

**Report of the Chief Officer Financial Services**

**Report to Executive Board**

**Date: 26<sup>th</sup> June 2019**

**Subject: Financial Performance - Outturn financial year ended 31<sup>st</sup> March 2019**

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 members of the final outturn for the financial year 2018/19. The pre-audited accounts will be presented to the Corporate Governance and Audit Committee at its meeting on the 25<sup>th</sup> June 2019.
2. As set out below, the final position on the General Fund shows an underspend of £3.0m after the creation of a number of earmarked reserves. This is a reduction in the underspend of £0.25m when compared to the provisional outturn position received at Executive Board in April.
3. The 2018/19 budget assumed a contribution to the general reserve of £1.0m. However this planned final outturn underspend results in a net contribution to the general reserve of £2.3m. This planned contribution to the Council's general reserve will ensure that the Council continues to remain financially resilient. This needs to be seen in the context of the inherent uncertainty resulting from delays to the Government's next spending review, the unknown implications of both the Government's intended move to 75% business rate retention nationally and the outcome of the Government's Fair Funding Review. Adding to this uncertainty is the delay in the publication of the Government's green paper on adult social care which will hopefully provide greater certainty around their future funding intentions.

4. The Housing Revenue Account outturn position is a surplus of £1.1m and this has resulted in a corresponding reduction in the contribution required from the PFI reserve to support the 2018/2019 budget.
5. As at April 2018 the level of general reserve was £25.7m. As per table 3 at paragraph 5.1 the amount of general reserve at 31<sup>st</sup> March 2019 is £28.0m. This planned increase is in line with the Authority's strategy to increase reserves to strengthen financial resilience.

## **Recommendations**

6. Members of the Executive Board are asked to;
  - a. Note the outturn position for 2018/19, to agree the creation of earmarked reserves as detailed in paragraph 5.3 and to delegate their release to the Chief Officer Financial Services;
  - b. To approve the use of the projected surplus from the 2018/2019 Leeds City Region Business Rates Pool to forward fund the projects which are detailed in paragraph 2.9. These projects were initially agreed by the Leaders of the member authorities of this Pool following its disbanding on the 31<sup>st</sup> March 2019;
  - c. 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 2018/19 for both revenue and capital. It also includes the Housing Revenue Account and expenditure on schools.
- 1.2 In addition the report 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 July 2019 could impact on the Council's final published outturn position and hence on 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.
- 1.4 Executive Board will be aware that the Council's unaudited accounts went on deposit for public inspection on 31<sup>st</sup> May 2019.

## 2. Main Issues

- 2.1 The 2018/19 general fund revenue outturn position, after the creation and transfer of a number of earmarked reserves as detailed in paragraph 5.3, is a planned underspend of £3.0m.

Table 1 - summary outturn position

Directorate	Director	Staffing	Total Expenditure	Income	Total (under) /overspend	Provisional Outturn 2018/19
		£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(771)	3,647	(3,647)	0	0
Children and Families	Steve Walker	353	5,724	(3,304)	2,420	2,518
City Development	Martin Farrington	(1,551)	5,945	(4,056)	1,890	1,773
Resources & Housing	Neil Evans	(562)	13,864	(13,265)	599	398
Communities & Environment	James Rogers	1,590	8,482	(8,860)	(377)	278
Strategic	Victoria Bradshaw	428	(287)	(7,248)	(7,535)	(8,216)
<b>Total</b>		<b>(513)</b>	<b>37,375</b>	<b>(40,380)</b>	<b>(3,003)</b>	<b>(3,250)</b>

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

- 2.3 **Adults and Health** - the directorate has achieved a balanced position at the financial year-end.

There have been a number of variations throughout the year and additional government funding of £3.3m via the Winter Pressures grant was received.

There were staffing pressures within Provider Services, but overall slippage to fill posts across the rest of the directorate has delivered a £0.8m saving. This saving has helped mitigate increased expenditure within the Equipment Service to meet increased demand, assist with the NHS's Delayed Transfer of Care (DTOC) targets and to offset potential uncertainty in the market over the next few months.

There is a net £1.6m underspend on demand led budgets. However, this is after the application of £3.0m of the Winter Pressures monies to meet the overspends in home care and supported living. The relatively mild winter, together with improved system flow and the impact of the strengths-based approach has seen demand for residential and nursing placements reduce this year. A decrease in the number of Direct Payments to providers was also recorded.

Whilst further analysis is ongoing, it is currently assumed the majority of this underspend is due to the mild winter and therefore it is likely to be a non-recurrent saving. As a result this variation has been used to forward pay the borrowing costs

associated with the refurbishment of South Leeds Intermediate Centre and the purchase of the Killingbeck site. This proposal will benefit the Adults and Health budget in future years since budgeted contributions to pay off the borrowing will now no longer be required.

Income is higher than initially budgeted for. This is a mixture of the Winter Pressures grant £3.3m, additional funding for Public Health to meet expenditure received from health partners and funds received from the CCG to enable development in future years; this includes funding to support the feasibility of developing an autism facility for meeting complex needs for service users within the Transforming Care cohort.

The directorate received the second year of a three year funding stream, referred to as the Spring Budget monies. Slippage has been evidenced this year and £5.3m of planned spend has been transferred to reserves to be utilised in 2019/20. Within Public Health, the contribution from the Health Inequalities Fund reserve was less than budgeted and will therefore be carried forward through reserves; in addition the Public Health grant has underspent by £572k which, in line with its ring-fencing rules, will be carried forward into the next financial year and will be partly used to contribute towards the budgeted grant reduction in 2019/20. Similarly the Leeds Adults Safeguarding Board has underspent by £76k and this underspend will be carried forward into the next financial year as part of their ring fenced arrangements.

#### 2.4 **Children and Families** – the year-end position is an overspend of £2.42m which is a reduction of £0.1m from the provisional financial outturn position reported to Executive Board in April.

The overspend represents less than 1% of the gross expenditure budget for 2018/19. As projected, the outturn position does include a contribution of £1.6m from Adult Social Care (ASC) from a one-off underspend on demand-led budgets towards services provided by Children and Families to children over 16. Whilst this is significant the underlying overspend is lower than in the last three financial years and reflects the additional resources for demand-led budgets, early intervention work and investment in social worker staffing and training and development in recent years.

The major area of overspend was on the Children Looked After (CLA) budgets where the number of children being supported across a range of interventions was higher than budgeted.

The two highest cost placements, External Residential (ER) and Independent Fostering Agency (IFA), were both higher than the budgeted assumptions. At the end of March 2019 ER numbers were 62 compared to the budgeted number of 53. At the start of the financial year there were 64 children in ER placements. Numbers fell at the beginning of the year and then remained fairly constant for the rest of the year. At year end the number of IFA placements was 206 compared to the budgeted number of 179. As a result the ER budget overspent by £1.1m and the IFA budget by £0.4m, both in line with previous projections. There was also an increase in the number of financially supported non-CLA resulting in an overspend of £1.3m, including £0.3m on Special Guardianship Orders, £0.4m on the Leaving

Care budget and £0.6m relating to Section 17 (Children's Act 1989) costs associated with safeguarding and promoting a child's welfare. The CLA and financially supported non-CLA budgets have been increased by £2m in 2019/20.

The overall position on CLA in Leeds compares favourably to the national position. The CLA rate per 10,000 children in Leeds has remained fairly constant whilst the proportion of children who are looked after has risen by 4% nationally over the past three years. This is despite continuing population growth and growing deprivation in areas of the city. In similar areas of the country, the 'Statistical Neighbour' Local Authorities to Leeds, the proportion of children looked after rose by nearly 6%, with the average now well above the rate seen in Leeds.

As previously forecast, there was an increase of £0.36m in the Council's contribution to the One Adoption West Yorkshire Partnership. External legal disbursement costs exceeded the budget by £0.4m. Both these budgets have been increased in 2019/20 to reflect these pressures.

Transport related expenditure was £0.2m under budget with an underspend of £0.3m on mainstream school transport achieved mainly through the rationalisation of routes in the contracts managed by the West Yorkshire Combined Authority and an overspend of £0.1m on transport for children with Special Education Needs and Disabilities (SEND) and in social care. During the year there was a notable increase in the number of children requiring transport and also an increase in contract prices. This pressure was offset by savings of £0.28m from the successful roll out of Personal Transport Allowances (PTAs) and additional Dedicated Schools Grant (DSG) income of £0.25m. The 2019/20 budget includes an increase of £0.7m in the SEND and social care transport budget reflecting the underlying increase in numbers and costs.

Staffing was £0.35m overspent against a total staffing budget of over £83m with the main area of overspend in Social Care as recruitment increased during the last quarter of the year.

Key variations on income include the £1.6m contribution from ASC, £0.3m additional DSG funding from the High Needs Block towards the education cost of residential placements and £0.2m funding from Housing Services towards the costs of the Children Health and Disability (CHAD) team. This additional income was offset by a shortfall in traded income of £0.4m, mainly in Learning Improvement and music services, and £0.2m shortfall against budgeted from Clinical Commissioning Groups (CCGs) towards the cost of ER placements. The shortfall in traded income should be seen against the context of an increase in the number of schools becoming academies and general ongoing financial pressures in schools. There was a net overspend on Learning for Life of £0.7m, mainly as a result of a shortfall in Free Early Education Entitlement grant income.

The outturn position for the **DSG** is an underspend of £4m. This includes the additional funding for the High Needs Block announced by the Secretary of State for Education on the 17th December 2018 which resulted in an additional £1.76m of funding in both 2018/19 and 2019/20. The additional grant is the major reason for the improved position on the High Needs Block. Overall, spend on the High Needs Block was on budget although there was a reduced contribution to reserves

of £0.67m against the budgeted £0.95m. The Early Years Block was £2.9m underspent, in line with projections and was mostly due to lower actual annual pupil numbers than is assumed in the Free Early Education Entitlement grant received from the Government. The Central School Services Block spent in line with the budget and there was an underspend of £1.1m on the Schools Block including £0.5m on the De-delegated school budgets and £0.5m on the growth fund which it is anticipated will be required in 2019/20. The overall position on general DSG is a surplus of £1.1m against the deficit of £3.4m brought forward from 2017/18. Whilst there is now a surplus on the overall DSG reserves there are still significant underlying financial pressures on the High Needs Block which will need to be managed in future years.

- 2.5. **City Development** – the outturn position for the year for City Development is an overspend of £1.89m which represents an increase of £0.12m from the provisional financial outturn position reported to Executive Board in April.

For 2018/2019 the budgeted return on the Council's commercial asset portfolio increased by £1m to £3.36m. A year-end pressure of £1.78m against this portfolio reflects the limited number of market opportunities with the right risk profile that were available to the Council in 2018/19.

The rising cost of electricity tariffs for street lighting accounts for £1.06m of the budget overspend, however this has been more than offset by savings in the winter maintenance budget due to the mild winter, which in turn has facilitated an increase in DLO productivity and substantial increase in turnover giving a resultant net saving of £1.5m.

A reduction in fee income resulting from slippage in the Capital Receipts Programme accounts for a budget pressure of £0.82m, the most significant issue being the delay in completing the sale of Leonardo/Thoresby. The Thoresby transaction represents a significant acquisition in the regional market and with its redevelopment will attract a number of new investments to the city. The disposal is in the final stages of completion, having incurred a short delay in finalising terms. The receipt from this sale will now be received in 2019/20 with a resultant increase in the level of fee income receivable in this year enabling a contribution to the general reserve to compensate for the budget pressure being funded in the intervening period.

Within the Planning function, a £0.60m pressure on external legal fees relating to Planning Appeals and a £0.13m shortfall in fee income were partially offset by a £0.30m saving on staffing and a £0.16m saving in premises and supplies and services.

A shortfall in markets income of £0.34m alongside spending pressures on running costs of £0.24m account for a £0.59m pressure in Markets and City Centre services.

The Arts & Heritage service overspent by £0.40m of which £0.17m related to additional spending pressures around the Carnival and Black Music Festival events with the balance due to pressures on staffing budgets.

Mitigating savings of £1.29m include one-off income from release of covenants £0.48m, staffing savings of £0.70m (mainly Asset Management) and utilisation of £0.30m of street lighting dispute resolution balances.

**2.6 Communities and Environment** – the overall outturn position for 2018/19 is an underspend of £0.377m. The main variations across the individual service areas are as follows:

There has been an overall underspend of £0.1m within Car Parking Services, mainly reflecting staffing/expenditure savings of £0.2m and additional Penalty Charge Notice income of £0.3m, partially offset by shortfalls in on-street parking income of £0.2m and Bus Lane Enforcement income of £0.2m.

The Waste Management service has underspent by £0.2m overall. Although the delayed implementation of the Refuse route review has resulted in a pressure of £0.7m, this has been offset by waste disposal savings of £0.6m, additional weighbridge and recycling income of £0.2m and all other expenditure variations across the service of £0.1m.

An overspend of £0.2m within Customer Access mainly reflects the challenges in delivering budgeted staffing efficiencies at the Contact Centre whilst maintaining performance levels in the face of increased call volumes (£0.2m). In addition there has been increased security provision in Community Hubs (£0.2m), although these overspends have been partially offset by additional income and expenditure savings across the service.

There has also been an overspend of £0.1m within Communities which mainly relates to Community Centres and is attributable to a combination of a shortfall in income and additional premises costs.

Within Electoral and Regulatory Services, there has been an underspend of £0.2m which includes reduced Registrars income of £0.1m (including the cessation of the Nationality Checking Service). This has been offset by savings within the Environmental Health service of £0.3m, mainly due to staffing savings and additional pest control income.

Other underspends within the directorate include the Cleaner Neighbourhoods and City Centre Teams (£0.1m) and Community Safety (£0.1m), with the underspends in these services mainly reflecting staffing/expenditure savings.

**2.7 Resources and Housing** - the Directorate outturned at an overspend of £0.6m (0.76%) which was an increase of £0.2m when compared to the provisional outturn reported to Executive Board in April.

