

Financial Health Monitoring 2021/22 – August (Month 5)

Date: 20th October 2021

Report of: Chief Officer Financial Services

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- 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. At the end of August (Month 5) a COVID-19 related overspend of £27.2m is projected for the Authority.
- The Council has received £24.3m of Government funding towards the costs of COVID-19 in the first quarter of 2021/22. Of this amount £0.5m is committed to funding free school meals and £0.8m is funding Directorate pressures. The position at the end of August assumes that balance of this funding, £23.0m, will be applied to the COVID related overspend. An estimated £3.5m Government contribution to lost income from sales, fees and charges is also being applied to the identified COVID pressure. After the application of COVID funding there still remains a projected COVID overspend of £0.741m which when combined with a projected non COVID overspend of £0.346m results in an overall forecast overspend at £1.087m at the end of August (Period 5). Any Collection Fund income shortfall in 2021/22 will impact on revenue in 2022/23.
- The 2021/22 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.
- The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions. The position remains challenging and the budget for 2021/22 requires delivery of £56.1m of savings in addition to the considerable savings achieved since 2010. At the end of August it is anticipated that the required level of savings will be delivered in full or managed through mitigating actions. Any areas of risk are highlighted in directorate narratives at Appendix 1, with further detail provided at Appendix 3.
- At the end of August, the Housing Revenue Account is forecasting a balanced position.

Recommendations

Executive Board are asked to:

- a) Note the projected financial position of the Authority at the end of August (Month 5) and the projected impact of COVID-19 on that position.

- b) Note that for 2021/22 the Authority is forecasting an overspend of £1.087m at the end of August.
- c) Note that the position reported does not reflect the potential effects of any further local or national lockdown arrangements on these financial projections or any potential additional costs arising from the current 2021/22 pay negotiations.

Why is the proposal being put forward?

- 1 This is a factual report to update the Board on financial performance against the Council's 2021/22 General Fund revenue budget and Housing Revenue Account for the first 5 months of the financial year.

What impact will this proposal have?

Wards affected:

Have ward members been consulted? Yes No

- 2 This is a factual report and is not subject to consultation.
- 3 The budget proposals contained in the 2021/22 Revenue Budget have, where appropriate, been the subject of the Council's Equality Impact Assessment process and mitigating measures put in place or planned where appropriate. As such, an Equality Impact Assessment was provided at Appendix 5 to the [2021/22 Revenue Budget and Council Tax Report](#).

What consultation and engagement has taken place?

- 4 This is a factual report and is not subject to consultation. Public consultation on the 2021/22 Revenue Budget was carried out between December 2020 and January 2021 and is detailed in the 2021/22 Revenue Budget and Council Tax report presented to this Board in February 2021.

What are the resource implications?

- 5 This is a revenue financial report and as such all resource implications are detailed in the report and appendices.

What are the legal implications?

- 6 There are no legal implications arising from this report.

What are the key risks and how are they being managed?

- 7 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. These risks are included on the Council's corporate risk register.
- 8 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 2021/22.
- 9 More specifically, the reported position does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced which could impact on these financial

projections. Government support for additional general expenditure and eligible income losses related to COVID in 2021/22 ended on 30th June 2021. A range of schemes supporting businesses are also reducing now that the country has moved to step 4 of the Government roadmap for the easing of COVID restrictions. This includes the reduction and subsequent removal of additional support with business rates and it is not yet clear how this reduced level of support will impact on the Council's financial position.

10 Pay negotiations for 2021/22 are ongoing. The Council has budgeted for a £1.6m increase in pay costs to provide a minimum pay increase of £250 in 2021/22 for all staff earning less than £24,000 only, as announced at the 2020 Spending Review. As the outcome of negotiations is not yet known no additional costs are reflected in the reported position. A 1% pay increase would equate to approximately £4.3m, less the £1.6m already budgeted, and would need to be absorbed within approved directorate budgets.

Does this proposal support the council's three Key Pillars?

Inclusive Growth

Health and Wellbeing

Climate Emergency

11 The Best Council Plan is the Council's strategic plan which sets out its ambitions, outcomes and priorities for the City of Leeds and for the Local Authority. The Three Pillars of inclusive growth, health and wellbeing and the climate change emergency underpin this vision and these can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the Council's policies against financial constraints. This is the primary purpose of the Medium-Term Financial Strategy which provides the framework for the determination of the Council's annual revenue budget.

12 This is a factual report which needs to be seen in context of the requirement for the Council to be financially sustainable and deliver a balanced budget position in 2021/22 so that resources can continue to be targeted at the Council's priorities.

Options, timescales and measuring success

What other options were considered?

13 Not applicable.

How will success be measured?

14 Not applicable.

What is the timetable for implementation?

15 Not applicable.

Appendices

16 The following appendices are attached to this report:

- **Appendix 1** – background information, detailed narrative regarding the projected financial positions for directorates, Dedicated Schools Grant (DSG) and the Housing Revenue Account HRA, update on Council Tax and Business Rates including collection performance.
- **Appendix 2** – Individual financial dashboards for directorates, DSG and the HRA.
- **Appendix 3** – Directorate Budget Action Plans.

Background papers

17 None.

Financial Health Monitoring 2021/22 – August (Month 5)

1. Purpose of this report

- 1.1. This report sets out for the Executive Board the Council's projected financial health position for 2021/22 at the end of August (Month 5).
- 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 second month of the year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2021/22 was set at £435.3m.
- 2.2 Following the closure of the 2020/21 accounts, the Council's general fund reserve stands at £27.8m. The 2021/22 budget assumes a contribution of £4m to this reserve during the current financial year.
- 2.3 The Medium-Term Financial Strategy assumes a balanced budget position for 2021/22 after the application of Government funding, the delivery of non-COVID savings and the utilisation of earmarked reserves. Any adverse variation to a balanced budget position will require the identification of further savings in 2022/23.
- 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 and key income budgets. This is reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main Issues

- 3.1 At the end of August a COVID related overspend of £27.2m is projected across directorates. Directorate positions are summarised in Table 1.
- 3.2 The Council has received £24.3m of Government funding towards the cost of COVID-19 in the first quarter of 2021/22. Of this amount £0.5m is committed to funding free school meals and £0.8m is funding pressures relating to PPE, Planning and Returning to the Workplace. The position at the end of August assumes that the balance of this funding, £23.0m, will be applied to the COVID related overspend. An estimated £3.5m Government contribution to lost income from sales, fees and charges is also being applied to the identified COVID pressure. After the application of COVID funding there still remains a projected COVID overspend of £0.74m which, when combined with a projected non COVID overspend of £0.34m, results in an overall forecast overspend at £1.087m at the end of August (Period 5).
- 3.3 Any Collection Fund income shortfall arising in 2021/22 will impact on the Revenue Budget in 2022/23.

- 3.4 Consequently, this report reflects a net overspend of £1.087m against the 2021/22 Budget of which £0.741m relates to COVID pressures and £0.346m relates to other directorate pressures not relating to COVID.

Summary Position at Month 5 (August) - Financial Year 2021/22

Directorate	Director	(Under) / Over spend for the current period				COVID related	Non-COVID related	Previous Reported Position
		Staffing	Total Expenditure	Income	Total (under) /overspend			
		£000	£000	£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(378)	18,454	(18,454)	0	(80)	80	0
Children and Families	Sal Tariq	(1,346)	5,713	2,983	8,698	8,791	(93)	7,240
City Development	Martin Farrington	(1,415)	(3,086)	9,150	6,065	7,132	(1,067)	6,444
Communities, Housing & Environment	James Rogers	1,140	3,453	7,533	10,987	9,879	1,108	9,578
Resources	Neil Evans	(330)	(873)	1,677	803	1,517	(715)	1,010
Strategic	Victoria Bradshaw	0	(19,740)	(5,726)	(25,465)	(26,498)	1,033	(23,921)
Total Current Month		(2,328)	3,921	(2,837)	1,087	741	346	351

Previous reported (under)/over spend	(756)	5,747	(5,392)	351	0	351
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MEMO: Covid Related Pressures	27,239
<i>funded by:</i>	
COVID Contingency in Strategic (Use of Govt funding)	(7,551)
COVID Reserve (use of Government Funding)	(16,700)
Less: Directorate pressures	774
Less :Free Schools Meals	520
Estimated Sales, Fees and Charges Compensation	(3,541)
Remaining COVID Related Pressure	741

- 3.5 The major variations are outlined below, with further detail provided on the Directorate dashboards at Appendix 2 of this report. In addition to this, Appendix 3 provides details on the Directorate budget action plans.

- 3.5.1 **Adults & Health** – At the end of August 2021-22 the Directorate is reporting delivery of a balanced budget against the approved £195.2m Net Managed Budget.

The 2021-22 budget includes £15.52m for efficiency and service changes. The service is currently on target to deliver a balanced budget, however there are currently £2.2m Budget Action Plans that are at risk of non-delivery; £1.5m relating to client income, £0.4m slippage in implementing Commissioning savings plans and £0.3m assistive technology additional income. Where slippage / non-delivery are identified, alternative options to balance the budget have been identified from utilising available reserves and lower than budgeted demand and demography

pressures or additional income from the CCG. Incorporated into the budget is demand and demography growth of £8.41m.

Demand – Since July we have seen a significant increase in costs for Older People Placement settings (Residential and Nursing), resulting in a £0.8m movement in the in-year projection between July (Month 4) and August (Month 5) reporting periods. We are working with Service Managers to understand the implications for the in-year budget and the Medium-Term Financial Plan.

Additional COVID-19 funding of £17.5m has been received and the position assumes that there is associated expenditure against this funding: - £2.7m for Clinical Extremely Vulnerable funding support, £1.4m Hospital Discharge fund, £7.0m Infection Control fund & Rapid Testing and £6.3m Controlled Outbreak Management fund. See the attached Adults & Health dashboard for further information.

3.5.2 Children and Families – As detailed on the dashboard, the current year-end forecast for the Children and Families directorate is an overspend of £8.698m which is an increase of £1.458m since the previously reported July (Month 4) position. Within the August projections there is an overspend of £8.791m related to COVID, and a £93k net underspend not related to COVID.

The projected £8.698m overspend at the end of August is broken down as follows:

Expenditure	£m
• CLA Placements	3.781
• Non CLA Placements	2.805
• Secure unit staffing	0.6
• 'Little Owls' nurseries staffing	(0.5)
• Saving Action Plans not met	0.290
• School Severance costs	(0.163)
• Other	(0.115)
Income	
• 'Little Owls' nurseries	2.0
Total projected overspend	8.698

As shown above, the key pressure relates to the budget for Children Looked After (CLA) and non-CLA placements, which is currently forecast to overspend by £6.586m. As at the end of August, CLA numbers were 1,327, an increase of 51 since the start of 2021/22. Although the number of in-house CLA placements is the same as at the start of the year (847), demand for external CLA placements has increased from 426 at the start of the year to 480.

Non-CLA placements are those such as special guardianship orders and semi-independent living for over 18s. Although they are not CLA placements, they are related as they often prevent more costly CLA placements or relate to statutory duties once young people leave care. Non-CLA placements have decreased by 10

overall since the start of the year, from 1,052 to 1,042. The main reduction has been in semi-independent living for over 18s which has reduced by 15 placements. However these placements are still greater than originally expected which has resulted in an overspend. This reflects the difficulty with young people being able to move out of these placements because COVID has affected the availability of alternative accommodation.

