

Report of the Chief Officer Financial Services

Report to Executive Board

Date: 16th December 2020

Subject: Financial Health Monitoring 2020/21 – Month 7

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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

1. Main issues

- The purpose of this report is to inform the Executive Board of the financial health of the Authority in respect of both the General Fund revenue budget and the Housing Revenue Account for the first 7 months of the financial year.
- The Council has managed to achieve considerable savings since 2010 and the budget for 2020/21 requires the delivery of a further £28.4m of savings.
- The current and future financial climate for local government represents a significant risk to the Council’s priorities and ambitions. Whilst the Council continues to make every effort possible to protect the front line delivery of services, it is clear that the position remains challenging.
- This is the sixth budget monitoring report of the year, and Executive Board will recall that the 2020/21 general fund revenue budget, as approved by Council, provides for a variety of actions to reduce net spend through the delivery of £28.4m of budget action plans by March 2021. At this stage of the financial year, it is clear that COVID-19 has impacted on the delivery of some of these actions.

- In addition the Council continues to incur additional expenditure and to lose income across services as a consequence of COVID-19. As a result Directorate dashboards highlight a potential COVID-19 related overspend of £111.7m before proposals to balance.
- The addition of corporate COVID pressures in relation to staffing costs which it was projected could not be capitalised as a consequence of the impact of COVID-19 on the capital programme and the projected losses of council tax and business rates income results in a total projected COVID overspend of £161.8m at Month 7. In addition pension strain and severance costs associated with staff exiting the Council through the Early Leavers Initiative increases the overall overspend to £178.2m.
- As a result of taking account of non-COVID savings and the application of both earmarked reserves and additional Government funding the projected Directorate overspend reduces by £39.6m to £72.1m. When combined with the Corporate pressures the overall General Fund overspend has reduced from £178.2m to £130.9m.
- The Council had received £72.2m of Government funding towards the costs of COVID-19, of which £2.6m has been applied in 2019/20, leaving £69.5m of available funding. An estimated £18.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £88.4m of grant in 2020/21 reduces the financial pressure in 2020/21 to £42.5m.
- This reported position assumes that the estimated Collection Fund income shortfall of £42.5m will impact on the revenue position in 2021/22 and future years, which means that a balanced position can be reported for 2020/21.
- This position does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced, which could impact on these financial projections.
- At Month 7, the Housing Revenue Account is forecast to underspend by £9.6m, which will be transferred to the Major repairs reserve for use in future years.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The 2020/21 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on financial performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

3. Resource Implications

- Directorate dashboards reflect a projected overspend which largely relates to COVID-19 pressures of £111.7m which when combined with Corporate pressures results in an overall overspend of £178.2m. After application of government funding and a range of further measures, this report presents a balanced budget position for 2020/21.

Recommendations

Executive Board are asked to:

- a) Note the projected financial position of the Authority as at Month 7 and note the projected impact of COVID-19 on that position.
- b) Note that for 2020/21 the Authority has withdrawn its application for a capitalisation directive to Government and that this report contains full details of how a balanced budget will be achieved.
- c) Recommend to Full Council the release of the Merrion House reserve to contribute to funding the identified COVID funding gap.
- d) Note that the position reported does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced which could impact on these financial projections.

1. Purpose of this report

- 1.1. This report sets out for the Executive Board the Council's projected financial health position for 2020/21 at Month 7.
- 1.2. Budget monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations after the seventh month of the year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2020/21 was set at £525.7m.
- 2.2 Following the closure of the 2019/20 accounts, the Council's general fund reserve stands at £31.5m. The 2020/21 budget assumes further use of £9.0m from this reserve during the current financial year. It is anticipated that general fund balances will be added to in year but in light of the potential impact of COVID-19 on capital receipts this position will be kept under review.
- 2.3 The Financial Health report received at November's Executive Board identified that the estimated budget gap due to the impact of COVID-19 had reduced to £30.5m largely as a result of Leeds City Council receiving additional funding of £20.6m from the £1bn of resources for local authorities that was announced by the Government on 12th October.
- 2.4 An addendum to the November Executive Board report explained that, after taking into consideration the reduction in the budget gap for this year, the Council had made the decision that by utilising one off resources it could manage the financial position in 2020/21 and deliver a balanced budget position. Consequently the Chief Officer – Financial Services wrote to the Government on November 12th explaining that the Council wished to withdraw its application for a capitalisation directive in 2020/21. This report details what measures the Council is taking to deliver a balanced budget position in 2020/21.
- 2.5 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc.

This has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main Issues

- 3.1 At Month 7 a COVID related overspend of £161.9m is projected which combined with the additional pension strain and severance costs associated with staff exiting the Authority through the Early Leaver's Initiative results in an overall overspend position of £178.2m.
- 3.2 In response to the financial challenge for 2021/22 that was detailed in the Medium Term Financial Strategy report received by Executive Board in September, to date over 641 employees have either left or are due to leave the Council through the Early Leaver's Initiative by the 31st March 2021. The salary savings resulting from these staffing reductions contribute towards the realisation of the budget savings proposals for 2020/21 that were received at this Board in September, October and November.
- 3.3 Whilst the Council has incurred severance and pension strains costs of £16.3m in 2020/21 it is projected that over the five year period covered by the Council's Medium Term Financial Strategy savings of £75.4m (before reconfiguration costs) will be realised through the deletion of the posts.
- 3.4 The projected overspend position of £178.2m also reflects the estimated Collection Fund deficit of £42.5m resulting from a reduction in collection rates in respect of both Council Tax and Business Rates. In addition it also reflects, as a result of anticipated slippage in schemes in the capital programme, the projected variation in the level of salaries that can be capitalised.
- 3.5 Details of the Directorate overspend due to COVID-19 are summarised in Table 1.
- 3.6 The Council has received £72.2m of Government funding towards the costs of COVID-19 to date, of which £2.6m has been applied in 2019/20, leaving £69.5m available. On 2nd July Government announced a further package of financial support for Local Government as a consequence of which an estimated £18.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £88.5m of grant in 2020/21 would reduce the COVID financial pressure to £73.3m.

3.7 Table 1

Summary Position at Month 7 - Financial Year 2020/21

Directorate	Director	(Under) / Over spend for the current period				COVID related	Non-COVID related	Month 6 Total	COVID related	Non-COVID related
		Staffing	Total Expenditure	Income	Total (under) /overspend					
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(796)	30,842	(18,229)	12,613	12,613	0	12,702	12,702	0
Children and Families	Sal Tariq	23	4,170	3,667	7,837	7,837	0	8,206	8,206	0
City Development	Martin Farrington	(2,205)	(5,652)	25,473	19,821	22,456	(2,635)	19,927	22,039	(2,112)
Communities & Environment	James Rogers	1,178	5,546	17,630	23,176	25,256	(2,080)	23,106	24,839	(1,733)
Resources & Housing	Neil Evans	(2,614)	5,433	8,346	13,779	17,659	(3,880)	14,939	17,648	(2,709)
Strategic	Victoria Bradshaw	(132)	101,946	(76,252)	25,694	25,862	(168)	26,206	25,893	313
Strategic (Proposals to balance)	Victoria Bradshaw	15,855	(7,515)	(91,905)	(99,420)	(99,420)	0			
Adults & Health (Proposals to balance)	Cath Roff	0	(3,500)	0	(3,500)	(3,500)	0			
Total Current Month (Dashboards)		11,309	131,269	(131,270)	(0)	8,763	(8,763)	105,086	111,327	(6,241)
Capitalised Staffing					0	0	0	7,663	7,663	0
Council Tax & Business Rates Losses					42,466	42,466	0	41,059	41,059	0
					42,466	51,229	(8,763)	153,808	160,049	(6,241)
Previous month (under)/over spend in directorates		(2,358)	138,583	(33,497)	105,086					

3.8 The major variations are outlined below, with additional detail provided on the Directorate dashboards which are appended to this report;

3.8.1 **Adults & Health** – the directorate is projected to overspend its budget by £12.6m. This figure is based entirely upon COVID-19 related cost pressures of £12.6m, offset by a £3.5m contribution from reserves.

The pressure is related to a number of actions taken by the directorate in light of the pandemic and the resultant impact of those changing priorities on delivering a number of budgeted savings plans. It is currently projected that £3.4m of savings plans will not be delivered this financial year; though it is assumed that once a return to 'normal' is achieved the work needed to deliver these plans will resume, but there will be slippage in the delivery.

The pressures that make up the remaining covid pressure of £9.2 are the £0.5m relating to non-realisation of savings to fund the additional pay award; additional care packages to meet the needs of people affected by day centre closures (£0.5m) and 'paying to plan' on home care (£0.5m). £4.5m has been committed to meet pressures within the care sector. In line with national guidance to support the pressures within the provider market the equivalent of a 20% fee uplift, based on historic payments, has been provided for to be paid to providers over each of the first three months of the year. £0.4m has been incurred to fund PPE and equipment to facilitate early discharge. The NNDR attached to the Waterside building has been allocated as a COVID-19 cost due to its use as a temporary mortuary. Income is also affected with a pressure caused by the cessation of face to face financial assessments and the delay in the commencement of the dementia beds scheme which was partly funded by the CCG has placed a further £0.2m pressure on the Council. The directorate has recognised the potential pressures from the known

packages currently funded from the Early Discharge funding available to the CCG transferring back to the Council and £2.1m has been included for a part year effect.

It should be noted that there are potential non-COVID-19 pressures that have arisen in-year, notably the impact of the late detail and conditions surrounding the Public Health grant specifically relating to the Agenda for Change (AfC) programme. The directorate is actively working on resolving these potential pressures therefore these are noted but not reflected in the figures above.

3.8.2 Children and Families – As detailed on the dashboard, the current year-end forecast for the Children and Families directorate is an overspend of £7.837m, a reduction of £369k compared to Month 6 due to staffing savings from the Early Leavers Initiative.

The Month 7 projected overspend of £7.837m is broken down as follows:

Expenditure	£m
• Staffing related costs	0.02
• CLA	5.00
• Section 17 payments	0.31
• Direct payments	0.35
• Passenger Transport	(0.60)
• Other expenditure	<u>(0.91)</u>
	4.17
Income	£m
• Traded income from schools	1.77
• School penalty notices	0.15
• Children’s centre income	3.33
• Social care funding	<u>(1.58)</u>
	3.67
Total projected overspend	7.84

As shown above, the key pressure relates to the CLA demand led budget, which is currently forecast to overspend by £5m. Although detailed benchmarking is not yet available, feedback from local authorities across the country is that many are seeing an overall increase in CLA numbers. In Leeds however there has been a slight decline in CLA numbers since the start of the year and overall as at 8th November there were 14 fewer placements than originally budgeted, despite the impact of COVID in the city.

There is however a forecast overspend on CLA due to a higher proportion of more costly external placements than assumed in the budget. While the number of children coming into care at a young age has reduced, the impact of COVID has increased the number of adolescent placements, which are more complex and therefore more costly. Further to this, plans to re-open a previously closed children’s home have been impacted by delays with Ofsted’s approval process, although it is expected the home will be able to open in the near future. There is also an additional CLA pressure on semi-independent living costs for 16 to 18 year

olds. This reflects the difficulty with young people being able to move out of these placements in the current climate, as well as the impact of COVID on providers.

A further key impact of COVID on the Children and Families budget is on income, and in total a £5.25m pressure has been identified due to expected loss of income from children's centres, school trading and school attendance penalty notices. In line with principles laid out by Government, the Council has taken the approach that schools should be charged as normal for disrupted Council services for which they have a regular financial commitment. However there is still some loss of income projected for ad hoc traded services to schools and those paid for through parental contributions, such as music services. This has been included on the Council's claim to MHCLG for funding towards loss of income.

In relation to the Dedicated Schools Grant (DSG), at the end of 2019/20 there was a deficit balance of £3.95m on the general DSG. At Month 7 we are projecting a £2.3m overspend on general DSG for 2020/21, which would result in a closing deficit of £6.3m. This is due to a projected overspend of £3.6m on high needs, which is partly offset by a £547k underspend on early years and £121k underspend on central school services. The early years underspend is due to funding being calculated at a point in the year when the numbers of children are higher than the average over the full year.