The resources group of services had a collective underspend of £0.3m, meaning this group of services has more than delivered on the reduction of £3.5m of support services costs which had been assumed in the budget; This is despite some significant in year budget pressures.

Whilst there is an overall staffing pressure in the group, this mainly arises from recruitment within DIS and is offset by additional income. HR overspent by £782k,

primarily arising from a reduction in schools income and there were pressures within financial services, mainly staffing, totalling £143k. These pressures are being offset by savings on staffing through managing turnover, vacant posts and additional income within Strategy and Improvement (£247k), Legal (£458k), Democratic Services (£242k) and Shared Services (£173k).

Housing and Property Services overspent by £0.7m, mainly arising from additional spend pressures in the responsive repairs budget in Corporate Property Management of £654k. This was partially offset by savings of £140k within the Strategic Housing Service mainly on staffing through managing vacant posts.

Leeds Building Services delivered a surplus of £9.4m, against the £9.6m target. The £200k shortfall arose mainly from vacant front line posts which led to an under recovery of overheads; these were partially offset by the use of sub-contractors to deliver works and savings in back office and overhead costs.

CEL services outturned in line with previously reported figures at £146k over the approved budget. Within Catering there was a £298k shortfall due to a combination of underlying income pressures and inflationary pressures on food costs; these pressures were offset by savings in Facilities Management of £103k and also additional net contribution from property cleaning and guarding services of £143k.

**2.8 Strategic and Central Accounts** – The outturn position for the Strategic & Central budgets is an underspend of £7.5m. There are a number of key variations within this figure.

A reduction of £7.9m in in-year costs arises as a result of funding PFI lifecycle costs through MRP over a 10 year period, combined with further savings in the debt budget net of prudential borrowing and a prepayment of prudential borrowing income by Adults and Health which will contribute to the Capital Reserve. There will be an impact on interest costs in future years as a result of deferring funding the PFI Lifecycle costs over a 10 year period.

There are income pressures of £1.3m on S278 income (income from developers) due to lower levels of development activity and New Homes Bonus grant received is £0.3m below budget due to levels of qualifying house building being lower than predicted. However, these pressures are more than offset by net additional S31 grant (business rates) of around £3.6m, of which £2.3m is the Authority's allocation of the £180m business rates levy account surplus announced by Government in the Provisional Settlement in December 2018.

A £0.8m pressure relates to a variation in income receivable within Legal Services and the former PPPU and there are shortfalls of £1.8m in respect of budgets for general and schools capitalisation. These are largely offset by contributions of £2.3m from the Insurance Reserve, of which £1m has been released following a review of the level of the insurance reserve required and £1.3m is to fund a projected overspend on insurance claims.

Other variations include a provision for the probable liability of £0.4m for tax on ELI payments in 2018/19 as a result of a change in legislation and a liability of £0.6m in respect of Stamp Duty Land Tax (SDLT) that is now payable to HMRC following



the finalisation of the variation in the Merrion House lease, partially offset by a reduction of £0.2m in the estimated liability for the Carbon Reduction Commitment and increased miscellaneous corporate income of £0.3m.

- 2.9 During 2018/2019 Leeds City Council has been a member of the Leeds City Region Business Rates Pool which has been piloting 100% Business Rates retention. This Pool ended on the 31st March, to be replaced by the North Yorkshire & West Yorkshire Pool in 2019/20. The Leaders of the member authorities of the former Leeds City Region Business Rates Pool have agreed in principle to utilise the provisional 2018/19 surplus of £1.5m (Leeds' share £0.5m) to forward fund expenditure applicable to those member authorities in 2019/20: namely 2019/20 Leeds City Region Secretariat subscriptions, West Yorkshire Transport Fund contributions and to support the WYCA 'China/India Desk' to support and strengthen the region's inward investment activity.

As such, it is recommended that Executive Board note the Leaders' agreement to utilise the projected Pool surplus to forward fund costs in 2019/20 and approve the use of the Leeds share of the projected surplus to forward fund these costs. To enable this, and to hold funds allocated by the Pool to projects sponsored by the Council until they are required, it is proposed at paragraph 5.3 that a new earmarked reserve be created.

### 2.10 **Early Leaver's Initiative**

The Council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a reduction in the workforce and subsequent savings which have contributed towards the Council being able to deliver balanced budget positions. In 2018/19 approval has been given for 66.74 FTE's to leave the Authority through the Early Leaver's Initiative and this will generate savings of £5.9m over the five year period up to and including 2023/24.

Utilising capital receipt flexibilities that the Government introduced in 2016 the Council has funded £1.4m of Early Leaver costs associated with staff exiting the authority in 2018/19.

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

- 3.1 Following finalisation of the HRA, the outturn for the year is a surplus of £1.073m when compared against the 2018/19 budget.
- 3.2 Total income received was in line with budgeted expectations, although there are a number of variations to report. An increased level of Right to Buy sales (615 sales compared to the budget of 530 sales) resulted in lower rental income of £0.3m.
- 3.3 The budget for disrepair was overspent by £0.77m. This was largely as a result of a combination of resolving an increased number of disrepair cases.
- 3.4 Against a budget of £43.5m, expenditure on maintaining and repairing the Council's housing stock was £0.4m over budget.

- 3.5 Savings of £2.06m on employee costs arose due to a combination of posts being held vacant awaiting the implementation of new structures and turnover of posts.
- 3.6 Premises costs were approximately £0.3m higher than budgeted for. This was principally due to a £329k overspend resulting from an increase in utility costs.
- 3.7 Supplies and Services overspent by approximately £0.1m. This was principally due to urgent expenditure of £0.3m on sheltered accommodation furniture (funded from an earmarked reserve), £0.1m additional expenditure on Tenant involvement, £0.1m additional insurance expenditure offset with reduced bank transaction charges (£0.1m) and ICT charges (£0.2m) along with (£0.1m) savings across a range of other budget headings.
- 3.8 Services commissioned from the Council were £0.5m above the budgeted level. Additional expenditure of £0.1m on Community Safety, £0.2m on Supporting People and £0.4m on Community Hubs and £0.3m Disrepair Legal Services have been partly offset by (£0.3m) Parks and (£0.2m) Environmental Services charges.
- 3.9 The Capital charges overspend of £0.14m reflects additional costs of borrowing.
- 3.10 Following a review in the level of tenant arrears there was a reduction in the provision for doubtful debts of £0.8m.
- 3.11 The (£0.4m) underspend on the appropriation account partly reflects the impact of utilising reserves which were created from balances approved at the end of 2017/18, after the budget for 2018/19 was finalised. The key elements are Sheltered Accommodation furniture (£0.3m) and Housing Advisory Partnership (£0.1m).
- 3.12 The budgeted use of an insurance reserve was not required as large insurance claims are now forecast and the insurance premium recalculated annually. The Welfare Change reserve continues to be used to mitigate the impact on Universal Credit arrears. It is therefore proposed to transfer the insurance reserve to the Welfare Change reserve.
- 3.13 The surplus on the Housing Revenue Account is £1.1m. The result of this is that full budgeted use of the PFI reserve has not been required in 2018/19. Since the balance on the PFI reserve is now higher than budgeted for, the intention is that in 2019/20 £0.7m will be used to increase the Disrepair provision. This will mean the Disrepair provision remains at the 2018/19 level of £1.4m rather than the reduced amount that had originally been budgeted for in 2019/20.
- 3.14 In addition it is planned in 2019/20 that there will £0.373m contribution from the PFI reserve to partially offset the projected additional loss of rent income resulting from higher than budgeted Right to Buy sales.

## 4. Schools

4.1 The 2018/19 outturn position for schools is shown in table 2 below;

Table 2

<b>Outturn</b>	<b>£m</b>
<b>Schools Reserves</b>	
Balance Brought Forward	18.0
Net Contribution From Reserves	-1.5
Balance Carried Forward	16.5
<b>Extended Services &amp; Partnerships</b>	
Balance Brought Forward	7.4
Net Contribution From Reserves	-1.1
Balance Carried Forward	6.3
<b>Dedicated Schools Grant</b>	
Balance Brought Forward	-2.9
Net Contribution To Reserves	4.6
Balance Carried Forward	1.7

4.2 As schools are funded from the Dedicated Schools Grant (DSG) their reserves are ring fenced and must be carried forward. At 31<sup>st</sup> March 2019, mainstream school reserves stand at £16.5m.

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 £0.1m was still outstanding. In addition, there is outstanding borrowing against school reserves for school VER costs totalling £0.3m 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 £16.5m, the net mainstream schools reserves position totalled £12.1m as at 31<sup>st</sup> March 2019. There is also a further ring-fenced school reserve of £2m specifically relating to the carry forward of in year PFI scheme balances, giving overall school reserves of £14.1m as at 31<sup>st</sup> March 2019.

4.3 Extended Services & Partnerships reserves amount to £6.3m as at 31<sup>st</sup> March 2019. These include balances held by Area Inclusion Partnerships and Clusters.

4.4 At the start of 2018/19 the ring fenced DSG reserve was a deficit of £2.9m. During 2018/19 there has been an overall underspend on DSG services of £4m, which is as a result of an underspend on the Schools Block (£1.1m) and the Early Years Block (£2.9m). In total a surplus balance of £1.7m will be carried forward to 2019/20, comprising a general DSG balance of £1.1m with an additional surplus balance of £0.6m on the de-delegated DSG. This position will be reported to Schools Forum in June.

- 4.5 £0.4m of the £1.7m 2018/19 DSG surplus has been earmarked as a contribution towards the 2019/20 Schools Block Growth Fund. The surplus DSG balance also reflects the impact of the additional funding for the High Needs Block announced by the Secretary of State for Education on the 17th December 2018. The announcement resulted in an additional £1.76m funding in both 2018/19 and 2019/20. Despite this additional funding a significant increase in costs is forecast for the High Needs Block in 2019/20 due to demand and cost pressures.

## 5. 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

Reserves	Balance at 31.3.18 £m	Transfer to/(from) £m	Balance at 31.3.19 £m
<b>General Fund:</b>			
General reserve	25.7	2.3	28.0
Earmarked reserves	25.9	10.6	36.5
Ring-fenced & grant reserves	5.1	(0.4)	4.7
<b>Total</b>	<b>56.7</b>	<b>12.5</b>	<b>69.1</b>
<b>Schools:</b>			
Ring-fenced reserves	19.6	2.3	22.0
<b>Housing Revenue Account:</b>			
General reserve	6.5	0.0	6.5
Earmarked reserves	49.0	(9.7)	39.4
<b>Total</b>	<b>55.5</b>	<b>(9.7)</b>	<b>45.9</b>
<b>Total Reserves</b>	<b>131.8</b>	<b>5.2</b>	<b>137.0</b>

### General Reserve

- 5.2 Table 4 below provides an explanation of the movement in the general reserve;

Table 4

General Fund Reserve	£m
<b>Opening Balance 1<sup>st</sup> April 2018</b>	<b>25.7</b>
Budgeted contribution	1.0
Change in incidence of receipt of Innovations Grant	(1.7)
In-year underspend	3.0
<b>Closing Balance 31<sup>st</sup> March 2019</b>	<b>28.0</b>

### 5.3 Creation of New Earmarked Reserves

It is recommended that the following earmarked reserves are created;

- A Public Health Children’s Bereavement Reserve **£0.1m** to carry forward the in year underspend relating to funding allocated to establish a new Children and Family Bereavement Service to deliver the aims of the Childhood Bereavement Pathway 2017. The underspend has been allocated to projects that address the emotional wellbeing of young people, in line with the aims of the original allocation
- A Section 256 Reserve from a contribution from the CCG to be utilised within DIS of **£0.1m** to fund the costs of developing Digital Solutions for Personalised Care
- A Business Rates Distribution Reserve **£2.9m** to carry forward the Leeds share of the projected Business Rates Pool surplus (£0.5m) as detailed in paragraph 2.9 and to carry forward Pool funding of £2.4m earmarked for specific projects for which Leeds is the lead authority.

## 6. Capital Programme

- 6.1 The actual capital expenditure for General Fund and HRA in 2018/19 is £363.7m, an overspend of £10.8m or a 3% variation against the February 2019 Capital Programme projected outturn.

### General Fund

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

General Fund	Feb 19	Apr 19	Variation	
	Estimate	Outturn	£m	%
	£m	£m	£m	%
Adults & Health	3.0	2.5	(0.5)	(15.7%)
Strategic and Central	16.3	16.0	(0.3)	(1.5%)
City Development	128.0	150.2	22.1	17%
Children & Families	48.1	43.4	(4.7)	(9.7%)
Resources & Housing	57.4	49.9	(7.5)	(13.1%)
Communities & Environment	10.0	9.0	(1.1)	(10.5%)
<b>Total Spend</b>	<b>262.9</b>	<b>271.0</b>	<b>8.2</b>	<b>3%</b>
<b>Financed by</b>				
General Fund Borrowing	136.4	150.0	13.6	10%
General Fund Capital Receipts	5.6	6.2	0.7	12%
General Fund Specific Grants and Contributions	120.9	114.8	(6.1)	(5.0%)
<b>Total Funding</b>	<b>262.9</b>	<b>271.0</b>	<b>8.2</b>	<b>3%</b>

- 6.3 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 +/-£250k.
- 6.4 The general fund borrowing variation is £13.6m or 10% of the expected spend on borrowing. The treasury outturn position is presented as a separate report to this Executive Board.
- 6.5 The General Fund capital programme delivered £271.0m of expenditure including major works on our Annual maintenance programmes, Strategic Investment Fund, Highways planned maintenance to our roads and streets network, Flood Alleviation, City Cycle Connect, East Leeds Orbital Road, Leeds Public Transport Investment Programme, Change in the Workplace, Learning Places programme, Schools Capital maintenance, provision of Adaptations grants, District Heating Network and vehicle replacement programme underpinning the council's emissions reduction programme.

