

Financial Health Monitoring 2021/22 – September (Month 6)

Date: 17th November 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 September (Month 6) a COVID-19 related overspend of £27.4m 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 September assumes that the balance of this funding, £23.0m, will be applied to the COVID related overspend. An estimated £3.0m 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 £1.435m which when combined with a projected non COVID underspend of £0.201m results in an overall forecast overspend of £1.234m at the end of September. 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 September, 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 September, 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 September (Month 6) and the projected impact of COVID-19 on that position.

- b) Note that for 2021/22 the Authority is forecasting an overspend of £1.234m 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.

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 6 months of the financial year.

What impact will this proposal have?

Wards affected:

Have ward members been consulted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 at 30th September, and it is not yet clear how this reduced level of support will impact on the Council's financial position.

- 10 The projected position includes the estimated costs of the 2021/22 pay award, based on the final National Employers pay offer made in July 2021. Pay negotiations are ongoing, and there remains a risk that the final pay award agreed will exceed this level of provision.
- 11 The report highlights a risk relating to unprecedented high global electricity and gas prices. The pressure on the General Fund may range from approximately £0.5m to £2.1m. As part of the 21/22 budget process, an Energy Reserve of £1.07m was created. It is likely that a substantial call on this reserve may be made.

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

Inclusive Growth Health and Wellbeing Climate Emergency

12 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.

13 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?

14 Not applicable.

How will success be measured?

15 Not applicable.

What is the timetable for implementation?

16 Not applicable.

Appendices

17 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

18 None.

Financial Health Monitoring 2021/22 – September (Month 6)

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 September (Month 6).
- 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 September a COVID related overspend of £27.4m is projected. 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 September assumes that the balance of this funding, £23.0m, will be applied to the COVID related overspend. An estimated £3.0m 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 £1.435m which, when combined with a projected non COVID underspend of £0.201m, results in an overall forecast overspend at £1.234m at the end of September (Month 6).
- 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 £1.234m against the 2021/22 Budget of which £1.435m relates to COVID pressures and an underspend of £0.201m relates to net directorate savings not relating to COVID.

Summary Position at Month 6 - 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	362	18,630	(18,630)	0	(100)	100	0
Children and Families	Sal Tariq	(165)	5,722	3,259	8,980	9,534	(554)	8,698
City Development	Martin Farrington	(635)	(3,055)	9,485	6,430	7,013	(583)	6,065
Communities, Housing & Environmen	James Rogers	1,599	3,796	6,350	10,146	8,752	1,394	10,987
Resources	Neil Evans	613	92	999	1,090	2,194	(1,104)	803
Strategic	Victoria Bradshaw	(198)	9,379	(34,791)	(25,412)	(25,958)	546	(25,465)
Total Current Month		1,577	34,564	(33,328)	1,234	1,435	(201)	1,087

Previous reported (under)/over spend	(2,328)	3,921	(2,837)	1,087	741	346
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MEMO: Covid Related Pressures (Directorate Projections)	27,393
<i>funded by:</i>	
COVID Contingency in Strategic (Use of Government funding)	(7,551)
COVID Reserve (Use of Government Funding)	(16,729)
Less: Directorate pressures	774
Less :Free Schools Meals	520
Estimated Sales, Fees and Charges Compensation	(2,972)
Remaining COVID Related Pressure	1,435

- 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** – the directorate is projected to deliver a balanced budget, with the Net Managed Budget for 2021-22 being £195.2m.

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 £2.4m Budget Action Plans that are at risk of non-delivery; £1.7m relating to client income, £0.4m slippage in implementing Commissioning savings plans and £0.3m assistive technology additional income. Where slippage / non-delivery identified, alternative options to balance the budget have been identified from utilising available reserves and additional income, principally CCG. Incorporated into the budget is demand and demography growth of £8.41m.

Pay Award – This forecast takes account of the latest Employers pay offer for 2021-22 financial year. Impact for Adults & Health, outside of externally funded areas, e.g. Public Health, is an additional cost of £0.656m, funded from the underspend in the support for the Care Homes re the low occupancy scheme.

Demand – at Month 6 there is a £1.5m pressure on the Demand Led budgets; £1.1m for Older People (£0.3m Homecare / £0.4m Nursing and £0.4m Residential) and £0.4m for Working Age Adults, predominately in Support Living settings. We are working with the 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. On the 30th September the Department for Health and Social Care announced additional funding of £388.3m to prevent the spread of infection in social care settings nationally. There is no detail at present as to how much has been awarded to Leeds.

