiency programme, as the route review continues. This will result in a projected overspend of £673k, although savings of £250k are anticipated to offset this. In addition, an extra collection route (+£228k) has been provided to meet the additional demand from new build properties; other staffing pressures within the service are projected to cost an additional £250k; and delays in the review of the medi-waste collection service are projected to cost an additional £85k. Partially offsetting these pressures is a £458k saving in respect of collection cost savings.

HWSS & Waste Strategy: (+£44k over budget)
The projected overspend relates to increased SORT disposal costs (+£207k), reflecting a reduction in market prices and increased contamination rates; a reduction in the level of disposal savings assumed from the rollout of the new garden waste routes (+£229k), additional recycling and weighbridge income of £111k; and other disposal savings of £249k, mainly at Household Waste Sites.

Community Safety (nil variance)
A projected shortfall in income of £59k due to the loss of a contract with WY Police to maintain ANPR cameras, is offset by a projected net underspend in staffing.

Directorate Wide (action plan savings £300k)
The directorate will work towards identifying appropriate actions to mitigate the projected overspend.

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		
Communities	19,015	(14,036)	4,979	0	0	(34)	0	(210)	0	0	0	0	(244)	244	0	
Customer Access	23,428	(3,952)	19,476	0	0	(4)	0	0	0	0	0	0	(4)	4	0	
Electoral & Regulatory Services	6,239	(5,486)	753	(218)	69	(10)	0	(48)	0	0	0	0	(207)	160	(47)	
Welfare And Benefits	252,476	(248,602)	3,874	175	2	160	9	56	0	0	0	0	402	(402)	0	
Car Parking Services	4,936	(13,168)	(8,232)	0	0	(56)	0	15	0	0	0	0	(41)	41	0	
Community Safety	7,902	(5,730)	2,172	(169)	0	(50)	0	0	0	0	0	0	(219)	219	0	
Waste Management	41,662	(7,861)	33,801	456	(2)	29	16	0	0	0	0	0	499	63	562	
Parks And Countryside	31,420	(24,386)	7,034	0	35	340	(31)	163	0	0	0	0	507	(507)	0	
Environmental Action (City Centre)	2,011	(427)	1,584	0	0	0	0	0	0	0	0	0	0	0	0	
Environmental Health	2,053	(561)	1,492	0	0	(13)	0	0	0	0	0	0	(13)	13	0	
Cleaner Neighbourhood Teams	12,506	(4,561)	7,945	(72)	0	0	72	0	0	0	0	0	0	0	0	
Action Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	(300)	(300)	
Total	403,648	(328,770)	74,878	172	104	362	66	(24)	0	0	0	0	680	(465)	215	