### Housing Revenue Account

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

HRA	Feb 19	Apr 19	Variation	
	Estimate	Outturn	£m	%
	£m	£m	£m	%
Council Housing Growth Programme	8.4	9.0	0.6	7.1%
Housing Leeds Council House Programme	80.0	82.0	2.0	2.5%
BITMO Council House Programme	1.7	1.7	0.0	0%
<b>Total Spend</b>	<b>90.1</b>	<b>92.7</b>	<b>2.6</b>	<b>2.9%</b>
<b>Financed by</b>				
HRA Self-Financing	71.2	71.3	0.1	0%
HRA Capital Receipts RTBs	14.9	15.1	0.2	1%
HRA Specific Grants and Contributions	3.4	5.0	1.6	47%
HRA Borrowing	0.6	1.3	0.7	117%
<b>Total Funding</b>	<b>90.1</b>	<b>92.7</b>	<b>2.6</b>	<b>2.9%</b>

- 6.7 The HRA capital programme delivered £92.7m of expenditure including £9m on our Council Housing Growth Programme and £83.7m on the refurbishment of our council house properties.

## Capital Programme Resources

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

	Feb 19 Estimate £m	Apr 19 Outturn £m	Variation £m	
<b>Net Capital Spend</b>	<b>353</b>	<b>363.7</b>	10.7	3%
<b>Financed by</b>				
General Fund Borrowing	136.4	150.0	13.6	10%
General Fund Specific Grants and Contributions	120.9	114.8	(6.1)	(5.0%)
General Fund Capital Receipts	5.6	6.2	0.6	0%
HRA Self-Financing	71.2	71.3	0.1	0%
HRA Capital Receipts RTBs	14.9	15.1	0.2	1%
HRA Specific Grants and Contributions	3.4	5.0	1.6	47%
HRA Borrowing	0.6	1.3	0.7	117%
<b>Total Funding</b>	<b>353.0</b>	<b>363.7</b>	<b>10.7</b>	<b>3%</b>

6.9 Capital receipts of £1.4m have been utilised for the early leaver initiative (ELI) severance costs in 2018/19 to fund expenditure capitalised under the government's temporary flexibility for funding transformational change via capital receipts. In line with existing accounting policy £3.75m of receipts have been utilised to fund PFI liabilities, £12.36m have been used to repay debt and £0.5m of general receipts applied to fund in year spend. Borrowing of £2.6m has been undertaken in lieu of section 278 contributions.

6.10 HRA Council Housing Growth Programme, Housing Leeds and BITMO have utilised £71.3m of self-financing funding, £5m of external contributions, have utilised £15.1m of Right to Buy receipts and have borrowed £1.3m to fund the HRA programme in 2018/19.

6.11 The net debt of the Council as at 31<sup>st</sup> March 2019 is £2.06m. Further details of this and the debt financing costs will be presented in the 2017/18 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	2017/18 Leeds Actual	2018/19 Leeds Actual
Council tax	96.7%	96.6%	96.6%	95.7%	95.7%	95.9%	96.1%	96.1%	96.1%
Business Rates	97.9%	97.5%	97.6%	97.1%	97.3%	97.8%	97.5%	98.0%	97.8%

7.2 Following the introduction of the Council Tax support scheme in 2013/14 a 19% contribution scheme was implemented for working age claimants and this was increased to 26% for 2014/15 but was then subsequently set at 25% for the years between 2015/16 and 2018/19. The collection position for Council Tax and Business Rates at the end of March was as follows:

- Council Tax in-year collection rate – 96.1%, on target (96.1% in 2017/18). £343.3m has been collected in respect of 2018/19 bills, an increase of £20.6m compared to the previous year.
- Collection rate for those affected by Council Tax Support scheme – 73.3% (74.4% last year)
- Collection rate for those previously getting 100% Council Tax Benefit – 64.0% (64.7% last year)
- The collection of non-domestic rates for the year is 97.77% of the current net debit of £380.0m. This represents a decrease of 0.22% in comparison to 2017/18.
- Discretionary Business Rate Relief Scheme – against a budget of £500k in 2018/19 some £950k of local discounts were approved under the scheme to support the creation of employment and economic growth and to increase the business rates base.

### **Prompt Payment of Creditors**

7.3 The prompt payment result at the year-end was 92.7% of undisputed invoices processed within 30 days or within contract terms.

## **8. Corporate Considerations**

### **8.1 Consultation and engagement**

8.1.1 This is a factual report and is not subject to consultation.

### **8.2 Equality and diversity / cohesion and integration**

8.2.1 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.

### **8.3 Climate emergency**

8.3.1 Since this is a factual report detailing the Council's financial outturn position for 2018/2019 there are no specific climate implications.



## **8.4 Council policies and best council plan**

8.4.1 The 2018/19 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 of offering value for money through being an efficient and enterprising organisation.

## **8.5 Resources and value for money**

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

## **8.6 Legal implications, access to information, and call-in**

8.6.1 There are no legal implications arising from this report.

## **8.7 Risk Management**

8.7.1 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans was in place for 2018/19.

## **9. Conclusions**

9.1 The 2018/2019 financial outturn position for General Fund services, which is consistent with the provisional outturn position reported to April's Executive Board, results in a £3m contribution to the Council's general reserve. As a result the level of general reserve at 31<sup>st</sup> March 2019 is £28m.

9.2 The surplus on the Housing Revenue Account in 2018/2019 will be used to address identified pressures in 2019/20 in respect of disrepair and reduced rent income resulting from increased right to buy sales.

9.3 Expenditure in respect of the General Fund Capital Programme was £10.8m or 3% higher than that assumed in the February 2019 Capital Programme projected outturn.

## **10. Recommendations**

10.1 Members of the Executive Board are asked to;

- a. Note the outturn position for 2018/19, to agree the creation of earmarked reserves as detailed in paragraph 5.3 and to delegate their release to the Chief Officer Financial Services;

- b. To approve the use of the projected surplus from the 2018/2019 Leeds City Region Business Rates Pool to forward fund the projects which are detailed in paragraph 2.9. These projects were initially agreed by the Leaders of the member authorities of this Pool following its disbanding on the 31<sup>st</sup> March 2019;
- c. 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.

# ADULTS AND HEALTH

## Financial Dashboard - 2018/19 Financial Year

### Outturn

The Directorate is reporting a balanced position for the year.

A comparatively mild winter led to lower demand than expected which led to lower expenditure on placements and care packages which has in part been offset by increased expenditure within the Equipment Service to meet increased demand and assist with reducing delayed transfers of care (DTOC). Although there was some slippage with the savings plans for demand, 98.1% have been delivered.

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

**Staffing (-£0.8m):** there were pressures within Provider Services and Resources, although overall underspends on staffing within the rest of the directorate more than mitigated these pressures.

**Community Care Expenditure (-£1.6m):** the relatively mild winter, together with improved system flow and the impact of the strengths-based approach has seen demand for Residential and Nursing Placements reduce this year. This reduction in placements has been offset by an increase in demand for homecare, equipment and Supported Living placements. Demand for Direct Payments was lower than anticipated. The net impact of this is the outturn underspend of £1.6m. This represents 0.8% of the £203.8m Community Care Budgets.

**General Running Costs (+£1.6m):** internal charges are higher than the budgeted level, this is primarily due to increased client transport costs and IT development costs. In addition, the remaining Care Homes and Day Care Centres operated by the Directorate have received much needed refurbishment of premises and equipment in this financial year and this has been funded from the overall in-year staffing underspend.

**Spring Budget (-£5.6m):** the Spring Budget is in its second year of operation with schemes scheduled to run from 2017 into 2020. The funding has been front-loaded and there has been slippage in a number of schemes. This money will be carried forward into 2019/20 to meet the approved scheme costs.

**Income (-£3.6m):** Commissioning has received additional funding of £732k from the Spring Budget monies; Public Health has received £570k of Spring Budget Monies and £95k from the Winter Pressures grant. Also, within Public Health, additional receipts of £549k were brought forward to fund spend in year on ongoing programmes; Sexual Health Services are demand led and during the year additional income of £365k has been received from other local authorities which offsets additional incurred expenditure. CCG contributions of £1.1m have been received and passed to reserves for future years spend and developments e.g. part funding the feasibility work on the Willows Autism facility. There has been reduced client contributions and slippage in funding receivable from partners to due to slippage in delivering the Leeds Plan team.

**Contributions to Reserves (+£9.2m):** within Public Health, the contribution from the Health Inequalities Fund reserve is £247k less than budgeted and will therefore be carried forward. The Public Health grant has underspent by £572k which will be carried forward into the next financial year to contribute towards the budgeted grant reduction in 2019/20. The children's bereavement and resilience contract has slipped and therefore underspent by £102k and will also be carried forward.

The Leeds Plan has underspent by £82k and the Leeds Adults Safeguarding Board has underspent by £76k primarily due to staffing, these underspends will be carried forward into the next financial year as part of their ring fenced arrangements. In addition, funding from the 'Spring Budget' will be carried forward. Leeds will receive £28.8m over the period 2017-2020 to help councils to provide high quality social care to more people and help to ease pressure on the NHS. Acknowledging the front loading of the funding and slippage on associated schemes £7.0m will be added to an earmarked reserve to fund the third year of the programme. As described within income some £1.1m of CCHG funding has been taken to reserves to support future developments.

#### 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	1,295	(902)	393	(269)	2	23	(1)	0	0	0	0	82	(162)	146	(17)
Access & Care Delivery	260,326	(46,338)	213,988	136	350	(28)	25	797	(848)	(1,832)	0	376	(1,024)	(28)	(1,052)
Service Transformation Team	1,301	0	1,301	(108)	0	10	1	80	0	0	0	0	(16)	(18)	(34)
Commissioning Services	34,522	(50,507)	(15,984)	(423)	(6)	(8,642)	(13)	3,022	1,036	(3)	0	7,829	2,802	(2,009)	793
Resources and Strategy	6,546	(1,462)	5,084	41	4	(24)	15	397	0	0	0	21	454	(144)	310
Public Health (Grant Funded)	45,014	(44,607)	407	(147)	14	66	(13)	(118)	871	0	0	921	1,594	(1,594)	(0)
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>349,005</b>	<b>(143,816)</b>	<b>205,189</b>	<b>(771)</b>	<b>364</b>	<b>(8,595)</b>	<b>16</b>	<b>4,179</b>	<b>1,060</b>	<b>(1,834)</b>	<b>0</b>	<b>9,229</b>	<b>3,647</b>	<b>(3,647)</b>	<b>0</b>

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

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
<b>A. Key Budget Action Plans</b>						
1.	Additional funding	S Hume	iBCF, Spring Budget, War Pension Disregard Grant, Social Care Grant	B	24.4	0.0
2.	Demand Based Savings - Learning Disability	S McFarlane		R	2.5	0.9
3.	Demand Based Savings - Mental Health	S McFarlane		A	0.1	0.0
4.	Demand Based Savings - Physical Impairment	S McFarlane		B	0.2	0.0
5.	Demand Based Savings - Telecare	S McFarlane		A	0.2	0.0
6.	Demand Based Savings - Chc / 117	S McFarlane		B	0.2	(0.1)
7.	Demand Based Savings - Reablement	S McFarlane		B	0.2	(0.1)
8.	Demand Based Savings - Direct Payment Trend	S McFarlane		B	0.1	0.0
9.	Demand Based Savings - Recovery Beds	S McFarlane		B	0.1	(0.0)
10.	Direct Payment Audit Team	S McFarlane		B	0.4	(0.2)
11.	Client Transport	S McFarlane		B	0.2	0.0
12.	Vacancy management	Various	Mainly non-frontline services	B	0.9	0.0
13.	Fees and charges	S Hume	Improved income collection and income recovery from direct payment audit	A	1.0	0.1
14.	Recovery Model/Full Year Effect Of Phase III	S Hume	Recovery of unspent sums	B	0.9	0.0
15.	Review non-essential spend	Various	Review and top-slicing of non-essential spend	B	0.6	0.0
16.	Public Health	I Cameron	Review of commissioned services	B	1.2	0.0
<b>B. Other Significant Variations</b>						
1.	Staffing	All	Relating to staffing turnover and slippage in employing new staff			(0.8)
2.	Community care packages	Various	Anticipated variation			(1.3)
3.	General running costs	All	Primarily increase in IT costs and client transport spend			(4.0)
4.	Use of reserves	All	Contribution to reserves (Leeds Adults Safeguarding Board, Public Health, Leeds Plan, Spring Budget)			9.2
5.	Income	S Hume	Reduced income related to delay in setting up Leeds Care Plan Team, offset by additional income and client contributions			(3.7)
					<b>Adults and Health Directorate - Forecast Variation</b>	
					<b>0.0</b>	

## CHILDREN & FAMILIES 2018/19 FINANCIAL YEAR FINANCIAL DASHBOARD - OUTTURN

**Budget:-** At outturn the LE 18-19 budget for C&F Directorate increased from £121.046m to £123.947m; £2.901m increase. This movement comprises £1.7m Release from General Reserves for replacement of deferred DfE Partners in Practice funding; £1.6m Adult Social Care contribution for post 16 services; General Capitalisation credit £0.4m.

**Overall Summary** - At Outturn the directorate position was an overspend of £2.420m.; in line with the reported Provisional Outturn of £2.518m a minor positive variance of £0.098m.

**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 Outturn the External Residential (ER) numbers were 62 compared to the budgeted number of 53, whilst the number of Independent Fostering Agencies (IFA) were 206 compared to the budgeted number of 179. As the average level of ER and IFA placements has remained above budget for 12 mths of the year an overspend of £1.461m for ER and £0.431m for IFA materialised. Offsetting these 2 areas of demand led pressure were savings of £0.611m on in-house CLA costs, principally around Family Placement £0.263m and Placed for Adoption £0.256m. Additionally there was a switch between In-House Fostering and Kinship Care of a corresponding £0.5m.

**Non CLA Financially supported:** - A pressure in Special Guardianship Orders due to growth in demand of £0.275m, additional spend on the Leaving Care of £0.385m. Section 17 payments paying for support costs for families in need exceeded the budget by £0.565m. The service is proactively working with Housing to manage this spend and secure the most appropriate outcomes for the families.