Over the past five years, CLA numbers have increased both nationally and in Leeds by 10%. The Medium Term Financial Strategy paper included on this agenda reflects this trend in the medium term CLA forecasts. A number of local authorities are also currently reporting increased CLA numbers leading to overspends. The forecast position for Leeds assumes there is no change in placements during the year, however the Children and Families directorate is in the process of identifying mitigating actions that can be taken to reduce costs and will develop an implementation plan for any actions identified.

The projection also demonstrates an overspend of £600k against the Secure unit staffing budget due to additional Agency costs incurred to date due to both specialist post requirements and recruitment difficulties.

The position at the end of August assumes a projected net pressure of £1.5m across the Little Owls nursery settings, this represents a projected £2m shortfall of paid fee income offset by a projected £500k saving on staff costs. The 'Little Owls' nurseries have experienced a significant reduction in demand due to Covid and whilst there has been some recovery during 2021/22 attendance is still not back to pre-pandemic levels due to changing working patterns and reduced nursery capacity due to ongoing recruitment difficulties. The service is considering mitigating actions to increase Nursery income including a revised marketing strategy to encourage new registrations and an enhanced apprenticeship programme to increase staff numbers and nursery capacity.

This projected loss of income from the ongoing impact of COVID will form part of a claim to Central Government from the 'Sales, Fees and Charges' grant available for the first three months of the 21/22 financial year.

The projection assumes delivery of savings plans included in the budget. The projection at the end of August, an overspend of £8,698k, assumes that £700k of these savings plans will not be delivered. The directorate will seek to identify further actions to offset these variations and these will be incorporated into the November Financial Health report. In addition a further two actions are deemed to be higher risk and are being monitored by Children and Families. These relate to additional funding of £1m for Unaccompanied Asylum Seeking Children and £1.7m from the CCG. Work is ongoing to secure this income and a further update will be provided in the Month 6 reporting.

Dedicated Schools Grant

In relation to the Dedicated Schools Grant (DSG), the approved DSG budget 2021/22 assumed that there would be a carry forward deficit of £3.683m as at the end of the year. At the end of August (month 5) we are projecting a £2.975m overspend on DSG for 2021/22, this would result in a closing deficit of £6.658m.

The in-year overspend is due to the following:

- Schools Block £34k underspend: There is a slight underspend of £34k due to business rate savings which occur following the conversion of schools to academies.
- High Needs Block £1m overspend: This was new for Month 4 and mainly reflects a proposal to pay an estimated £975k of funding to a special school for historic costs. This recognises that the school's deficit balance is related to additional costs that could have been eligible for funding.
- Early Years Block £2m overspend: This was included in Month 2 reporting and reflects a proposal to utilise some of the 2020/21 underspend on the Early Years block. During 2020/21 there was an underspend on the Early Years block of £2,228k due to funding being based on the January census which has higher numbers of 2-4 years olds than the average of all censuses over the year. A proposal is due to be made by the authority to use up to £2m of the 2020/21 underspend to make exceptional, one off payments to settings in recognition of the funding difficulties faced by the early years sector due to COVID which will help ensure the sufficiency of childcare in the city moving forward.

3.5.3 City Development – at the end of August the directorate is projecting an overspend of £6.1m for the year. This is primarily due to the continuing impact of COVID on income streams, currently estimated at £7.1m for the year.

The impact that the COVID pandemic will continue to have on income streams for the full financial year remains uncertain and therefore this position remains subject to significant variation and will continue to be monitored over the coming months.

An element of the COVID related income losses incurred in the first quarter of the year (c£2.6m) will be recoverable through the Government's income compensation scheme for sales, fees and charges which applies to first quarter losses only.

The main variations are:

- Active Leeds – the estimated impact on income of capacity restrictions due to COVID is £4.65m, primarily in respect of swimming and membership income, although there is likely to be a degree of volatility in the projections. Of this projected income loss, £1.8m relates to the first quarter and an element of this will be recoverable through the Government's income compensation scheme. The income loss is projected to be partially offset by staffing and running cost savings, resulting in an overall projected overspend for the service of £4.0m
- Arts and Heritage - an overspend of £0.7m is anticipated, largely due to the impact of COVID on Cafes/Shops, city centre sites room hire, and admissions. Of this, the first quarter losses are £0.4m of which an element will be recoverable through the income compensation scheme.
- Markets and City Centre - the estimated impact of COVID on income is a projected shortfall of £0.9m in respect of Markets income, reflecting rental support to market traders and vacant units, and £0.7m in respect of City Centre advertising income and street café licences.

- Planning & Sustainable Development - the COVID pandemic has had a significant impact on the service in terms of increased volumes of applications and enforcement work, outstripping the capacity of existing resources. Additional funding of £0.2m in 21/22 has been secured to address the backlogs and to facilitate the timely delivery of Planning outcomes. However, it is anticipated that there will be an impact on the service's ability to deliver budgeted efficiency savings and its staffing vacancy factor and a projected overspend of £0.1m is currently estimated.
- Highways and Transportation – the service is projecting a small underspend of £0.2m which reflects a staffing underspend of £1.1m due to vacancies, partially offset by reduced income and additional external supplier costs. The projection also includes savings of £0.2m in respect of street lighting energy consumption.
- The overall projected position of £6.1m includes net staffing savings of £0.5m across the directorate, after taking account of income generating posts.

The 2021/22 budget contained £10m of new savings plans. Whilst the latest monitoring position is that most have been delivered or are currently on track to be delivered, the position at the end of August reflects shortfalls in the following main areas:

- Efficiencies within the Planning Service (impacted by Covid) - £0.1m
- Markets business plan savings - £0.15m

In addition, there are some risks in respect of the cross-cutting estate rationalisation and strategic investment fund saving targets although it is anticipated that these can be largely offset by existing disposals and disinvestments.

3.5.4 **Communities, Housing & Environment** – At the end of August, the Directorate is currently projecting an overspend of £10,987k, of which £9,879k is COVID related. There remains a great deal of uncertainty surrounding these projections and these areas in particular will continue to be kept under close review. The shortfalls related to income will be partially offset by the Government's Sales, Fees and Charges compensation scheme which is in place to cover a proportion of qualifying losses until the end of quarter 1 of this financial year.

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

- **Car Parking Services** **£3,098k**
Loss of car parking and enforcement income, based on lost income during the first 4 months of this financial year with a gradual improvement to the position as the economy opens up post summer.
- **Net loss of Parks & Countryside income** **£1,500k**
This includes net income losses from visitor attractions, cafes, bereavement services and the cancellation of planned events, offset by minor expenditure savings.

- **Waste Management** **£4,745k.**
 This includes the cost of providing additional crews and vehicles to deal with continuing increased volumes of household waste, the cost of disposing of this additional waste (10% to 15% above baseline) and the cost of providing additional staffing cover at Household Waste sites.
- **Communities and Customer Access** **£306k**
 This relates to net income shortfalls, mainly Community Centres and primarily in the first half of the year.
- **Benefits subsidy income** **£180k**
- **Other minor variations** **£50k**
- Non Covid Variations** **£1,107k**
 Outside of the COVID related pressures, the main pressure is an estimated £1m of an impact on housing benefit subsidy income. In 2020-21 approximately 94% of benefit costs were recovered through subsidy. To date in 2021-22 this has reduced to 91% mainly as a result of payments to some supporting people providers not being eligible for full subsidy. The service is working with the providers to address this pressure.

The Directorate remains on target to deliver the vast majority of the savings of £6.1m approved at budget Council in February 2021.

3.5.5 **Resources** - Based on an examination of key risk budgets, an overspend of £803k is forecast for the Resources Directorate. This is summarised into the following areas across the Directorate's services:

- **Trading shortfall within Leeds Building Services (LBS)** **£510k**
 This is the result increased costs in the first months of the year due to operatives working under COVID compliant working conditions and operatives self-isolating due to Track and Trace instructions. The increase is in line with the Leeds population trends.
- **Catering income & emergency meals** **£Balanced**
 The overall loss off income in from schools is £888k. This is offset by the savings on food of £390k and staffing savings of £707k. The overall loss of commercial income is £442k. This loss is all due to the impact of COVID and is partially offset by staffing savings of £195k and food savings of £138k. There is a further pressure of £105k due to; £64k slippage in the implementation of a new system and £41k loss of contract. Staff saving on meals on wheels account for £41k. The overall impact of the above variations is a balanced financial position.
- **Integrated Digital Service** **£400k**
 There is a projected staffing and agency overspend of £2,278k, which is partially offset by additional income from the Clinical Commissioning Groups of £795k. Other areas of increased income to offset this of £1,083k have assisted in mitigating this pressure as has a one-off Prudential Borrowing saving of £200k.
- **Legal and Democratic** **£50k**

There is a £50k pressure due to a reduction in court fees due to the impact of COVID. The budget pressure may be partially mitigated corporately by the quarter one Sales Fees and Charges grant.

- **Procurement and Commercial Services** **£200k**
 There is a projected loss of income of £440k due to a vacant Commercial Finance Manager and Senior Commercial Business Partner posts to drive income generation for the service. These posts have now been filled. The service has identified an additional £240k to mitigate some of this income loss.
- **Strategy and Improvement** **-£155k**
 There is a projected saving of £155k, due to additional income from Public Health to fund five posts for six months.
- **Finance** **-£200k**
 A projected staff saving of £200k across the Finance service due to vacancies.

Reported overspends due to loss of income from the ongoing impact of COVID will form part of a claim to Central Government from the 'Sales, Fees and Charges' grant available for the first quarter of the 21/22 financial year. The Authority will continue to lobby for the funding of income losses related to the remainder of the year and for further funding for additional expenditure incurred due to COVID.

Budget Action Plans - Amber

The 21/22 Budget for Resources are currently expected to be delivered with the exceptions of:

Catering. The £785k Action plan to generate additional income has been impacted by Covid. This pressure is reflected in the above figures, with a mitigation of staff savings offsetting much of the pressure. This action plan is therefore rated as amber.

Contact Centre/Digital Access. A budget action plan of £420k requires channel shift to fully deliver. £260k of the action plan has been achieved to date through the Early Leavers initiative. The action plan is rated as amber.

- 3.5.6 **Strategic & Central Accounts** - At the end of August, the Strategic & Central accounts projection is for an overspend of £1.0m, before taking into account the application of funding to address the £27.2m COVID pressures projected in directorate positions.

This projection recognises a £1m pressure in relation to the Council's levy payment to the West Yorkshire Combined Authority, which was higher than anticipated when the budget was set.

- 3.5.7 Directorate dashboards highlight a projected COVID-19 overspend of £27.2m. The Council has received £24.3m of Government funding towards the costs of COVID-19 additional expenditure for the first quarter of the 2021/22. £7.6m of this funding had been included in the Strategic Budget as a COVID contingency, with the remaining grant placed in a COVID reserve. The application of the £7.6m budgeted COVID contingency, £15.4m of grant funding from the COVID reserve and the estimated compensation for eligible income losses of £3.5m are also reflected in the

Strategic position and in the appended dashboard. After the application of these funds there still remains a COVID pressure of £0.74m.