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	RAG	Action Plan Value (£000s)	Forecast Variation against Plan/Budget
Communities						
Communities team	Communities Team - review management & leadership arrangements - saving of 1 fte	Shaïd Mahmood	Review process ongoing, savings expected to be delivered in year	G	(50)	0
Community Centres	Community Centres: reduce net cost by reviewing lettings income and Facilities Management costs	Shaïd Mahmood	Additional income due in 18/19 from full year effect of Free Lets termination in 17/18. Meeting to be held with Facilities Management re delivery of remaining savings.	G	(60)	0
Third Sector Infrastructure Fund	10% saving on VAL contract	Shaïd Mahmood	VAL have been informed of the decision and the contract is to be renegotiated	G	(34)	0
Customer Access						
Libraries	Re-tender Library Management Systems contracts as single contract	Lee Hemsworth	To retender as part of a West Yorkshire Consortium. This will allow potential bigger savings but it is unlikely that the full amount can be delivered in year.	G	(50)	0
Compliments & Complaints	Review structure to deliver staffing savings	Lee Hemsworth	Factored into proposed structure changes - Delivered	G	(17)	0
Contact Centre	Migration of telephone lines to new datelines'	Lee Hemsworth	Lines migrate Friday 11th May so should be on line to deliver savings	G	(80)	0
Contact Centre	Closer working between Council Tax Recovery and Contact Centre - saving of 1 fte	Lee Hemsworth	Savings now incorporated into Channel shift/shove target (see below re Ctax emails)	G	(30)	0
Contact Centre	Channel shift/shove - further savings due to fewer calls - saving of 12 ftes	Lee Hemsworth	Whilst implementation is underway delays are putting delivery of full savings at risk. Added to this is the current adverse call answer rate and it may be that performance issues need to be addressed which could also impact on savings being delivered	A	(280)	0
Contact Centre	Reduce service failure - saving of 1.3 ftes	Lee Hemsworth	On track and should be delivered in year.	G	(40)	0
Contact Centre	Implement automated switchboard in Contact Centre - saving of 2.5 ftes	Lee Hemsworth	Business case approved at FPG, to be funded by Invest to Save reserve - £38k savings forecast due to delays.	G	(50)	12
Home Library Service	Transfer of Home Library Service to voluntary sector - transfer of 1 fte	Lee Hemsworth	Currently under review - advice being sought from HR, savings may be delivered from elsewhere.	G	(30)	0
Interpreting & Translation Service	Secure additional income (net) from Interpreting and Translation Service - Total Income budget £846k	Lee Hemsworth	Revising contract arrangements with Health Service. This could lead to a longer term arrangement, but may need to review pricing.	G	(180)	0
Staffing efficiencies	Community Hubs & Libraries ELIs/Vacancy Factor	Lee Hemsworth	Expected to be achieved	G	(974)	0
Welfare & Benefits						
Welfare and Benefits	Re-tender Advice Consortium contract	Lee Hemsworth	Delivered	G	(50)	0
Welfare and Benefits	Local Welfare Support Scheme - review eligibility for white goods and arrangements for carpet replacements in Council properties	Lee Hemsworth	Budget reduced by £200k. Funding & award approach revised such that we will operate within allocated budget. On track to meet this.	G	(200)	0
Electoral & Regulatory Services						
TPHL	Implement fee review to achieve additional income target of £438k to achieve balanced budget. Overall income target £2,241k	John Mulcahy	Fee review approved at Licensing Committee 25th May 2018, now going out to consultation. Income levels being monitored to ensure increase in fees is sufficient to generate required income. £1.8m achieved in 17/18.	A	(438)	0
Waste Management						
Refuse	Continue with the re-design of collection rounds to deliver remaining £1.1m savings in base budget, plus additional lieu day savings of £0.25m	Helen Freeman	Discussions ongoing - currently assuming 4 months delay.	R	(1,350)	423
Refuse	Work with NHS colleagues to review medi-waste collection service to eliminate subsidy	Helen Freeman	Ongoing discussions with NHS - assumed delayed implementation for 1/2 year	R	(170)	85
Environmental Action Services						
Car Parking	Increase charges at Woodhouse Lane car park by 50p for a full day	Helen Freeman	Price increase due to be implemented 1st July 2018	A	(130)	32
Parks and Countryside						
Parks and Countryside	Continue to progress Attractions Development Plan to achieve additional net surplus	Sean Flesher	A bid has been submitted to the Rural Development Fund to help the cost of the ongoing development at Lotherton Hall.. Income to period 2 is below profile. To be monitored.	G	(100)	0
Parks and Countryside	Increase turnover to achieve additional plant/retail income target (additional net £100k surplus) from the Arium	Sean Flesher	Additional net surplus built into budget. To be monitored. No shortfall identified at Period 2.	G	(100)	0
Parks and Countryside	Staffing savings - achievement of vacancy factor (5% all services, 8.9% Parks Operations)	Sean Flesher	Period 2 savings in line with profile. To be monitored in year.	G	(1,124)	0
Community Safety						
Community Safety	Identify efficiencies in use of Community Safety funding	Paul Money	Efficiencies have been identified, proposals to be approved by Safer Leeds Executive	G	(50)	0
Directorate Wide	Undertake additional works for Housing Leeds	All COs	Additional CCTV and Tree Inspection works undertaken in 17/18, need to identify appropriate areas in 18/19	G	(300)	0
Other Significant Variations						
All services			Other expenditure variations			(37)
			Directorate wide Action Plan			(300)
Communities & Environment - Forecast Variation						215