**One Adoption West Yorkshire:** - Outturn was in line with the previous reported position of LCC increased contribution of £0.36m this financial year as a result of increase of the inter-agency payment rates, reprofiling of the payments and additional staffing, principally Adoption Support.

**Staffing: Overall projected overspend of £0.353m.** The staffing budget overspent by £0.353m at Outturn, a £0.276m adverse movement from the Provisional Outturn position. This reflected an increased recruitment into Social Care during the last quarter of the year.

**Transport** - There has been a notable increase in the number of children requiring transport and also an increase in contract prices. An increase in Passenger Transport costs of £0.416m was offset by various savings of £0.603m which include savings on the WYCA contracts and additional Dedicated Schools Grant income from the High Needs Block towards the costs of Personal Transport Allowances of £250k resulting in an underspend of £0.187m; a decrease of £129k from the reported Provisional Outturn position of £316k.

**Trading and Commissioning** : At Outturn the overall position on trading was a £0.1m adverse movement from the Provisional Outturn reported position and accounted for in the following areas; 0-19 Learning Improvement, Music Services and Adel Beck.

**Other Costs** -External legal disbursement costs exceeded the 2018/19 budget by £0.394m; £0.131m improvement from the Provisional Outturn reported position. Additional Occasional Hire costs of £0.252m impacted on the service. It was identified at P12 that the directorate was incurring costs for CLA children who have turned 18, for which the costs needed to be passported onto ASC. The impact of this was additional internal income of £0.26m.

**Other Income** - Additional Income of £0.3m from the High Needs Block of the Dedicated Schools Grant to contribute to the education costs of External Residential placements; £0.1m lower than reported at Provisional Outturn. Adult Social Care made a contribution of £1.6m to services provided in Childrens and Families which is shown on the dashboard below. There were also contributions from Housing capital of £0.2m towards the capitalisable costs of the Child Health and Disability (CHAD) citywide team. CCG income for ER placements was £0.22m lower; a slight adverse movement of £0.02m from Provisional Outturn reported position.

### 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			
<b>Demand Led Budgets:</b>																	
In House placed CLA	19,994	(3,195)	16,799	0	0	0	0	0	(560)	0	0	0	(560)	0			(560)
Independent Fostering Agency	7,486		7,486	0	0	0	0	0	431	0	0	0	431	0			431
External Residential	10,886		10,886	0	0	0	0	0	1,461	0	0	0	1,461	(340)			1,121
Other Externally placed CLA	2,599		2,599	0	0	0	0	0	76	0	0	0	76	(77)			(1)
Non CLA Financially Supported	13,066	(2,389)	10,677	0	0	0	0	0	1,323	0	0	0	1,323	0			1,323
Transport	14,451	(467)	13,984	0	0	0	(362)	347	0	0	0	0	(15)	(172)			(187)
<b>Sub total Demand Led Budgets</b>	<b>68,482</b>	<b>(6,051)</b>	<b>62,431</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(362)</b>	<b>347</b>	<b>2,731</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,716</b>	<b>(589)</b>			<b>2,127</b>
<b>Other Budgets</b>																	
Partnerships & Health	12,666	(7,373)	5,293	3	16	299	0	(74)	1,009	(183)	0	265	1,335	(1,413)			(78)
Learning	88,696	(83,174)	5,522	(319)	48	46	(30)	139	(286)	(26)	0	(260)	(688)	669			(19)
Social Care	117,132	(66,432)	50,701	669	132	(426)	452	152	783	243	0	356	2,361	(1,971)			390
<b>Sub total Other Budgets</b>	<b>218,495</b>	<b>(156,979)</b>	<b>61,516</b>	<b>353</b>	<b>196</b>	<b>(81)</b>	<b>422</b>	<b>217</b>	<b>1,506</b>	<b>34</b>	<b>0</b>	<b>361</b>	<b>3,008</b>	<b>(2,715)</b>			<b>293</b>
<b>Total</b>	<b>286,976</b>	<b>(163,030)</b>	<b>123,947</b>	<b>353</b>	<b>196</b>	<b>(81)</b>	<b>60</b>	<b>564</b>	<b>4,237</b>	<b>34</b>	<b>0</b>	<b>361</b>	<b>5,724</b>	<b>(3,304)</b>			<b>2,420</b>

<u>Key Budget Action Plans and Budget Variations:</u>	Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation £m
<b>A. Significant Variations</b>					
Children Looked After	Sal Tariq	Pressure on CLA demand led budgets - External Residential placements £1.461m; Independent Fostering Agencies £0.43m; In-House placed CLA £0.56m under.	R		1.41
Non CLA Financially Supported	Sal Tariq	Special Guardianship Orders exceeded the budget by £0.275m; Leaving Care costs by £0.385m ; Other support costs £0.064m. Section 17 payments for the support costs of Children & Families in need by £0.565m.	R		1.32
Learning for Life	A Richardson	Projected oversepnd relates to LfL Early Start - Children Centres FEE income.	R		0.70
External Legal Disbursements	CSLT	jh level of external legal disbursements	R		0.39
One Adoption West Yorkshire	Sal Tariq	Increase in the Leeds contribution to OAWY of £0.36m as a result of in year cost pressures mainly from an uplift in inter-agency placement rates and change in the payment profile.	R		0.36
Miscellaneous	CSLT	School Improvement intervention costs £0.1m. Also premises and supplies pressure £270k (additional £250k re Occasional Hire). £0.263m additional internal income from ASC re costs incurred by Children Services for Turning 18	A		(0.29)
Passenger Transport	Sue Rumbold	Increase in demand and prices net of various savings re WYPTA, additional swimming income & DSG Income.	G		(0.19)
<b>B. Key Budget Action plans (BAP's)</b>					
Staffing - Service Reviews / Restructures	CSLT	At outturn the position on pay worsened by £0.189m against the Provisional Outturn position, reflecting increased recruitment within Social Care.	A	(1.27)	0.353
Progress alternative Transport funding models	S Rumbold / S Martin	Pilots are being established around alternative payment approach	G	(0.25)	0.00
Family Services restructure and reduced funding	A Richardson	Proposals implemented.	G	(0.25)	0.00
Reduced spend on Independent Support Workers	S Rumbold	Savings achieved.	G	(0.25)	(0.30)
Commissioning Reviews	S Rumbold	Savings achieved.	G	(0.30)	0.00
Achieve Increased income from Adel Beck	Sal Tariq	Slight shortfall in income target	G	(0.35)	0.03
Achieve Increased income from Child Protection: Education Safeguarding Team	S Rumbold	There is a shortfall in traded income with Schools and Academies.	G	(0.10)	0.04
Achieve additional Unaccompanied Asylum Seeking Children grant	Sal Tariq	Additional grant received.	G	(0.40)	0.00
Achieve additional DfE Improvement Partner Income	Sal Tariq	Reduction in Kirklees Quarter 4 claim and other Improvement Partner income.	G	(0.10)	0.25
Other Action Plans which have been achieved.	various	Includes continuation of School Improvement and Brokerage grant £0.7m ; SENSAP set up costs £50k	G	(1.75)	(0.01)
<b>C. Contingency Plans</b>					
External Income (Including trading with schools)		Additional Dedicated Schools Grant funding (High Needs Block) contribution to area External Residential placements £0.3m reflecting the increase in spend in 2018/19. Schools trading shortfall, £0.43m - 0-19 Learning Improvement, Music Services & Attendance. Shortfall of £0.22m CCG Health contribution towards the £1.1m External Residential Placement budget. £0.15m shortfall in SEND Grant. £0.087m additional income for YOS Service Area Teams. £0.1m Safer Leeds contribution to Front Door Service in Duty & Advice.	A		0.14
Contributions from Adult Social Care		Anticipated additional contribution from Adults Social Care.	G		(1.60)
Contributions from Housing		Funding of CHAD citywide	G		(0.18)
<b>Children and Families Directorate - Forecast Variation</b>					<b>2.420</b>

## CHILDREN & FAMILIES 2018/19 FINANCIAL YEAR

### DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - OUTTURN

**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 outturn there was an underspend of £3,799k on general DSG and a net underspend of £164k on de-delegated services. This position includes the impact of the additional funding for the high needs block announced by the Secretary of State for Education on the 17th December 2018. The announcement results in an additional £1.76m funding in both 2018/19 and 2019/20.

**Schools Block** - This is the largest element of the DSG and mostly consists of delegated funding to local authority maintained schools. When a school becomes an academy, funding payments are made directly by the ESFA and not paid to local authorities to distribute. As a result there is a reduction in grant income which is largely matched by reduced expenditure, though overall there is an underspend as a result of recoupment adjustments on NNDR in respect of schools which have converted to academies during 2018/19. The overall impact of these is an underspend of £424k. 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). At the start of the year, it was expected that £300k of the de-delegated reserves would be required to support in-year expenditure. However, these budgets were actually underspend by £464k, which means that reserves have actually increased by £162k. The Growth Fund budget remains part of this block and was underspent by £515k as the full allocation was not required.

#### **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). Overall there was an underspend of £6k 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 will not be confirmed until later in the 2019/20 financial year, though an adjustment has been estimated for this final announcement. 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, was still an underspend of £2,854k.

- at the end of 2017/18, an estimate was made of the final grant due in respect of early years DSG. The final grant was for £456k more than the estimate and has contributed to the underspend.
- the summer term (which is traditionally the term with the highest costs) data showed that the take up of places was lower than usual for that term. As the grant income for this period will not change, there was a significant underspend of £1,454k. Data from the autumn and spring terms also showed a difference between the number of places funded and the number of places paid to providers which resulted in a further underspend for the rest of 2018/19.
- the contingency fund did not have any calls on it during 2018/19 and so was underspent by £170k.

**High Needs Block** - This element is used to support provision for pupils and students with special educational needs and disabilities. This block has continued to have increased costs due to high levels of demand and increasing complexity of cases. However, as a result of the additional funding announced in December, this block was on budget, though only £677k was transferred to reserves compared to the budgeted £946k. The main variances in this block are:-

- following confirmation of the import / export adjustment for 2018/19 there is a slight increase in grant due of £273k.
- additional 2018/19 funding of £1,759k was announced in December 2018.
- there was no additional funding paid to the North West SILC in 2018/19. Any additional funding will be agreed as part of the specialist funding review expected in 2019/20.
- SEN top-ups to institutions was overspent by £1,293k largely as a result of more children receiving a diagnosis of complex communication difficulties.
- in the later part of the year, the number of outside placements increased and as a result there was an overspend on outside and external residential placements of £1,390k as there have been a number of very high cost placements for which there is no provision in Leeds.
- services managed by Children & Families were underspent by £413k largely due to an increase in staff vacancies.

**Reserves** - The 2018/19 underspend means that the general DSG reserves are in surplus by £1,097k by the end of the year, with de-delegated reserves increasing to £587k. However £400k of the surplus has been earmarked for use on the growth fund in 2019/20.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Outturn £'000	Variance £'000
<b>Schools Block</b>			
DSG Income	(320,706)	(305,401)	15,305
Individual Schools Budgets	313,309	297,580	(15,729)
De-delegated budgets	4,797	4,335	(462)
Growth Fund	2,900	2,385	(515)
Contribution to /from reserves	(300)	0	300
	0	(1,101)	(1,101)
<b>Central School Services Block</b>			
DSG Income	(5,171)	(5,171)	0
CSSB Expenditure	5,171	5,165	(6)
	0	(6)	(6)
<b>Early Years Block</b>			
DSG Income	(55,367)	(58,406)	(3,039)
FEEE 3 and 4 year olds	44,216	45,464	1,248
FEEE 2 year olds	7,903	7,315	(588)
Other early years provision	3,248	2,773	(475)
	0	(2,854)	(2,854)
<b>High Needs Block</b>			
DSG Income	(60,300)	(62,332)	(2,032)
Funding passported to institutions	53,394	56,077	2,683
Commissioned services	1,549	1,579	30
In house provision	4,411	3,999	(412)
Contribution to /from reserves	946	677	(269)
	0	0	0
<b>Total</b>	0	(3,961)	(3,961)

Latest Estimate

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

Actual Outturn

Balance b/fwd from 2017/18  
 Projected in year variance  
 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)
<b>2,433</b>	<b>(125)</b>	<b>2,308</b>
3,379	(425)	2,954
(3,799)	(162)	(3,961)
(677)	0	(677)
<b>(1,097)</b>	<b>(587)</b>	<b>(1,684)</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>					
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 has been applied.	G	0.49	0.00
<b>B. Significant Variations</b>					
Schools Block		Underspend on growth fund			(0.52)
Schools Block		Net underspend on de-delegated services			(0.16)
Schools Block		Underspend on rest of Schools Block			(0.42)
Central School Services Block		Minor underspend on services			(0.01)
Early Years Block		Underspend on early years block mainly as a result of low take up in summer term. And funding received for additional hours.			(2.22)
Early Years Block		Under-accrual of income into 2017/18.			(0.46)
Early Years Block		Unspent contingency			(0.17)
High Needs Block		Increase in grant due			(2.03)
High Needs Block		Increase in payments to institutions due to increase in number and complexity of cases			2.44
High Needs Block		Underspend on in-house services			(0.41)

**Dedicated Schools Grant - Forecast Variation**

**(3.96)**



## CITY DEVELOPMENT FINANCIAL DASHBOARD 2018/19 OUTTURN

The outturn position for City Development is an overspend of £1.89m, an increase of £0.12m from the provisional outturn position reported at period 11.

The Key variations at outturn are:

Planning - £597k external legal fees re planning appeals, £90k charge for the Contact Centre, and £134k shortfall on planning fee income, partially offset by savings on staffing (£305k), premises (£70k), and Supplies and services (£90k).

Markets and City Centre - £669k overspend due to City Centre Gates £97k, Markets maintenance and running costs £236k, and a shortfall in Markets income of £336k mainly due to vacant units.

Asset Management and Regeneration - a shortfall of £1.78m in Strategic Investment Income and a shortfall of £816k in capital receipt fee income (mainly due to the delay in the sale of Leonardo), partially offset by (£481k) of one off income (ease of covenants etc) and (£507k) underspend on staffing.