- 3.5.2 **Children and Families** – As detailed on the directorate dashboard, the current year-end forecast for the Children and Families directorate is an overspend of £8.98m which is an increase of £282k since the previously reported Month 5 position. Within the Month 6 projections there is an overspend of £9.534m related to COVID, and a £554k net underspend not related to COVID.

The Month 6 projected overspend of £8.98m is broken down as follows:

Expenditure	£m
• CLA Placements	3.339
• Non CLA Placements	3.146
• CLA staffing	0.735
• Assumed pay award	1.408
• Contract rebate	(1.304)
• ‘Little Owls’ nurseries staffing	(0.500)
• Saving Action Plans not met	0.290
• School Severance costs	(0.163)
• Other	(0.083)
Income	
• ‘Little Owls’ nurseries	2.000
• Leeds Activity Centres	0.224
• DSG contribution for pay award	(0.112)
Total projected overspend	8.980

As shown, the key pressure relates to the budget for Children Looked After (CLA) and non-CLA placements, which is currently forecast to overspend by £6.485m. As

at the end of September, CLA numbers were 1,320, an increase of 51 since the start of 2021/22. Although the number of in-house CLA placements has increased slightly from the start of the year (847) to 852, demand for external CLA placements has increased from 426 at the start of the year to 468.

Over the past five years, CLA numbers have increased both nationally and in Leeds by 10%. A number of local authorities are also currently reporting increased CLA numbers leading to overspends. The council has set up a task and finish group to identify ways to mitigate the CLA pressure on the Children and Families budget.

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 16 overall since the start of the year, from 1,052 to 1,036. The reduction has been in semi-independent living for over 18s. However these placements are still greater than originally expected which has resulted in an overspend.

Building and supplies constraints continue to impact the social housing sector and means that the ability to move people out of placements into social housing is significantly impaired. LCC Housing have committed to working with Children and Families in helping these people move on to free up capacity. There is a small project group being formed to work on this with oversight from senior managers with Housing and Children and Families.

The projection also demonstrates an overspend of £735k against CLA staffing. This mainly relates to the secure unit staffing budget as a consequence of additional agency costs incurred to date due to both specialist post requirements and recruitment difficulties.

The Month 6 position assumes a projected net pressure of £1.5m across the Little Owls nursery settings, representing 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 because of ongoing recruitment difficulties. The service is taking 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 projections include £1.4m for assumed pay award costs reflecting the National Employers final pay offer. In addition for Month 6 the projections include expected rebates on Children and Families PFI contracts.

The projection assumes delivery of most savings plans included in the budget. The Month 6 projected overspend of £8,980k assumes that £700k of these savings plans will not be delivered. £410k of this is included in CLA pressures in the

breakdown above, and a further £290k is separately identified for partnership contributions and contract savings. The directorate will seek to identify further actions to offset these variations, which will be incorporated into a future 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 net income of £1m for Unaccompanied Asylum Seeking Children and £1.7m from the CCG.

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 Month 6 we are projecting a £1.404m overspend on DSG for 2021/22, which would result in a closing deficit of £5.087m.

The in-year overspend is due to the following:

- Schools Block £480k underspend: There is a slight underspend of £44k due to business rate savings which occur following the conversion of schools to academies. In addition there is a net saving of 436k within delegated services.
- High Needs Block £44k underspend.
- Early Years Block £2m overspend: 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. Children and Families are consulting on the best use of this underspend. Although it was included in the DSG balance carried forward to 2021/22, any expenditure incurred against it will show as an overspend in the Early Years Block as it has not been budgeted for.
- Central School Service Block £78k underspend: Within this block there is a projected saving of £78k due to staff vacancies and delays in recruitment.

3.5.3 City Development – at Month 6, the directorate is projecting an overspend of £6.4m for the year. This is primarily due to the continuing impact of COVID on income streams, currently estimated at £7.0m for the year, partially offset by all other savings across the directorate of £0.6m. Although this represents a decline of £0.3m in the position from Month 5, the projection now includes the estimated impact of the Local Government pay award which is estimated at an additional cost of £0.9m across the directorate and this has been managed through a combination of reviewing pressures and the careful management of vacant posts..

The impact that the COVID pandemic continues to have on income streams for the full financial year remains uncertain and therefore this position is still subject to 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£2.3m) are recoverable through the Government's income compensation scheme for sales, fees and charges which applies to those first quarter losses only.

