

Report of the Chief Officer Financial Services

Report to Executive Board

Date: 10th February 2021

Subject: Financial Health Monitoring 2020/21 – Month 9

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 9 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 seventh 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 £114.6m before proposals to balance.
- The addition of projected losses of council tax and business rates income results in a total projected COVID overspend of £164.4m at Month 9. In addition pension strain and severance costs associated with staff exiting the Council through the Early Leavers Initiative increases the overall overspend to £177.4m.
- As a result of taking account of non-COVID savings and the application of earmarked reserves and additional Government funding the projected Directorate overspend reduces by £31.1m to £83.5m. When combined with the Corporate pressures the overall General Fund overspend has reduced from £178.6m to £146.3m.
- 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 £26.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £96.4m of grant in 2020/21 reduces the financial pressure in 2020/21 to £49.9m.
- Since this reported position assumes that the estimated Collection Fund income shortfall of £49.9m will impact on the revenue position in 2021/22 and future years, the current projection for 2020/21 is reflecting a balanced budget position at year end.
- This position reflects the Council's best estimate of the impact of the current lockdown arrangements and which equates to a calculated COVID impact of £27m per month. This calculated impact covers both expenditure and income which is compensated for through the Government's sales, fees and charges scheme. In addition it 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 9, 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 £114.6m which when combined with Corporate pressures results in an overall overspend of £177.4m. After application of government funding and a range of further measures, this report shows 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 9 and note the projected impact of COVID-19 on that position.
- b) Note that for 2020/21 the Authority is forecasting a balanced budget position.
- c) 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 9.
- 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 ninth 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.
- 2.3 The Financial Health Financial Health report received at December's Executive Board projected a balanced budget position for 2020/21 after the application of Government funding, the delivery of non-COVID savings and the utilisation of earmarked reserves.
- 2.4 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 9 a COVID related overspend of £164.4m 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 £177.4m.
- 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 845 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, November and December.

- 3.3 Whilst the Council has incurred severance and pension strains costs of £12.9m in 2020/21 it is projected that over the five year period covered by the Council's Medium Term Financial Strategy savings of £100.2m (before reconfiguration costs) will be realised through the deletion of the posts.
- 3.4 The projected overspend position of £177.4m also reflects the estimated Collection Fund deficit of £49.9m resulting from a reduction in collection rates in respect of both Council Tax and Business Rates.
- 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 £18.9m has been claimed with an estimated further £8m to be received for the remainder of the financial year. Application of this £96.4m of grant in 2020/21 would reduce the COVID financial pressure to £81m.
- 3.7 Table 1

Summary Position at Month 9- Financial Year 2020/21

Directorate	Director	(Under) / Over spend for the current period				COVID related	Non-COVID related	Month 7 Total	COVID related	Non-COVID related
		Staffing	Total Expenditure	Income	Total (under) /overspend					
		£000	£000	£000	£000					
Adults & Health	Cath Roff	(766)	31,896	(19,283)	12,613	12,613	0	12,613	12,613	0
Children and Families	Sal Tariq	123	4,210	3,882	8,092	8,092	0	7,837	7,837	0
City Development	Martin Farrington	(2,653)	(7,036)	28,636	21,600	25,096	(3,496)	19,821	22,456	(2,635)
Communities & Environment	James Rogers	1,647	5,872	18,016	23,887	26,317	(2,430)	23,176	25,256	(2,080)
Resources & Housing	Neil Evans	(2,717)	4,607	9,452	14,059	17,851	(3,792)	13,779	17,658	(3,879)
Strategic	Victoria Bradshaw	(140)	106,169	(79,291)	26,878	24,747	2,131	125,114	25,862	(168)
Strategic (Proposals to balance)	Victoria Bradshaw	12,440	(3,628)	(99,933)	(103,561)	(103,561)	0	(99,420)	(99,420)	0
Adults & Health (Proposals to balance)	Cath Roff		(3,500)	0	(3,500)	(3,500)	0	(3,500)	(3,500)	0
Total Current Month (Dashboards)		7,934	138,590	(138,522)	0	7,655	(7,587)	99,420	8,762	(8,762)
Capitalised Staffing					0	0	0	0	0	0
Council Tax & Business Rates Losses					49,875	49,875	0	42,466	42,466	0
					49,875	57,530	(7,587)	141,886	51,228	(8,762)

Previous month (under)/over spend in directorates 11,309 131,269 (131,270) (0)

- 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 £9.1m. This figure is based 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 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 cost and remaining potential pressure from the packages previously and currently funded from the Early Discharge funding available to the CCG transferring back to the Council. A sum of £2.1m represents this cost and assumed outstanding liability.

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 £8.092m, an increase of £255k compared to Month 7. This reflects a number of changes due to COVID, including the impact of the current lockdown.

The Month 9 projected overspend of £8.092m is broken down as follows:

Expenditure	£m
• Staffing related costs	0.12
• Children Looked After	5.75
• Section 17 payments	0.31
• Direct payments	0.25
• Passenger Transport	(0.60)
• Other expenditure	<u>(1.62)</u>
	4.21
Income	£m
• Traded income from schools	2.02
• School attendance income	0.40
• Children's centre income	3.65
• Net additional funding	<u>(2.19)</u>
	3.88
Total projected overspend	8.09

The changes since Month 7 are all attributable to COVID. There have been a number of changes to expenditure, including increased CLA provider rates, additional pay pressures in the secure residential unit and reductions across non-pay areas of expenditure. In relation to income, some specific COVID funding has been brought into the budget, however there are also further pressures on income for the Music Service and Attendance Service, due to the current lockdown.

As shown in the breakdown above, the key pressure within expenditure relates to the CLA budget, which is currently forecast to overspend by £5.75m, an increase of £750k compared to Month 7. Although the number of CLA placements has actually reduced during this period, the rates paid to providers have increased due to the COVID related costs they are incurring. This is a common picture across the country, although it appears that Leeds is experiencing a lower increase in provider payments than is being seen nationally. The Commissioning team is working with providers to ensure that the rates agreed continue to represent value for money.