Highways - a £1.06m pressure in respect of electricity for Street Lighting has been more than offset by savings in the winter maintenance budget due to the mild winter, which in turn facilitated an increase in DLO productivity and substantial increase in turnover (net saving £1.5m). In addition Transport Planning function generated a net surplus from LPTIP design and feasibility work of £0.44m.

Arts & Heritage overspent by £403k, of which £165k relates to additional spending pressures around the Carnival and Black Music Festival events, and the balance due to additional staffing costs.

Resources and Strategy - £186k staffing and expenditure savings plus the use of £300k of PFI Street Lighting Dispute Resolution balances used to support the Directorates position and reflecting the re-focused arrangements to deliver the LED Street Lighting conversion programme.

### 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	(305)	(70)	(90)	(14)	719	0	0	0	0	239	134	373
Economic Development	1,984	(633)	1,351	(40)	3	(8)	(6)	31	0	5	0	0	(16)	76	60
Markets & City Centre	2,958	(3,612)	(654)	(27)	266	96	1	(5)	0	2	0	0	333	336	669
Asset Management & Regeneration	16,455	(20,034)	(3,579)	(507)	671	137	(3)	530	0	116	72	(228)	788	1,017	1,805
Employment & Skills	4,165	(2,450)	1,715	(54)	1	267	(7)	(9)	0	115	0	(67)	246	(335)	(89)
Highways & Transportation	62,532	(46,747)	15,785	(828)	1,763	1,613	561	223	1	(100)	0	0	3,233	(4,111)	(878)
Arts & Heritage	19,666	(9,379)	10,287	278	51	631	62	133	4	(73)	56	0	1,143	(740)	403
Active Leeds	24,654	(20,046)	4,608	(53)	299	(210)	(3)	(10)	(46)	88	699	(700)	65	(24)	41
Resources & Strategy	1,137	(618)	519	(15)	0	(67)	(2)	(3)	0	0	0	0	(87)	(409)	(495)
<b>Total</b>	<b>142,770</b>	<b>(110,887)</b>	<b>31,883</b>	<b>(1,551)</b>	<b>2,984</b>	<b>2,369</b>	<b>589</b>	<b>1,609</b>	<b>(40)</b>	<b>153</b>	<b>827</b>	<b>(995)</b>	<b>5,945</b>	<b>(4,056)</b>	<b>1,890</b>

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

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£'000	£'000
<b>A. Budget Action Plans</b>						
		Lead Officer	Additional Comments			
1.	Planning and Sustainable Development	Tim Hill	Additional income from charging	A	(400)	134
2.	Economic Development	Eve Roodhouse	Expenditure savings	A	(120)	(16)
3.	Markets & City Centre	Steve Mason/John Ebo	Additional income from events and speciality markets	R	(70)	92
4.	Asset Management & Regeneration	Angela Barnicle	Strategic Investment Fund & fee income	R	(1,520)	1,250
5.	Highways and Transportation	Gary Bartlett	Fees & Charges	G	(810)	0
6.	Arts and Heritage	Cluny MacPherson	Savings via increased income opportunities across the Service	A	(400)	238
7.	Employment and Skills	Sue Wynne	Staffing & running cost savings	G	(20)	(89)
8.	Sport and Active Lifestyles	Cluny MacPherson	Reduction in the net cost of service via increased income, operational cost reductions and VAT exemption	G	(1,585)	41
<b>Total Budget Action Plan Savings</b>					<b>(4,925)</b>	<b>1,650</b>
<b>B. Other Significant Variations</b>						
1.	Asset Management & Regeneration	Angela Barnicle	Shortfall in Strategic Investment Fund Income against 2017/18 Budget Action Plan			778
2.	Highways and Transportation	Gary Bartlett	Street Lighting Electricity Costs			1,057
3.	Asset Management & Regeneration	Angela Barnicle	West Gate Rent and Service Charge (net of expected £500k disturbance payment from ESFA)			340
4.	Asset Management & Regeneration	Angela Barnicle	Advertising Income			111
5.	Markets & City Centre	Steve Mason/John Ebo	Kirkgate Market Income and Security Costs. City Centre Gates.			577
6.	Arts and Heritage	Cluny MacPherson	West Indian Carnival			165
7.	Asset Management & Regeneration	Angela Barnicle	Additional Income - Symons House, Holdforth Court, Thornes Farm Way, ELOR Gas Easement, rents			(481)
8.	Resources & Strategy	Ed Mylan	Partial use of Street Lighting PFI Dispute Resolution Balances			(300)
9.	Asset Management & Regeneration	Angela Barnicle	Staffing Savings			(507)
10.	Planning and Sustainable Development	Tim Hill	Staffing Savings			(305)
11.	Asset Management & Regeneration	Angela Barnicle	Slippage in Capital Receipts Programme			566
12.	Highways and Transportation	Gary Bartlett	Winter Savings, improved DLO productivity, and additional capital fees			(1,935)
13.	Planning and Sustainable Development	Tim Hill	Planning Appeals External Legal Fees			597
14.	Resources & Strategy	Ed Mylan	Staffing and expenditure savings			(196)
15.	All	All	Other minor variations across services			(227)
					<b>City Development Directorate - Forecast Variation</b>	<b>1,890</b>

# RESOURCES AND HOUSING

## FINANCIAL DASHBOARD - 2018/19 FINANCIAL YEAR

### FINAL OUTTURN

#### Overall

The Directorate final outturn was £599k (0.76%) over its £78.2m net budget. The overspend is primarily accounted for by a shortfall against the schools income within the directorate, and spending pressures with Corporate Property Maintenance. offset by savings on staffing and running costs across various service areas as outlined below.

#### Resources

The resources group of services had a collective underspend of £262k. The 2018/19 budget had assumed a reduction in Support Services costs of £3.5m (£2.2m staffing related) and by outturning at £262k under, the budget assumptions have more than been delivered, despite some significant in year pressures.

Whilst there is an overall staffing pressure in the group, this mainly arises from recruitment within DIS and is offset by additional income. HR overspent by £782k, primarily arising from a reduction in schools income and there were pressures within financial services, mainly staffing, totalling £143k. These pressures are being offset by savings on staffing through managing turnover, vacant posts and additional income within Strategy and Improvement (£247k), Legal (£458k), Democratic Services (£242k) and Shared Services (£173k).

#### Leeds Building Services

The budget required a surplus of £9.6m (an additional surplus of £1.1m to be delivered through increased turnover when compared to the 17-18 budget). The service delivered a surplus of £9.4m and has achieved its budgeted turnover position. The £200k shortfall arose mainly from vacant front line posts which led to an under recovery of overheads; these were partially offset by the use of sub contractors to deliver works.

#### Housing and Property Services

A net overspend of £516k in this area arose primarily from ongoing spend pressures within the responsive repairs budget in Corporate Property Maintenance. There was a net overspend of £654k in the service. Savings elsewhere within Housing services, mainly staffing of £140k helped to mitigate the pressures in CPM.

#### Civic Enterprise Leeds (CEL)

CEL services outturned in line with previously reported figures at £146k over budget. Within Catering there was a £298k shortfall due to a combination of underlying income pressures and inflationary pressures on food costs; these pressures were offset by savings in Facilities Management of £103k and also additional net contribution from property cleaning and guarding of £143k. Other variations across CEL were approximately £50k.

#### 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	94,885	(30,633)	64,252	1,339	(31)	355	34	26	0	237	0	(261)	1,698	(1,960)	(262)
LBS	55,675	(65,286)	(9,611)	(3,383)	(248)	5,691	252	4,353	0	0	0	0	6,665	(6,466)	199
Housing & Property	26,432	(13,477)	12,955	(530)	1,017	275	86	(904)	(139)	906	0	113	824	(308)	516
CEL	75,235	(64,594)	10,641	2,012	633	743	1,527	(21)	0	0	4	(221)	4,677	(4,531)	146
<b>Total</b>	<b>252,227</b>	<b>(173,990)</b>	<b>78,237</b>	<b>(562)</b>	<b>1,371</b>	<b>7,064</b>	<b>1,899</b>	<b>3,454</b>	<b>(139)</b>	<b>1,143</b>	<b>4</b>	<b>(369)</b>	<b>13,864</b>	<b>(13,265)</b>	<b>599</b>

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

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
<b>A. Key Budget Action Plans</b>						
<b>Efficiencies</b>						
1	LBS	Simon Costigan	Vacant operative posts has resulted in under recovery of overheads	G	(1.10)	0.20
2	Housing	Julie Staton	Commissioning Contract Savings - FYE of existing savings	G	(0.15)	(0.03)
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	Additional spend on responsive repairs	R	(0.20)	0.65
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	A	(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; ELIs approved to deliver future savings - timing issue in 18/19 leading to small overspend	R	(0.50)	0.29
18	HR	Lorraine Hallam	Deliver £0.19m staffing savings to balance the 18/19 budget; Additional staffing savings used to offset schools income shortfall	G	(0.19)	(0.28)
19	HR	Lorraine Hallam	Additional income -mainly schools (price increases, fee on supply contract; Income from attendance/disciplinary training)	A	(0.10)	0.10
20	HR	Lorraine Hallam	Replace HELP contract with telephone support service.	R	(0.09)	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	R	(0.04)	0.04
23	Legal & Democratic Services	Catherine Witham	Savings from vacant posts and additional income in service	G	(0.07)	(0.46)
24	Low Carbon	Polly Cook	Charges to University for contribution towards salary costs	G	(0.02)	
25	Shared Services	Helena Phillips	Delivered £1.1m staffing savings to balance the 18/19 budget	G	(1.10)	(0.05)
26	Shared Services	Helena Phillips	Mail and Print - cross cutting savings (found with alternative savings)	G	(0.10)	
27	Strategy and Improvement	Mariana Pexton	Delivered more than £0.13m staffing savings to balance the 18/19 budget	G	(0.13)	(0.17)
28	Strategy and Improvement	Mariana Pexton	Additional comms team income - mainly from Schools	A	(0.05)	0.05
<b>B. Other Significant Variations</b>						
1	HR	Lorraine Hallam	Minaly shortfall against schools income - with other running cost savings	R		0.54
2	Financial Services	Victoria Bradshaw	Postages & income variations	R		(0.16)
3	CEL	Sarah Martin	Mainly Catering income and inflationary pressure on food costs offser with other savings	A		0.15
4	Housing	Jill Wildman	Staffing savings from vacant posts and turnover	G		(0.11)
5	All Other Variations		Minor variations across all functions	G		(0.25)

**Resources and Housing Directorate - Outturn Variation**

**0.599**

## COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

### FINANCIAL DASHBOARD - 2018/19 FINANCIAL YEAR

#### Outturn Position

#### Overall Position (£377k below budget)

##### Communities (£116k overspend)

The overspend of £116k is mainly due to a shortfall in income of £40k and additional premises costs of £51k in respect of Community centres, together with increased staffing costs of £25k across the service. An in year underspend on the 'Well Being' budget (£209k) has been transferred to the earmarked reserve.

##### Customer Access (£185k overspend)

This position includes an overspend in the Contact Centre of £188k which reflects the delays in delivering budgeted staffing efficiencies in respect of Channel shift/shove whilst maintaining performance levels in the face of increased call volumes. In addition, increased security provision within the Community Hubs has resulted in additional costs of £226k. These overspends have been partially offset by additional income and expenditure savings within other areas of the service.

##### Electoral and Regulatory Services (£164k underspend):

##### Elections, Licensing and Registrars (£132k overspend)

The overspend of £132k is mainly due to the reducing trend in Registrars income (+£122k) which includes the cessation of the Nationality Checking Service, partially offset by additional income and other savings within the Entertainment Licensing service (-£59k).

##### Environmental Health (£296k underspend)

This underspend is mainly attributed to staff savings (-£160k) across the service and additional income (-£100k), mainly within Pest control.

##### Welfare and Benefits (£6k overspend)

The service has a small overspend of £6k. The net position in respect of Housing Benefit expenditure/subsidy and overpayment income has resulted in a variation of +£500k against budget. However this has been offset by net savings of £500k within the service which mainly reflects additional grant income and other expenditure savings.

##### Parks and Countryside (£71k overspend)

There is an overall variation in respect of Attractions/Cafe/Retail of +£370k which includes a shortfall in income at both Lotherton Hall and Tropical World. There have also been expenditure variations at the Arium of +£453k which includes backdated Business Rates at the new facility. However expenditure savings and additional income in other areas of the service have largely offset these shortfalls.

##### Car Parking (£142k underspend)

The underspend mainly relates to savings against the staffing budget (£102k) and other expenditure savings across the service (£84k). A shortfall in on-street income (+£187k) has been largely off set by additional Penalty Charge Notice/Bus Lane Enforcement income (net £100k) and 'off street' income (£45k).

##### Cleaner Neighbourhoods Teams (£87k underspend)

The underspend is mainly due to delays in recruitment, partially offset by additional vehicle costs.

##### City Centre (£47k underspend)

The underspend reflects general expenditure savings across the service, partially offset by additional staffing costs.

##### Waste Management (£209k underspend):

Within the Waste Management service there has been a net underspend of £209k. In the Refuse service additional pressures of £681k have been incurred, mainly due to the non-implementation of the budgeted collection route efficiency programme. However, these have been largely offset by net savings on waste disposal costs of £595k, which reflects disposal trend savings of £471k (mainly at Household Waste sites) and other disposal contract savings of £830k, partially offset by increased SORT disposal costs of £578k. Additional recycling and weighbridge income of £234k has also been achieved as well as income from NHS Scotland in respect of a temporary agreement to accept clinical and offensive waste at the RERF (-£107k). Additional pressures in respect of an extra collection route to meet the additional demand from new build properties, additional cover costs and a re-assessment of budgeted income in respect of charging for the medi-waste service have been offset by other identified savings within the Refuse service.

##### Community Safety (£114k underspend)

The underspend mainly reflects staffing savings and other expenditure variances across the service.