The projected high needs overspend of £3.6m is due to a combination of a cap on funding increases and an increase in the demand and complexity of special educational needs across the country. Although high needs funding increased nationally for 2020/21, the Department for Education still applied a cap on gains which meant that the allocation for Leeds was subject to a reduction of £4.7m. A plan for managing the pressures on DSG is currently being developed by Children and Families.

3.8.3 City Development – At Month 7 the Directorate is projecting an overspend of £19.82m, an improvement of £0.11m from the Month 6 position previously reported to Executive Board. This includes an estimated impact of COVID-19 of £22.5m. The Directorate's financial position continues to be significantly affected by the current restrictions in place and the subsequent impact on the economy with the vast majority of the overspend resulting from reduced income across a number of services. The period 7 projections include a further £1.3m pressure relating to the first lockdown and the current second lockdown and there is still some uncertainty around some of the income projections particularly if current restrictions are extended. The impact on each service area will be regularly reviewed and updated during the year.

The variances below include £0.378m of ELI savings that will be realised by employees leaving before the 31st March 2020.

The most significant loss in income is still forecast to be in Active Leeds where some facilities only started re-opening on a staggered basis at the end of July but with reduced capacity, and are now closed again due to the current second lockdown. The year-end financial position for Active Leeds is projected to be an overspend of just over £10.3m. This is an increase of £1m of COVID related income

pressures however it is anticipated that this pressure will be offset by circa £0.7m via the fees and charges loss of income funding from MHGLC.

Other services also facing projected reductions in income include:

- Arts and Heritage - £2.2m, net of running cost savings, following the closure of sites and cancellation of events and more limited scope to generate income for the rest of the year.
- Asset Management and Regeneration - £2.7m from expected reductions in rental and other commercial income. This includes expected shortfalls against new commercial income included in the 2020/21 budget.
- Planning and Sustainable Development - £1m through an estimated reduction in planning and building fee income.
- Markets and City Centre - £1.95m from a reduction in rental and advertising income.
- Highways and Transportation - £0.94m through a reduction in chargeable fees and recovery of overheads, mainly in the Highways DLO.

Whilst the impact of COVID-19 on City Development is mostly on income some additional costs are also being incurred. A sum of £0.8m for the year is currently projected across the Directorate, this is an increase of £300k from Period 6 which is due to the anticipated pressures arising from lockdown 2 across the other services (excluding Active Leeds). The impact of non-realisation of savings to fund the additional cost of the higher pay award is estimated at £0.37m.

The projected position includes anticipated staff savings of £1.57m on non-chargeable vacant posts net of the additional costs of the higher pay offer. Savings of £0.92m have also been included for reduced spend on general running costs and travel and subsistence.

3.8.4 Communities & Environment – the overall position for the directorate at this stage of the year is a projected overspend of £23.2m.

Of this, £25.3m relates to the estimated impact of COVID-19 which is an increase of £0.5m from month 6 due to the estimated impact of the second lockdown period. There still remains a great deal of uncertainty around income projections and these will continue to be kept under review over the coming months. However, this increase has been largely offset by the estimated part year impact of staff leaving the authority before 31st March 2021 under the Council's Early Leaver scheme.

The main areas of variation in respect of COVID-19 are currently estimated as follows:

- Loss of car parking and enforcement income £7.6m
- Loss of Parks & Countryside income £4.7m. This includes income from visitor attractions, cafes, bereavement services, chargeable works within Parks Operations and Landscaping teams and the cancellation of planned events.
- Loss of Electoral and Regulatory Services income £1.8m. This includes Registrars, Entertainment Licensing, Land and Property Searches, Taxi & Private Hire and Environmental Health activities. These income losses are

partially offset by £0.3m savings resulting from the cancelled May 2020 local elections.

- Waste Management – net additional expenditure £5.8m. This includes the cost of providing additional crews and vehicles to deal with increased volumes of waste, the cost of disposing of the additional waste and the cost of providing staffing cover and PPE equipment across the service as well as income losses at Household Waste sites.
- Welfare & Benefits – additional expenditure £1m in respect of the estimated net cost of Housing Benefit claims for rough sleepers.
- Estimated cost to LCC of providing a temporary mortuary facility £0.8m - created as part of the Council's emergency planning arrangements to deal with a potential increase in mortality rates over and above current capacity for Leeds and Wakefield.
- Additional cost of the local government pay award £0.7m. This represents an additional 0.75% over the amount budgeted and the COVID-19 situation will impact on the ability to deliver the savings required to mitigate this additional cost.
- Other areas of income loss/additional expenditure across the directorate £3.2m. This includes estimated income losses from community centres, libraries/community hubs, bulky waste collections and from environmental enforcement. It also includes additional costs of providing PPE/Cleaning/Social distancing measures and software/equipment to support home working. It also includes the cost of providing for a city wide mailout and other staffing related costs in support of the Council's response to the crisis.

The overall position for the directorate also includes forecasts around other expenditure savings totalling £2.1m. These include estimated net savings from the implementation of tighter controls on recruitment and the impact of the Council's Early Leaver scheme (£1.4m) and on other expenditure budget headings across the directorate (£0.7m).

3.8.5 Resources & Housing – Based on the estimated impact of COVID-19 in the directorate, an overspend of £13.8m is forecast at Month 7. This is a reduction of over £1.1m from the position reported last month and reflects the savings in staffing costs arising from the 2020-21 ELI scheme.

Some of the income pressures, for example, reduction in court fee income (£1.3m) remain an estimate at this stage, simply because there has been no actual income received to date in 2020-21 as the Courts have remained closed. There remains a risk that this projection may be understated.

In total £17.7m of pressures are COVID related, broadly summarised into the following areas across the Directorate's services:-

- | | |
|--|-------|
| • Trading shortfall within Leeds Building Services (LBS) | £5.5m |
| • Additional PPE (LCC wide) | £5.6m |
| • Homelessness accommodation costs (net of grant) | £0.7m |
| • Catering income & emergency meals | £1.9m |
| • Other income reductions (capital / court fees) | £2.6m |
| • Delays to budget action plans | £0.3m |

- Other items of expenditure £0.2m
- Savings from Working home/buildings/car allowances - net (£0.3m)
- Non-realisation of savings to fund additional pay award £1.1m

There remain significant risks around these assumptions in the light of the recent developments, especially around catering income, court fees and the potential demand for additional PPE.

The recruitment freeze, savings in non-essential spend, additional grant income and the impact on staffing costs of the ELI leavers in November and December (£1.1m) are forecast to deliver around £3.9m of savings to the directorate's bottom line projections.

3.8.6 Strategic & Central Accounts - At Month 7, the Strategic & Central accounts projection is for an overspend of £25.7m, of which £25.9m is COVID related, before proposals to balance the 2020/21 budget. This projection recognises the potential for an overspend of £28.0m in MRP, as a result of a reduced level of capital receipts being available to repay debt, as a consequence of the impact of COVID-19. There is considerable uncertainty over how quickly the property market will recover, and the position will continue to be reviewed and updated.

A projected underspend of £2.1m has been included for a reduction in the expected business rates levy payable, as a result of reduced business rates income for the year.

The position also reflects an additional projected £75.9m of S31 grants in relation to business rate reliefs awarded due to the impact of the pandemic. These grants will need to be carried forward in an earmarked reserve, as they are required to fund the 2020/21 Collection Fund deficit which will impact on the revenue position in 2021/22.

Additional projected S278 income of £0.4m has been recognised, along with potential pressures of £1.0m across the target budgets for general capitalisation and schools capitalisation, as overall restrictions on spending have reduced the potential for capitalisation.

Proposals to deliver a balanced budget position are also reflected in the Month 7 Strategic position and the appended dashboard and are discussed below.

3.8.7 Proposals to Balance

3.8.8 Directorate dashboards highlight a projected COVID-19 overspend of £111.7m which combined with other corporate pressures, such as variations in the Collection Fund, capitalisation of salaries, pension strain, etc. results in a projected overspend of £178m.

3.8.9 In order to manage this overspend a range of proposals have been identified which are detailed in the Table 2 below.

	Month 7	Mitigation- Savings including Salary	Use of Reserves	Gvt Funding	Total
Directorate/Service	£m	£m	£m	£m	£m
Adults & Health	12.6	0	-3.5		9.1
Children & Families	7.8	0			7.8
City Development	22.5	-2.7			19.8
Communities & Environment	25.3	-2.1			23.2
Resources & Housing	17.6	-3.8			13.8
Strategic & Central	25.9	-0.2	-23.9	-3.4	-1.6
Directorate dashboards	111.7	-8.8	-27.4	-3.4	72.1
<i>Corporate pressures:</i>					
Capitalised Staffing	7.7	-7.7			0
C T/B R Income Losses	42.5				42.5
Cost of Severance	14.0				14.0
Pension Strain	2.3				2.3
Total Corporate pressures	66.5				58.8
Total General Fund Impact	178.2	-16.5	-27.4	-3.4	130.9

	Month 7	Mitigation- Savings including Salary	Use of Reserves	Gvt Funding	Total
	£m	£m	£m	£m	£m
Government Funding	-69.5				-69.5
Government Support for Income Losses	-18.9				-18.9
Net Position	-88.4				-88.4
Total GF Impact 2020/21	89.8	-16.5	-27.4	-3.4	42.5
Council Tax/Business Rates	-42.5				-42.5
COVID-19 Funding Gap 2020/21	47.3	-16.5	-27.4	-3.4	0

3.8.10 The level of non-COVID savings has increased from the £6.2m reported at Period 6 to £6.4m at Period 7 and along with salary savings of £2.35m resulting from the deletion of posts resulting from staff exiting the Council through the Early Leavers Initiative (ELI), £8.8m can be applied to address the estimated budget gap.

3.8.11 As referenced in the addendum to November's Executive Board the Council has identified a number of one off resources that contribute towards addressing the identified estimated budget gap in 2020/21. One off resources include the planned application of an earmarked reserve of £23.4m which has been created through

recognising the capital distribution from the pre-payment of rent at Merrion House as revenue income rather than as deferred income on its balance sheet.

- 3.8.12 In order to facilitate the upgrade of Merrion House, the Council entered into a series of linked agreements with the Town Centre Securities (TCS) Group who own the freehold to the building. Under these agreements, the council entered into a 50:50 limited liability partnership (LLP) During 2018/19 the Council made a prepayment of rent under the 25 year lease at a discounted rate, which was distributed to the two partners of the LLP. The Rent Advance agreement that was entered into resulted in a prepayment of rent of £54m which was followed immediately by a distribution of capital of £27m to each of the LLP members.
- 3.8.13 In 2018/19, and in the absence of the first set of LLP accounts reflecting the rent advance and distribution to partners, the Council determined to hold the £27m on its balance sheet as a receipt in advance. This approach was discussed and agreed with Grant Thornton prior to the closure of the 2018/19 accounts.
- 3.8.14 The Council has now reconsidered its approach in the light of the LLP's 2018/19 accounts which were published in June 2020. The LLP's accounts show the capital distribution to members as an immediate transfer of net worth from the LLP to its members.
- 3.8.15 In the light of this, the Council will now recognise this transfer of net worth by reducing the value of its investment in the LLP and instead recognising the balance of £25.65m which was previously shown as deferred income in its accounts as revenue income during 2019/20. This income will be transferred to an earmarked reserve, to be applied during the remaining life of the lease.
- 3.8.16 In applying the balance of this earmarked reserve in this manner there is now a requirement to identify provision in the MTFs of £1.1m which will be required from 2022/23 to resource the annual lease payments for Merrion House. This £1.1m revenue pressure will be met from the reserve in 2020/21 and 2021/22 reducing the balance applied to the identified COVID pressure to £23.4m
- 3.8.17 It is proposed that this earmarked reserve is applied to address the estimated budget gap identified above and the release of this reserve is a matter for Full Council to approve.
- 3.8.18 It is also proposed to utilise £3.47m of earmarked reserves with Adults and Health whilst £0.5m remains from the £1.5m set aside through the flexible use of capital receipts for transformational expenditure and this can be used to fund ELI payments.
- 3.8.19 The application of £3.4m of additional specific government funding that has been provided to support local authorities can be used to offset some of COVID-19 related expenditure pressures.
- 3.8.20 As a result of the COVID-19 pandemic it has been projected that slippage on capital schemes would have implications for the level of fees (£7.7m) that could be charged against these schemes with the resultant pressure upon the revenue budget. As a part of the ongoing review of capital programme it is now projected that any shortfall in fee income will not impact upon the 2020/21 position due to a

combination of the impact of COVID-19 having less of an impact upon the Capital Programme than initially estimated and fee income being generated from grant funded schemes.