Although detailed benchmarking is not yet available, feedback from local authorities across the country is that many are currently 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 20th December there were 23 fewer placements than originally budgeted, despite the impact of COVID in the city. This is a reduction of 9 placements since the Month 7 report.

Although CLA numbers in the city are within the total amount budgeted for, the main reason for the forecast overspend is 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 £5.87m pressure has been identified due to expected loss of income from children's centres, school trading and school attendance income. In line with principles laid out by Government during the first lockdown, 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, as they have received funding to pay for these services. 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.

Dedicated Schools Grant

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 9 we are projecting a £2.96m overspend on general DSG for 2020/21, which would result in a closing deficit of £6.92m. This is due to a projected overspend of £4.37m on high needs, which is partly offset by:

- £547k underspend on early years, 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;
- £121k underspend on central school services, as a result of staff vacancies; and
- £739k underspend on schools. £239k of this is due to timing differences in funding arrangements when maintained schools convert to academies. The remaining £500k is due to an underspend on the fund for growing schools, which will be carried forward to be used in 2021/22.

The projected high needs overspend of £4.37m 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 9 the Directorate is projecting an overspend of £21.6m, which is an adverse movement of £1.8m from the Month 7 position previously reported to Executive Board. This includes an estimated impact of COVID-19 of £25.01m. The projected outturn includes the forecasted financial impact of Lockdown 3 and assumes that the Lockdown restrictions will be in place to the end of the financial year. 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 9 projections include a further £2.5m income pressure in Active Leeds due to the third lockdown.

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, closed again due to the current second lockdown, and then closed for the current lockdown. The year-end financial position for Active Leeds is projected to be an overspend of £12.8m. This is an increase of £2.5m of COVID related income pressures however it is anticipated that this pressure will be offset by circa £1.9m 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.
- Asset Management and Regeneration - £2.8m 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 - £0.9m through an estimated reduction in planning and building fee income.
- Markets and City Centre - £2.2m from a reduction in rental and advertising income.
- Highways and Transportation - £0.74m 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 £0.5m for the year is currently projected across the Directorate. 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 £1.88m on non-chargeable vacant posts net of the additional costs of the higher pay offer. Savings of £0.94m 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 £23.9m.

Of this, £26.3m relates to the impact of COVID-19 which now takes into account the estimated impact of the latest lockdown period. There still remains a great deal of uncertainty around income projections and these continue to be kept under review.

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

- Loss of car parking and enforcement income £7.9m
- Loss of Parks & Countryside income £4.9m. 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 £1.9m. 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 £6.6m. 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 the vulnerable homeless in emergency accommodation.

- 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 £2.8m. 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 £2.4m. These include estimated net savings from the implementation of tighter controls on recruitment and the part year impact of staff leaving the authority before 31st March 2021 under the Council's Early Leaver scheme (£1.5m) and savings on other expenditure budget headings across the directorate (£0.9m).

3.8.5 Resources & Housing – Based on the estimated impact of COVID-19 in the directorate, an overspend of £14.1m is forecast at Month 9. This is a marginal increase of £0.3m from the position reported previously reported and reflects, in the main the additional pressures within the Catering service from the most recent lockdown.

There remains a risk that this projection may be understated dependent upon when schools will reopen, however further reductions in this income can be partially offset by the sales, fees and charges compensation scheme

In total £17.9m 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)	£0.5m
• Catering income & emergency meals	£2.6m
• Other income reductions (capital / court fees)	£2.6m
• Delays to budget action plans	£0.3m
• 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 latest lockdown, 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 £3.8m of savings to the directorate's bottom line projections.

3.8.6 Strategic & Central Accounts - At Month 9, the Strategic & Central accounts projection is for an overspend of £26.9m, of which £25.8m is COVID related, before taking into account proposals to balance the 2020/21 budget. This projection recognises the potential for an overspend of £27.9m 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. This projected overspend is partly offset by savings of £0.8m in the remainder of the debt budget.

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 £75.5m 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.

Following the government spending review, additional New Homes Bonus grant of £2.2m has been recognised.

Additional projected S278 income of £0.4m has been recognised, along with potential pressures of £1.2m 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 9 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 £114.6m which combined with other corporate pressures which includes a variation in the Collection Fund, pension strain and the cost of severance results in a projected overspend of £177.4m.

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 9	Mitigation-Savings including Salary	Use of Reserves	Total
Directorate/Service	£m	£m	£m	£m
Adults & Health	12.61	0.00	-3.50	9.11
Children & Families	8.09	0.00		8.09
City Development	25.10	-3.50		21.60
Communities & Environment	26.32	-2.43		23.89
Resources & Housing	17.85	-3.79		14.06
Strategic & Central	24.59	2.13	-20.01	6.71
Directorate dashboards	114.56	-7.59	-23.51	83.46
<i>Corporate pressures:</i>				
C T/B R Income Losses	49.88			49.88
Cost of Severence	11.68			11.68
Pension Strain	1.26			1.26
	62.82			62.82
Total General Fund Impact	177.37	-7.59	-23.51	146.28

	Month 9	Mitigation-Savings including Salary	Use of Reserves	Total
	£m	£m	£m	£m
Total General Fund Impact	177.37	-7.59	-23.51	146.28
Government Funding	-69.50			-69.50
Government Support for Income Losses	-26.90			-26.90
Net Position	-96.40			-96.40
Total GF Impact 2020/21	80.97	-7.59	-23.51	49.88
Council Tax/Business Rates	-49.88			-49.88
COVID-19 Funding Gap 2020/21	31.10	-7.59	-23.51	0.00

- 3.8.10 The level of non-COVID savings, including those resulting from the deletion of posts resulting from staff exiting the Council through the Early Leaver's Initiative is £7.6m and this contributes towards addressing 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 additional £19.5m of capital receipts which have become available through recognising the capital distribution from the pre-payment of rent at Merrion House as a capital receipt 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 immediately 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 its 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 has held further discussions with its external auditors over the treatment of the £27m distribution it received. As a result it will now recognise the 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 a capital receipt during 2018/19. This will result in an increase in the level of the Usable Capital Receipts Reserve carried forward into 2019/20.
- 3.8.16 In changing the accounting treatment in this manner there is now a requirement to identify provision in the MTFS of £1.1m which would originally have been amortised from the deferred income balance, which will be required from 2022/23 to resource the annual lease payments for Merrion House. This £1.1m revenue pressure will be met in 2020/21 and 2021/22 by applying additional capital receipts to redeem debt, thus enabling an equivalent reduction in the MRP charge to revenue. This will reduce the balance of additional capital receipts available to to £23.4m, of which £19.5m will be used and the remainder carried forward.
- 3.8.17 It is proposed that of this additional usable capital receipt £19.5m is applied to address the estimated budget gap identified above, replacing some of the capital receipts which were originally forecast to be generated during the year.