#### 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	
Communities	19,015	(14,036)	4,979	387	(48)	(601)	12	257	(26)	0	4	182	167	(51)	116
Customer Access	23,622	(4,192)	19,430	420	252	253	6	(150)	0	0	0	(21)	760	(575)	185
Electoral & Regulatory Services	6,194	(5,440)	754	(201)	73	45	2	12	0	0	0	73	4	128	132
Environmental Health	2,128	(565)	1,563	(160)	(2)	27	(18)	(43)	0	0	0	0	(196)	(100)	(296)
Welfare And Benefits	252,566	(248,692)	3,874	11	3	83	7	69	0	6,300	0	0	6,473	(6,467)	6
Car Parking Services	4,796	(13,028)	(8,232)	(102)	1	(73)	(6)	72	0	0	0	0	(108)	(34)	(142)
Community Safety	8,220	(6,050)	2,170	(77)	13	140	11	(76)	(142)	0	0	0	(131)	17	(114)
Waste Management	41,772	(7,861)	33,911	1,179	65	(119)	161	(475)	0	0	0	0	811	(1,020)	(209)
Parks And Countryside	31,420	(24,842)	6,578	173	(34)	510	73	(3)	0	0	31	(23)	727	(656)	71
Environmental Action (City Centre)	2,006	(427)	1,579	61	3	(79)	(26)	(5)	0	0	0	0	(46)	(1)	(47)
Cleaner Neighbourhood Teams	12,321	(4,556)	7,765	(213)	(29)	(52)	193	(16)	0	0	0	0	(117)	30	(87)
Directorate wide	0	0	0	112	0	26	0	0	0	0	0	0	138	(131)	7
<b>Total</b>	<b>404,060</b>	<b>(329,689)</b>	<b>74,371</b>	<b>1,590</b>	<b>297</b>	<b>160</b>	<b>415</b>	<b>(358)</b>	<b>(168)</b>	<b>6,300</b>	<b>35</b>	<b>211</b>	<b>8,482</b>	<b>(8,860)</b>	<b>(377)</b>

<b>Key Budget Action Plans and Budget Variations:</b>						
		<b>Lead Officer</b>	<b>Additional Comments</b>	<b>RAG</b>	<b>Action Plan Value (£000s)</b>	<b>Variation</b>
<b>Communities</b>						
<b>Communities team</b>	Communities Team - review management & leadership arrangements - saving of 1 fte	Shaid Mahmood	Savings delivered but overall staffing overspend of £25k due to non achievement of vacancy factor.	G	(50)	0
<b>Community Centres</b>	Community Centres: reduce net cost by reviewing lettings income and Facilities Management costs	Shaid Mahmood	Shortfall in income in year of £40k and overspend of £51k on Facilities Management. Review meetings set up for 2019/20 to ensure additional savings delivered.	G	(60)	0
<b>Third Sector Infrastructure Fund</b>	10% saving on VAL contract	Shaid Mahmood	Contract renegotiated at reduced rate, savings delivered.	G	(34)	0
<b>Customer Access</b>						
<b>Libraries</b>	Re-tender Library Management Systems contracts as single contract	Lee Hemsworth	Savings delivered within Libraries overall. Tender process delayed until 2019/20 but savings are expected to be delivered.	G	(50)	0
<b>Compliments &amp; Complaints</b>	Review structure to deliver staffing savings	Lee Hemsworth	Delivered through structure changes	G	(17)	0
<b>Contact Centre</b>	Migration of telephone lines to new datelines'	Lee Hemsworth	Lines migrated Friday 11th May, savings delivered.	G	(80)	0
<b>Contact Centre</b>	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
<b>Contact Centre</b>	Channel shift/shove - further savings due to fewer calls - saving of 12 ftes	Lee Hemsworth	Savings dependent on migration to online/self service forms. These have been subject to delays and increase in call volumes have added to overall pressure and impacted on performance.	R	(280)	188
<b>Contact Centre</b>	Implement automated switchboard in Contact Centre - saving of 2.5 ftes	Lee Hemsworth	Implementation December 2018, full year effect of savings expected in 2019/20.	A	(50)	30
<b>Contact Centre</b>	Reduce service failure - saving of 1.3 ftes	Lee Hemsworth	Delivered in year	G	(40)	0
<b>Home Library Service</b>	Transfer of Home Library Service to voluntary sector - transfer of 1 fte	Lee Hemsworth	Not delivered but savings achieved from within overall Libraries budget.	G	(30)	0
<b>Interpreting &amp; Translation Service</b>	Secure additional income (net) from Interpreting and Translation Service - Total Income budget £846k	Lee Hemsworth	Additional income achieved	G	(180)	0
<b>Staffing efficiencies</b>	Community Hubs & Libraries ELIs/Vacancy Factor	Lee Hemsworth	Achieved as part of overall restructure.	G	(974)	0
<b>Welfare &amp; Benefits</b>						
<b>Welfare and Benefits</b>	Re-tender Advice Consortium contract	Lee Hemsworth	Delivered	G	(50)	0
<b>Welfare and Benefits</b>	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 to meet budget for allocation of white goods. However service has incurred additional costs of Immigration advisor from this budget.	A	(200)	86
<b>Electoral &amp; Regulatory Services</b>						
<b>TPHL</b>	Implement fee review to achieve additional income target of £438k to achieve balanced budget. Overall income target £2,241k	John Mulcahy	The fee review was implemented from the 1st October. Income levels sufficient to cover costs, with £73k transferred to reserve at year end	G	(438)	0
<b>Waste Management</b>						
<b>Refuse</b>	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	Route review ongoing.	R	(1,350)	688
<b>Refuse</b>	Work with NHS colleagues to review medi-waste collection service to eliminate subsidy	Helen Freeman	Non-implementation of saving	R	(170)	170
<b>Environmental Action Services</b>						
<b>Car Parking</b>	Increase charges at Woodhouse Lane car park by 50p for a full day	Helen Freeman	Price increase implemented 6th July 2018	A	(130)	35

<b>Parks and Countryside</b>						
<b>Parks and Countryside</b>	Continue to progress Attractions Development Plan to achieve additional net surplus	Sean Flesher	Shortfalls in income at Lotherton and Tropical World	R	(100)	370
<b>Parks and Countryside</b>	Increase turnover to achieve additional plant/retail income target (additional net £100k surplus) from the Arium	Sean Flesher	Additional net surplus built into budget.	R	(100)	453
<b>Parks and Countryside</b>	Staffing savings - achievement of vacancy factor (5% all services, 8.9% Parks Operations)	Sean Flesher	Savings in line with profiles	G	(1,124)	0
<b>Community Safety</b>						
<b>Community Safety</b>	Identify efficiencies in use of Community Safety funding	Paul Money	Efficiencies achieved	G	(50)	0
<b>Other Significant Variations</b>						
All services	All other variations					(2,397)
<b>Communities &amp; Environment - Outturn Variation</b>						<b>(377)</b>

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

**Overall :**

The outturn position for the Strategic & Central budgets is an underspend of (£7.5m)

The key variations are;

- a reduction of £7.9m in in-year costs as a result of funding PFI lifecycle costs via MRP over a 10 year period, combined with further savings in the debt budget net of prudential borrowing, and a prepayment of prudential borrowing income to be contributed to the capital reserve.
- a shortfall of £0.1m in S31 business rates income offset by additional £1.4m of transitional protection payments, £0.5m of which relates to 2017/18, and a further £2.3m grant reflecting the authority's share of the government's business rates levy redistribution. In addition there is a projected shortfall of £0.3m in New Homes Bonus grant income.
- a shortfall of £1.3m in Section 278 income due to predicted lower levels of development activity
- £0.8m unallocated PPPU and Legal budget
- a contribution of (£1m) from insurance reserve following a review of the level of the reserve
- a contribution of (£1.3m) from insurance reserve to fund projected overspend on insurance claims
- shortfalls of £1.3m in the target for general capitalisation and £0.5m in the targets for schools capitalisation.
- a provision for a probable liability of £0.4m for tax on ELI payments in 2018/19 as a result of a legislation change, and a liability of £0.6m Stamp Duty Land Tax on a lease, offset by a reduction of £0.2m in the estimated liability for the Carbon Reduction Commitment and increased miscellaneous corporate income of £0.3m

**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)	(20,265)	(27,595)	507	(229)	2,352		623				2,283	5,536	(1,075)	4,461
Debt	24,747	(15,169)	9,578			33					(7,874)	1,672	(6,169)	(2,052)	(8,221)
Govt Grants	9,740	(36,895)	(27,155)										90	(3,656)	(3,566)
Joint Committees	36,913	0	36,913											(64)	(71)
Miscellaneous	5,930	(852)	5,078	(79)		(58)								(175)	(138)
Insurance	11,079	(11,079)	0			1,208		(187)			5	(531)	495	(495)	0
<b>Total</b>	<b>81,079</b>	<b>(84,260)</b>	<b>(3,181)</b>	<b>428</b>	<b>(229)</b>	<b>3,535</b>	<b>0</b>	<b>436</b>	<b>(102)</b>	<b>90</b>	<b>(7,869)</b>	<b>3,424</b>	<b>(287)</b>	<b>(7,248)</b>	<b>(7,535)</b>



## STRATEGIC & CENTRAL ACCOUNTS - 2018/19 FINANCIAL YEAR

### Key Budget Action Plans and Budget Variations:

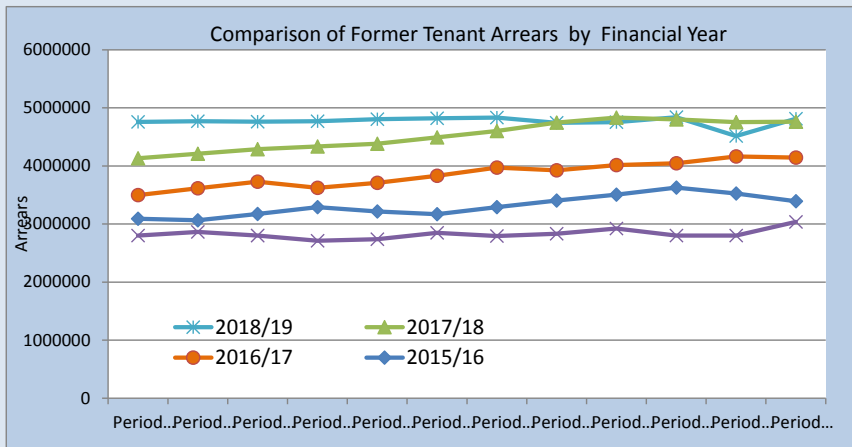
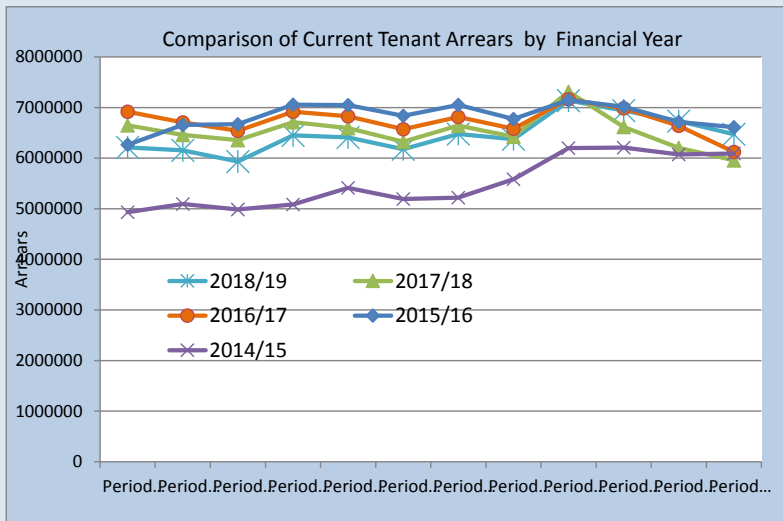
				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
<b>A. Major Budget Issues</b>						
1.	Debt Costs and External Income	Victoria Bradshaw	External interest payments greater than anticipated	G	22.5	(7.8)
2.	Minimum Revenue Provision	Victoria Bradshaw	No variation is anticipated for 2018/19	G	1.0	0.0
3.	New Homes Bonus	Victoria Bradshaw	Projected income for 2018/19 is (£10.8m) a shortfall of £0.3m.	R	(11.2)	0.3
4.	Business Rates (S31 Grants & retained income)	Victoria Bradshaw	Projected shortfall of £0.4m in S31 grants offset by (£1.4m) of additional transitional protection payments for 2017/18 and 2018/19, and a £2.4m grant distribution of prior years levy surpluses	G	(25.4)	(3.6)
5.	S278 Contributions	Victoria Bradshaw	Potential risk of £1.3m shortfall	R	(3.9)	1.3
6.	General capitalisation target	Victoria Bradshaw	Capitalisation of eligible spend in directorate/service revenue budgets. No variation anticipated at this stage.	R	(4.5)	1.3
7.	Schools capitalisation target	Victoria Bradshaw	Capitalisation of eligible spend in school revenue budgets.	R	(4.0)	0.5
8.	Prompt payment discount target	Victoria Bradshaw	Difficulties in supplier engagement have meant that it will take longer than originally forecast to generate savings.	R	(0.6)	0.5
9.	Joint Committees	Victoria Bradshaw	West Yorkshire PTA levy payments £1.3m over budget less £1.6m PTA rebate	G	36.9	0.0
<b>B. Other Significant Budgets</b>						
1.	Insurance	Victoria Bradshaw	£1.3m overspend projected at this stage to be funded from the insurance reserve but could improve with review of outstanding Operation Polymer costs by legal.	R	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Surplus anticipated at this stage.	G	(13.9)	(0.4)
3.	Earmarked Reserves	Victoria Bradshaw	Use of earmarked reserves, including (£1.0m) contribution from insurance reserve.	R	0.7	(1.0)
4.	Miscellaneous	Victoria Bradshaw	No significant variation anticipated at this stage.	G	5.1	(0.1)
5.	Central recharges	Victoria Bradshaw	Income for synergy posting materials and recharges to PPPU following its break up	R	(0.9)	0.9
6.	Other Strategic budgets	Victoria Bradshaw	Probable SDLT liability on a new lease, plus other minor variations, offset by reduction in CRC liability and increase in miscellaneous corporate income	A	0.0	0.2
7.	Post Employment Notice Pay liability	Victoria Bradshaw	Corporate liability on ELLs arising from legislation change	R	0.0	0.4
<b>Strategic &amp; Central Accounts - Forecast Variation</b>						<b>(7.5)</b>