- 3.5.8 In addition a projected non-COVID overspend of £0.346m is projected against the Council's 2021/22 revenue budget which combined with the COVID overspend results in a overall forecast variation of £1.087m.
- 3.5.9 The reported position does not reflect the potential effects of any further local or national lockdown arrangements not yet introduced which could impact on these financial projections. Government support for additional general expenditure and eligible income losses related to COVID is currently unavailable beyond 30th June 2021. A range of schemes supporting businesses are also reducing now that the country has moved to step 4 of the Government roadmap for the easing of COVID restrictions. This includes the reduction and subsequent removal of additional support with business rates and it is not yet clear how this reduced level of support will impact on the Council's financial position.
- 3.5.10 Pay negotiations for 2021/22 are ongoing, with Trade Unions having rejected a 1.5% pay offer. The Council has budgeted for a £1.6m increase in pay costs to provide a minimum pay increase of £250 in 2021/22 for all staff earning less than £24,000, as announced at the 2020 Spending Review. Should any across the board pay award be agreed, this will exceed the current provision in the budget. As the outcome of negotiations is not yet known no additional costs are reflected in the reported position. A 1% pay increase would equate to approximately £4.3m, less the £1.6m already budgeted, and would need to be absorbed within approved directorate budgets.
- 3.5.11 The budget for 2021/22 requires the delivery of £56.1m of savings. Detailed budget action plans have been developed to identify how these savings will be achieved and progress against these action plans will be monitored and reported throughout the year. At the end of August it is anticipated that the required level of savings will be delivered in full or managed through mitigating actions. Areas of risk are highlighted in directorate narratives above with further detail provided at Appendix 3.

3.6 **COVID Reserve**

- 3.6.1 The £16.7m COVID Reserve was created in the 2021/22 Budget to be applied to any pressures arising which exceeded the initial estimate of COVID impact in 2021/22. In addition to the use reported above (£15.4m in the Strategic position and a further £0.8m in directorate positions), the July meeting of this Board approved the use of £0.52m to support the delivery of Free School Meals across the summer school holidays.

4. **Other Financial Performance**

4.1 **Council Tax**

The Council Tax in-year collection rate at the end of August was 44.9%. For comparison, in August 2020 the in-year collection rate was 45.2%, and in August

2019, a 'normal' year, the in-year collection rate was 45.59%. The collection rate requires continued monitoring as the economy recovers.

Leeds' share of the declared Council Tax deficit for 2020/21 (at 31st December 2020) has been incorporated into the 2021/22 budget. The declared deficit was £15.557m. This has been adjusted for the 3-year spreading legislated by Government in order that authorities can better manage deficits arising as a result of the economic impact of COVID-19. The deficit that is budgeted to be repaid in 2021/22 is therefore £4.951m, with Leeds share of this being £4.196m. This repayment is now a fixed amount.

The actual closing deficit for 2020/21 was £13.958m. Adjusting this for the 3-year deficit spreading results in an opening deficit on the collection fund of £3.704m, with Leeds share of this being £3.14m. The £1.056m improvement will benefit the General Fund in 2022/23.

In addition to the above, Government introduced a Local Tax Income Guarantee (LTIG), applying to both Council Tax and Business Rates. Losses in scope will be compensated by Government at a rate of 75%. The 2021/22 budget reflected the assumption that a grant of around £5.2m would be payable to the Authority under this scheme. As the 2020/21 outturn position improved compared to the position in the Budget, the grant we expect to receive will be lower. The 2021/22 Budget and the Medium-Term Financial Strategy reflect that this funding will not be utilised in 2021/22, but will, instead, be held in reserve and applied in 2023/24 when the final instalment of the 2020/21 deficit will become payable.

At the end of August the in-year projection for Council Tax is a surplus of £1.812m. Whilst we expect an improved position by the year-end, at this early stage of the financial year it is not possible to identify the full impact of economic scarring resulting from the pandemic. The projected position and collection rate will continue to be closely monitored.

4.2 Business Rates

The budgeted collection rate for business rates is to achieve an in-year collection target of 96.5%, collecting £367.8m of business rates income. However, the Board will be aware that, in response to the continuing restrictions due to the COVID-19 pandemic, the Government subsequently announced significant additional business rates reliefs, reducing the income to be collected directly from business to £322.4m as at 31st August 2021. These reliefs give 100% business rates relief to retail and leisure establishments and children's nurseries until 30th June 2021, although the total relief that any one ratepayer can claim is capped at £2m nationally if they were forced to close in 2021/22 or £105,000 nationally if they could remain open, with a sliding scale of relief subsequently until 30th September 2021 when all COVID-19 related reliefs end. The costs to the Council's retained Business Rates income will be funded in full by Government through Section 31 grants. This reduces the risk to the Authority regarding non-collection of business rates income. The collection rate at the end of August 2021 was 47.55%, 0.19% behind performance in 2019/20, the last 'normal' year, but an improvement of 5.03% against 2020/21. Although the collection rate appears to be recovering after 2020/21, it remains a matter of concern to the Authority and will require close monitoring in the coming months.

The total rateable value of business properties in Leeds has reduced from £929.3m at the time of the 2021/22 budget to £926.4m as at 5th September 2021, a decrease of £2.9m. The 2021/22 budget includes an expected reduction in Rateable Value of £11.2m for the 2021/22 full year and the size of the Business Rates tax base in Leeds will also require close monitoring.

Leeds' share of the declared Business Rates deficit from 2020/21 (at 31st December 2020) has been incorporated into the 2021/22 budget. The total declared deficit on the Collection Fund was £234.9m, largely driven by the extended reliefs introduced in 2020/21 by the Government in response to the pandemic, fully funded by section 31 Government grant held in reserve. Leeds' share of the unfunded declared deficit is £36.7m, which will be spread over three years in accordance with Government legislation. £12.2m of this unfunded deficit will be paid in 2021/22 and is fixed.

Since declaration a number of issues underlying the declared deficit have been clarified, positively affecting previous assumptions regarding claims for Empty Rate Relief during lockdowns, ratepayer appeals claiming a Material Change of Circumstance due to the pandemic will not be successful and the forecast continued reduction in the tax base in Leeds in 2020/21. Taking these into account, the actual closing deficit for 2020/21 is an improvement of £12.3m from the position declared and used in the 2021/22 budget. This improvement will benefit the General Fund in 2022/23.

The outlook for the in-year Business Rates deficit on the Collection Fund remains highly uncertain, with particular concerns around bad debts, continued reduction in the tax base and early signs that the cost of Empty Rate Relief is increasing unusually rapidly early in the year. Each of these areas will require close monitoring. As at the 31st August 2021 it is projected that Leeds share of the in-year deficit will be £33.6m, largely due to the reliefs introduced by Government in response to the COVID-19 situation in March 2021. These reliefs are fully funded by section 31 grants, £30.6m of which will be held in reserve to meet most of this deficit in 2022/23. The remaining £3.0m projected, if realised, would have to be funded from the 2022/23 budget.

Government introduced a Local Tax Income Guarantee (LTIG) for 2020/21, with losses in scope compensated by Government at a rate of 75%. The 2021/22 budget reflects the assumption that a grant of around £25.8m would be receivable under this scheme. As the 2020/21 outturn position was significantly improved compared to the declared position in the Budget, the grant we expect to receive will be significantly lower. Of the funding received, £8.6m will be applied in 2021/22 and the remainder will be held in reserve to partially meet the unfunded final instalment of the 2020/21 Business Rates deficit in 2023/24.

4.3 Business Rates Appeals

The opening appeals provisions for 2021/22 are £30.0m, made up of £7.7m relating to appeals received against the 2010 ratings list and £22.3m 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.

On the 31st August 2021, there were 222 appeals outstanding against the 2010 ratings list. During August 2021 140 appeals have been settled, only 3 of which have resulted in changes to rateable values. No new appeals have been received in June and July. Currently, 7.5% of the city's total rateable value on the 2010 list is subject to at least one appeal.

Before the COVID-19 public health crisis, the introduction of the new Check Challenge Appeal system on 1st April 2017 saw a significant reduction in the number of appeals submitted by ratepayers against their Rateable Value on the 2017 ratings list compared to the 2010 ratings list. Only three appeals have so far been submitted to the Valuation Tribunal, the final stage of the new process. However during the national lockdowns in 2020/21 there was a significant upsurge in the number of Checks and Challenges submitted to the Valuation Office. Most of these claimed a Material Change of Circumstance due to the restrictions to economic activity during the crisis.

Initially the Council provided for the estimated costs of these appeals should they result in reductions to rateable value and this was included in the declared deficit position for 2020/21, submitted to Council in February 2021 in the 2021/22 Revenue Budget and Council Tax report. Subsequently the Government intends to pass primary legislation to ensure that these 'appeals' will not be successful and will not lead to reductions in Rateable Value. As at 31st March 2021 the Authority was therefore able to exclude 1,007 Challenges from its calculations of provisions reducing the cost to Leeds in 2020/21 by £6.4m. As at 31st August 2021 the Council is providing for a net of 391 other Checks and Challenges against the 2017 ratings list plus provisions for specific issues such as the removal of ATMs located in shops from the 2017 list, expected reduction to hospitals, ambulance and fire stations and expected reductions to a number of GP surgeries.

4.4 Impact of COVID-19 on the Collection Fund in 2021/22

It remains very complex to estimate the continued impact of COVID-19 on council tax and business rates income. Early concerns have arisen around collection rates, reductions in the tax base in Leeds and the impact of any permanent economic scarring on Business Rates reliefs, particularly Empty Rate Relief. These require continued close monitoring over the coming months. However early signs show there may be some recovery, particularly in Business Rates, contingent on the continued opening of the local economy as restrictions are withdrawn.

5. Housing Revenue Account (HRA)

- 5.1 At the end of August the HRA is projecting a balanced position.
- 5.2 There is a forecast reduction in rental income of £676k, mainly due to a temporary increase in the number of void properties because of the ongoing impact of COVID-19. There is a £125k pressure on service charges due to the delay in implementing the new Retirement Life charge as facilities have been unable to open during the first quarter of the year due to COVID restrictions. These income pressures are partially offset by additional external telecoms income of £195k.
- 5.3 Employee costs are forecast to underspend by £670k. The projected saving is a result of the time taken to fill vacant posts following the ELI process and service

realignment. The savings are partially offset by a £394k reduction in the staff costs chargeable to the capital programme.

- 5.4 The £157k balance on the Welfare Reform reserve will be utilised in year. As the Enhanced Income Team has now been integrated back into the Housing Management staffing structure the reserve is no longer required.
- 5.5 There is a forecast pressure on the disrepair budget of £1m for the year, this pressure has been offset by utilising the disrepair / repairs reserve.
- 5.6 Total tenant arrears are £11.1m, approximately £1.7m lower than the equivalent month last year and £0.03m lower than the 2020/21 outturn position. The latest rent collection position is 96%, 0.7% lower than last year's outturn position (96.7%).
- 5.7 Projected Right to Buy sales for the year are projected in line with budget at 610 with 240 sales completed to the end of August 2021.

Overall Summary

Period 5 (August 2021)

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Budget Variation £000s

1,087

Financial Year

2021/22

Cost Period

5

Officer Selection

All

Directorate, Service

All

Division, Costcentre & ...

All

Costcentre RAG Rating

All

Managed In/Outside Se...

Managed Budget

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	468,438	466,109	-2,328
Premises	57,859	56,967	-893
Supplies and Services	218,390	217,376	-1,014
Transport	49,689	50,758	1,069
Internal Charges	68,690	69,216	526
Third Party Payments	436,374	456,936	20,563
Transfer Payments	190,315	190,474	158
Capital	45,015	46,152	1,137
Transfer to/from Reserves	-50,480	-65,775	-15,295
Internal Income	-309,989	-309,543	446
External Income	-739,044	-742,326	-3,282
Total	435,258	436,345	1,087

Directorate	Change in Variance £000s
Adults and Health	0
Children and Families	1,457
City Development	-379
Communities, Housing and Environment	1,409
Resources	-208
Strategic and Central Accounts	-1,544
Total	735

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Budget Variation £000s

0

Financial Year 🔍

2021/22 ▼

Cost Period

5 ▼

Officer Selection

All ▼

Directorate, Service

Adults and Health ▼

Division, Costcentre & ...