- 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 As a result of the above proposals the Directorate overspend reduces to £83.5m which combined with a Corporate pressure of £62.8m reduces the overall level of overspend down to £146.3m.
- 3.8.20 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 £26.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £96.4m of grant in 2020/21 reduces the COVID financial pressure to £49.9m.
- 3.8.21 Since the Collection Fund income shortfall of £49.9m 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.
- 3.8.22 As a result it is forecast that a balanced budget position will be delivered in 2020/21.
- 3.8.23 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 December was 80.15% which is 0.63% 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 £373.2m 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 £365.4m 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 December 2020 was 73.96% which is 6.80% 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 £929.3m at the end of October 2020, a decrease of £5.9m. 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 £73.7m, which is £110.0m 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 £75.5m above that forecast in the Council's budget. The Government has also announced that it will provide 75% compensation to local authorities for their 'irrecoverable losses' in business rates income. Although 'irrecoverable losses' have not been defined, following initial guidance it is estimated this local tax income guarantee will contribute around £8.61m to the deficit that has to be repaid to the collection fund in 2021/22.

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 31st October 2020, there were 799 appeals outstanding against the 2010 ratings list. During November and December 2020 70 appeals have been settled, 14 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 10.3% 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. However, since the imposition of national lockdowns the number of ratepayer claims entering the first two stages of the new Check Challenge Appeal process, introduced on the 1st April 2017, has increased significantly. Currently there are 161 Checks outstanding but this first stage is only where the Valuation Office Agency and the ratepayer's agent seek to clarify the facts relating to a particular property. Very few of these Checks have resulted in a reduction to the ratepayer's Rateable Value. However since September 2020 an increasing number of these claims are returning to the process as Challenges, the second stage of the new process. At this stage the Valuation Office Agency and the ratepayer discuss whether the facts are being applied correctly as a matter of law. At December 2020 there are 1,198 Challenges outstanding up from 365 as at 30th April 2020. Of the current Challenges 946 relate

specifically to the period since the first national lockdown restrictions were brought into force and therefore the impact is limited because they are backdated by only one year. The remainder are assumed to relate to entire lifetime of the ratings and therefore can be backdated to 1st April 2017. There has been speculation in the press that a general reduction in Rateable Values is to be implemented in response to the economic downturn caused by the restrictions on commercial activity however the Valuation Office Agency has issued a statement denying any such generalised reduction has been agreed. The situation with the increased numbers of Challenges and any announcement about general reductions in Rateable Values is being closely monitored and the level of provisions is being adjusted accordingly. As at the 31st December 2020 £41.7m in provisions is being held by the Council against losses due to changes in Rateable Value on the 2017 ratings list.

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 £49.9m on the Collection Fund: £13.2m in Council Tax and £36.7m in business rates. Since last reported to this Board in December, Council Tax has decreased by £0.20m and business rates has increased by £7.6m, a net increase of £7.4m. 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. Further detail has now been provided following the provisional Local Government Finance Settlement and any projected 2020/21 Collection Fund deficits must be spread over the years 2021/22, 2022/23, 2023/24. These deficits will be adjusted for prior years and any other requirements of the legislation.

Further, these same announcements indicated that Government would fund 75% of irrecoverable Council Tax and Business Rates losses from 2020/21. Details of the calculation have been provided and Leeds expect to receive compensation of around £31m. This is expected to be received and utilised in future years and will not impact on the 2020/21 Collection Fund.

4. Housing Revenue Account (HRA)

- 4.1 At the end of Month 9 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 £14.6m, however £5.0m 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 £4.3m. Rental income is forecast to be £1.7m 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, and a reduction of fee income from Right to Buy sales of £0.3m

- 4.4 Total tenant arrears are £11.4m, approximately £0.8m lower than the equivalent period last year and rent collection remains in line with last year's position at 96.5%. However, 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 £1.4m, 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, it is now projected that a saving of approximately £2m will be made in year due to the impact of COVID .
- 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 9 position for the Authority in respect of the revenue budget which currently projects a COVID-19 related overspend of £164.4m. Additional budget pressures of £12.9m 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 £177.4m.

6.2 This report then details a range of proposals which would result in a forecast balanced budget position being delivered in 2020/21. This 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 £146.3m.

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 £26.9m Government contribution to lost income is also reflected, pending confirmation of the final amount. Application of this £96.4m of grant in 2020/21 would reduce the COVID financial pressure to £49.9m. Since it is assumed that Collection Fund income shortfall of £49.9m would impact on revenue in 2021/22 this means that a balanced budget position is forecast in 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 9 and note the projected impact of COVID-19 on that position.
- b) Note that for 2020/21 the Authority is forecasting a balanced budget position.
- c) 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**

8.1 None.

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

ADULTS AND HEALTH

Financial Dashboard - 2020/21 Financial Year

Month 9 (December 2020)

The directorate is projected to overspend its budget by £9.1m. This is analysed as a £12.6m Covid-19 related cost pressure 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 £3.4m.

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 PPE storage and distribution centre as well as being the site for 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. January. It is also assumed that a number of emergency CHC clients will be reviewed and revert to Council funding from January 2021. 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 to the funding expended to meet pressures within the care sector. 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 the 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 (£12.9m);

c) Infection Control grant (£13.5m).