3.8.21 As a result of the above proposals the Directorate overspend reduces to £72.1m which combined with a Corporate pressure of £58.8m reduces the overall level of overspend down to £130.9m.

3.8.22 To date the Council has received £72.2m of Government funding towards the costs of COVID-19, of which £2.64m has been applied in 2019/20, leaving £69.5m available. An estimated £18.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £88.5m of grant in 2020/21 reduces the COVID financial pressure to £42.5m.

3.8.23 Since the Collection Fund income shortfall of £42.5m does not impact on the revenue position until 2021/22, since the Government have agreed that the Collection Fund can be spread over 3 years, this means that a balanced budget position can be projected for 2020/21.

3.8.24 The reported position does not reflect the potential impact of any further local or national lockdown arrangements not yet introduced, which could impact on these financial projections, most likely by increasing projected income losses which can only be recovered in part through the Government's Sales, Fees and Charges compensation scheme.

3.9 Other Financial Performance

3.9.1 Council Tax

The Council Tax in-year collection rate at the end of October was 62.71% which is 0.57% lower than performance for the same period last year. This lower collection rate will in part reflect the impact of agreed payment deferrals. When setting the 2020/21 budget the target collection rate for the year was assumed to be 96.11%, in line with previous years. If the forecast were achieved this would collect some £371.5m of income. In light of the potential impact of COVID-19, it is currently estimated that in year collection will fall to 94.1%, achieving £364.97m of income. The collection rate will continue to be closely monitored.

3.9.2 Business Rates

The budgeted collection rate for business rates is to achieve an in-year collection target of 97.7%, collecting £363.2m of business rates income billed at 1st April. However, the Board will be aware that in response to the COVID-19 pandemic Government awarded significant additional business rates reliefs, reducing the income to be collected directly from business to £228.0m. These reliefs will be funded in full by Government through Section 31 grants. Whilst this reduces the risk to the Authority regarding non-collection of business rates income, the business rates collection rate at the end of September was 58.63% which is 6.44% behind performance in 2019/20. This lower collection rate will in part reflect agreement to defer payments.

The total rateable value of business properties in Leeds has reduced from £935.2m at 1st April 2020 to £929.4m at the end of October 2020, a decrease of £5.8m. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the national business rates multiplier (49.9p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (49%), Central Government (50%) and West Yorkshire Fire Authority (1%). After allowing for the business rates deficit brought forward, Leeds' share of projected business rates income is in the region of £81.2m, which is £102.5m below budgeted expectations. However much of this shortfall is accounted for by the Government's new extended reliefs for the retail and leisure sectors and children's nurseries. This results in grant funding associated with business rates some £79.9m above that forecast in the Council's budget.

In light of the current situation we expect to see losses of business rates income through non-payment and reduction in rateable value where businesses may cease to trade or revise their business model to reduce business rates and other costs. Business rates income continues to be closely monitored and reported to the Board in these monthly financial health reports.

3.9.3 Business Rates Appeals

The opening appeals provisions for 2020/21 are £27.8m, made up of £10.6m relating to appeals received against the 2010 ratings list and £17.2m estimated costs in relation to the 2017 ratings list. Under 50% Business Rates Retention, Leeds' budget is affected by 49% of any appeals provision made in this year. Provisions brought forward from 2019/20 were made at 74%.

On the 30th September 2020, there were 887 appeals outstanding against the 2010 ratings list. During October 2020 88 appeals have been settled, 34 of which have resulted in changes to rateable values. No new appeals have been received in October. At 31st October 2020 there are 799 outstanding appeals in Leeds, with 10.4% of the city's total rateable value in the 2010 list currently subject to at least one appeal.

Only two appeals have been received to date against the 2017 list. In August and September 2020 the number of outstanding Checks, the first pre-appeal stage of the new appeals system against the 2017 list, have returned to more normal levels standing at 77. However the number of 'Challenges', the second pre-appeal stage of the new system have increased from 553 to 565. These Challenges appear to refer to the period of lockdown in the city and it is not yet possible to determine whether these Challenges will be successful but these are being closely monitored. In total 2.0% of the city's total number of hereditaments and 8.2% of its total Rateable Value in the 2017 list are now subject to either an appeal or a 'Check' or 'Challenge'. We will continue to monitor the level of appeals provisions as we go forward.

3.9.4 Impact of COVID-19 on the Collection Fund

It remains very complex to estimate the ultimate impact of COVID-19 on council tax and business rates income. However, the latest projections indicate an unfunded loss of £42.5m on the Collection Fund: £13.40m in Council Tax and £29.06m in business rates. Since last reported to this Board in September, Council Tax has

decreased by £0.20m and business rates has increased by £1.83m, a net increase of £1.63m. These estimates will continue to be refined as more data becomes available. Any Collection Fund income shortfall in 2020/21 would normally impact on the Council's financial position in 2021/22. However, Government announced on 2nd July that they would allow phased repayment of Collection Fund deficits over three years, spreading the revenue impact. The detailed application of this measure have now been published and the implications for Leeds are being calculated.

Further, the announcement indicated that Government would also consider the apportionment of irrecoverable Council Tax and Business Rates losses between central and local government, with details to be determined at the 2020 Spending Review.

4. Housing Revenue Account (HRA)

- 4.1 At the end of Month 6 the HRA is projecting an underspend of £9.6m, primarily due to the reduction in the revenue contribution required to support its capital programme (RCCO). This underspend will be transferred to the Major repairs reserve at year end to maintain future levels of capital investment.
- 4.2 The estimated saving in the RCCO is around £14.9m, however £5.3m of this saving is required to fund other in year pressures arising in the HRA as outlined below.
- 4.3 There is a forecast reduction in total income of £3.6m. Rental income is forecast to be £1.5m lower, mainly due to a temporary increase in the number of void properties due to COVID-19. £2m of income is impacted by forecast lower staff charges to capital from vacant posts and also due to the reduced capital programme for 2020-21. A small reduction in commercial rent income of £0.1m is also projected.
- 4.4 Total tenant arrears are £11.7m, slightly up on last year's equivalent position, therefore it is prudent to project for an increase in the provision for doubtful debts given the future uncertainty on the impact of COVID on rental income. An additional £0.2m is projected.
- 4.5 Staffing costs are forecast to underspend by around £1.1m, with the recruitment freeze being the main reason for this. This saving also assumes the HRA funds severance costs of those staff exiting the Authority on ELI in 2020/21.
- 4.6 With respect to the repairs budget, responsive repairs delivered 'Essential Services' only during lockdown, however the demand for repairs has not gone away. As such, there is a significant backlog of repairs with an estimated value of c.£3.9m. However, at this stage in the year a forecast underspend of £0.3m is assumed, although it is likely this saving will increase.
- 4.7 Housing disrepair costs remain a pressure and risk, with an additional £2m being estimated as needed for the provision in year.
- 4.8 An additional £136k is required to fund works associated with exiting Navigation House as part of the Council' asset rationalisation programme.

4.9 The HRA capital programme has been reduced for 2020-21 only to circa £60m from £80m. As referenced above, the saving from the reduced revenue contribution is helping to offset in year pressures and the balance of any savings are planned to be transferred to the Major Repairs Reserve to support an ongoing programme of around £80m from 2021-22 onwards.

5. Corporate Considerations

5.1 Consultation and engagement

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

5.2 Equality and diversity / cohesion and integration

5.2.1 The Council's revenue budget for 2020/21 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 26th February 2020.

5.3 Council policies and the Best Council Plan

5.3.1 The 2020/21 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on the financial performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

5.4 Climate Emergency

5.4.1 Since this is a factual report detailing the Council's financial position for 2020/21 there are no specific climate implications.

5.5 Resources, procurement and value for money

5.5.1 This is a revenue financial report and as such all resources, procurement and value for money implications are detailed in the main body of the report.

5.6 Legal implications, access to information, and call-in

5.6.1 There are no legal implications arising from this report.

5.7 Risk management

5.7.1 The reported budget position is considered in the context of risk to both the in year financial position and the potential impact on the Council's Medium Term Financial Strategy. Both of these risks are included on the Council's corporate risk register.

5.7.2 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget judged to be at risk such as the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this approach, specific project management based support and reporting around the achievement of key budget actions plans is in place for 2020/21.

6. Conclusions

- 6.1 This report informs the Executive Board of the Month 7 position for the Authority in respect of the revenue budget which currently projects a COVID-19 related overspend of £161.9m. Additional budget pressures of £16.4m arise due to severance and pension strain costs relating to staff exiting the authority in 2020/21 under the new ELI scheme, increasing the budget gap to £178.2m.
- 6.2 Subsequently this report then details a range of proposals which would result in a balanced budget position for 2020/21. The reported position does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced which could impact on these financial projections
- 6.3 Largely as a result of non-COVID savings and the application of one funding resources the projected overspend can be reduced to £130.9m.
- 6.4 To date the Council has received £72.2m of Government funding towards the costs of COVID-19, of which £2.6m has been applied in 2019/20, leaving £69.5m available. An estimated £18.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £88.5m of grant in 2020/21 would reduce the COVID financial pressure to £42.5. Since it is assumed that Collection Fund income shortfall of £42.5m would impact on revenue in 2021/22 this means that a balanced budget position can be presented for 2020/21.
- 6.5 The Housing Revenue Account is forecast to underspend by £9.6m but this underspend will be transferred to the Major Repairs Reserve for use in future years.

7. Recommendations

- 7.1 Executive Board are asked to:
 - a) Note the projected financial position of the Authority as at Month 7 and note the projected impact of COVID-19 on that position.
 - b) Note that for 2020/21 the Authority has withdrawn its application for a capitalisation directive to Government and that this report contains full details of how a balanced budget will be achieved.
 - c) Recommend to Full Council the release of the Merrion House reserve to contribute to funding the identified COVID funding gap.
 - d) Note that the position reported does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced which could impact on these financial projections.

8. Background documents¹

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

8.1 None.

ADULTS AND HEALTH

Financial Dashboard - 2020/21 Financial Year

Month 7 (October 2020)

The directorate is projected to overspend its budget by £9.1m. This is analysed as £12.6m Covid-19 related cost pressures less an application of £3.5m of reserves. A number of budget action plans are expected to slip directly as a result of the Covid-19 pandemic, this is because the necessary resources to deliver these are being redirected; these total £3.5m.

SECTION A: the Covid-19 cost pressures to the Adult Social Care are £12.6m.

The Covid-19 reported pressures across the key expenditure types are as follows:

Staffing (+£0.5m): the impact of the proposed pay award which is above the budgeted assumptions is shown as Covid-19 pressure as the urgent and necessary reaction to the pandemic has meant that plans to recover this pressure have had to be deferred.

Buildings (+£0.1m): a pressure of £0.1m is shown representing the cost of rates at the recently acquired Waterside building (for the Assisted Living Leeds move) which is now being used as a temporary mortuary.

Community Care Packages (+£7.8m): these pressures include the cost of additional care packages to meet the needs of people affected by day centre closure (£0.5m), paying to plan on home care (£0.5m) and slippage in a number of savings plans because staff required to deliver these have been redirected to deal with the crisis (£1.5m). £5.3m relates to the funding expended to meet pressures within the care sector and to support it through this period; the figure also assumes that care packages currently paid for by the Early Discharge Grant will switch to the Council w.e.f. November. It is also assumed that a number of emergency CHC clients will be reviewed and revert to Council funding from November 20. There is no firm decision on these last two points but it is generally understood that these will transfer to the Council at some point so this is considered a realistic provision.

Commissioning (+£1.4m): £1.1m relates the funding expended to meet pressures within the care sector. Also, the directorate has funded 33 organisations with £5k grants to help support their communities and the purchase of PPE.

General Running Costs (+£0.4m): mainly representing expenditure on equipment to facilitate early discharge. It is possible this may be recoverable from the NHS Early Discharge funding.

Income (+£2.4m): the Covid-19 pandemic has impacted upon savings plans for the recovery of income within client contributions, staffing costs and CCG (BCF) funding.