All ▼

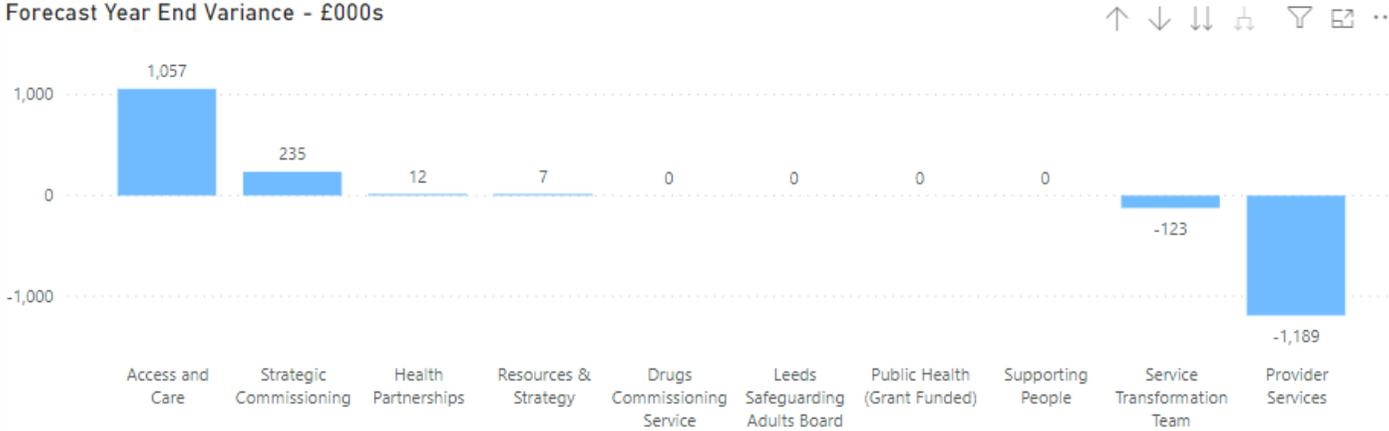
Costcentre RAG Rating

All ▼

Managed In/Outside Se...

Managed Budget ▼

Forecast Year End Variance - £000s



Department	Variance (£000s)
Access and Care	1,057
Strategic Commissioning	235
Health Partnerships	12
Resources & Strategy	7
Drugs Commissioning Service	0
Leeds Safeguarding Adults Board	0
Public Health (Grant Funded)	0
Supporting People	0
Service Transformation Team	-123
Provider Services	-1,189

Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	58,011	57,633	-378
Premises	1,077	1,077	0
Supplies and Services	7,525	12,202	4,677
Transport	948	928	-20
Internal Charges	11,492	12,589	1,098
Third Party Payments	283,011	295,584	12,573
Transfer Payments	10,323	10,391	68
Transfer to/from Reserves	-3,269	-2,833	436
Internal Income	-5,010	-6,244	-1,234
External Income	-168,896	-186,116	-17,220
Total	195,211	195,211	0

Directorate	Change in Variance £000s
Adults and Health	0
Total	0

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For Reporting

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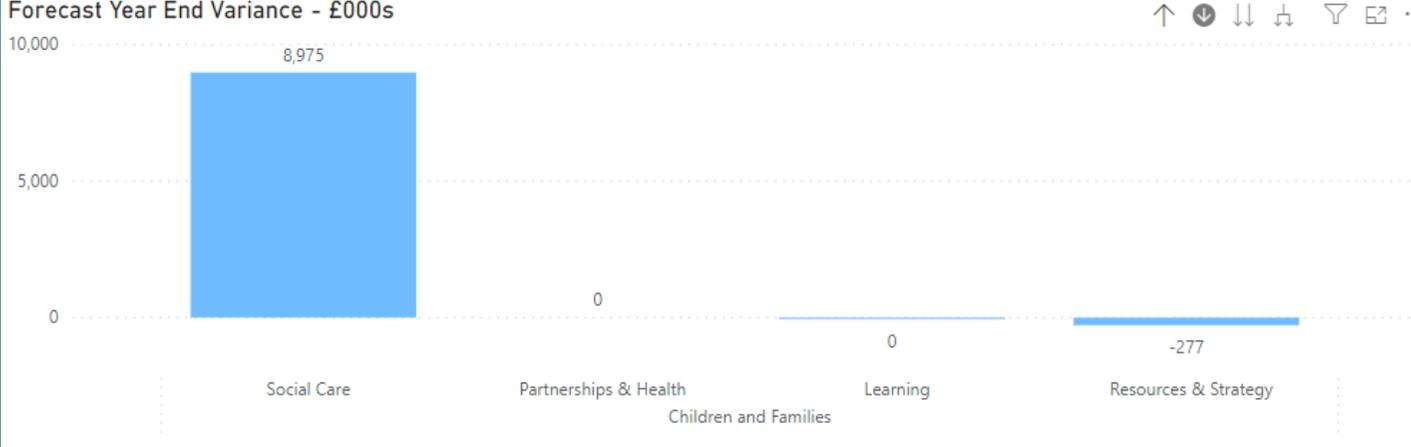
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Budget Variation £000s

8,698

Forecast Year End Variance - £000s



Directorate	Variance (£000s)
Social Care	8,975
Partnerships & Health	0
Learning	0
Resources & Strategy	-277

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5

Officer Selection

All

Directorate, Service

All

Division, Costcentre & ...

All

Costcentre RAG Rating

All

Managed In/Outside Se...

Managed Budget

Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	97,559	96,213	-1,346
Premises	2,985	2,981	-4
Supplies and Services	62,134	62,219	85
Transport	12,499	12,481	-18
Internal Charges	26,516	26,429	-87
Third Party Payments	100,206	107,188	6,982
Transfer Payments	4,043	4,133	90
Transfer to/from Reserves	-291	-280	11
Internal Income	-30,561	-30,310	250
External Income	-158,066	-155,333	2,733
Total	117,024	125,722	8,698

Directorate	Change in Variance £000s
Children and Families	1,457
Total	1,457

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For Reporting

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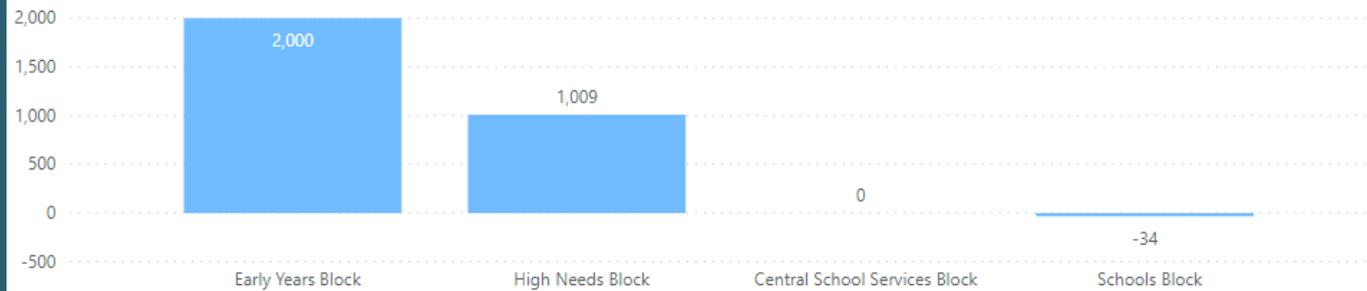


DSG Variation £000s

2,975

Overspend (+) / Underspend (-)

Forecast Year End Variance by Dedicated Schools Grant (DSG) Block - £000s



Financial Year

2021/22

Cost Period

5

Income / Expenditure

All

Sub-Block

All

Cost Description

All

For Reporting

Net Variations against the Approved Budget

DSG Block	Income Budget	Income Projection	Income Variance	Expenditure Budget	Expenditure Projection	Expenditure Variance	DSG Budget (LE)	DSG Projection	DSG Variance
Schools Block	-329,912	-318,101	11,811	329,912	318,067	-11,845	0	-34	-34
High Needs Block	-92,284	-89,918	2,365	92,284	90,927	-1,357	0	1,009	1,009
Early Years Block	-58,279	-58,279	0	58,279	60,279	2,000	0	2,000	2,000
Central School Services Block	-5,156	-5,156	0	5,156	5,156	0	0	0	0
Total	-485,631	-471,454	14,177	485,631	474,429	-11,202	0	2,975	2,975

DSG Reserves

Reserve Type	Balance b/fwd	Net contribution to(-)/from (+) balances	Budgeted Deficit (+) / Surplus (-) c/fwd	Projected in year under(-)/over(+) spend	Planned use of reserves	Projected Deficit (+) / Surplus (-) c/fwd
General	3,134	1,681	4,815	2,975	681	6,790
De-delegated	-1,132	0	-1,132	0	1,000	-132
Total	2,002	1,681	3,683	2,975	1,681	6,658

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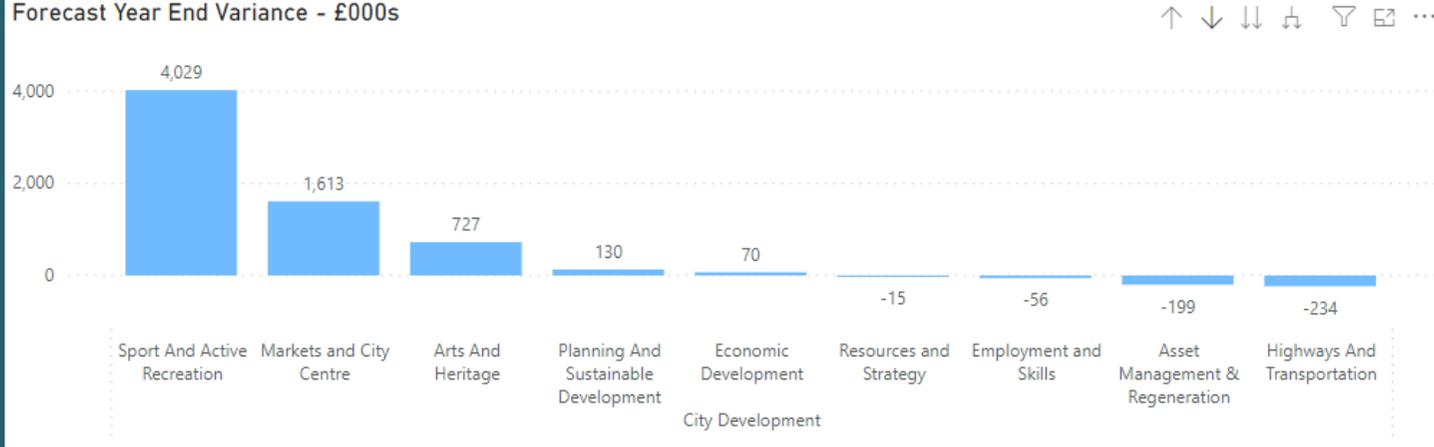
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Budget Variation £000s

6,065

Forecast Year End Variance - £000s



Department	Variance (£000s)
Sport And Active Recreation	4,029
Markets and City Centre	1,613
Arts And Heritage	727
Planning And Sustainable Development	130
Economic Development	70
Resources and Strategy	-15
Employment and Skills	-56
Asset Management & Regeneration	-199
Highways And Transportation	-234

Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	63,261	61,846	-1,415
Premises	27,104	26,378	-725
Supplies and Services	44,601	44,025	-576
Transport	6,003	5,989	-14
Internal Charges	9,919	9,887	-33
Third Party Payments	166	166	0
Transfer to/from Reserves	-1,130	-1,452	-323
Internal Income	-41,054	-40,388	666
External Income	-77,849	-69,366	8,484
Total	31,019	37,084	6,065

Directorate	Change in Variance £000s
City Development	-379
Total	-379

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Budget Variation £0 **10,987**

Financial Year

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Officer Selection

All

Directorate, Service

All

Division, Costcentre & ...