**STRATEGIC & CENTRAL ACCOUNTS
FINANCIAL DASHBOARD 2018/19 FINANCIAL YEAR**

Quarter 1

Overall :

At Q1 , the Strategic & Central budgets have a projected overspend of £1.7m.

The key variations are;

- a projected overspend of £0.6m in debt costs
- a projected shortfall of £0.4m in S31 grant income for business rates, due to changes in the calculation methodology
- Section 278 income - £1.0m less due to lower levels of development activity
- a projected shortfall of £0.3m in New Homes bonus
- Offset by £0.6m improvement in prudential borrowing income

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	(7,330)	(40,123)	(47,453)											0	337	337
Debt	24,747	(1,167)	23,580								656			656		656
Govt Grants	9,740	(36,895)	(27,155)											0	762	762
Joint Committees	36,913	0	36,913											0		0
Miscellaneous	5,930	(852)	5,078											0		0
Insurance	10,294	(10,294)	0											0		0
Total	80,294	(89,331)	(9,037)	0	0	0	0	0	0	0	656	0	656	1,099	1,755	

STRATEGIC & CENTRAL ACCOUNTS

Key Budget Action Plans and Budget Variations:

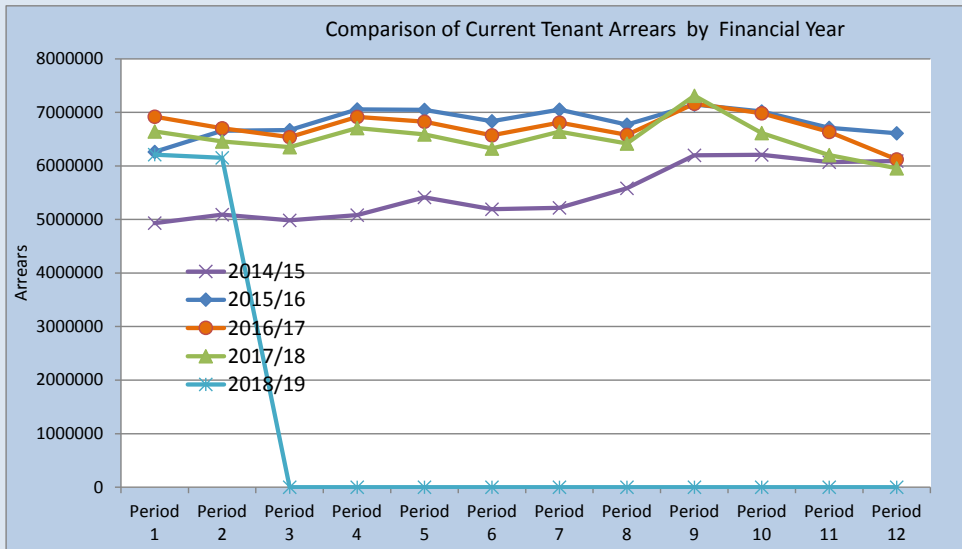
				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Doug Meeson	External interest payments greater than anticipated	R	22.6	0.6
2.	Minimum Revenue Provision	Doug Meeson	No variation is anticipated for 2018/19	G	1.0	0.0
3.	New Homes Bonus	Doug Meeson	Projected shortfall of £0.3k	A	(11.2)	0.3
4.	Business Rates (S31 Grants & retained income)	Doug Meeson	Projected shortfall due to change in calculation method after budget was set.	R	(25.6)	0.4
5.	S278 Contributions	Doug Meeson	Potential risk of £1.4m shortfall	R	(3.9)	1.0
6.	Business Rates Pool Contributions	Doug Meeson	No significant variations anticipated at month 2	G	9.7	0.0
7.	General capitalisation target	Doug Meeson	Capitalisation of eligible spend in directorate/service revenue budgets. No variation anticipated at this stage.	A	(4.5)	0.0
8.	Schools capitalisation target	Doug Meeson	Capitalisation of eligible spend in school revenue budgets.	A	(4.0)	0.0
9.	Joint Committees	Doug Meeson	No significant variation anticipated at this stage.	G	36.9	0.0
B. Other Significant Budgets						
1.	Insurance	Doug Meeson	No significant variation anticipated at this stage.	G	0.0	0.0
2.	Prudential Borrowing Recharges	Doug Meeson	Greater income projected at period 2	G	(14.1)	(0.6)
3.	Earmarked Reserves	Doug Meeson	Use of capital and other earmarked reserves.	G	0.7	0.0
4.	Prompt payment discount savings target	Doug Meeson	Achievement of target depends on getting sufficient suppliers enrolled on PPD scheme	A	(0.6)	0.0
5.	Miscellaneous	Doug Meeson	No significant variation anticipated at this stage.	G	5.1	0.0
6.	Central recharges	Doug Meeson	Recharges ref PPPU break-up to allocate to directorates	A	0.4	0.0
Strategic & Central Accounts - Forecast Variation						1.7