SECTION B: there are other Covid-19 variations that are not directly a cost to Council as expenditure is funded by income from the CCG and Government grants, these are:

a) NHS Early Discharge funding (£2.2m). Additional expenditure of £797k for Early Discharges from Hospital has been incurred but is not included in the figures as the assumption is that it is possible this may be recoverable from the NHS Early Discharge funding;

b) Test & Trace grant (£4.1m);

c) Infection Control grant (£13.5m).

SECTION C: outside of Covid the directorate is projecting a balanced position. The directorate is utilising £3.5m of reserves to offset the Covid 19 pressure. The main variations to planned spend, across the key expenditure types are as follows:

Staffing overall (-£1.3m): the projection is based on the current staffing levels and at P7 there is a high level of vacancies across the directorate.

Community Care Packages (+£0.9m): there are variations across the demand types including reduced commissioned services.

General Running Costs (-): nil variations.

Appropriation (-£2.3m): underspends within the Leeds Safeguarding Board, Leeds Plan and Public Health are planned to be carried forward and the use of reserve (commissioning) to support temporary staffing is less than required. £3.5m of reserves have been drawn down to partially offset the Covid-19 pressure.

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	1,496	(964)	532	(161)	0	0	0	0	(38)	0	0	155	(43)	0	(43)
Social Work & Social Care Services	288,249	(55,019)	233,230	86	(28)	211	(228)	2	11,518	(265)	0	35	11,330	460	11,790
Service Transformation	2,360	(369)	1,991	(161)	0	0	0	0	0	0	0	0	(161)	(88)	(249)
Commissioning Services	23,484	(63,465)	(39,981)	11	5	(55)	(2)	798	14,644	0	0	(2,993)	12,407	(14,357)	(1,950)
Resources and Strategy	6,726	(1,300)	5,426	(211)	0	19	2	(186)	0	0	0	0	(376)	(100)	(476)
Public Health (Grant Funded)	45,293	(44,949)	344	(360)	0	17	0	0	4,061	0	0	467	4,185	(4,143)	42
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	367,607	(166,065)	201,542	(796)	(24)	191	(228)	613	30,186	(265)	0	(2,335)	27,342	(18,229)	9,113

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
A. Key Budget Action Plans						
1.	Review of Learning Disabilities	Caroline Baria		R	1.0	0.8
2.	Review of Physical Impairment and home care efficiency	Shona McFarlane		R	0.1	0.1
3.	Review of home care efficiency	Shona McFarlane		R	0.1	0.1
4.	Demand - continuation of strengths-based approach	Shona McFarlane		G	0.7	0.0
5.	Recover unspent Direct Payments (based on trends)	Shona McFarlane		G	0.9	0.0
6.	Enablement Service - improvements in productivity	Shona McFarlane		R	0.5	0.5
7.	Review billing and collection of assessed client contributions and trends	Steve Hume		R	1.9	0.4
8.	Assistive technology to a city-wide self-pay market	Shona McFarlane		R	0.2	0.2
9.	Occupational Therapists: grant contribution funding from the DFG	Shona McFarlane		G	0.2	0.0
10.	Section 117 and CHC clients - review cost allocations	Max Naismith		G	0.1	(0.2)
11.	CHC - LD: client transport costs/ staffing costs	Max Naismith		G	0.4	0.1
12.	Client transport - route and efficiencies	Steve Hume		G	0.3	0.0
13.	Spring Budget (end of time limited schemes)	John Crowther		B	2.5	0.0
14.	Meals on Wheels	Steve Hume		G	0.2	0.0
15.	Contract management efficiencies	Caroline Baria		G	0.8	0.0
16.	iBCF - Health Funding to support social care & Inflation	Steve Hume		R	3.3	1.4
17.	Staffing - vacancy factor/turnover	Shona McFarlane		G	0.4	0.0
B. Other Significant Variations						
1.	Staffing	All	relating to staffing turnover and slippage in employing new staff			(0.8)
2.	Commissioned services - care and Public Health	Various	anticipated variation			28.5
3.	General running costs	All	Mainly related to Covid-19			0.6
4.	Use of reserves	All	Carry forward of Public Health underspend (£0.47m), carry forward of Leeds Plan underspend (£0.16m), reduced requirement of reserve funding within commissioning (£0.5m) and carry forward of Adult Safeguarding (£0.03m)			(2.3)
5.	Income	S. McFarlane	Includes Infection Control Grant (£13.5m) offset by spend, Test & Trace Grant (£4.1m) offset by spend, Early discharge funding (£2.2m)			(20.3)

Adults and Health Directorate - Forecast Variation

9.1

CHILDREN & FAMILIES 2020/21 FINANCIAL YEAR FINANCIAL DASHBOARD - Period 7

Overall Summary - At P7 the directorate is reporting a pressure of £7.837m, all of which is attributable to Covid-19. The overspend includes both additional expenditure and loss of income directly attributable to Covid, as well as assumed budget actions that the Directorate is currently unable to address due to the ongoing situation. The P7 projection is a £0.369m improvement from the reported position at P6, £8.206m, and entirely due to the Early Leavers who left the council on the 2nd November.

Children Looked After (CLA): - The budget for 20-21 is £43.8m, an increase of £1.45m from 19-20. The budget supports 1,346 CLA placements; including 58 External Residential (ER) and 183 Independent Fostering Agency (IFA). At P11 19-20 an early pressure of £3.8m was identified for 20-21. This pressure was projected to be addressed due to reductions in ER placements and proposals by the service for savings on both CLA and non-CLA budgets; see the action plan reported to Exec Board 24th June 2020. Offsetting this action plan was a projected increase in CLA numbers later in the year due to COVID.

These assumptions have been reviewed for P6 and as placement numbers have remained fairly steady during the year it is assumed this will continue to be the case. The actual CLA figures as at 3rd November were 1,327, which is 19 less than the budgeted number. Despite total CLA numbers being less than budgeted for, an overspend of £3.5m is projected as there is a higher proportion of more costly placements than assumed in the budget. In house CLA placements are 36 less than budgeted and external placements are 19 greater than budgeted.

Non CLA Financially supported: - The non-CLA financially supported budget was increased by £1.0m to £13.9m in the 2020/21 budget. Budgeted 20-21 numbers are 950 placements (+46 20-21 -v- 19-20); current numbers are 983 (+3 compared to P5) creating a pressure of £0.386m. There is also an additional pressure forecast on semi-independent living of £1.155m as young people have not been able to move on from this accommodation due to COVID. In addition there is £0.25m of costs for an increase in the rate of the care leavers allowance due to COVID.

Staffing: - Pay pressures of £0.717m have currently been identified. This is comprised of £1.611m existing pressures in Social Care which includes £0.774m additional pay costs directly attributable to Covid, a £0.687m impact of the additional 0.75% pay award offer, offset by £0.794m savings in Early Start and £0.1m Resources & Strategy. There are also additional non-direct employee savings of £0.325m on severance/retirement costs for former teachers. At P7 further pay savings of £0.369m are reflected and due to leavers on the 2nd November under the Early Leavers scheme. Gross pay savings for 20-21 were £0.519m, however due to back fill and loss of grant funding the net figure is £0.369m.

Transport: - The Passenger Transport expenditure budget has increased compared to 19-20 by £0.465m to £15.2m. At P6 we are now reflecting £0.6m savings on Private Hire from CEL Passenger Transport. Additionally we are expecting a small saving of £0.05m due to the plan to bring in-house the Independent Travel Training contract.

Trading and Commissioning: - The directorate have incurred losses of income due to Covid for Children's Centres (£2.321m net figure and detailed in table below) and trading with schools, £1.92m.

Supplies & Services & Internal Charges:- £0.5m savings in Travel & Subsistence costs have been identified and are reflective of the current home-working arrangements during first half year. £0.35m savings re Legal Charges. DIS pressures £0.2m and £0.35m for Direct Payments.

Other Income / Projects : The projections include a pressure of £0.324m due to the reduction in 20-21 of the Troubled Families Earned Autonomy Grant, which was notified after the budget had been set and £0.244m shortfall in CCG income for ER placements. In response to the CLA pressures noted above, current income projections assume utilisation of £2.147m of grant funding.

Budget Management - net variations against the approved budget

	Expenditure Budget	Income Budget	Latest Estimate	PROJECTED VARIANCES											Total (under) / overspend		
				Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income			
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000
Demand Led Budgets:																	
In House placed CLA	21,079	0	21,079	0	0	0	0	0	(204)	0	0	0	0	(204)	0		(204)
Independent Fostering Agency	7,681	0	7,681	0	0	0	0	0	900	0	0	0	0	900	0		900
External Residential	12,096	(3,995)	8,101	0	0	0	0	0	2,590	0	0	0	0	2,590	244		2,834
Other Externally placed CLA	2,967	0	2,967	0	0	0	0	0	224	0	0	0	0	224	0		224
Non CLA Financially Supported	13,872	(5,610)	8,262	0	0	0	0	0	1,491	0	0	0	0	1,491	0		1,491
Transport	15,586	(897)	14,689	0	0	(50)	(600)	0	0	0	0	0	0	(650)	0		(650)
Sub total Demand Led Budgets	73,282	(10,502)	62,780	0	0	(50)	(600)	0	5,001	0	0	0	0	4,351	244		4,595
Other Budgets																	
Partnerships & Health	5,845	(2,063)	3,782	(82)	0	0	0	0	0	0	0	0	0	(82)	0		(82)
Learning	35,516	(30,116)	5,400	(4)	0	0	0	0	0	0	0	0	0	(4)	1,920		1,916
Social Care (Excl. Early Start & H&W)	71,004	(31,990)	39,014	1,366	0	0	(500)	(350)	508	350	0	0	0	1,374	(1,824)		(450)
LfL - Early Start & H&W	67,531	(61,571)	5,959	(794)	0	(212)	0	0	287	0	0	0	(287)	(1,006)	3,327		2,321
Resources and Strategy	67,918	(61,615)	6,303	(463)	0	0	0	0	0	0	0	0	0	(463)	0		(463)
Sub total Other Budgets	247,814	(187,356)	60,458	23	0	(212)	(500)	(350)	795	350	0	(287)	(181)	3,423	3,423		3,242
Total	321,096	(197,858)	123,238	23	0	(262)	(1,100)	(350)	5,796	350	0	(287)	4,170	3,667	7,837		7,837

Key Budget Variations:		Additional Comments	Direct Covid Impact	Indirect Covid-Impact
A. Key variances			£m	£m
Staffing	- Delivery of £2m Staffing Action Plans	The 20-21 budget assumed £2m action plan staff savings target and at P6 the directorate are on target to deliver these savings mainly via post release controls. Further £0.687m relates to additional 0.75% current pay award offer. At P7 reflect further £0.369m net pay savings under the Early Leavers scheme on the 2nd November.		0.368
	- Direct impact	Additional staffing within LCC run residential homes, 4 x Service Delivery Managers for 6 months and Adel Beck pay pressures re Agency & Overtime.	0.774	
	- Other employee costs	Within Resources & Strategy - Central Overhead Account savings on former teacher severance and pension costs		(0.325)
Children Looked After & Financially Supported Non-CLA Demand Budgets	- Delivery of actions within Exec Board report to address £3.8m pressure identified Feb'20.	At P6, whilst overall CLA numbers are less than budgeted numbers, the placement mix towards higher cost external placements (ER / IFA / Secure Justice & Welfare) is creating significant in-year budget pressures. Current ER numbers are 63 and IFA 214 creating budget pressures of £2.6m and £1.1m respectively. Modelling assumes trend continues for remainder of financial year. The unit rates for ER & IFA Placements are also higher due to covid, average circa 7%. Offset by £0.35m savings on In-House Fostering and Kinship.		3.346
	- assessed impact on CLA numbers and budget specifically relating to covid-19.	Reflects £0.3m pressure relating to S17 payments and £0.25m due to increased benefit payments under universal credit for all of 20-21 financial year. Further £1.155m relating to impact of covid on the new semi-independent leavers contract, OWL's. Further £0.25m impact of covid on unit rates, circa 7%.	1.963	
Non-Staffing	- Insourcing of Independent Travel Trainer contract	Action planned to in-source ITT contract		(0.050)
	- assessed impact on non-staffing related expenditure directly due to covid-19	£0.2m impact re additional DIS equipment and £0.35m increased Direct Payments, offset by £0.6m private hire savings from CEL Passenger Transport, £0.5m savings on travel & subsistence and £0.35m on Legal charges.	(0.900)	
Income (including Grant funding)	- impact on 20-21 income not directly due to covid-19	Following approval of the 20-21 budget the following projections relating to income & grant have been realised / identified: £0.324m reduction in Troubled Families Grant offset by £0.05m additional Pupil Premium funding for Virtual Head, £0.25m saving from utilising more in-house resources to deliver SFPC programme and £1.672m PiP funding. £0.25m from Improvement Partner work with other LA's. Offset by £0.244m CCG income shortfall.		(1.580)
	- assessed impact on income directly due to covid-19	There has been a significant impact on income directly related to the impact of covid-19; projected pressures of £2.321m Early Start Net Nursery Fees income, £1.92m school traded income fee income.	4.241	
			6.078	1.759
Children and Families Directorate - Forecast Variation				7.837

CHILDREN & FAMILIES 2020/21 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - PERIOD 7

Overall Summary - 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 Period 7 it is expected that the DSG will be £2,135k overspent in 2020/21. At this stage, no specific costs associated with covid 19 measures have been identified.