All

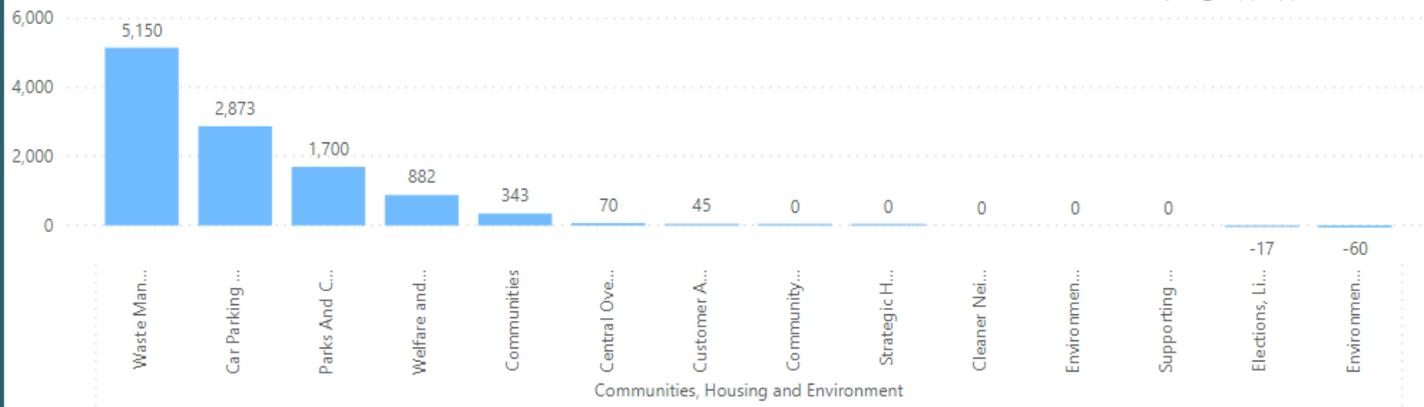
Costcentre RAG Rating

All

Managed In/Outside Se...

Managed Budget

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	91,463	92,603	1,140
Premises	10,331	10,171	-160
Supplies and Services	43,545	44,986	1,441
Transport	9,729	10,863	1,134
Internal Charges	12,050	11,948	-102
Third Party Payments	17,198	17,198	0
Transfer Payments	175,107	175,107	0
Transfer to/from Reserves	-1,272	-1,272	0
Internal Income	-37,569	-36,003	1,565
External Income	-245,157	-239,189	5,968
Total	75,425	86,411	10,987

Directorate	Change in Variance £000s
Communities, Housing and Environment	1,409
Total	1,409

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For Reporting

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Surplus (-) / Deficit (+) £000s

0

Financial Year

2021/22

Cost Period

5

Officer Selection

All

Service, Division

All

Costcentre & Descripti...

All

Costcentre RAG Rating

All

HRA Income	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
Dwelling Rents	-209,900	-209,224	676	0
Non Dwelling Rents	-3,258	-3,217	42	0
Service Charges	-9,021	-8,895	125	0
Internal Income	-9,650	-9,256	394	0
Grants	-21,385	-21,385	0	0
External Income	-2,033	-2,228	-195	0
Total	-255,248	-254,205	1,042	0

HRA Expenditure	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
Discretionary Housing Payments (DHP)	500	500	0	0
Council Tax on Voids	793	793	0	0
Disrepair Provision	1,400	2,400	1,000	0
Repairs to Dwellings	44,853	44,853	0	0
FmnInvees	30,222	29,552	-670	0
Total	254,918	255,033	115	0

Surplus (-) / Deficit (+)	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
Net Position	-330	828	1,158	0
Appropriation: Sinking Funds	188	188	0	0
Appropriation: Reserves	141	-1,016	-1,157	0
Total	0	0	0	0

HRA Reserves

For Reporting

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Budget Variation £000s

803

Financial Year

2021/22

Cost Period

5

Officer Selection

All

Directorate, Service

All

Division, Costcentre & ...

All

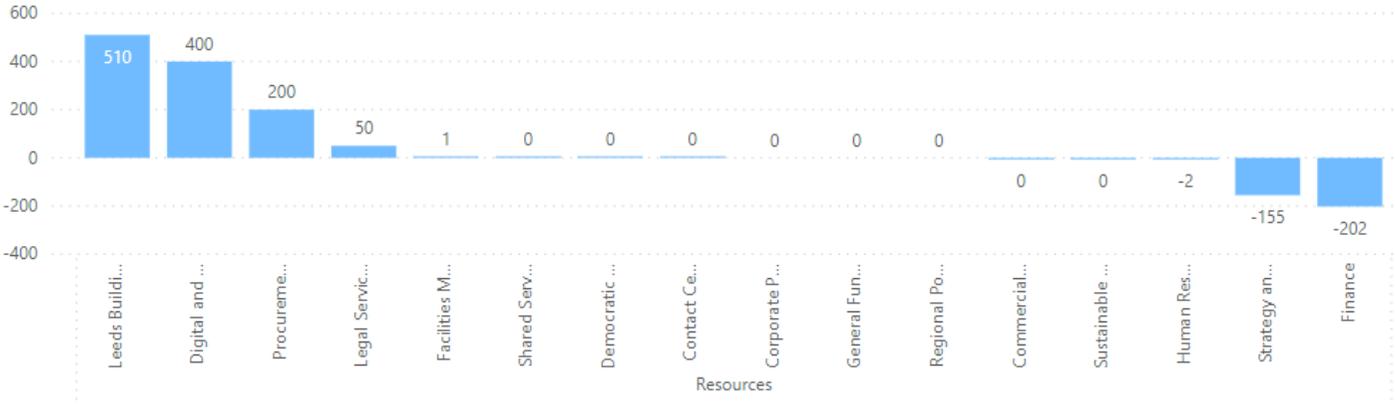
Costcentre RAG Rating

All

Managed In/Outside Se...

Managed Budget

Forecast Year End Variance - £000s



Department	Variance (£000s)
Leeds Buildi...	510
Digital and ...	400
Procureme...	200
Legal Servic...	50
Facilities M...	1
Shared Serv...	0
Democratic ...	0
Contact Ce...	0
Corporate P...	0
General Fun...	0
Regional Po...	0
Commercial...	0
Sustainable ...	0
Human Res...	-2
Strategy an...	-155
Finance	-202

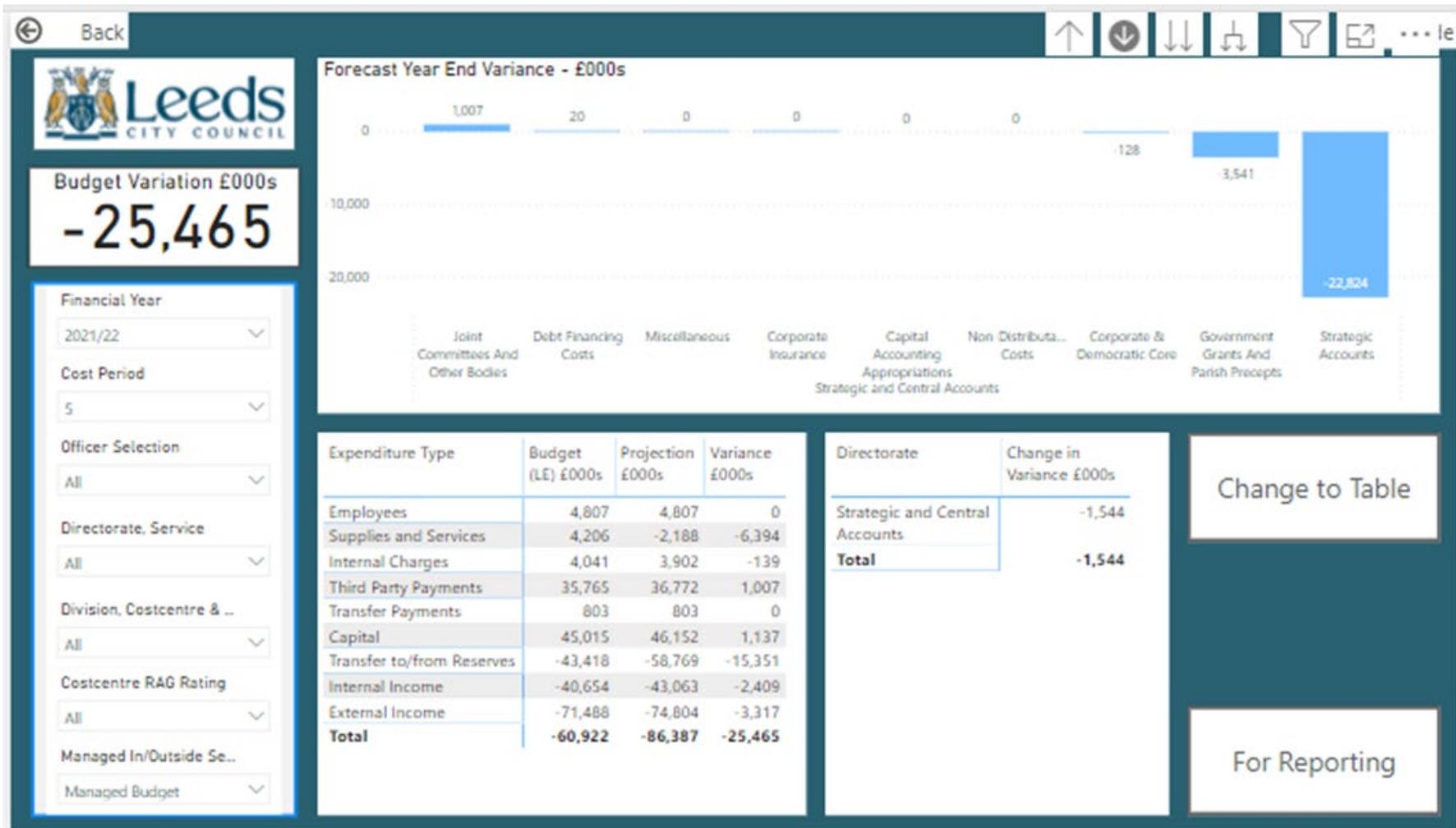
Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	153,338	153,007	-330
Premises	16,363	16,360	-3
Supplies and Services	56,380	56,132	-248
Transport	20,510	20,497	-13
Internal Charges	4,672	4,461	-211
Third Party Payments	28	28	0
Transfer Payments	40	40	0
Transfer to/from Reserves	-1,100	-1,168	-68
Internal Income	-155,142	-153,535	1,607
External Income	-17,588	-17,518	70
Total	77,502	78,304	803