## Housing Revenue Account - Outturn Financial Dashboard - 2018/19 Financial Year

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

Directorate	Current Budget	Actual Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
<b>Income</b>					
Rents	(212,042)	(211,728)	314	Reduced stock due to Increased RtB sales	336
Service Charges	(7,636)	(7,693)	(57)	Reduced income due to change of heating service provision.	116
Other Income	(31,360)	(31,370)	(10)	Staffing, IAS19 and transport costs related to capital work charged 100% to capital (previously 85%). Fewer staffing cost capitalising at year end. £43k RHI income from Clydes Biomass.	(28)
<b>Total Income</b>	<b>(251,038)</b>	<b>(250,791)</b>	<b>247</b>		<b>424</b>
<b>Expenditure</b>					
Disrepair Provision	2,050	2,820	770	Disrepair compensation and fees.	650
Repairs to Dwellings	43,548	43,925	377		-
Council Tax on Voids	654	569	(85)		-
Employees	29,247	27,188	(2,059)	Technical £77k overspent . Housing Management £733k savings due to turnover. P&C £1,410k saving on structure partly due to savings due from Housing Growth restructure.	(2,067)
Premises	8,311	8,593	282	£25k Burmantofts additional security costs. Movement £150k Silk Mill compensation charged to capital scheme (had assumed reserve income) and additional electricity charges.	296
Supplies & Services	3,715	3,836	121	Main items. £150k saving on bank charges, £200k IT saving, £45k saving on tenant incentive mobility scheme. £280k Sheltered furniture costs offset by use of reserve below . Additional £80k pressure on Sheltered Accommodation. £122k Changing the Workplace costs offset by used of reserve below .	145
Internal Services	40,324	40,837	513	Main items £356k additional legal charges - service priorities, £275k for Community Hubs, Discretionary Housing Payments (DHP) saving £84k. Movement is communities charges made in period 12 which had assumed as saving and the share of the DHP saving.	727
Capital Programme	65,324	65,324	-		-
Unitary Charge PFI	9,476	9,159	(317)	Offset with Sinking Fund - see below.	(317)
Capital Charges	44,476	44,617	141	Final Treasury position.	289
Other Expenditure	6,716	5,905	(811)	Provision for doubtful debt - Reviewed after rent write offs	(841)
<b>Total Expenditure</b>	<b>253,841</b>	<b>252,773</b>	<b>(1,068)</b>		<b>(1,118)</b>
<b>Net Position</b>	<b>2,803</b>	<b>1,982</b>	<b>(821)</b>		<b>(694)</b>
Appropriation: Sinking funds	(1,753)	(540)	1,213		1,096
Appropriation: Reserves	(1,050)	(1,442)	(391)	£280k charge to Sheltered furniture reserve and £122k charge to Changing the Workplace reserve. £137k 'Insurance - large items' reserve not required for Silk Mill	(402)
<b>(Surplus)/Deficit</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>		<b>(0)</b>
Proposed New Reserves			-		-
Transfer to Capital Reserve			-		-
<b>Total Current Month</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>		<b>0</b>

## Housing Revenue Account - Outturn Financial Dashboard - 2018/19 Financial Year



Change in Stock	Budget	Outturn
Right to Buy sales	530	615
New Build (PFI)	0	0
New Build (Council House Growth)	(22)	(22)
<b>Total</b>	<b>508</b>	<b>593</b>

\*Actual sales to date 615

Right to Buy Receipts	2017/18 Actual	2018/19 Outturn
Total Value of sales (£000s)	26,356	32,830
Average Selling Price per unit (£000s)	51.9	53.8
Number of Sales*	508	610
Number of Live Applications	1,417	1,428

Arrears	2017/18	2018/19	Variance
	£000	£000	£000
<b>Dwelling rents &amp; charges</b>	<b>2017/18 Week 52</b>	<b>2018/19 Week 52</b>	
Dwelling rents	5,958	6,471	513
Former Tenants	4,764	4,814	50
	10,722	11,285	563
<b>Under occupation</b>	<b>2017/18 Week 52</b>	<b>2018/19 Week 52</b>	
Volume of Accounts	4,357	3,650	(707)
Volume in Arrears	1,873	1,316	(557)
% in Arrears	43.0%	36.1%	-6.9%
Value of Arrears	502	295	(207)
<b>Collection Rates</b>	<b>2017/18 Week 52</b>	<b>2018/19 Week 52</b>	
Dwelling rents	97.44%	97.27%	-0.2%
Target	97.50%	97.50%	0.0%
Variance to Target	-0.06%	-0.23%	-0.2%

## Housing Revenue Account - Outturn 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
<b>HRA General Reserve</b>	<b>(6,495)</b>			<b>(6,495)</b>
<b>Earmarked Reserves</b>				
Insurance - large claims	(137)	137		0
Welfare Change	(1,782)	547	(137)	(1,372)
Housing Advisory Panels	(541)	131		(410)
Sheltered Housing (Committed in capital programme)	(3,238)	316		(2,921)
Holdsworth Place - land purchase	(64)	0		(64)
Early Leavers' Initiative	(408)	0		(408)
Wharfedale View	(10)	0	(5)	(15)
Changing the Workplace	(332)	98		(235)
eFiles Box-It Project	(262)	0		(262)
Concierge Pilot	(400)	400		0
Sheltered Housing (Furniture and Carpets)	(280)	280		0
	<b>(7,453)</b>	<b>1,908</b>	<b>(142)</b>	<b>(5,687)</b>
<b>PFI Reserves</b>				
Swarcliffe PFI Sinking Fund	(7,410)	2,318	0	(5,092)
LLBH&H PFI Sinking Fund	(2,710)	0	(1,906)	(4,617)
	<b>(10,121)</b>	<b>2,318</b>	<b>(1,906)</b>	<b>(9,709)</b>
<b>Capital Reserve</b>				
MRR (General)	(25,319)	69,390	(63,992)	(19,920)
MRR (New Build)	(6,152)	2,080	0	(4,072)
	<b>(31,470)</b>	<b>71,470</b>	<b>(63,992)</b>	<b>(23,992)</b>
<b>Total</b>	<b>(55,540)</b>	<b>75,696</b>	<b>(66,040)</b>	<b>(45,883)</b>

Directorate	Description of Reserve	Balance at 1st April 2018 £k	Transfers To & From Reserve £k	Balance at Outturn 2018/19 £k	Reason for Reserve
<b>GENERAL FUND</b>		<b>(25,677)</b>	<b>(2,315)</b>	<b>(27,992)</b>	
Adults & Health	S256 funding for health inequalities	(2,941)	630	(2,311)	Specific funding from Leeds South and East CCG for tackling health inequalities.
Adults & Health	Health and Social Care (CCG)	(2,749)	(1,505)	(4,254)	To fund Health and Social Care priorities
Adults & Health	Prisons Reserve	(205)	0	(205)	CCG funding for social work in prisons
Adults & Health	Drugs Reserve	(133)	0	(133)	Carry forward of external income for drug and alcohol priorities
Adults & Health	Transforming Care	(1,700)	(1,066)	(2,766)	Provision to mitigate against costs associated with the NHS England led transfer of care packages to a community setting, in accordance with 2017/18 budget report
Adults & Health	Social Care Development Reserve	(600)	(376)	(976)	Provision to meet costs associated with development of social care models e.g. Recovery Model in accordance with 2017/18 budget report
Adults & Health	Resilience Reserve	(1,000)	(627)	(1,627)	Provision to mitigate against unforeseen demand pressures e.g. caused by hot summers, cold winters flu outbreaks etc., in accordance with 2017/18 budget report
Adults & Health	Safeguarding (Adults)	(214)	(76)	(290)	Independent Safeguarding Board - carry forward of partner contributions.
Adults & Health	Spring Budget	(5,602)	(5,271)	(10,873)	Carry forward of Spring Budget monies from DCLG.
Adults & Health	Skills for Care	(196)	(21)	(217)	To provide funding for training of Care Workers
Adults & Health	Winter Monies	(600)	422	(178)	Funding received from Leeds CCG to reduce delays in transferring people out of hospitals back into community based care
Adults & Health	Public Health Children's Bereavement	0	(102)	(102)	Funding allocated to establish a new Children and Family Bereavement Service - carried forward underspend allocated to projects that address the emotional wellbeing of young people.
Children & Families	Health Innovations	(1,677)	238	(1,439)	Monies given by Health Service for a number of joint initiatives around commissioning & children's centres
Children & Families	Safeguarding (Children's)	(169)	(46)	(215)	Independent Safeguarding Board - carry forward of partner contributions to fund serious case reviews
City Development	HS2	(156)	156	0	To support the costs of developing and progressing master planning for the Southbank, including HS2 planning.
City Development	Sport Maintenance Backlog Reserve	(700)	700	0	Contribution towards addressing the backlog of maintenance requirements at the council's sports facilities.
City Development	Armed Forces Day	(6)	0	(6)	Funding for Armed Forces Days 2017/18
Communities & Environment	Casino License	(177)	0	(177)	Reserve for creation of Social Inclusion Fund as per licence bid and to fund LCC inclusion team.
Communities & Environment	Economic, Social and Environmental Wellbeing fund	(349)	140	(209)	Carry forward balances on the wellbeing budgets of Community Committee.
Communities & Environment	Communities Innovation Fund	(47)	27	(20)	To fund work with the 3rd Sector to develop future financial sustainability in the sector.
Communities & Environment	Parks Special Project - Temple Newsam	(23)	23	0	To cover cost of repairing fire damage at Temple Newsam Home farm.
Resources & Housing	Homelessness Prevention Fund	(809)	(875)	(1,684)	To fund Homelessness prevention
Resources & Housing	Lord Mayor	(48)	23	(25)	Balance of budget carried forward.
Resources & Housing	Members club	(8)	0	(8)	Surplus on the Members Club.
Resources & Housing	Sustainable Energy & Air Quality	(200)	192	(8)	To support delivery of work on Air Quality
Resources & Housing	Section 256	0	(60)	(60)	Funding from the CCG to be utilised by DIS to fund development of Digital Solutions for Personalised Care
Resources & Housing	Energy Efficiency Reserve - LCC	(4)	(191)	(195)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic & Central	General Insurance	(2,932)	1,532	(1,400)	To help fund cost of future insurance claims
Strategic & Central	Mutual Municipal Insurance	(11)	0	(11)	Reserve to fund potential claw backs of past insurance receipts from MML.
Strategic & Central	ELI Reserve	(2,000)	0	(2,000)	Reserve carried forward to support 18/19 base: ELI severance now funded by capital receipts in line with Council agreed policy.
Strategic & Central	Legal Cost of VAT claims	(63)	0	(63)	Funds set aside from £8.4m VAT claim refund received in 10/11 (originally £100k) to help fund legal costs for remaining VAT cases
Strategic & Central	Capital Reserve	0	(1,478)	(1,478)	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. Reserve now exhausted.
Strategic & Central	Invest to Save	(608)	(42)	(650)	Fund to get projects off the ground to generate future revenue savings.
Strategic & Central	Business Rates Distribution	0	(2,902)	(2,902)	To carry forward 2018/19 Business Rates Pool surplus and funding allocated to projects.
<b>Sub-total Earmarked Reserves</b>		<b>(25,927)</b>	<b>(10,555)</b>	<b>(36,482)</b>	
<b>Total non-ring fenced Reserves</b>		<b>(51,604)</b>	<b>(12,870)</b>	<b>(64,474)</b>	
Schools	Extended Schools Balances	(7,378)	1,131	(6,247)	Surpluses on extended school activities carried forward
Schools	Schools Balances	(15,224)	1,174	(14,050)	Schools balances net of VER, Children's Services and BSF PFI borrowing
Schools	Dedicated Schools Grant	2,955	(4,639)	(1,684)	Carry forward of ring fenced DSG funding.
Adults & Health	Public Health Grant	(122)	(450)	(572)	Public Health grant carried forward
Resources & Housing	Taxi & Private Hire Licensing Surplus	(13)	(73)	(86)	Ring fenced reserve for taxi and private hire licensing service.
Strategic	Energy Efficiency Reserve - Salix	(267)	(149)	(416)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic	Revenue grants	(4,649)	1,063	(3,586)	Revenue grants carried forward as per IFRS requirements (see note 1 below)
<b>Sub-total GF ring fenced reserves</b>		<b>(24,698)</b>	<b>(1,943)</b>	<b>(26,641)</b>	