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. When this happens, there is a reduction in grant income which is largely matched by reduced expenditure. Since the budget was set, there have been a number of academy conversions which reduces the grant received and the school funding paid out. Following these conversions, there is a small one off saving in the year in which it occurs. There are a number of de-delegated services where schools have agreed for the local authority to retain funding 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). As there were fewer schools converting to an academy by 1st September 2020, additional de-delegated income of £286k is projected, which is offset by overspends on the maternity pay and SIMs licences budgets and will increase the de-delegated surplus by £204k. The Growth Fund budget remains part of this block and is currently projected to be £350k underspent.

Central School Services Block

This block covers costs such as prudential borrowing repayment, equal pay costs, the admissions service and the retained duties element of what used to be the Education Services Grant (which covers statutory and regulatory duties, asset management and welfare services). There is expected to be an underspend of £121k as a result of vacancies in the admissions service.

Early Years Block - This element is concerned with provision to pre-school children. There is a great deal of uncertainty on this block as a result of the COVID19. The impact on 2020/21 has been mitigated by a slight change in the way the income due is calculated. For 2020/21 only, the January 2021 early years census will only affect the income due for 3 months of the year, rather than the usual 7 months. This should reduce the potential volatility of the grant due, though the final grant will still not be confirmed until the 2021/22 financial year. In line with the 8p per hour increase in the unit rate received, the unit rates paid to providers has been increased for both 2 year old and 3 & 4 year old providers by 8p. Based on activity in previous years, adjusted for the above changes in DfE guidance, it is estimated that there will be an underspend of approximately £547k on this block.

High Needs Block - This element is used to support provision for pupils and students with special educational needs and disabilities. The current projections are that there will be an overspend of £3,596k. The largest areas of overspend are as follows:

- Mainstream top-ups and additional blocks £2,828k. Based on top up funding already allocated out, with estimated increased based on the average at this point in year for the past 3 years. Additional place funding is based on the details in the FFI database as at the end of August 2020.
- Outside placements is projected to overspend by £1,263k, based on current placements. However due to a shortage of specialist places in Leeds, there is a significant risk that this could increase further.
- The high needs block services provided by Leeds City Council are projected to underspend by £378k.
- At the start of the year, a number of elements of the grant allocation were not confirmed. These have now been confirmed and will result in an additional £126k of grant income

Reserves - There is an overall deficit brought forward from 2019/20 on general DSG of £3,955k and a de-delegated surplus of £722k. The reserves carried forward into 2021/22 are projected to be a deficit on general DSG of £6,294k and a surplus on de-delegated services of £330k. In line with the outline proposal agreed with School Forum in July, the 2019/20 underspend on de-delegated services of £596k is expected to be used to fund schools with covid19 costs that have not been funded by the government.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(314,877)	(307,636)	7,241
Individual Schools Budgets	307,309	299,829	(7,480)
De-delegated budgets	4,568	4,364	(204)
Growth Fund	3,000	2,650	(350)
	0	(793)	(793)
Central School Services Block			
DSG Income	(4,867)	(4,867)	0
CSSB Expenditure	4,867	4,746	(121)
	0	(121)	(121)
Early Years Block			
DSG Income	(64,216)	(58,685)	5,531
FEEE 3 and 4 year olds	50,897	47,629	(3,268)
FEEE 2 year olds	10,147	7,443	(2,704)
Other early years provision	3,172	3,066	(106)
	0	(547)	(547)
High Needs Block			
DSG Income	(79,831)	(79,957)	(126)
Funding passported to institutions	72,329	76,429	4,100
Commissioned services	1,821	1,821	0
In house provision	5,123	4,745	(378)
Prudential borrowing	558	558	0
	0	3,596	3,596
Total	0	2,135	2,135

Latest Estimate

Balance b/fwd from 2019/20
Net contribution to/from balances
Balance c/fwd to 2021/22

Projected Outturn

Balance b/fwd from 2019/20
Projected in year variance
Use of reserves
Balance c/fwd to 2021/22

General £'000	De-delegated £'000	Total £'000
3,955	(722)	3,233
3,955	(722)	3,233
3,955	(722)	3,233
2,339	(204)	2,135
	596	596
6,294	(330)	5,964

Key Budget Action Plans and Budget Variations:

	Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
				£m	£m
A. Key Budget Action Plans					
Transfer funding to High Needs Block		Transfer of £2.65m from the schools block and £350k from the central school services block to the high needs block as detailed in report to Schools Forum in January 2020.	B	3.00	0.00
B. Significant Variations					
Schools Block		In year underspend of £204k on de-delegated services			(0.20)
Schools Block		Underspend on growth fund			(0.35)
Schools Block		Underspend as a result of academy conversion adjustments			(0.24)
Early Years Block		Underspend on minor budgets within early years block			(0.54)
High Needs Block		Increase in high needs funding at mainstream schools			2.83
High Needs Block		Increase in outside placement costs			1.26
High Needs Block		Underspend on services provided by LCC			(0.38)
High Needs Block		Final confirmation of grant due for 2020/21			(0.12)
CSSB		Underspend on admissions service			(0.12)

Dedicated Schools Grant - Forecast Variation

2.14

CITY DEVELOPMENT 2020/21 BUDGET FINANCIAL DASHBOARD - MONTH 7 (APRIL - OCTOBER)

Directorate Summary - At Period 7 it is projected that there will be a year-end overspend of £19.821m which includes the projected impact of Covid 19 of circa £22.456 (including the £375k additional cost of the higher than budgeted pay offer). This is an overall minor improvement of £107k from the Period 6 Dashboard resulting from the net position of an increase in estimated Covid pressures from April 2020 and additional pressures anticipated from Lockdown 2 (November 2020, assumed for 4 weeks), which are offset by staffing savings due to ELI's prior to 31st March 2021, and reductions in other Covid income pressures as they are positively managed down by Service Management actions and interventions. These are detailed in the narrative below.

The Directorate's financial position has been significantly affected by the current restrictions in place as a result of Covid 19 and by the severe impact on the economy. There is a direct impact in Active Leeds and Arts and Heritage from the loss in income from the closure of all sites and the uncertainty and restrictions on recovery. In other service areas the anticipated economic downturn is expected to impact on income from the commercial property portfolio, Markets, advertising, planning and building fees and in Highways from reduced fee recovery as a result of some of the workforce self-isolating and other staff absences.

The extent of the impact of Covid is still not fully apparent as limitations on activities are ongoing and even more so in the light of Lockdown 2, however the forecasts for the year are regularly reviewed and revised based on the latest intelligence available. There is a great deal of uncertainty around some of the income projections and the underlying assumptions are under regular review.

Staffing - Based on current vacancy levels and assuming limited external recruitment for the foreseeable future, staffing is projected to be under budget by £2.2m based on current vacancy levels. In Highways and Transportation most staff costs are chargeable and any vacancies will lead to reduced income or additional contractor costs. Some staff in Asset Management and Regeneration are also chargeable. Allowing for this it is estimated that staff savings will contribute a net saving of £1.473m. This also allows for additional costs from a higher pay award than budgeted for estimated at £375k although some of this cost will be charged out. There is a further saving of £378k across services due to staff leaving via ELI prior to the 31st March 2021 after accounting for income generating posts and any interim costs.

Other running cost savings - Where cost savings directly relate to closure of facilities and events then these have been accounted for in the net income loss figures. It is estimated that there could be additional savings in supplies and services and travel costs of around £0.9m across the Directorate.

Additional Covid 19 costs - Whilst the impact of Covid 19 on City Development is mostly on income, some additional costs are being incurred to ensure services are Covid compliant, assist City Centre Management and other related public health and health and safety measures. From April 2020 this was estimated to be circa £500k across the Directorate. Following the recent announcement of Lockdown 2 from the 5th November an additional estimated £300k pressure on income and expenditure across all services (excluding the identified Active Leeds pressures detailed below) has been allowed for while further analysis is undertaken to establish a clearer position.

Planning and Sustainable Development - both planning application and building control fee income generation have improved since June but with some noted volatility. The cumulative position for October is now 19% down against the 2020/21 Budget for planning fees and 2% down against the 2020/21 Budget for building control fees. The improvement is considered to be due to a general catching up after full lockdown measures and a surge in low fee value home owner developments. The planned implementation of revised pre-application charges was initially postponed due to lockdown but has now started. The 2020/21 budget included additional income of £250k for these charges and a shortfall of £120k is projected due to the delay. Overall the shortfall in income is forecast to be circa £1.2m, which is partially offset by £200k of staffing (excluding ELI's), transport and supplies and services savings.

Economic Development - The service is forecasting a reduction of income and additional costs of £148k for the year, mainly reduced income from Conference Leeds and reduced recovery of staff costs where staff are now working on Covid 19 related work. The projection also includes some additional grant income that has been received, and some minor offsetting savings in transport costs.

Asset Management and Regeneration - The year end forecast anticipates a shortfall in income from the Commercial Property Portfolio from the non-achievement of budget actions which were based on generating additional rental income from the purchase of additional commercial assets during the year. It is likely that there will be a delay in new acquisitions due to the economic uncertainties arising from COVID-19. It is also anticipated that there will be a reduction in overall rental income as some businesses continue to struggle financially. The service has developed a strategy around rental income and how the service responds to requests from businesses seeking support. The current projection assumes a 30% shortfall in rental income over the non-prime commercial property portfolio. In addition, there may be specific sectors which are particularly badly hit where there is a higher risk that rental income may not be achieved. The projection has improved by £825k from Period 6 as a rental deferment agreement is being finalised with a prime tenant, it should be noted that the recognition of this income which is due now but won't be paid until the next financial year does carry some risk if the tenant becomes insolvent, however there is a parental company guarantee that mitigates this.

Employment and Skills - No significant variations are currently projected. The major grant schemes that the service manages are currently expected to be delivered. There is a risk that not all grant income will be received but this will be kept under review. A saving of circa £130k is due to a vacant post and ELI's.

Highways and Transportation - The major variation is forecast to be on the amount of highways maintenance work that the DLO is able to complete due to a reduced available workforce. This will result in reduced chargeable works which will lead to a reduction in income and the recovery of overheads. The current projection is for a shortfall in income of £580k in the DLO, £870k in Civil Engineering and Transport Planning, and £100k in Utility Permit income. This is a partially offset by circa £550k vacancy and ELI savings and is a £290k improvement from the period 6 position, and work is ongoing to facilitate further improvement.

Arts and Heritage - As facilities were closed during the early part of the financial year and again for Lockdown 2, the service is forecasting a significant shortfall in income. Ongoing restrictions on being able to fully re-open facilities has meant that many of the planned events for the year have been cancelled significantly impacting on income for the year. The Period 7 projections reflect these cancellations and maintain the Period 6 assumptions that the impact of social distancing requirements makes it unlikely that many activities (events, room hire, etc.) will resume as planned in this financial year. There will be some cost savings as a result and these have been netted of the income shortfall projections where they can be identified. There is a net adverse movement of £50k from Period 6 (income pressures less ELI savings).