Directorate	Change in Variance £000s
Resources	-208
Total	-208

Change to Table

For Reporting

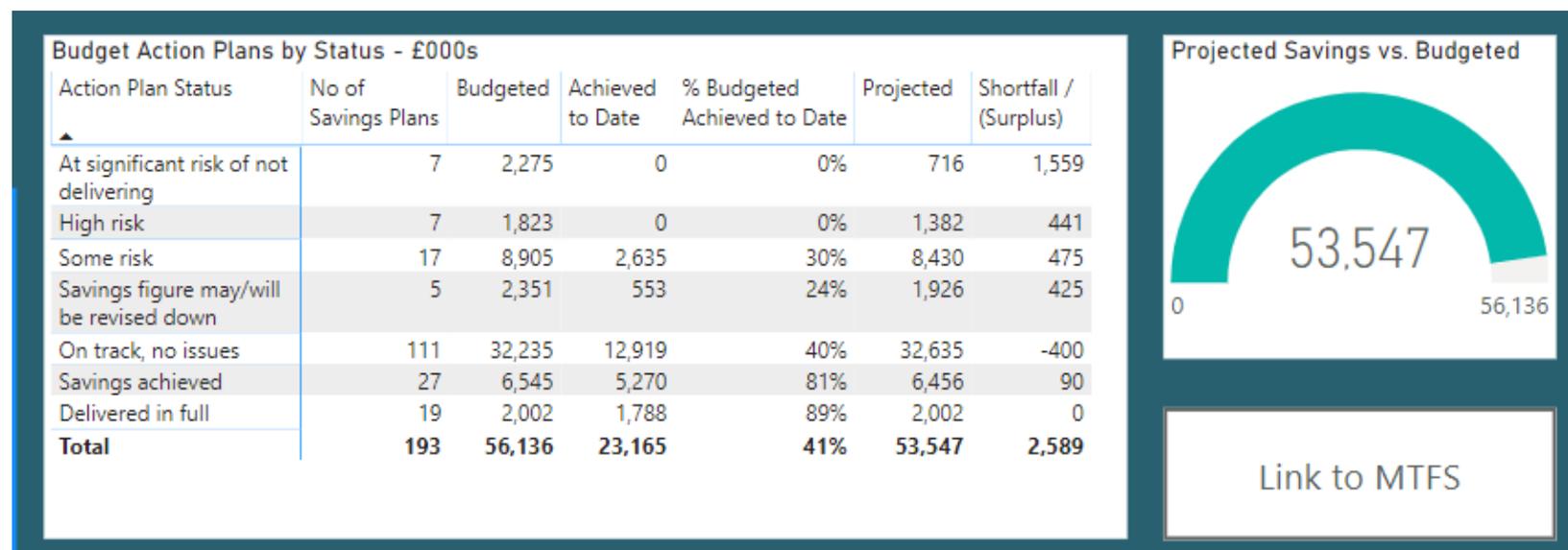
Financial Dashboard 2021/22 Financial Year



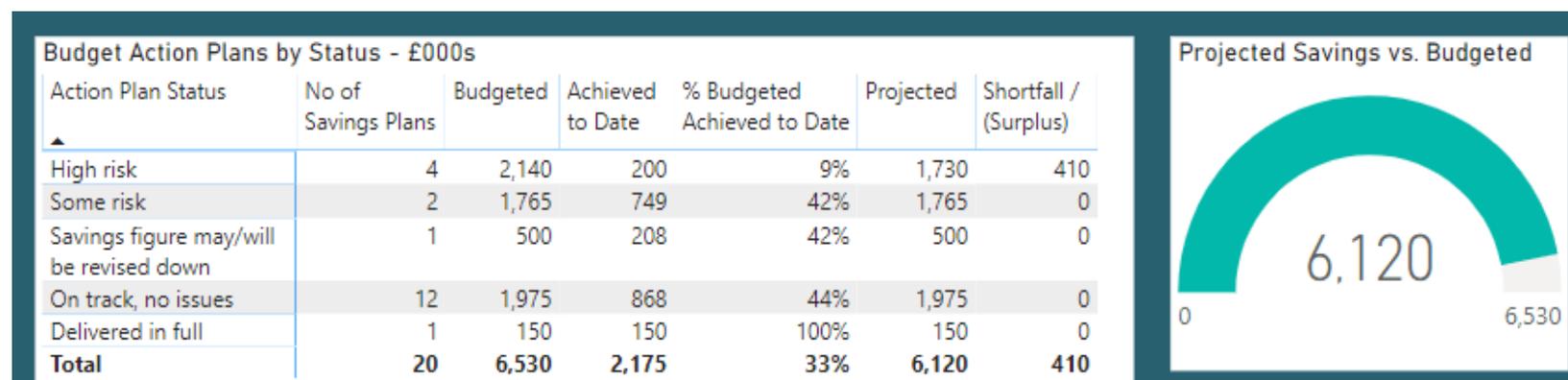
Leeds City Council - Summary

August (Month 5)

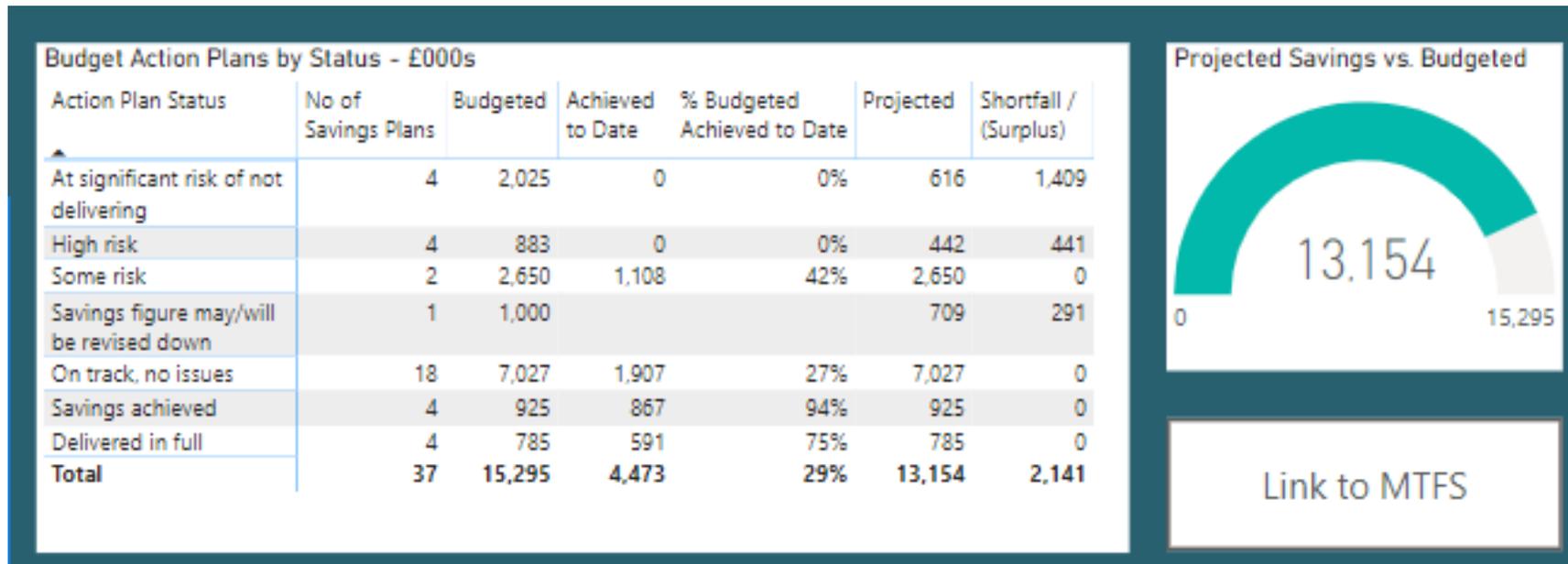
Budget Action Plan 2021/22 Financial Year



Other Savings Measures



Budget Action Plan 2021/22 Financial Year



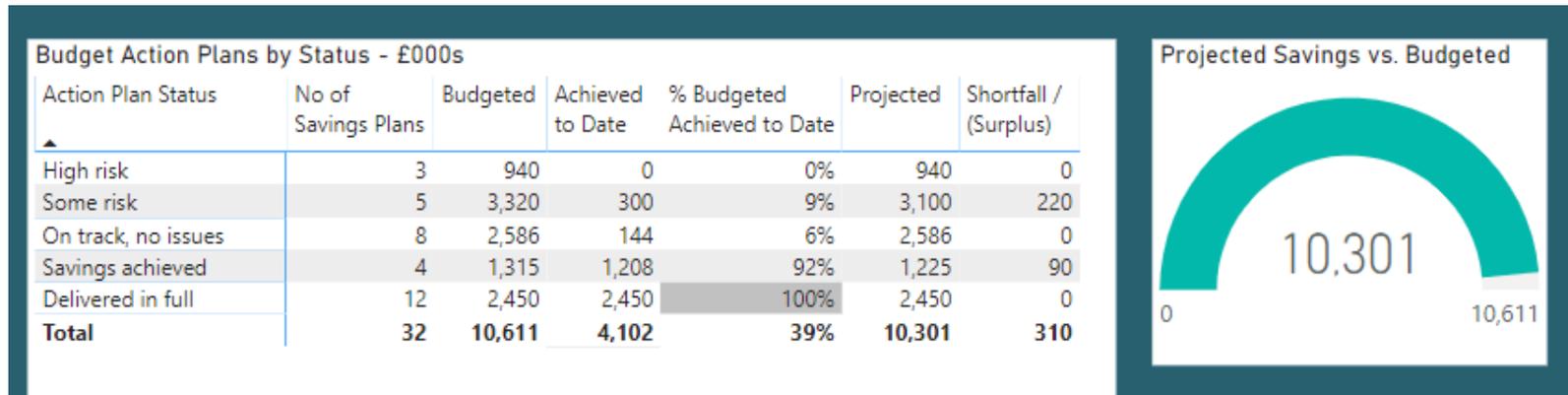
Budget Action Plan 2021/22 Financial Year

Red Risk Areas					
Savings title	Planned action / Description	Mitigating actions for high risk areas	Shortfall / (Surplus)	Decision required?	Accountable Chief Officer
Increase in client contributions	Increase client contributions for adult social care services, maintaining means-testing	MAC review is out for consultation and then financial assessments would be needed so Feb impact at earliest, Charges for two carers similarly out for consultation and then needing financial assessments for Feb impact, Appointeeships, delayed till next year. Shortfall covered by demand savings	705	SOD	Shona McFarlane John Crowther
Assistive Technology	Increase income from assistive technology by expanding the private and self funder market and promoting a wider range of packages that can be purchased.	Papers have been produced this year for the new types of packages that will be promoted and the appropriate charges have been discussed. But implementation now expected in 22/23. Shortfall to be covered by savings in the demand budgets in 21/22	300	N/A	Shona McFarlane
Strategic Commissioning (Older Adults) proposals: 10% reduction in grant funding	Strategic Commissioning (Older Adults) proposals: a saving of £502k with services potentially affected by such a reduction including Neighbourhood Network Services, Volition, Leeds Jewish Welfare Services, Hamwatten & Al Khidmat Centres, Carers Services, Community Volunteer Services, Dementia Day Services and Offender Support Services. This is the equivalent of a 10% cut but the exact details of implementation to be worked through in discussion with the sector.	Savings were to be achieved from a 10% reduction in commissioned services. Due to the need for a 6 month notification period only 50% expected to be achieved in 21/22. Full saving expected in 22/23. Reserves cover 21/22 shortfall	251		Shona McFarlane Caroline Baria
Recovery of Payments for Care not Delivered	Recovery of payments for care not delivered	Two extra staff needed to fulfil this role. Recruited in August so savings expected in second half of the year. Shortfall for first half of the year funded from demand savings	244		Shona McFarlane
Commissioned services for working age adults proposals: reduction in grant funding	Commissioned services for working age adults proposals: reduction in grant funding of learning disability day opportunities provision; early termination of WMDLC Shopmobility Grant; efficiencies in funding for drug and alcohol services; reduction in contract value of BID service; reduction in Touchstone community prevention service	Savings were to be achieved from a 10% reduction in commissioned services. Due to the need for a 6 month notification period only 50% expected to be achieved in 21/22. Full saving expected in 22/23. Reserves cover 21/22 shortfall	190		Shona McFarlane Caroline Baria
Increase in client contributions	Increase client contributions for adult social care services, maintaining means-testing	Appointeeship Charges deferred until 22/23. Impact to be addressed via demand	160	SOD	John Crowther