SECTION C: outside of Covid the directorate is projecting a balanced position. The directorate is applying £3.5m of reserves to help offset the Councils wider 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 P9 there is a high level of vacancies across the directorate.

Community Care Packages (+£1.9m): there are cost pressures within homecare (£1.8m) and supported Living (£0.1m).

General Running Costs (-£0.7m): savings due to reduced general running costs including utilities and staff travel.

Appropriation (-£1.6m): underspends within the Leeds Safeguarding Board, Leeds Plan and Public Health are planned to be carried forward and the planned use of reserves to support temporary staffing is less than required. £3.5m of reserves have been drawn down to partially offset the Covid-19 pressure.

Income (-£1.8m): additional client contributions is offset against increased demand spend.

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	(162)	0	0	0	0	(36)	0	0	162	(35)	(7)	(42)
Social Work & Social Care Services	288,249	(55,019)	233,230	46	(63)	148	(278)	3	12,267	(500)	0	581	12,204	(522)	11,681
Service Transformation	2,360	(369)	1,991	(195)	0	0	0	0	0	0	0	0	(195)	(88)	(283)
Commissioning Services	23,628	(63,609)	(39,981)	26	5	0	(2)	1,427	13,969	0	0	(2,993)	12,431	(14,213)	(1,782)
Resources and Strategy	6,726	(1,390)	5,336	(189)	0	19	2	0	0	0	0	0	(168)	(293)	(461)
Public Health (Grant Funded)	45,293	(44,949)	344	(293)	0	17	0	0	3,813	0	0	623	4,160	(4,160)	0
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	367,751	(166,299)	201,452	(766)	(59)	183	(278)	1,429	30,013	(500)	0	(1,626)	28,396	(19,283)	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			28.2
3.	General running costs	All	Savings of £0.7m are reduced due to Covid-19 costs			1.3
4.	Use of reserves	All	Carry forward of Public Health underspend (£0.62m), 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)			(1.6)
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)			(21.3)
					Adults and Health Directorate - Forecast Variation	
					9.1	

CHILDREN & FAMILIES 2020/21 FINANCIAL YEAR FINANCIAL DASHBOARD - Period 9

Overall Summary - At P9 the directorate is reporting a pressure of £8.092m, all of which is attributable to Covid-19. The overspend includes both additional expenditure, loss of income and savings attributable to Covid. The P9 projection is an adverse projection of £0.255m from the reported position at P7 of £7.837m. The statement reflects £0.85m further pressures, primarily £0.75m for increases in CLA rates charged by providers due to COVID, £0.495m additional pressures on trading income within Learning Improvement, Music Service and the School Attendance Service, offset by savings and additional funding of £1m, of which £0.8m is related to savings on expenditure and £0.2m is additional income.

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 were 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 20th December were 1,323, which is 23 less than the budgeted number. Despite total CLA numbers being less than budgeted for, an overspend of £4.16m is projected as there is a higher proportion of more costly placements than assumed in the budget and rates charged by providers have increased due to Covid. In house CLA placements are 64 less than budgeted and external placements are 41 greater than budgeted. Recruitment of In-House Foster Carers low.

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 1,323 (+39 compared to P7; Special Guardian Orders +13, Independent Living +13 and Staying Put +11) creating a pressure of £0.415m, which includes the £0.25m increase in the rate for Care Leavers allowances. There is also an additional pressure forecast on semi-independent living of £1.176m as young people have not been able to move on from this accommodation due to COVID and £0.309k s17 payments (Non-Recourse to Public Funds (NRPF)).

Staffing: - Pay pressures of £0.123m have currently been identified. This is comprised of £1.711m existing pressures in Social Care which includes £1.024m 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 were reflected 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. Since P6 we are 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 (£2.171m net figure and detailed in table below) and trading with schools, £2.415m an increase of £0.495m from the P7 projection due to the early assessment of the new lockdown w.e.f.5.1.21 on trading income in the music service, the wider Learning Improvement Service and the School Attendance Service.

Supplies & Services & Internal Charges: - £0.51m savings in Travel & Subsistence costs have been identified and are reflective of the current home-working arrangements during first half year. There are £0.55m savings on Legal Charges, £0.1m for DIS and £0.25m for Direct Payments. In addition there are £0.2m savings on expenditure related to School Brokerage Grant, as well as £0.1m savings on supplies & services.

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 a £0.244m shortfall in CCG income for ER placements. In response to this and

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	
Demand Led Budgets:															
In House placed CLA	21,079	0	21,079	0	0	0	0	0	(54)	0	0	0	(54)	0	(54)
Independent Fostering Agency	7,681	0	7,681	0	0	0	0	0	1,050	0	0	0	1,050	0	1,050
External Residential	12,096	(3,995)	8,101	0	0	0	0	0	2,990	0	0	0	2,990	144	3,134
Other Externally placed CLA	2,967	0	2,967	0	0	0	0	0	224	0	0	0	224	0	224
Non CLA Financially Supported	13,872	(5,610)	8,262	0	0	0	0	0	1,541	0	0	0	1,541	0	1,541
Transport	15,586	(897)	14,689	0	0	(50)	(600)	0	0	0	0	0	(650)	0	(650)
Sub total Demand Led Budgets	73,282	(10,502)	62,780	0	0	(50)	(600)	0	5,751	0	0	0	5,101	144	5,245
Other Budgets															
Partnerships & Health	5,845	(2,063)	3,782	(82)	0	0	(21)	0	0	0	0	0	(103)	0	(103)
Learning	35,516	(30,116)	5,400	(4)	0	(200)	(111)	0	0	0	0	0	(315)	2,415	2,100
Social Care (Excl. Early Start & H&W)	71,004	(31,990)	39,014	1,466	0	0	(463)	(550)	408	250	0	0	1,111	(1,954)	(843)
LfL - Early Start & H&W	67,531	(61,571)	5,959	(794)	0	(212)	0	0	187	0	0	(287)	(1,106)	3,277	2,171
Resources and Strategy	67,918	(61,615)	6,303	(463)	0	0	(15)	0	0	0	0	0	(478)	0	(478)
Sub total Other Budgets	247,814	(187,356)	60,458	123	0	(412)	(610)	(550)	595	250	0	(287)	(891)	3,738	2,847
Total	321,096	(197,858)	123,238	123	0	(462)	(1,210)	(550)	6,346	250	0	(287)	4,210	3,882	8,092