Active Leeds - Sport facilities were re-opening on a phased basis but are now closed for at least 4 weeks due to the second lockdown. However even though facilities have been and will be allowed to re-open it is anticipated that income will remain well below budgeted levels due to social distancing requirements and a very slow building back of the customer base to pre-Covid 19 levels. At Period 7 the projected income has worsened by £1m. £500k of this is due to a review of the projected income losses from the first lockdown which showed a £300k increased pressure on swimming lesson income and a £200k increased pressure on Pay and Play income than originally forecast. Furthermore the impact of Lockdown 2 is estimated to be a further £500k adverse impact on income. A circa £700k of this additional pressure should be offset by the 75p in the £1 claim for loss of income from central government's income compensation scheme (subject to a 5% de-minimis), income to the Council from this scheme will however be held corporately and will not be shown in the Directorate dashboard. This pressure has been partially offset by circa £100 further staffing savings and £43k on ELI's.

Resources and Strategy - costs being incurred as a result of Covid 19 and the original lockdown are being recorded in the Resources and Strategy budget, currently projected at £0.5m. A further £300k pressure has been included for Lockdown 2 as the full impact is currently being assessed.

Markets and City Centre - Open Market traders were not billed for rent April to June as part of a Covid support package at a monthly loss of £40k. Indoor Market traders continue to be billed but provided with a rental support scheme (rent reductions) for July to September, this scheme has now been extended for a further three months (October to December). Whilst most indoor traders are eligible for support through the Government business support scheme there has been an increase in voids in the Market and the current projection is that there will be a 38% shortfall in income. There is also expected to be a reduction in advertising income, the year-end projection is a £700k shortfall against the budget including the £200k additional income assumed in the 2020/21 budget. A further £220k loss of income is projected for City Centre Management due to the loss of licences and events income due to the pandemic.

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	9,560	(7,877)	1,684	(175)	(20)	(70)	(52)	70	0	0	0	0	(247)	1,240	993
Economic Development	2,358	(627)	1,731	44	0	28	(20)	0	0	0	0	0	53	94	148
Asset Management & Regeneration	18,656	(21,888)	(3,232)	(822)	201	(93)	(4)	0	0	0	0	0	(719)	3,437	2,718
Employment & Skills	7,210	(5,497)	1,713	(128)	0	0	(2)	0	0	0	0	0	(130)	0	(130)
Highways & Transportation	65,784	(47,875)	17,909	(590)	(313)	(206)	(776)	51	0	0	0	0	(1,834)	2,772	938
Arts & Heritage	21,296	(8,915)	12,380	(170)	(89)	(2,425)	(9)	(65)	0	0	0	0	(2,758)	4,987	2,229
Active Leeds	26,626	(20,453)	6,172	(287)	(125)	(143)	(1)	0	(75)	0	0	0	(630)	10,950	10,320
Resources & Strategy	1,045	0	1,045	(90)	0	753	0	(3)	0	0	0	0	660	0	660
Markets & City Centre	3,503	(4,567)	(1,064)	12	(38)	(21)	(1)	0	0	0	0	0	(47)	1,993	1,946
Total	156,039	(117,701)	38,338	(2,205)	(385)	(2,176)	(864)	53	(75)	0	0	0	(5,652)	25,473	19,821

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments		£m	£m
A. Budget Action Plans						
1.	Planning & Sustainable Development	David Feeney	Pre-Application fee income in Planning - delayed implementation	A	(0.25)	0.12
2.	Asset Management & Regeneration	Angela Barnicle	Purchase of commercial assets to generate additional rental income over and above the annual costs of borrowing and other land-lord related costs	R	(0.75)	0.75
3.	Asset Management & Regeneration	Angela Barnicle	Asset Rationalisation	R	(0.20)	0.20
4.	Highways & Transportation	Gary Bartlett	LED Street Lighting Conversion	G	(0.43)	0.00
5.	Highways & Transportation	Gary Bartlett	Site Development	G	(0.25)	0.10
6.	Highways & Transportation	Gary Bartlett	Utility Permits	A	(0.20)	0.00
7.	Markets & City Centre Management	Phil Evans	Advertising Income	R	(0.20)	0.20
8.	Resources & Strategy	Phil Evans	Use of Balances/One Off Income	G	(0.50)	0.00
Total Budget Action Plan Savings					(2.78)	1.37

B. Other Significant Variations

1.	Planning & Sustainable Development	David Feeney	Planning Application and Building Control Fees	1.12
2.	Economic Development	Eve Roodhouse	Loss of income and additional costs related to Covid 19.	0.12
3.	Asset Management & Regeneration	Angela Barnicle	Commercial Rental Income & Asset Activities	2.36
4.	Highways & Transportation	Gary Bartlett	Highways Maintenance	0.76
5.	Highways & Transportation	Gary Bartlett	Civil Engineering and Transport Planning	0.79
6.	Arts & Heritage	Cluny Macpherson	Net loss of income due to closure of venues	2.56
7.	Arts & Heritage	Cluny Macpherson	Postponement of Tour de Yorkshire and the Triathlon	(0.30)
8.	Active Leeds	Cluny Macpherson	Loss of income due to closure of Leisure Centres and reduced income once they re-open.	10.95
9.	Markets & City Centre Management	Phil Evans	Markets, advertising and Licences income	1.79
10.	All Services	All	Staffing Vacancies (excluding income funded posts)	(1.57)
11.	All Services	All	Savings on running costs across the Directorate	(0.92)
12.	All Services	All	Additional Pay Award	0.38
13.	All Services	All	Additional spend as a result of Covid 19	0.50
14.	All Services	All	Net ELI savings across all services	(0.38)
15.	All Services	All	Estimated impact of Lockdown 2 (Income & Expenditure across all services excluding Active Leeds)	0.30

City Development Directorate - Forecast Variation**19.821**

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2020/21 FINANCIAL YEAR

Period 7 (October 2020)

The overall position is a projected overspend of £23,176k. Of this, £25,256k relates to the estimated impact of Covid-19, although this figure is still subject to variation as the situation progresses. The overall position also includes assumptions around tighter recruitment/expenditure controls and the impact of the Council's Early Leavers Initiative (ELI) and it is estimated that potential savings of £2,080k are achievable.

Communities (£325k overspend)

Covid-19 related costs total £330k which includes £300k projected loss of Community Centre income, £100k delays to planned savings from Community Centres, offset by running cost savings of £100k and £27k cost of the additional 0.75% pay offer. Other net expenditure savings of £2k are projected. ELI savings of £102k are being used to contribute to existing budget action plans.

Customer Access (£1,709k overspend)

Covid-19 costs are estimated at £1,087k which includes the cost of software and equipment to support home working £158k, PPE/Social distancing measures and additional cleaning at Hub sites £240k, projected net income losses of £392k across the service, the additional cost of overtime £120k and the pay offer of £171k. Other variations include a projected staffing overspend of £309k, additional security of £120k and other net pressures of £199k including income trends at Hub and Libraries.

Electoral and Regulatory Services (£728k overspend)

Elections, Licensing and Registrars (£768k overspend)

The majority of fee earning activities have reduced significantly - including Registrars, Entertainment Licensing, Land and Property Searches, Taxi & Private Hire Licensing. The combined impact on net income is estimated at £1,785k, with a further £17k relating to the pay offer, although these will be partially offset by net savings of £515k from the cancelled May elections and additional grant income in respect of compliance and enforcement activities. Further net savings of £519k are anticipated from staffing and other expenditure variations including utilisation of £105k the TPHL earmarked reserve to partially offset the in-year income shortfall.

Environmental Health (£39k underspend)

The projected position reflects Covid related costs of £39k, mainly due to income losses from a reduction in activities across the service and the pay offer of £10k, offset by £88k net savings in respect of staffing and other expenditure.

Welfare and Benefits (£929k over budget)

The projected overspend mainly reflects Covid-19 related expenditure in respect of the net cost of Housing Benefit claims for rough sleepers (£1.0m) and the estimated cost of the pay offer (£33k). Other non-Covid forecast variations in expenditure and income are projected at £104k.

Parks and Countryside (£5,713k overspend)

The overall impact of Covid-19 on the service is £6,474k. Income generating facilities including Tropical World, Temple Newsam Home Farm, Lotherton Wildlife World, the Arium, Cafes, Golf courses, Bowling Greens, sponsorship and concessions in parks, are currently projecting net income losses of £2,727k. In addition, shortfalls in income from the reduction in chargeable works activities within Parks Operations and Landscaping are estimated at £1,893k and losses of income resulting from restrictions within bereavement services are estimated at £338k. A further £180k of income is estimated to be lost as a result of the cancellation of events held in parks although savings of £430k from the cancellation of the West Indian Carnival and bonfires will offset this. Other expenditure of £1,637k is anticipated, mainly due to measures in Parks to facilitate Safer Public Spaces and the cost of PPE equipment and cleaning. The cost of the pay offer is estimated at £129k, although this is offset by staffing savings of £668k together with other operating expenditure savings of £93k.

Car Parking (£7,200k overspend)

Covid-19 related income losses of £7,638k across the service are currently estimated which reflects the Council's decision to suspend all car parking charges and enforcement activity until 4th July and the further estimated reduction in income levels from July onwards including the November lockdown. Net staffing savings of £221k (including the pay offer at +£23k) and other expenditure savings of £217k are currently anticipated to partially offset this.

Community Safety (nil variation)

The service is currently projecting a balanced budget, with the cost of the additional pay offer (£53k) offset by other staffing savings. A small amount of other expenditure (£5k) has been incurred in respect of Covid-19 but this is offset by other forecast expenditure savings elsewhere in the service.

Waste Management (£5,674k overspend):

Within the Refuse service, additional expenditure of £2,663k is currently forecast which reflects the cost of providing additional crews and vehicles to deal with increased volumes of waste and to provide necessary staffing cover and PPE equipment. Additional volumes of waste are currently forecast to cost an additional £2,624k to the end of the year. A further £605k is forecast at Household Waste Sites for the cost of providing PPE equipment, staffing cover and security at the sites as well as net income losses from inert waste charges and from the Revive shops. The pay offer is estimated at £155k, although this is offset by ELI savings of £71k and other forecast savings of £302k, mainly relating to prudential borrowing savings and additional weighbridge volume trend income.

Cleaner Neighbourhoods Teams (£241k underspend)

Covid-19 related costs of £203k reflect the loss of income from bulky waste collections, additional costs of cover for staff in self isolation, litter bin stickers, PPE equipment and the estimated cost of the pay offer. However, these are anticipated to be offset by other staffing savings of £434k and operating expenditure savings of £10k.

City Centre (£134k overspend)

Covid-19 related costs of £169k include the projected loss of environmental enforcement income, additional cost of cover for staff in self isolation and the pay offer. Staffing and expenditure savings of £35k are forecast to partially offset these costs.

Directorate Wide (£1,005k overspend)

The directorate is forecasting additional Covid-19 related costs of £1,005k. £819k of this is in respect of a temporary mortuary facility created as part of the Council's emergency planning arrangements to deal with a potential increase in mortality rates over and above current capacity for Leeds and Wakefield. In addition, a city wide mailout in respect of accessing support is projected to cost £134k, overtime and transport costs of £23k are anticipated for the co-ordination of the city wide use of volunteers, and £21k reflects the cost of a temporary senior officer in support of the Council's response to the Covid situation. Other cost pressures of £8k are also anticipated.