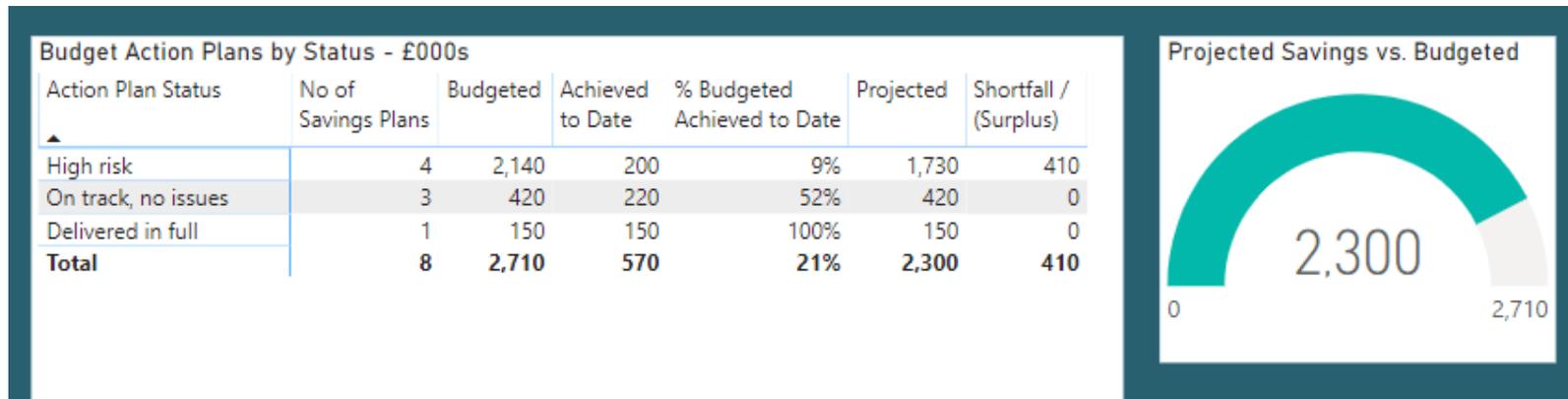
Budget Action Plan 2021/22 Financial Year

Amber Risk Areas					
Savings title	Planned action / Description	Mitigating actions for high risk areas	Shortfall / (Surplus)	Decision required	Accountable Chief Officer
Income from Client Contributions £1m	Income from client contributions	Shortfall expected in year. Covered from demand savings	291		Shona McFarlane
Rebasing of demand following Covid Wave 1	The first wave of the Covid pandemic disproportionately impacted old and vulnerable people. The numbers of people supported in care homes fell substantially in March and April 2020, and demand for care home placements has been slow to recover. Whilst this trend has to some extent been offset by increased demands for care being provided in people's own homes, overall there has been a rebasing of these demand budgets as a result. Whilst this is a best estimate of the rebasing of the budget, this position assumes that there is currently no significant level of unmet need masked by changes to lifestyles during the pandemic.	Savings in demand achieved to date but risk around demand increasing for services causing costs to increase. Covid 19 and Winter Flu could still have an impact	0		Shona McFarlane
Review of the Efficiency of the Block Contract	Working in conjunction with the contract provider LYPFT, it is proposed to develop Supported Living Individual Service Agreements (SLISA) recognising the individual needs of service users, together with a review of the staffing skill mix required to meet the changing needs of service users.	Commissioners will be working with the service to look at staffing mix on packages and identify where staffing levels can be reduced on care packages whilst not affecting care provision. This is ongoing throughout this year. Full impact will be felt next year. In this year to mitigate the risk, LYPFT have agreed to be invoiced £250k in recognition that these changes are needed but packages changes will not be seen until next year	0		Shona McFarlane

Budget Action Plan 2021/22 Financial Year



Other Savings Measures



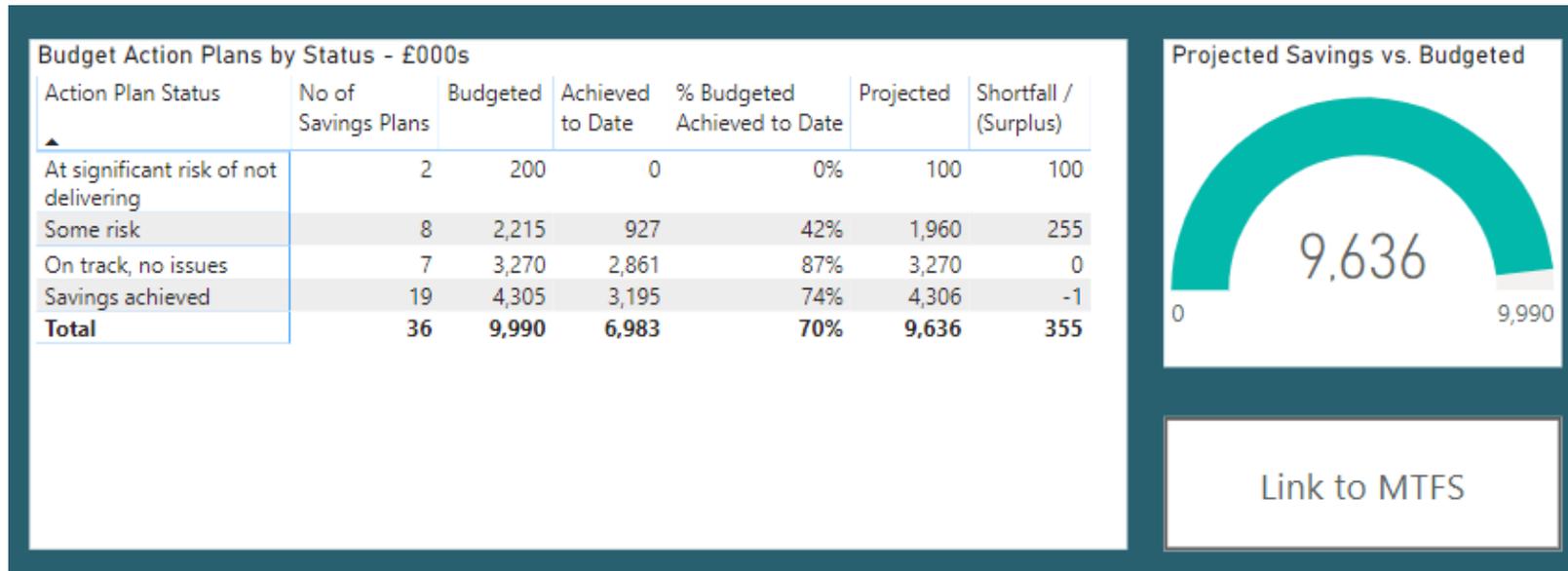
Budget Action Plan 2021/22 Financial Year

Red Risk Areas					
Savings title	Planned action / Description	Mitigating actions for high risk areas	Shortfall / (Surplus)	Decision required?	Accountable Chief Officer
Review of CLA pressure previously assumed			410		Ruth Terry
Additional income		xxx	0	Admin	Sal Tariq
Additional income - moved in MTFS to Grants			0		Sal Tariq
CLA Review/ Review of Early Help and Prevention	Proposal to achieve savings through a review of Early Help services. Proposal to achieve management savings through closer integration of Early Help and Social Work teams. Staffing implications will be identified through the course of the review.		0	Potentially, depending on detail	Julie Longworth
Running costs			0		Tim Pouncey
Safeguarding partnership – management costs	Proposal to achieve efficiencies associated with the Local Children’s Safeguarding Partnership as it is integrated with the Children and Families Trust Board.		0		Sal Tariq

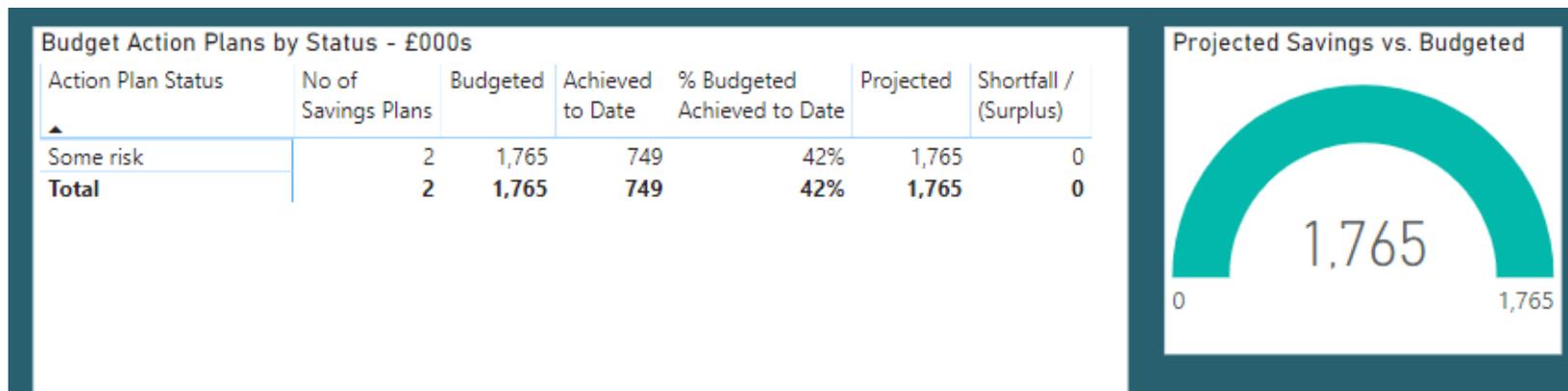
Budget Action Plan 2021/22 Financial Year

Amber Risk Areas					
Savings title	Planned action / Description	Mitigating actions for high risk areas	Shortfall / (Surplus)	Decision required?	Accountable Chief Officer
Contract savings	Proposal to cease some contracts.		200		Tim Pouncey
Taxi Contract			20		Tim Pouncey
Additional income through increase in Unaccompanied Asylum Seeking Children	Increased level of income received to support Unaccompanied Asylum Seeking Children		0	Potentially, depending on detail of the plan	Ruth Terry
CCG Income	Children & Families services: seeking appropriate Health funding		0		Julie Longworth
Learning Inclusion	Learning Inclusion: staffing savings through deletion of vacant post and removal of management post via voluntary means through team reconfiguration		0		Val Waite