<u>Key Budget Variations:</u>		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. Also reflected 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.	0.874	
	- 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.	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 £1m impact of covid on unit rates, circa 9%.	2.713	
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	£0.1m impact re additional DIS equipment and £0.25m increased Direct Payments, offset by £0.6m private hire savings from CEL Passenger Transport, £0.51m savings on travel & subsistence and £0.55m on Legal charges. £0.2m savings on S&S related to School Brokerage Grant.	(1.610)	
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. Additional DSG Grant for ER Placements and the educational cost of the settings.		(1.680)
	- 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 £2.171m Early Start Net Nursery Fees income, £2.415m school traded income fee income.	4.586	
	- New grant funding for covid related schemes	Funding for the recovery of the impact of COVID received from Public Health and DfE - PiP Programme	(0.130)	
			6.433	1.659
Children and Families Directorate - Forecast Variation				8.092

CHILDREN & FAMILIES 2020/21 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - PERIOD 9

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 9 it is expected that the DSG will be £2,757k 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 £500k 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 £1,935k, 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 £278k.
- 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 £6,916k and a surplus on de-delegated services of £330k. In line with the School Forum request in October, the 2019/20 underspend on de-delegated services of £596k has been refunded to schools pro-rata to the de-delegated income received from the school.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(314,877)	(307,836)	7,241
Individual Schools Budgets	307,309	299,829	(7,480)
De-delegated budgets	4,568	4,364	(204)
Growth Fund	3,000	2,500	(500)
	0	(943)	(943)
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
EEEE 3 and 4 year olds	50,897	47,629	(3,268)
EEEE 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	77,201	4,872
Commissioned services	1,821	1,821	0
In house provision	5,123	4,745	(378)
Prudential borrowing	558	558	0
	0	4,368	4,368
Total	0	2,757	2,757

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
2,961	(204)	2,757
	596	596
6,916	(330)	6,586

Key Budget Action Plans and Budget Variations:

	Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans					
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			(0.50)
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			1.93
High Needs Block		Underspend on services provided by LCC			(0.28)
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

2.76

CITY DEVELOPMENT 2020/21 BUDGET FINANCIAL DASHBOARD - MONTH 9 (APRIL - DECEMBER)

Directorate Summary - At Period 9 it is projected that there will be a year-end overspend of £21.6m which includes the projected impact of Covid 19 of circa £25.096m (including the £375k additional cost of the higher than budgeted pay offer). This is an adverse movement of £2.16m from the Period 8 Dashboard which is due to the £2.5m adverse estimated impact of lockdown 3 on Active Leeds income which is marginally offset by improvements in other services, notably Planning and Building Control fees and charges. This £2.5m increased income shortfall in Active Leeds will attract a further £1.875m fees and charges compensation from Government.

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 projected position on this Dashboard assumes that the current Lockdown 3 measures and closure of facilities will continue to the end of the financial year, which is a prudent approach that has been informed by a realistic appraisal of the ongoing pandemic and the implications therein.

Staffing - Based on current vacancy levels and assuming limited external recruitment for the foreseeable future, staffing is projected to be under budget by £2.643m 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 £1.878m. 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 £0.94m 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.

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 December is now 11% down against the 2020/21 Budget for planning fees and 3% 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 £60k is projected due to the delay. Overall the shortfall in income is forecast to be circa £0.94m, which is partially offset by £0.37m of staffing, transport and supplies and services savings.

Economic Development - The service is forecasting a reduction of income and additional costs of £173k 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.

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 £183k 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 £0.65m in the DLO, £0.73m in Civil Engineering and Transport Planning, and £100k in Utility Permit income. This is a partially offset by circa £600k vacancy and ELI savings and £144k other expenditure savings and is a £64k improvement from the period 8 position. 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 9 projections reflect these cancellations and maintain the Period 8 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, which with the instigation of Lockdown 3 have been validated. 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 £16k from Period 8.

Active Leeds - Due to Lockdown 3 Sport facilities are now closed from 06/01/2021 until at least the middle of February. Following a review of the current situation and the likely ongoing ramifications the projections for Active Leeds prudently assumes that all facilities will remain closed for the remainder of this financial year. As a result of this the estimated loss of income has increased by £2.5m from Period 8. This further loss of income will be significantly offset by the Government compensation scheme (75p in the £1) by £1.875m however this funding is accounted for centrally and not in this Financial Dashboard.

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.

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. Due to Lockdown 3 a further package of support measures are anticipated, therefore the £300k additional pressure identified in Period 7 and 8 has been allocated for this. Furthermore a £700k shortfall against budget income is expected for Advertising, including the £200k additional income assumed in the 2020/21 budget, is accounted for. 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	(295)	(20)	(70)	(53)	70	0	0	0	0	(369)	941	572
Economic Development	2,358	(627)	1,731	70	0	28	(20)	0	0	0	0	0	79	94	173
Asset Management & Regeneration	18,656	(21,888)	(3,232)	(889)	201	(89)	(5)	40	0	0	0	0	(741)	3,508	2,766
Employment & Skills	7,210	(5,497)	1,713	(181)	0	0	(2)	0	0	0	0	0	(183)	0	(183)
Highways & Transportation	65,569	(47,660)	17,909	(523)	(292)	(562)	(738)	59	0	0	0	0	(2,056)	2,791	736
Arts & Heritage	21,646	(9,265)	12,380	(260)	(114)	(2,609)	(8)	(73)	0	0	0	0	(3,063)	5,265	2,202
Active Leeds Resources & Strategy	26,626	(20,453)	6,172	(490)	(265)	(143)	(1)	0	(75)	0	0	0	(974)	13,750	12,776
Markets & City Centre	1,045	(164)	881	(89)	0	453	0	(3)	0	0	0	0	361	0	361
	3,542	(4,607)	(1,064)	3	(76)	(17)	(1)	0	0	0	0	0	(91)	2,287	2,196
Total	156,213	(118,039)	38,174	(2,653)	(566)	(3,007)	(829)	94	(75)	0	0	0	(7,036)	28,636	21,600