Budget Management - net variations against the approved budget;

Summary By Service

				Period 7 Projected variances											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Communities	16,270	(11,418)	4,852	97	0	(23)	0	(149)				(75)	400	325	
Customer Access	25,106	(4,560)	20,546	600	120	155	(20)	0				855	854	1,709	
Electoral & Regulatory Services (including Environmental Health)	8,296	(6,428)	1,868	(827)	25	(228)	(24)	0			(105)	(1,157)	1,885	728	
Welfare And Benefits	196,901	(191,795)	5,106	57	0	896	(14)	76				1,015	(86)	929	
Car Parking Services	4,867	(12,252)	(7,385)	(222)	(20)	(203)	0	0				(445)	7,644	7,200	
Community Safety	8,621	(6,283)	2,338	214	0	5	0	0				219	(219)	0	
Waste Management	44,279	(9,766)	34,513	2,428	132	2,648	442	(160)				5,489	185	5,674	
Parks And Countryside	33,914	(26,147)	7,767	(889)	(202)	5	70	0				(1,016)	6,729	5,713	
Environmental Action (City Centre)	2,119	(427)	1,692	(6)	(2)	(84)	27	0				(65)	199	134	
Cleaner Neighbourhood Teams	12,762	(4,372)	8,390	(315)	0	8	25	0				(282)	40	(242)	
Directorate wide	0	0	0	41	0	964	0	0				1,005	0	1,005	
Total	353,135	(273,448)	79,687	1,178	53	4,146	506	(233)	0	0	0	(105)	5,546	17,630	23,176

Key Budget Action Plans and Budget Variations:

	Lead Officer	Additional Comments	RAG	Action Plan Value (£000s)	Forecast Variation against Plan/Budget
Communities					
Communities Team	Communities Team - achievement of staffing efficiencies	Shaïd Mahmood	G	(75)	
Community Centres	Community Centres - asset transfer savings and general efficiencies within the service	Shaïd Mahmood	R	(100)	100
Communities	Achievement of base budget vacancy factor	Shaïd Mahmood	G	(166)	
Customer Access					
Contact Centre	Secure invest to save funding to partly offset additional staffing	Lee Hemsworth	G	(150)	
Customer Access	Achievement of base budget vacancy factor	Lee Hemsworth	R	(646)	309
Welfare & Benefits					
Housing Benefits	Achievement of staffing reductions	Lee Hemsworth	G	(200)	
Welfare and Benefits	Achievement of base budget vacancy factor	Lee Hemsworth	G	(194)	
Electoral and Regulatory Services (incl Environmental Health)					
Elections	Charge PCC for share of elections	John Mulcahy	G	(400)	(315)
All	Achievement of base budget vacancy factor	John Mulcahy	G	(177)	
Car Parking					
Car Parking	Increase charges at Woodhouse Lane car park by 50p for a full day	John Mulcahy	R	(100)	100
Car Parking	Achievement of base budget vacancy factor	John Mulcahy	G	(148)	
Waste Management					
Refuse	Secure agreement from DEFRA re revision to waste contract	John Woolmer	G	(2,200)	
Waste Management - all	Achievement of staffing savings	John Woolmer	G	(50)	
Waste Management - all	Achievement of base budget vacancy factor	John Woolmer	G	(290)	
Parks and Countryside					
Parks and Countryside	Additional funding from Childrens Funeral Fund	Sean Flesher	G	(120)	
Parks and Countryside	Staffing savings - achievement of vacancy factor	Sean Flesher	G	(1,398)	
Community Safety					
Community Safety	Maximisation of external funding	Paul Money	G	(175)	
Community Safety	Achievement of staffing efficiencies	Paul Money	G	(17)	
Community Safety	Achievement of base vacancy factor	Paul Money	G	(335)	

Directorate Wide

Other Significant Variations

All	Covid-19 related	All	Covid-19 expenditure/income variations not already shown in action plans above	25,371
All	Staffing	All	Estimated staffing savings	(1,757)
All	Operating expenditure	All	Expenditure savings identified at period 7 - running costs etc	(1,313)
ELR	Taxi & Private Hire Licensing	John Mulcahy	Utilisation of earmarked reserve	(105)
All	Other	All	All other variations	786

Communities & Environment - Forecast Variation 23,176

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2020/21 FINANCIAL YEAR

PERIOD 7

Overall

The Directorate has a projected overspend at month 7 of £13.8m which is an improvement of £1.1m from the month 6 position of £14.9m. Approximately £1m of the improvement is due to the ELI savings that have been captured within services to date with the balance made up of increased savings from vacant posts, reduction in forecast running costs and pressures. The total COVID related cost/loss of income of £17.3m is partially offset by savings/income of £3.5m comprising vacancy freeze/delayed recruitment/ELI savings assumptions savings, additional income and savings in non essential expenditure across all services.

Resources

There is a projected overspend of just under £1m across the Resources group of services, £3.8m of this is due to the adverse impact of COVID partially offset by non COVID savings/income of just under £2.8m. The most significant items are a projected loss of court fees in Finance/Legal of £1.3m, £0.3m estimated cost of operating and providing meals from the Food Warehouse, £0.8m reduction in income to capital projects and other charges. Delays to the implementation of Budget Actions Plans and other COVID pressures in Shared Services are around £0.4m. There are net savings on non COVID related areas of £2.8m, being a combination of savings against vacant posts, savings from ELIs, non essential spend and other running cost savings.

Housing Services

An overspend of £0.6m is forecast for Housing mainly due to the Covid-19 impact, consisting of £2.1m additional accommodation and security costs relating to both hotel and supported accommodation. The total COVID pressure of £2.5m is partially offset by additional Housing Benefit income of £1.1m and confirmation of £1.3m of Next Step Grant of which an initial estimate is that £670k can be applied against existing pressures.

Civic Enterprise Leeds (CEL)

The division is projected to overspend by £6.5m (a reduction of £287k from month 6) with £7.5m attributable to COVID and partially offset by £1m of additional income and reduced forecast expenditure. Of the £7.5m COVID pressures, £5.7m is forecast in LBS due to a reduction in income as a consequence of reviewing what services can currently be delivered safely, front line staff self isolating and staff working elsewhere to support COVID related activity. Furthermore an estimate has been made on the impact on efficiency for those operatives working but having to do so to meet the requirements of safe distancing. The almost £300k improvement from month 6 is due to a combination of ELI savings, reduced forecast expenditure and additional income.

In addition, school closures earlier in the financial year and meal take up not returning to expected levels from September, continuing closures of commercial outlets and the provision of emergency meals (grab bags / hampers) to children is forecast to cost £1m in Catering (based on the assumption meal take up returns to normal levels from February), an overall improvement of £114k from the month 6 position .

The authority wide net expenditure on PPE of £5.6m although coded within CEL has been shown separately below within the Directorate Action Plan row.

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	100,415	(32,278)	68,137	426	(57)	(184)	(70)	130	0	(20)	0	0	225	763	988
Housing	20,837	(13,345)	7,492	(338)	0	2,432	0	0	0	0	0	0	2,094	(1,469)	625
CEL	148,396	(140,366)	8,030	(2,702)	(183)	427	(91)	37	0	0	0	0	(2,512)	9,052	6,540
Directorate Action Plan				0		5,626							5,626		5,626
Total	269,648	(185,989)	83,659	(2,614)	(240)	8,301	(161)	167	0	(20)	0	0	5,433	8,346	13,779

Key Budget Action Plans and Budget Variations:				RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
Service	Budget Action	Lead Officer	Comments			
HOUSING						
Housing	Additional Charges to DFG	Jill Wildman	New structure in Health and Housing in place. No issues expected, but need to keep under review re level of capital spend to justify charges to scheme	G	(0.21)	
CEL						
Leeds Building Services	To ensure the delivery of the targeted return (£10.655m) and ensure service developments and effective productivity improvements.	Sarah Martin	Significant risk turnover won't be delivered with impact of pandemic; Currently £500k/week under recovery	R	0.00	5.65
CPM	Additional charges to capital (staffing)	Sarah Martin	New structure in place during 19/20. No issues anticipated	G	(0.04)	
Facilities Management	Insourcing of Office waste and Voids	Sarah Martin	Insourcing of general waste contract completed, insourcing of voids slipped.	G	(0.08)	
Facilities Management	Review of servicing offer at Merrion Hosue	Sarah Martin	Savings to come from fewer meetings etc as a result of WFH.	G	(0.06)	
Fleet Services	Electric Vehicle replacement and reduction in hire	Sarah Martin	EV vehicle replacement on track and service working to reduce hire. Assue slippage 6 months re COVID	A	(0.33)	0.02
Fleet Services	Generate additional external income from maintenance of external vehicles	Sarah Martin	Covid-19 epidemic has delayed savings and income	G	(0.21)	0.01
Catering	Generate net additional income from expanding commercial offer	Sarah Martin	Aireborough leisure centre completed but affected by closures	R	(0.03)	
Catering	Target saving from reduced reliance on meat based dishes	Sarah Martin	School closures could affect ability to deliver this	R	(0.04)	
RESOURCES						
DIS / Shared Services	Mail and Print Review - Printer rationalisation	Dylan Roberts	This has been done printers required will be in place for end of March and paid from ESP budget 2019/20;	G	(0.25)	
DIS / Shared Services	Mail and Print Review - Reductions in the volume of printing (Colour and B	Dylan Roberts	Work in progress to get volumes down – given that the vast majority of staff are wfh there will be significant reductions in printing. Assuming WFH continues into 2020/21 will bring reduced printing costs in the new year.	G	(0.15)	
DIS / Shared Services	Mail and Print Review - new Print Unit Equipment and LCC wide cost reduction on external spend	Sonya McDonald	Procurement exercise completed. Contract due to be awarded	R	(0.14)	0.07
DIS	DIS Breakfix - reduced external spend	Bev Fisher	This is done - past six months trends show a reduction in costs – no reasons this wouldn't continue.	G	(0.06)	
DIS	Staffing Reduction - DIS Service Desk	Bev Fisher	Not actioned – given the current demand/volume of calls cannot reduce staffing levels in the service desk in the near future or maybe at all. Need to identify alternative actions to offset	G	(0.05)	
DIS	DIS - Health and City Partnerships	Bev Fisher	Done and agreed – signed 12 months contracts with health partners	G	(0.25)	
HR	Staffing reductions	Andrew Dodman	ELI Business case approved. Staff leaving between Mar and Oct; Savings net of ELI costs	G	(0.13)	
HR	Income HR	Andrew Dodman	Charges to academies. Agreed	G	(0.02)	
HR	Ultra Low Emission Vehicles (ULEV)	Andrew Dodman	Anticipate around £10k LCC wide on existing ULEV take up	A	(0.05)	0.05
HR	Apprenticeship Levy (Rolled over 19/20)	Andrew Dodman	This income will not be received. (Will need to identify alternative savings in year & remove from base budget)	R	(0.15)	0.15
Shared Services	E Invoices	Sonya MCDonald	Procurement exercise for technical solution completed	R	(0.15)	0.15
Shared Services	Servicing of meeting savings	Louise Snowden	£200k initial savings; £60k been identified elsewhere. £140k potential issue	R	(0.14)	0.07
DIRECTORATE WIDE						
Directorate Wide	Line by Line Reductions	Various COs	HR £44k (Staff shop, Serv Devt); Legal £100k; Pru Borrowing £60k; S&I £50k; IN year monitoring of spend	G	(0.31)	
Directorate Wide	Staffing reductions	Various COs	Passengers £87k ELI done; Housing Options £90k (split GF/ HRA)	G	(0.13)	
Directorate Wide	Impact of Covid-19		Additional expenditure/loss of income as a result of pandemic net of £1.1m HB income	R		4.67
	Impact of Covid-20		Pay Award	R		1.04
Directorate/LCC Wide	Impact of Covid-19		PPE Expenditure	R		5.57
B. Other Significant Variations						
Directorate/LCC Wide	All Other variations		Net pressures, vacancy freeze and non essential spend savings	G		(3.67)

Resources and Housing Directorate - Outturn Variation

13.78

**STRATEGIC & CENTRAL ACCOUNTS - 2020/21 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 7**

Overall :

The overall projection for month 7 for Strategic & Central Accounts shows an underspend of £73.8m.

The dashboard includes a separate row for corporate Covid-related pressures and income, with a total net credit of £99.5m. This position includes £69.5m of government grant support awarded to the council for the impact of Covid, a projected £18.9m compensation grant for lost sales, fees and charges income during the pandemic £3.4m in track & trace grant to be allocated to relevant costs, and £23.4m use of earmarked reserves. It also reflects the estimated £16.3m cost of the corporate Early Leavers scheme, less £0.5m to be funded from the flexible use of capital receipts.

The dashboard recognises the potential for a shortfall of £27.9m in capital receipts as a result of the shutdown in the economy due to the Covid 19 lockdown, which would require a corresponding increase in the level of MRP chargeable to revenue. This represents a worst case scenario given the considerable uncertainty in the property market, and a lower shortfall against budget may be achievable.

As a result of the impact of Covid 19 on the local economy, the council anticipates that it will receive significantly more S31 grants as compensation for the additional business rates reliefs given during the year. There will be a corresponding impact on the Collection Fund deficit which the council will have to fund in 2021/22 as a result of these additional reliefs, and thus the additional income (currently projected at £75.9m) will be fully required in 2021/22 and will therefore be carried forward in an earmarked reserve A reduction of £2.1m has also been recognised in the council's projected business rates levy for the year, as a result of anticipated reduced business rates income.