Housing Revenue Account -Quarter 1 Financial Dashboard - 2018/19 Financial Year

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

Directorate	Current Budget	Projected Spend	Variance to budget	Comments	Previous period variance
Income	£000	£000	£000		£000
Income					
Rents	(212,042)	(212,042)	-		-
Service Charges	(7,774)	(7,774)	-		-
Other Income	(30,060)	(30,060)	-		-
Total Income	(249,876)	(249,876)	-		-
Expenditure					
Disrepair Provision	1,400	1,812	412	Disrepair compensation and fees	-
Repairs to Dwellings	43,548	43,548	-		-
Council Tax on Voids	654	654	-		-
Employees	27,402	27,069	(333)	Vacant posts	-
Premises	7,911	7,929	18		-
Supplies & Services	3,839	3,836	(3)		-
Internal Services	41,359	41,519	159	Disrepair legal team	-
Capital Programme	65,502	65,502	-		-
Unitary Charge PFI	9,476	9,511	35		-
Capital Charges	44,476	44,476	-		-
Other Expenditure	6,711	6,458	(253)	Projected underspend provision for doubtful debts	-
Total Expenditure	252,279	252,314	35		-
Net Position	2,403	2,438	35		-
Appropriation: Sinking funds	(1,753)	(1,788)	(35)		-
Appropriation: Reserves	(650)	(650)	-		-
(Surplus)/Deficit	(0)	(0)	0		0
Proposed New Reserves			-		-
Transfer to Capital Reserve			-		-
Total Current Month	(0)	(0)	0		0