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)	0.06
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)	1.31

B. Other Significant Variations

1.	Planning & Sustainable Development	David Feeney	Planning Application and Building Control Fees	0.88
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	2.43
4.	Highways & Transportation	Gary Bartlett	Highways Maintenance	0.65
5.	Highways & Transportation	Gary Bartlett	Civil Engineering and Transport Planning	0.73
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.	13.45
9.	Markets & City Centre Management	Phil Evans	Markets, advertising and Licences income	2.09
10.	All Services	All	Staffing Vacancies (excluding income funded posts)	(1.88)
11.	All Services	All	Savings on running costs across the Directorate	(0.94)
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)

City Development Directorate - Forecast Variation**21.600**

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2020/21 FINANCIAL YEAR

Period 9 (December 2020)

The overall position is a projected overspend of £23,887k. Of this, £26,317k relates to the estimated impact of Covid-19, although this figure remains 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 £2,430k are achievable.

Communities (£365k overspend)

Covid-19 related costs total £370k which includes £360k projected loss of Community Centre income, £100k delays to planned savings from Community Centres, offset by running cost savings of £120k, 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 (£704k overspend)

Elections, Licensing and Registrars (£744k 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 £1,815k, with a further £17k relating to the pay offer, although these will be partially offset by net savings of £526k from the cancelled May elections and additional grant income in respect of compliance and enforcement activities. Further net savings of £562k are anticipated from staffing and other expenditure variations including utilisation of £148k from 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 (£861k over budget)

The projected overspend mainly reflects Covid-19 related expenditure in respect of the net cost of Housing Benefit claims for rough sleepers (£1m) and the estimated cost of the pay offer (£33k). Other non-Covid forecast variations in expenditure and income are projected to give a saving of £172k.

Parks and Countryside (£5,325k overspend)

The overall impact of Covid-19 on the service is £6,348k. 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 £3,015k. In addition, shortfalls in income from the reduction in chargeable works activities within Parks Operations and Landscaping are estimated at £1,785k 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 £427k from the cancellation of the West Indian Carnival and bonfires will offset this. Other expenditure of £1,327k 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 £743k together with other operating expenditure savings of £279k.

Car Parking (£7,523k overspend)

Covid-19 related income losses of £7,947k 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 subsequent lockdowns in November and January 2021. Net staffing savings of £207k (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 (£6,505k overspend):

Within the Refuse service, additional expenditure of £3,274k 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 £2,632k to the end of the year. A further £798k 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 £281k, mainly relating to prudential borrowing savings and additional weighbridge volume trend income.

Cleaner Neighbourhoods Teams (£244k 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 £13k.

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

				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	(169)					(95)	460	365
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	(226)	(24)					(148)	(1,200)	1,904	704
Welfare And Benefits	196,901	(191,795)	5,106	57	0	896	(14)	76					1,015	(154)	861
Car Parking Services	4,867	(12,252)	(7,385)	(208)	(20)	(203)	0	0					(431)	7,953	7,523
Community Safety	8,621	(6,283)	2,338	214	0	5	0	0					219	(219)	0
Waste Management	44,279	(9,766)	34,513	2,957	132	2,883	638	(160)					6,450	55	6,505
Parks And Countryside	33,914	(26,147)	7,767	(964)	(455)	(290)	70	0					(1,639)	6,964	5,325
Environmental Action (City Centre)	2,119	(427)	1,692	(6)	(2)	(44)	27	0					(24)	159	134
Cleaner Neighbourhood Teams	12,762	(4,372)	8,390	(315)	0	6	25	0					(284)	40	(244)
Directorate wide	0	0	0	41	0	964	0	0					1,005	0	1,005
Total	353,135	(273,448)	79,687	1,647	(200)	4,124	703	(253)	0	0	0	(148)	5,872	18,016	23,887

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	Delays anticipated due to Covid-19	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	Business case to be drafted	G	(150)	
Customer Access	Achievement of base budget vacancy factor	Lee Hemsworth	Potential overspend based on latest staffing position	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	Elections deferred until May 21 due to Covid-19	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	Prices resumed but 50p increase not implemented	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	Confirmation now received	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			26,432
All	Staffing	All	Estimated staffing savings		(1,827)	
All	Operating expenditure	All	Expenditure savings identified - running costs etc		(1,107)	
ELR	Taxi & Private Hire Licensing	John Mulcahy	Utilisation of earmarked reserve		(148)	
All	Other	All	All other variations			343
Communities & Environment - Forecast Variation						23,887

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2020/21 FINANCIAL YEAR

PERIOD 9

Overall

The Directorate has a projected overspend at month 9 of £14.1m which is a deterioration of £0.4m from the month 8 position of £13.7m. The adverse movement is mainly accounted for by a £570k worsening of the Catering service's position as a result of the latest national lockdown, partially offset by a £150k tier 3 funding from Public Health for Housing general fund. The total COVID related cost/loss of income of £17.9m is partially offset by savings/income of £3.8m 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 £0.9m across the Resources group of services, £3.5m of this is due to the adverse impact of COVID partially offset by non COVID savings/income of just under £26m. The most significant items are a projected loss of court fees in Finance/Legal of £1.3m, £0.2m 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 £0.2m. There are net savings on non COVID related areas of £2.8m, being a combination of savings against vacant posts, savings from ELLs, non essential spend and other running cost savings.

Housing Services

An overspend of £0.5m 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. Existing pressures have been further reduced by the allocation of £150k tier 3 funding from Public Health.

Civic Enterprise Leeds (CEL)

The division is projected to overspend by £7.1m (an increase of £0.6m from month 8) with £8.2m attributable to COVID and partially offset by £1.1m of additional income and reduced forecast expenditure. Of the £8.2m 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.