There is a risk that general and schools capitalisation budget targets will not be met, and as a result the projection shows a potential pressure of £1.0m across the two budgets.

However the projection for S278 income is currently £0.4m above the budget.

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	(13,311)	(20,089)	(33,400)			1,014							1,014	(458)	556
Corporate Covid issues	0	0	0	15,855								(23,400)	(7,545)	(91,933)	(99,478)
Debt	35,747	(17,881)	17,866			(100)					27,581		27,481	(123)	27,358
Govt Grants	2,161	(27,581)	(25,420)									75,917	73,780	(75,917)	(2,137)
Joint Committees	35,201	0	35,201						7				7		7
Miscellaneous	5,746	(794)	4,952	(132)		1							(131)	41	(90)
Insurance	8,764	(8,764)	0			568		19				(792)	(205)	205	0
Total	74,307	(75,109)	(802)	15,723	0	1,483	0	19	7	(2,137)	27,581	51,725	94,401	(168,185)	(73,784)

STRATEGIC & CENTRAL ACCOUNTS - 2020/21 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Victoria Bradshaw	Minor net variations at Period 6	G	20.2	(0.4)
2.	Minimum Revenue Provision	Victoria Bradshaw	The budget relies on the use of capital receipts to repay some debt. Due to the slowdown in economic activity, there is a risk that sufficient capital receipts may not be realised, requiring additional MRP from revenue.	R	14.2	27.9
3.	New Homes Bonus	Victoria Bradshaw	Current forecast is as budget	G	(4.7)	0.0
4.	Business Rates (S31 Grants & retained income)	Victoria Bradshaw	The current forecast is for an additional £75.9m of S31 grant income in relation to business rates. However this will be required to fund the Collection Fund deficit expected to be carried forward to 2021/22, and so will be carried forward in an earmarked reserve.	G	(22.7)	0.0
5.	S278 Contributions	Victoria Bradshaw	After a detailed review in September City Dev capital dashboard reports that Section 278 capital spend and funding is currently estimated to be £5.0m	G	(4.6)	(0.4)
6.	General capitalisation target	Victoria Bradshaw	Current forecast is as budget, however there are risks that reductions in non-essential spend may impact on the potential for capitalisation.	A	(3.8)	0.4
7.	Schools capitalisation target	Victoria Bradshaw	Current forecast is as budget, however there is a risk that this level of capitalisation may not be achieved.	A	(3.7)	0.6
8.	Joint Committees	Victoria Bradshaw	Minor net variations at Period 6	G	35.2	0.0
9.	Covid support grants	Victoria Bradshaw	General Covid support grants totalling £69.5m have been recognised, together with £19.0m of grant in compensation for lost sales, fees & charges income	G	0.0	(91.9)
10.	Early leavers costs	Victoria Bradshaw	Estimated severance costs of £14m and pension strain costs of £2.3m have been included in respect of the corporate ELI scheme	R	0.0	16.3
11.	Use of reserves	Victoria Bradshaw	A figure of £23m has been recognised for the use of the Merrion House income reserve	G	0.0	(23.4)
12.	Flexible use of capital receipts	Victoria Bradshaw	It is intended that £0.5m of the Early Leavers costs included in item 10 above will be capitalised under the flexible use of capital receipts provisions	G	0.0	(0.5)
B. Other Significant Budgets						
1.	Insurance	Victoria Bradshaw	Four new large claims have driven overspend to £792k to be funded from insurance reserve.	A	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Forecast at Period 6 is £117k higher than budget	G	(16.6)	(0.1)
3.	Business Rates Levy	Victoria Bradshaw	Pessimistic projection for business rates growth means that the council's levy payable is expected to be below budget	G	2.2	(2.2)
4.	Miscellaneous	Victoria Bradshaw	Minor net variations at Period 6	G	4.9	(0.1)
Strategic & Central Accounts - Forecast Variation						(73.8)

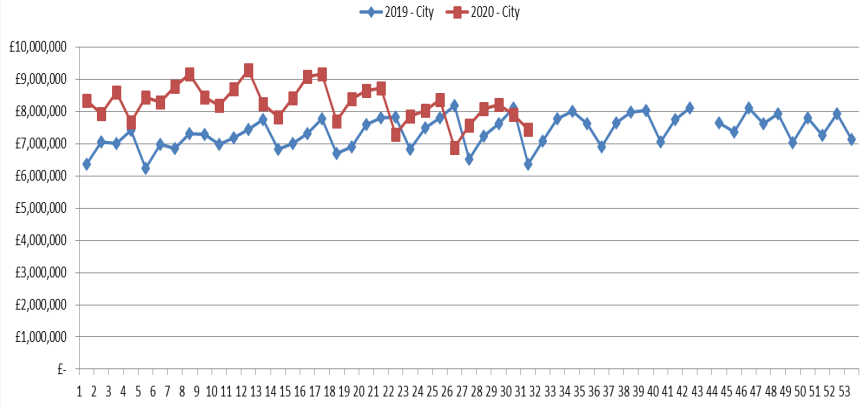
Housing Revenue Account - Period 7 Financial Dashboard - 2020/21 Financial Year

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

Directorate	Current Budget	Projected Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
Income					
Rents	(212,140)	(210,611)	1,530	£739k Increase in Voids due to Covid 19. £365k pre-covid trend void rate moved from 0.75 to 0.92. £280k Net impact of reduction in RtBs sales offset by ROFR delays. £81k Covid 19 loss of commercial rent. Garages rent pressure £65k.	1,487
Service Charges	(8,484)	(8,419)	64		71
Other Income	(33,772)	(31,726)	2,046	£202k RtB admin income due to Covid 19. £614k Civica project team not charged to capital. £250k staff not working on capital schemes due to Covid 19. £525k vacant posts in P&I not charged to cap schemes. £317k Hsg growth posts vacant - offset in emp costs. £100k reduction in Court income due to Covid 19 - offset in Internal Charges. NB - Probable Pressure from LEEDS PIPES income not yet included. Greater analysis required, but likley installation levels will be delayed.	1,884
Total Income	(254,396)	(250,756)	3,640		3,442
Expenditure					
Disrepair Provision	1,400	3,400	2,000	Increase in case numbers and average costs.	1,900
Repairs to Dwellings	45,081	44,781	(300)	Covid 19 impact.	(300)
Council Tax on Voids	778	967	189	Covid 19 impact due to void level.	189
Employees	31,402	30,275	(1,127)	Assume hold vacant posts vacant for 6 months and addtl 0.75% pay award due to Covid 19. Hsg Mgt £(1,154)k, P&I £(695)k, Hsg Growth £(238)k, Technical £(12)k. £972k Severance costs for reaffirmed ELI requested partly offset by employee savings where staff leave before end of 20/21.	(1,030)
Premises	8,202	8,330	128	Naviagtion House Delapidation work.	127
Supplies & Services	3,835	4,114	279	ICT savings review plus WFH savings. £376k PFI movement.	282
Internal Services	44,064	44,431	367	£575k Civica DIS staff not charged to capital. £(100)k reduction in charges for Court cost - offset in Onternal Income. £(16)k PFI movement. NB Possible additional pressure of LEEDS PIPES costs not yet reflected. Greater analysis required.	376
Capital Programme	60,550	45,642	(14,908)	Estimated £15m reduction in transfer to capital due to slippage in the programme £9.6m transfer to capital reserve, £5.3m funding other pressures.	(5,189)
Unitary Charge PFI	10,417	10,417	-		-
Capital Charges	44,334	44,102	(232)	Reflects lowers cost of borrowing per updated Treasury figures.	(232)
Other Expenditure	5,739	5,728	(10)	Provision for bad debt £207k pressure. £(147)k transport saving due to Covid 19. £(71)k Reduced Community Payback payments due to Covid 19.	60
Total Expenditure	255,800	242,186	(13,614)		(3,816)
Net Position	1,404	(8,570)	(9,974)		(374)
Appropriation: Sinking funds	(216)	64	280	£330k movement in PFI - offset above.	280
Appropriation: Reserves	(1,188)	(1,094)	94	Revised use of EIT reserve.	94
(Surplus)/Deficit	0	(9,600)	(9,600)		(0)
Proposed New Reserves			-		-
Transfer to Capital Reserve		9,600	9,600	Transfer to Capital Reserve	-
Total Current Month	0	0	0		(0)

Housing Revenue Account - Period 7 Financial Dashboard - 2020/21 Financial Year

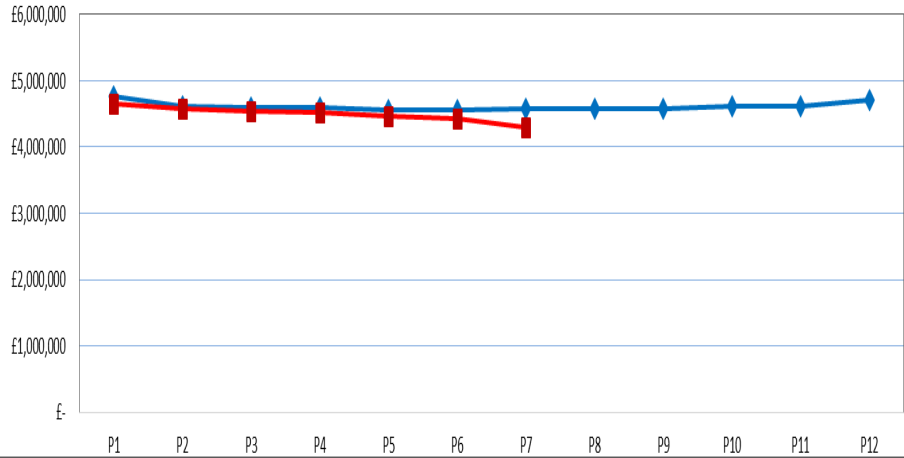
Current Rent Arrears HMA1 £



Change in Stock	Budget	Projection
Right to Buy sales	(645)	(490)
Right of First Refusals/ Buybacks	65	38
New Build (Council House Growth)	80	66
Total	(500)	(386)

Right to Buy Receipts	2019/20 Actual	2020/21 Projection
Total Value of sales (£000s)	33,931	27,919
Average Selling Price per unit (£000s)	55.4	57.0
Number of Sales	612	490
Number of Live Applications	1,333	1,367
* Sales to end of period: 248		

Former Rent Arrears



Arrears	2019/20	2020/21	Variance
	£000	£000	£000
Dwelling rents & charges	2019/20 Week 31	2020/21 Week 31	
Current Dwellings	6,360	7,432	1,072
Former Tenants	4,570	4,305	(264)
	10,930	11,737	808
Under occupation	2019/20 Week 53	2020/21 Week 22	
Volume of Accounts	3,051	2,870	(181)
Volume in Arrears	1,198	1,121	(77)
% in Arrears	39.3%	39.1%	-0.2%
Value of Arrears	197	177	(21)
Collection Rates	2019/20 Week 53	2020/21 Week 22	
Dwelling rents	96.43%	96.33%	-0.1%
Target	97.50%	97.50%	0.0%
Variance to Target	-1.07%	-1.17%	-0.1%

Housing Revenue Account - Period 7 Financial Dashboard - 2020/21 Financial Year

Projected Financial Position on Reserves	Reserves b/f	Use of Reserves	Contribution to Reserves	Closing reserves
	£000	£000	£000	£000
HRA General Reserve	(6,495)	0	0	(6,495)
Earmarked Reserves				
Welfare Change	(807)	686	0	(121)
Housing Advisory Panels	(507)	0	0	(507)
Sheltered Housing	(2,777)	0	0	(2,777)
Early Leavers' Initiative	(408)	408	0	0
Wharefedale View	(23)	0	0	(23)
Changing the Workplace	(151)	0	0	(151)
ERDMS	(257)	0	0	(257)
	(4,930)	1,094	0	(3,836)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(1,474)	0	(1,320)	(2,794)
LLBH&H PFI Sinking Fund	(6,025)	1,254	0	(4,771)
	(7,499)	1,254	(1,320)	(7,565)
Capital Reserve				
MRR (General)	(8,278)	49,628	(50,949)	(9,600)
MRR (New Build)	(1,105)	808	0	(297)
	(9,383)	50,436	(50,949)	(9,896)
Total	(28,308)	52,784	(52,269)	(27,793)