Directorate	Description of Reserve	Balance at	Transfers To &	Balance at	Reason for Reserve
		1st April 2018	From Reserve	2018/19	
		£k	£k	£k	
	<b>Note 1: Revenue Grants</b>				
	Children & Families (Partners in Education)	(1,267)	966	(301)	£7.318m DfE Partners In Practise funding received in 16/17 to be used in future years.
	Children & Families (Other)	(1,697)	206	(1,491)	Revenue grants carried forward
	City Development	(1,359)	144	(1,215)	Revenue grants carried forward
	Communities & Environment	(127)	76	(51)	Revenue grants carried forward
	Resources & Housing (Controlling Migration Fund)	(99)	68	(31)	Revenue grants carried forward
	Resources & Housing (Air Quality)	0	(265)	(265)	Revenue grants carried forward
	Strategic Accounts (Flood)	(100)	100	0	Flood relief scheme for businesses
	Strategic Accounts (Brexit)	0	(232)	(232)	Revenue grants carried forward
	<b>Sub-total Revenue Grants</b>	<b>(4,649)</b>	<b>1,063</b>	<b>(3,586)</b>	
	<b>HRA RING FENCED RESERVES</b>				
	HRA General Reserve	(6,495)	0	(6,495)	
	Insurance (Large Claims)	(137)	137	0	To fund the cost of insurance claims
	Welfare Change	(1,782)	410	(1,372)	To fund pressures arising from welfare reform.
	Housing Advisory Panels (HAPs) Reserve	(541)	131	(410)	To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.
	Sheltered Housing	(3,238)	317	(2,921)	To fund investment in sheltered housing schemes which will contain shared bathing facilities and fund improved access for people with mobility issues.
	Holdsworth Place (Land Purchase)	(64)	0	(64)	To fund the purchase of land at Holdsworth Place
	Early Leavers' Initiative	(408)	0	(408)	To fund the cost of approved severance payments
	Wharfedale View SF	(10)	(5)	(15)	Contribution from shared owners towards future costs of replacing furniture and carpets at Wharfedale View Extra Care facility
	Changing the Workplace	(332)	98	(234)	To fund the cost of 'new ways of working' for staff in Housing Leeds as office moves are completed.
	eFiles Box It Project	(262)	0	(262)	Principally to fund the scanning of Housing Management paper files to electronic files - to assist the Housing Service in the preparation for moving to Community Hubs.
	Concierge Service to Multi Storey Flats	(400)	400	0	To fund the extension of the Concierge service in Multi-Storey flat areas in order to reduce the impact of Anti-Social behaviour
	Sheltered Housing Furniture & Carpets	(280)	280	0	To replace furniture and carpets in sheltered housing schemes
	Swarcliffe PFI	(7,410)	2,318	(5,092)	PFI Sinking Fund
	LLBH&H PFI Sinking fund	(2,710)	(1,907)	(4,617)	PFI Sinking Fund
	Major Repairs Reserve	(31,470)	7,478	(23,992)	Ring-fenced to fund capital expenditure or redeem debt.
	<b>Sub-total HRA reserves</b>	<b>(55,539)</b>	<b>9,657</b>	<b>(45,882)</b>	
	<b>Total ring fenced Reserves</b>	<b>(80,237)</b>	<b>7,714</b>	<b>(72,523)</b>	
	<b>TOTAL RESERVES</b>	<b>(131,841)</b>	<b>(5,156)</b>	<b>(136,997)</b>	

APPENDIX 3

CAPITAL PROGRAMME - 2018/19 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2019 and the final 2018/19 outturn. The variations are based on those programmes/schemes with significant variations both over/under > £250k.

Directorate	Service	Programme/ Scheme	02.02.19	2018/19 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Adults & Health	Adults & Health	Digital Information Services	2,094.5	1,564.7	(529.8)	The 10 schemes within Business Intelligence, Digital Transformation and schemes to be delivered in partnership with the NHS have slipped to 2019/20. A&H are in the process of finalising plans for their IT based schemes for this and the next two years.
		Other schemes	905.7	963.3	57.6	No material variances on remaining 84 schemes within Adults and Health.
			<b>3,000.2</b>	<b>2,528.0</b>	<b>(472.2)</b>	

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Directorate	Service	Programme/ Scheme	02.02.19	2018/19 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
<b>Children &amp; Families</b>	Support Services	Social Emotional and Mental Health Programme	5,186.4	4,632.1	(554.3)	Of the 3 SEMH East Leeds came in (£0.3m) under projections due to provisional and risk sums not required and a retention not claimed. North and South Leeds having no material variance to report.
		Learning Places	28,910.5	25,548.2	(3,362.3)	The (£3.4m) variance within the 65 schemes delivered in our learning places programme is primarily due to:- underspends on schemes at Greenside PS (£0.9m) this scheme was rescoped after the original expansion was aborted, Highwood Public House remodelling (£0.3m) where utility works not finalised and contingency not utilised with possible savings on the final account, Cottingley Primary Academy (£0.3m) has not submitted full reimbursement costs, unused PS contingency (£1m) where a land purchase did not go ahead and Basic Need grant (£0.9m) where provision for aggregated underspends on the Learning Places programme remain unspent. These were offset against accelerated spend on Allerton CE PS £0.6m, Carr Manor Community School £0.5m and Moor Allerton Hall PS £0.5m. While some overs and unders within the remaining 57 schemes delivered as part of the learning places programme there were no other material variances to report.
		Schools Capital Maintenance	7,362.8	6,629.9	(732.9)	While some overs and unders within the Capital Maintenance programme 32 schemes were delivered with no material variances to report.
		Other Children's Services Schemes	6,626.5	6,606.4	(20.1)	No material variances on the remaining 45 schemes within Children and Families
			<b>48,086.2</b>	<b>43,416.6</b>	<b>(4,669.6)</b>	



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Directorate	Service	Programme/ Scheme	02.02.19	2018/19 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
City Development	Highways	Highways	84,160.1	88,774.0	4,613.9	Highways accounts for almost 60% of the 2018/19 City Development programme. We received additional grant £3.87m from the DFT in October 18 that we initially slipped to future years however due to the good weather from January to March the Highways DLO were able to spend an additional £3m of this in 2018/19. We also achieved better than expected spend £1.6m on the LPTIP programme which includes Bus Priority, Park and Ride and City Centre Gateways. Other highways schemes within the 400+ schemes delivered in year that have over and underspends have no material variances to explain within this report.
	Asset Management Services	Asset Mgt	29,089.1	47,655.0	18,565.9	The Strategic Investment fund increased spend of £20.6m mainly as a consequence of the acquisition of the Swingate Multi Storey Car Park which was injected after the capital programme was set. The purchase completed in March 2019. This was offset by our Heritage Asset programme underspending by (£1.5m), the refurbishment element of Albion House was also delayed on site resulting in an underspend of (£0.5m) this will now complete in June 19.
	Culture and Sport	Culture and Sport	10,450.2	11,430.3	980.1	The West Yorkshire Playhouse exceeded spend in 2018/19 as it became necessary to spend contingency fund monies on unforeseen items: £250k emergency lighting, £272k removal of burial remains and £100k diversion of surface water drainage in the Courtyard Theatre. The funding to deal with this was brought forward from existing resources in 2019/20.
	Economic Development	Economic Development	3,205.2	1,856.0	(1,349.2)	One material variance £0.25m with proposals still being worked up on supporting growth in the creative sector. Our expected spend on the transformational public realm design fees were covered by the Leeds Public transport investment programme relating to the gateway schemes. No other material variances on the 50 remaining schemes within Economic Development
	Regeneration	Regeneration	1,135.0	469.1	(665.9)	While some overs and unders no material variances on the 27 schemes within Regeneration.
			<b>128,039.6</b>	<b>150,184.4</b>	<b>22,144.8</b>	

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The following table highlights main scheme variations between the estimates in February 2019 and the final 2018/19 outturn.  
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Directorate	Service	Programme/ Scheme	02.02.19	2018/19 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Communities & Environment	Parks & Countryside	Parks Main Programme	3,906.0	3,730.8	(175.2)	While no overall material variances within the programme there have been some over and underspends on the 140+ schemes delivered in 2018/19
		Cemetries and Crematoria	728.6	362.8	(365.8)	No individual material variances in the overall Cemetries and Crematoria programme.
	Community HUBS	Community HUBS	2,105.5	2,342.4	236.9	While no overall material variances within the programme there have been some over and underspends. Morley Community Hub has an overspend of £0.4m and this is being looked at with a possible cancellation of the charge in 2019/20. Hunslet Community Hub is (£0.4m) under with 2nd phase of external works currently being designed. Works are likely to complete mid June, explaining the underspend.
	Waste Management	Waste Operational	1,344.3	894.3	(450.0)	No material variances in the overall Waste Mgt programme. The binyard regeneration investment scheme and the roll out of garden expansion have slipped to 2019/20.
	Other Communities & Environment Schemes	Other E&H General Fund	1,917.6	1,619.8	(297.8)	No other material variances on remaining 100+ schemes within Communities and Environment.
			<b>10,002.0</b>	<b>8,950.1</b>	<b>(1,051.9)</b>	

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CAPITAL PROGRAMME - 2018/19 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2019 and the final 2018/19 outturn.

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Directorate	Service	Programme/ Scheme	02.02.19	2018/19 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
<b>Resources &amp; Housing General Fund</b>	Sustainable Energy and climate change programme	District Heating Network, Fuel poverty fund and Clean Air Zone	15,301.4	15,680.7	379.3	The District Heating Network programme has exceeded delivery resulting in additional works being carried out than expected which has led to this £2.1m variance at outturn. This has been offset by the 12 schemes within the Clean Air Zone (£1.8m) being delayed all of which are grant funded and will be progressed in 2019/20.
	Corporate Property Management	CPM - works to Corporate buildings, Backlog Maintenance Fire Risk assessment works and Demolitions	11,024.9	10,266.2	(758.7)	No individual material variances within the programme where there have been some over and underspends on the 200+ schemes delivered in 2018/19. Within the demolition programme (£0.7m) variance with some delays on start on site dates due to required bat / asbestos surveys. Some scheme estimates were excessively high compared to the actual charge which has resulted in savings which will be returned to contingency.
	Leeds Building Services	Vehicles and Total Mobile system	1,617.5	387.2	(1,230.3)	LBS Vehicles £1m ordered in 2018/19 but will now be delivered in 2019/20. Total Mobile IT system £0.23m slightly delayed and will complete in 2019/20.
	Civic Enterprise Leeds	Vehicle Replacement Programme	7,436.3	4,664.1	(2,772.2)	A large number of vehicles including Passenger Transport (£1.1m), Highways depots (£1m), Waste (£0.6m) and Fleet services (£0.3m), while ordered in 2018/19 will now be delivered in 2019/20. The ordering to delivery times need to factor in manufacturers build times and availability of the significant numbers of electric vehicles we require.
	Digital Information Services and Finance	Digital Information Services and Finance	8,209.8	7,884.2	(325.6)	No individual material variances on the 20 Digital Information Services and Finance schemes.
	Strategic Housing Partnership	Housing Supported Loans, Adaptations programme, private sector renewal and Travellers Sites.	13,259.8	10,458.8	(2,801.0)	The new supply affordable and supported housing loans scheme has delivered one loan to LATCH with (£1.9m) which will be carried forward and issued in 2019/20 when the legal agreements are finalised. Additional Disabled Facilities grant was received in Dec 2018, while this grant has been utilised in year, it has allowed us to carry forward LCC funding (£0.6m) which is planned to be spent on new and current Traveller site provision. No other individual material variances within the remaining Strategic Housing Partnership programme.
	Other Resources & Housing Schemes	Other Resources and Housing Schemes	600.0	585.8	(14.2)	No material variances on the remaining schemes within the R&H programme.
			<b>57,449.7</b>	<b>49,927.0</b>	<b>(7,522.7)</b>	

**APPENDIX 3**

**CAPITAL PROGRAMME - 2018/19 HRA, HOUSING LEEDS & BITMO OUTTURN VARIATIONS**

The following table highlights main scheme variations between the estimates in February 2019 and the final 2018/19 outturn.

The variations are based on those programmes/schemes with significant variations both over/under > £250k.

Directorate	Service	Programme/ Scheme	02.02.19	2018/19 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
<b>Resources and Housing HRA</b>	HRA	Council Housing Growth Programme	8,358.6	8,999.5	640.9	The increased spend £0.6m relates to staffing capitalisations within phase 1. The overall spend on phase 1 is now 78% of the committed programme. The remaining phase 1 delivery of 87 units which are in development will be delivered by March 2020, including the authority's first modern methods of construction scheme. Phase 2 injected at Feb 2019 EB will deliver 358 units over 7 sites by the end of December 2021. The programme will also deliver around 440 extra care homes across the City over the 3 year period to March 2022. 4 of these are being delivered via partnerships with private developers, 3 will be built, owned and managed by the council.
	Housing Leeds & Other HRA	Housing Leeds & Other HRA	80,000.0	82,043.9	2,043.9	Housing Leeds outturn is £2m above projections mainly due to providing for final accounts within 2018/19. Existing funding from future years was brought forward to match final account provision. Housing Leeds delivered 140+ significant sized schemes. These schemes were managed within existing funding resources provided for in 2018/19. Significant material variances resulted in Voids £2m, Communal replacements £1.8m, Re-roofing £1.3m, Capital repairs and maintenance £0.6m being prioritised over Windows and Doors (£0.9m), Service Delivery associated costs (£0.8m), Heating & Energy efficiency (£0.8m), Kitchens & Bathrooms (£0.6m), CCTV installation (£0.4m) which will be delivered in future years.
	BITMO	BITMO	1,707.6	1,703.7	(3.9)	There were no material variances on the 21 schemes delivered by the BITMO programme.
<b>Total HRA Variances</b>			<b>90,066.2</b>	<b>92,747.1</b>	<b>2,680.9</b>	

APPENDIX 3

CAPITAL PROGRAMME - 2018/19 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2019 and the final 2018/19 outturn.

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Directorate	Service	Programme/ Scheme	02.02.19	2018/19 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Strategic & Central	Strategic	General Capitalisations, Transformational Change, PFI Lifecycle Costs & Interest	13,179.9	14,001.5	821.6	Year end exercise to assess capital and revenue expenditure resulting in increased capitalisations from directorate revenue of £0.7m. The transformational change programme was slightly over £0.1m. Both schemes utilised existing funding from future years to deal with the in year overspend.
	Changing the Workplace	Changing the Workplace	2,071.6	1,008.5	(1,063.1)	The recycling of furniture for Merrion has enabled continuous savings within the programme (£0.2m). Civic Hall and remaining phase 1 projects and other small enabling moves came in under by (£0.3m) with additional works carried out at St Georges House £0.3m. The programme was helped by not having to pay an outstanding accrual (£0.8m) for stamp duty on the acquisition of Merrion House. This was cancelled in March 2019 after legal agreement with the SDLT.
	Other schemes	Other schemes	1,036.0	1,025.9	(10.1)	No material variances on remaining 45 Ward Based Initiative schemes schemes within Strategic and Central.
			<b>16,287.5</b>	<b>16,035.9</b>	<b>(251.6)</b>	