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 and following announcement of the latest lockdown is forecast to cost £1.6m in Catering, a deterioration of £570k. This is explained by an increase in net loss of school income of £677k partially offset by £113k of additional staff savings. This £570k adverse movement is expected to have an overall reduced corporate impact of £142k as we are expecting additional Govt funding to cover 75% of this.

The Authority wide net expenditure on PPE of £5.6m although coded within CEL has been shown separately below.

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	(32,613)	67,802	513	(32)	(222)	(95)	87	0	(20)	0	0	231	665	896
Housing	22,690	(15,198)	7,492	(347)	0	2,510	0	0	0	0	0	0	2,163	(1,696)	467
CEL	148,396	(140,366)	8,030	(2,883)	(150)	(227)	(123)	(30)	0	0	0	0	(3,413)	10,483	7,070
PPE				0		5,626							5,626		5,626
Total	271,501	(188,177)	83,324	(2,717)	(182)	7,687	(218)	57	0	(20)	0	0	4,607	9,452	14,059

Key Budget Action Plans and Budget Variations:

Service	Budget Action	Lead Officer	Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
HOUSING						
Housing	Additional Charges to DFG	Gerard Tinsdale	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	Bev Fisher	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)	Bev Fisher	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		5.63
B. Other Significant Variations						
Directorate/LCC Wide	All Other variations		Net pressures, vacancy freeze and non essential spend savings	G		(3.45)

Resources and Housing Directorate - Outturn Variation 14.05

**STRATEGIC & CENTRAL ACCOUNTS - 2020/21 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 9**

Overall :

The overall projection for month 9 for Strategic & Central Accounts shows an underspend of £76.7m.

The dashboard includes a separate row for corporate Covid-related pressures and income, with a total net credit of £103.6m. This position includes £69.5m of government grant support awarded to the council for the impact of Covid (of which £3.4m will be carried forward in reserves), a projected £26.9m compensation grant for lost sales, fees and charges income during the pandemic, and £19.5m use of capital receipts brought forward arising from the Merrion House capital distribution. It also reflects the estimated £12.9m 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 £75.6m) 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. Following the recent government spending review, an additional projected £2.2m of New Homes Bonus grant income has also been recognised.

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 £1.2m across the two budgets. However the projection for S278 income is currently £0.4m above the budget. Potential underspends of £3.4m in the overall corporate position are shown as a contribution to earmarked reserves.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES										Total (under) / overspend £'000	
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'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	(12,988)	(20,089)	(33,078)			1,223						3,474	4,697	(461)	4,236
Corporate Covid issues	0	0	0	12,440							(19,500)	3,432	(3,628)	(99,933)	(103,561)
Debt	35,747	(17,881)	17,866			(300)					27,293		26,993	153	27,146
Govt Grants	2,161	(27,581)	(25,420)									75,532	73,371	(77,785)	(4,414)
Joint Committees	35,201	0	35,201						7				7		7
Miscellaneous	5,746	(794)	4,952	(140)		1							(139)	42	(97)
Insurance	8,764	(8,764)	0			1,958		25				(743)	1,240	(1,240)	0
Total	74,630	(75,109)	(479)	12,300	0	2,882	0	25	7	(2,161)	7,793	81,695	102,541	(179,224)	(76,683)

STRATEGIC & CENTRAL ACCOUNTS - 2020/21 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:

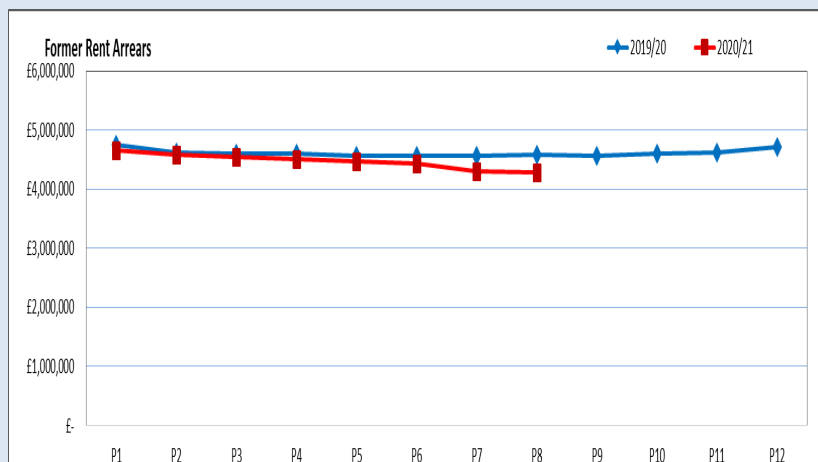
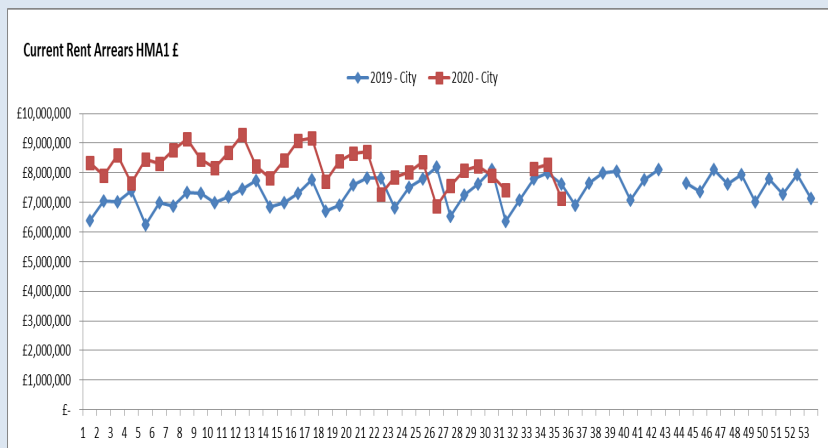
				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Victoria Bradshaw	Minor net variations at Period 9	G	20.2	(0.2)
2.	Minimum Revenue Provision	Victoria Bradshaw	The budget relies on the use of capital 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	27.3
3.	New Homes Bonus	Victoria Bradshaw	Forecast increased following recent Government Spending Review	G	(4.7)	(2.2)
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	(3.5)	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)	0.8
8.	Joint Committees	Victoria Bradshaw	Minor net variations at Period 9	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	(99.9)
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	12.9
11.	Use of capital receipts	Victoria Bradshaw	A figure of £19.5m has been recognised for the use of the capital receipt recognised in relation to Merrion House	G	0.0	(19.5)
12.	Flexible use of capital receipts	Victoria Bradshaw	It is intended that £0.5m of the Early Leavers costs in cluded 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	New large claims, partially offset by schools income, have driven overspend to £743k to be funded from insurance reserve.	A	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Forecast at Period 9 is in line with the budget	G	(16.6)	0.0
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	2.1	(2.1)
4.	Contributions to earmarked reserves	Victoria Bradshaw	Potential underspends of £3.5m in the overall corporate position will be contributed to earmarked reserves. A further £3.4m of Covid support grant will also be carried forward.	G	0.0	6.8
5.	Miscellaneous	Victoria Bradshaw	Minor net variations at Period 9	G	4.9	(0.1)
Strategic & Central Accounts - Forecast Variation						(76.7)