Budget Action Plan 2021/22 Financial Year



Other Savings Measures



Budget Action Plan 2021/22 Financial Year

Red Risk Areas					
Savings title	Planned action / Description	Mitigating actions for high risk areas	Shortfall / (Surplus)	Decision required?	Accountable Chief Officer
Planning application decision-making process	Planning applications: proposed savings through staffing reductions via voluntary means and procedural efficiencies; also opportunities for additional income generation	Unlikely to achieve saving proposal due to workload pressures within the service as a result of Covid.		100	David Feeney
Strategic Planning	Strategic Planning: proposals to further develop options arising from completion of service review	Saving proposal not achieved but alternative savings identified.		0	David Feeney

Budget Action Plan 2021/22 Financial Year

Amber Risk Areas					
Savings title	Planned action / Description	Mitigating actions for high risk areas	Shortfall / (Surplus)	Decision required?	Accountable Chief Officer
Markets and City Centre Service	Markets & City Centre Service: staffing reductions through deletion of vacant posts and voluntary ELI means, general expenditure budget reductions and increased income	Saving in respect to staffing and general expenditure currently being forecast to be achieved. However Income is projected to be significantly lower than budgeted.	150		Phil Evans
Highways & Transportation	Highways & Transportation: use of balances arising from development agreements and review of charging.	Additional DLO income target may not be achievable in 21/22 due to delays in recruitment but shortfall managed within the service	80		Gary Bartlett
Breezecard charge	Proposal to carry out consultation with young people on the introduction of an annual charge of £3 for Breezecard to cover administrative costs, with appropriate concessions	Breezecard offer launched August. Requires 36,000 sales to achieve target. To be monitored closely as some risk	25		Eve Roodhouse
Arts, Events & Venues	Efficiencies across venues: Leeds Town Hall, Carriageworks Theatre and Pudsey Civic Hall	Some risk re Carriageworks Income as a result of covid	0		Eve Roodhouse
Estate Rationalisation	Previous years' savings target from reducing Council's office base	Projection assumes use of fees from sale of Amazon/Trilogy (c£1.15m)	0	N/A	Angela Barnicle
Estate Rationalisation and Remodel	Proposed savings from a reduction in the council's core office base.	Projection assumes further estate rationalisation savings to be found in year	0		Angela Barnicle
John Charles Centre	Proposal to deliver operating efficiencies within John Charles Centre for Sport, increase fees and reduce staffing, with trade union and staff consultation	this proposal was in 4 parts, Staffing - achieved, Tennis Centre - on course, Club Bookings and Elite Programme both carry some risk due to delayed offer as a result of covid and capacity issues - under close review	0		Phil Evans
Leeds Lights	Proposed reduced programme and new delivery model for Leeds Lights with trade union, staff and public consultation	Mostly delivered (savings against Staffing and Transport) along with increased Income being monitored	0		Eve Roodhouse
Lotherton Hall	Proposal to reduce opening hours at Lotherton Hall with trade union, staff and public consultation	Savings delivered via Service wide review of expenditure (achieved) and through additional Income via One Estate (being monitored)	0		Eve Roodhouse
Strategic Investment Fund	Previous years' income targets from investment in property portfolio	Projection assumes St Georges House income and use of fees from sale of Amazon/Trilogy (c£1.15m)	0		Angela Barnicle

Budget Action Plan 2021/22 Financial Year

Budget Action Plans by Status - £000s						
Action Plan Status	No of Savings Plans	Budgeted	Achieved to Date	% Budgeted Achieved to Date	Projected	Shortfall / (Surplus)
At significant risk of not delivering	1	50	0	0%	0	50
Savings figure may/will be revised down	4	1,351	553	41%	1,217	134
On track, no issues	31	4,692	2,774	59%	5,092	-400
Total	36	6,093	3,327	55%	6,309	-216

Projected Savings vs. Budgeted

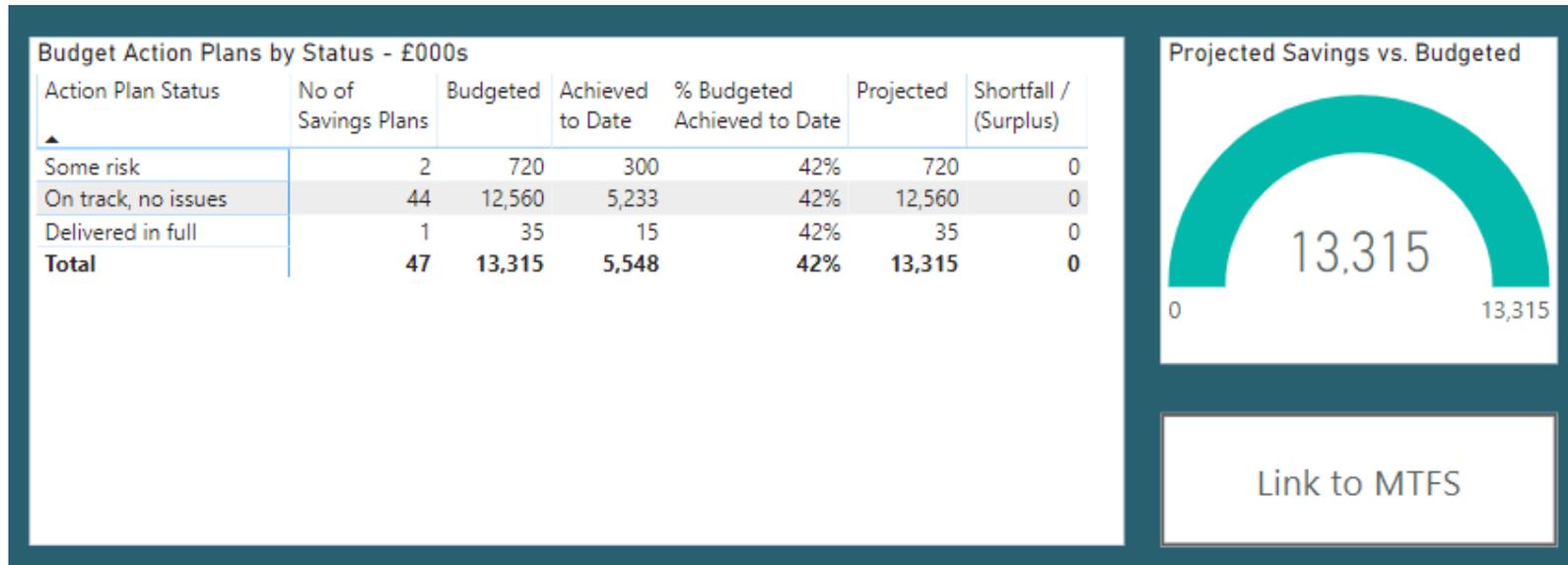
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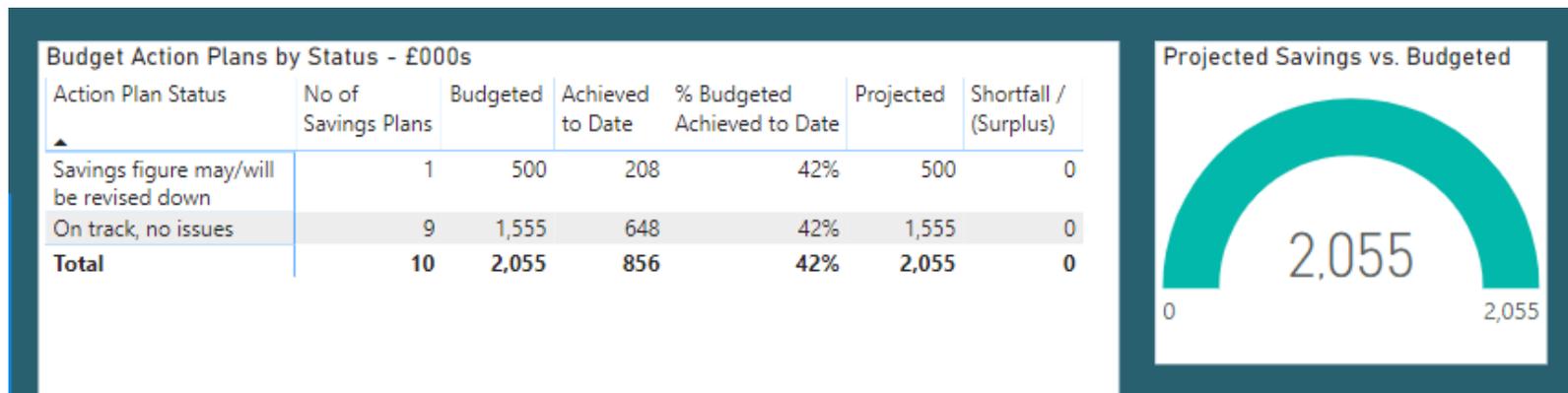
[Link to MTFS](#)

Red Risk Areas					
Savings title	Planned action / Description	Mitigating actions for high risk areas	Shortfall / (Surplus)	Decision required?	Accountable Chief Officer
Bus Lane Enforcement	Additional income from bus lane enforcement	Total parking income including BLE is significantly affected by COVID. Assuming this £50k is part of £3m parking income pressures	50		John Mulcahy
Amber Risk Area					
Savings title	Planned action / Description	Mitigating actions for high risk areas	Shortfall / (Surplus)	Decision required?	Accountable Chief Officer
Benefits Staffing	Benefits/Customer Access: reduction in staffing to reflect reduction in case numbers	Approx 50% delivered through ELLs at the end of 2020/21. balance from vacant posts pending completion of service review and a restrucutre. Not materially different	59		Lee Hemsworth
Environmental Services Staffing	Environmental Services: non-operational staffing savings by realigning different sections within the overall service and streamlining management and supervisory arrangements	Approx £40k projected variance 1 x team manager	40		John Woolmer
Parks - Intruder Monitoring	Proposal to implement new intruder monitoring system at 4 sites across the Parks & Countryside portfolio with staff and trade union consultation	Delay in implementation with a minor shortfall expected	20		Sean Flesher
Ellar Ghyll HWRC	Proposed closure of Otley (Ellar Ghyll) household waste and recycling centre. Staff affected would be redeployed to vacancies on other sites or elsewhere in the service.	Slight delay in weekday closures, not implemented yet	15		John Woolmer

Budget Action Plan 2021/22 Financial Year



Other Savings Measures



Budget Action Plan 2021/22 Financial Year

Amber Risk Areas					
Savings title	Planned action / Description	Mitigating actions for high risk areas	Shortfall / (Surplus)	Decision required?	Accountable Chief Officer
CEL: Increase income	Civic Enterprise Leeds: Price rise (4p) for school meals	Amber - Action plan to generate additional income has been impacted by Covid. This pressure is reflected in the above figures, with a mitigation of staff savings offsetting much of the pressure. This action plan is therefore rated as amber.	0		Sarah Martin
CONTACT CENTRE: CHE>R	Channel Shift	Amber - A budget action plan of £420k requires channel shift to fully deliver. £260k of the action plan has been achieved to date through the Early Leavers initiative. The action plan is rated as amber.	0		Mariana Paxton
Other			0		Various

Budget Action Plan 2021/22 Financial Year

Action Plan Status	No of Savings Plans	Budgeted	Achieved to Date	% Budgeted Achieved to Date	Projected	Shortfall / (Surplus)
On track, no issues	3	2,100	0	0%	2,100	
Delivered in full	2	-1,268	-1,268	100%	-1,268	
Total	5	832	-1,268	-152%	832	

Projected Savings vs. Budgeted

832

0
832

[Link to MTFS](#)