Housing Revenue Account -Quarter 1 Financial Dashboard - 2018/19 Financial Year



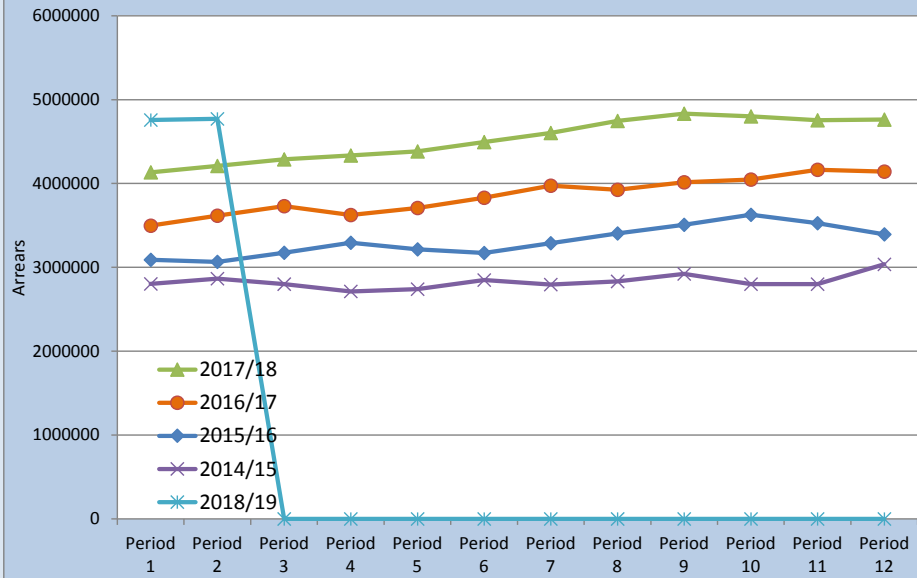
Change in Stock	Budget	Projection
Right to Buy sales	530	530
New Build (PFI)	0	0
New Build (Council House Growth)	(22)	(22)
Total	508	508

*Actual sales to date 80

Right to Buy Receipts	2017/18 Actual	2018/19 Projection
Total Value of sales (£000s)	26,356	27,497
Average Selling Price per unit (£000s)	51.9	51.0
Number of Sales*	508	530
Number of Live Applications	1,417	1,506

Housing Revenue Account -Quarter 1 Financial Dashboard - 2018/19 Financial Year

Comparison of Former Tenant Arrears by Financial Year



Arrears	2017/18	2018/19	Variance
	£000	£000	£000
Dwelling rents & charges	2018/19 Week 9		
Dwelling Rents (HMA1 Figure)	5,341	5,465	124
Non dwelling rents/charges (garages/Court costs)	617	689	72
Total Current Tenants	5,958	6,154	
Former Tenants	4,764	4,872	108
	10,721	11,026	305
Under occupation	2018/19 Week 5		
Volume of Accounts	4,357	4,199	(158)
Volume in Arrears	1,873	2,230	357
% in Arrears	43.0%	53.1%	10.1%
Value of Arrears	502	452	(50)
Collection Rates	2018/19 Week 5		
Dwelling rents	97.44%	96.36%	-1.1%
Target	97.50%	97.50%	
Variance to Target	-0.06%	-1.14%	

Housing Revenue Account -Quarter 1 Financial Dashboard - 2018/19 Financial Year

Projected Financial Position on Reserves	Reserves b/f	Use of Reserves	Contribution to Reserves	Closing reserves
	£000	£000	£000	£000
HRA General Reserve	(6,495)	0	0	(6,495)
Earmarked Reserves				
Insurance - large claims	(137)			(137)
Welfare Change	(1,782)	650		(1,132)
Housing Advisory Panels	(541)			(541)
Sheltered Housing (Committed in capital programme)	(3,238)			(3,238)
Holdsworth Place - land purchase	(64)			(64)
Early Leavers' Initiative	(408)			(408)
Changing the Workplace	(332)			(332)
eFiles Box-It Project	(262)			(262)
Proposed Earmarked Reserves				0
Wharfedale View	(10)			(10)
Concierge Pilot	(400)			(400)
Sheltered Housing (Furniture and Carpets)	(280)			(280)
	(7,453)	650	0	(6,803)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(7,410)	2,467	0	(4,943)
LLBH&H PFI Sinking Fund	(2,710)	0	(679)	(3,389)
	(10,121)	2,467	(679)	(8,333)
Capital Reserve				
MRR (General)	(25,319)	0	0	(25,319)
MRR (New Build)	(6,152)	0	0	(6,152)
	(31,470)	0	0	(31,470)
Total	(55,540)	3,117	(679)	(53,102)