Housing Revenue Account - Period 9 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)	(210,463)	1,678	£790k Increase in Voids due to Covid 19. £365k pre-covid trend void rate moved from 0.75 to 0.92. £298k Net impact of reduction in RtBs sales offset by ROFR delays. £70k Covid 19 loss of commercial rent. Garages rent pressure £70k.	1,593
Service Charges	(8,484)	(8,487)	(4)		1
Other Income	(33,772)	(31,172)	2,600	£293k RtB admin income due to Covid 19. £45k Technical cap sals. £626k Civica project team not charged to capital. £250k staff not working on capital schemes due to Covid 19. £593k vacant posts in P&I not charged to cap schemes. £423k Hsg growth posts vacant - offset in emp costs. £100k reduction in Court income due to Covid 19 - offset in Internal Charges. Leeds Pipes pressure £273k.	2,520
Total Income	(254,396)	(250,122)	4,274		4,114
Expenditure					
Disrepair Provision	1,400	3,400	2,000	Increase in case numbers and average costs.	2,000
Repairs to Dwellings	45,081	42,781	(2,300)	Covid 19 impact.	(2,300)
Council Tax on Voids	778	1,022	244	Covid 19 impact due to void level.	244
Employees	31,402	30,026	(1,376)	Hsg Mgt £(1,385)k, P&I £(818)k, Hsg Growth £(323)k, Technical £(12)k. £1,162k Severance costs and pension strain for employees leaving before end of 20/21.	(1,273)
Premises	8,202	8,216	14	Naviagtion House Delapidation work. Gas and water savings £(112)k.	16
Supplies & Services	3,835	3,967	132	ICT savings review plus WFH savings. £376k PFI movement.	265
Internal Services	44,064	44,006	(58)	£575k Civica DIS staff not charged to capital. £(100)k reduction in charges for Court cost - offset in Internal Income. £(16)k PFI movement. £(177)k Leeds pipes reduction in consumption. £(243) CCTV recharge. £(68)k other internal charges.	(121)
Capital Programme	60,550	45,909	(14,641)	Estimated £15m reduction in transfer to capital due to slippage in the programme. £9.6m transfer to capital reserve, £5m funding other pressures.	(14,676)
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	5,707	(31)	Provision for bad debt £207k pressure. £(147)k transport saving due to Covid 19. £(71)k Reduced Community Payback payments due to Covid 19.	(10)
Total Expenditure	255,800	239,552	(16,249)		(16,088)
Net Position	1,404	(10,570)	(11,974)		(11,974)
Appropriation: Sinking funds	(216)	64	280	Movement in PFI - offset above.	280
Appropriation: Reserves	(1,188)	906	2,094	Revised use of EIT reserve.	2,094
(Surplus)/Deficit	0	(9,600)	(9,600)		(9,600)
Proposed New Reserves			-		-
Transfer to Capital Reserve		9,600	9,600	Transfer to Capital Reserve	9,600
Total Current Month	0	(0)	(0)		0

Housing Revenue Account - Period 9 Financial Dashboard - 2020/21 Financial Year



Change in Stock	Budget	Projection
Right to Buy sales	(645)	(420)
Right of First Refusals/ Buybacks	65	38
New Build (Council House Growth)	80	66
Total	(500)	(316)

Right to Buy Receipts	2019/20 Actual	2020/21 Projection
Total Value of sales (£000s)	33,931	24,034
Average Selling Price per unit (£000s)	55.4	57.2
Number of Sales	612	420
Number of Live Applications	1,333	1,403

Arrears	2019/20	2020/21	Variance
	£000	£000	£000
Dwelling rents & charges	2019/20 Week 35	2020/21 Week 35	
Current Dwellings	7,613	7,145	(468)
Former Tenants	4,577	4,282	(295)
	12,189	11,427	(762)
Under occupation	2019/20 Week 53	2020/21 Week 35	
Volume of Accounts	3,051	2,802	(249)
Volume in Arrears	1,198	1,043	(155)
% in Arrears	39.3%	36.2%	-3.1%
Value of Arrears	197	165	(32)
Collection Rates	2019/20 Week 53	2020/21 Week 35	
Dwelling rents	96.43%	96.48%	0.0%
Target	97.50%	97.50%	0.0%
Variance to Target	-1.07%	-1.02%	0.0%

Housing Revenue Account - Period 9 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
Wharfedale View	(23)	0	0	(23)
Changing the Workplace	(151)	0	0	(151)
ERDMS	(257)	0	0	(257)
Proposed Disrepair Reserve	0	0	(2,000)	(2,000)
	(4,930)	1,094	(2,000)	(5,836)
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)	50,437	(50,949)	(9,896)
Total	(28,308)	52,785	(54,269)	(29,792)