The main variations are:

- Active Leeds – the estimated impact on income of capacity restrictions due to COVID is £4.45m, primarily in respect of swimming and membership income, although there is still 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 is 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 £3.5m
- 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 £1m 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 an underspend of £0.6m which mainly reflects savings in respect of street lighting energy consumption. A projected staffing underspend of £1.1m due to vacancies is offset by reduced income and increased external supplier costs.
- The overall projected position of £6.4m includes net staffing savings of £0.2m across the directorate, after taking account of income generating posts. However, as noted, provision of £0.9m has now been made within Resources & Strategy for the estimated impact of the local government pay award across the directorate, although it is subject to confirmation at this stage.

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 month 6 position reflects shortfalls in the following main areas:

- Efficiencies within the Planning Service (impacted by Covid) - £0.1m
- Markets business plan savings - £0.1m
- Breezecard charging income - £0.05m

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 Month 6, the Directorate is currently projecting an overspend of £10,146k, of which £8,752k is COVID related. This reflects an improvement in excess of £0.7m compared the previous month and the figures also include the impact of the pay award offer.

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** **£2,782k**
 Loss of car parking and enforcement income, based on lost income during the first half of this financial year with projections being based on an improvement in income received in August and September.
- **Net loss of Parks & Countryside income** **£982k**
 This includes net income losses from visitor attractions, cafes, bereavement services and the cancellation of planned events, offset by minor expenditure savings. This represents an improvement of £0.4m since Period 5 mainly due to higher than anticipated levels of income at attractions over the summer months
- **Waste Management** **£4,430k.**
 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** **£328k**
 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 **£1,394k**

Outside of the COVID related pressures, the main pressure is an estimated £1m 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.

Additional pay pressures estimated in excess of £1m over the amount provided for in the budget have been largely contained from staffing savings above vacancy

factors, continued careful management of post releases, additional grant income and spending controls.

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 £1,090k is forecast for the Resources Directorate. This is a £286k increase from last month. The increase is mainly due to;

- Strategy and Improvement £23k additional saving.
- Human Resources £132k staffing saving.
- Digital and Information Services £300k additional savings from income from the CCGs and Microsoft savings.
- Shared Services £19k staffing saving.
- Finance increase of £202k due to increases in recruitment and budget movements not previously reflected.
- Catering £500k increase, due to an increase in loss of income due to covid of £850k netted off by food cost savings of £308k.
- Facilities Management £60k increase due to Covid costs.
- This position now reflects the National Employers final pay offer. The pay award has yet to be agree and could differ from the offer. Current assumptions indicate the additional cost to Resources will be £2.4m. It is anticipated all this additional cost can be mitigated as outlined below.

This is summarised into the following areas across the Directorate's services: -

- **Trading shortfall within Leeds Building Services (LBS) £510k**
This is the result of 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. An estimated cost of pay award of £340k is included in these figures.
- **Catering income & emergency meals £689k**
The overall loss of income from schools is £1,742k. This is offset by the savings on food of £618k and staffing savings of £890k. The overall loss of commercial income is £442k, all being due to COVID, and is somewhat offset by staffing savings of £195k and food savings of £138k.

There is a further pressure of £158k due to; £64k slippage in the implementation of a new system and £94k loss of contract. An estimated cost of pay award of £189k is included in these figures.
- **Integrated Digital Service £485k**
There is a projected staffing and agency overspend of £2,278k, which is partially offset by income from the CCGs of £995k. A saving of £270k is projected on Microsoft, offset by other costs of £170k for additional contractors. There are also other areas of increased income to offset this of £1,083k, including a one-off Prudential Borrowing saving of £200k. An estimated cost of pay award of £385k is included in these figures.

- **Legal and Democratic** **£168k**
 There is a £50k pressure due to a reduction in court fees due to the impact of COVID. The budget pressure will be partially mitigated corporately by the quarter one Sales, Fees and Charges grant. An estimated cost of pay award of £118k is included in these figures.
- **Procurement and Commercial Services** **£232k**
 There is a projected loss of income of £440k due to the delayed recruitment of the Commercial Finance Manager and Senior Commercial Business Partner posts, which would drive income generation for the service. The service has identified an additional £240k to mitigate some of this income loss. An estimated cost of pay award of £32k is included in these figures.
- **Strategy and Improvement** **-£116k**
 There is a projected saving of £198k, due to income from Public Health to fund 5 SO2 posts for 6 months. An estimated cost of pay award of £62k is included in the projection.
- **Human Resources** **-£46k**
 A projected staff saving of £142k across the HR service is reflected, also additional income of £87k from Public Health which is partly offset by an estimated £56k loss of income due to the of elements of the Aspire contract. Severance costs of £39k and an estimated cost of pay award of £88k are included in the projection.
- **Finance** **£182k**
 Finance is projecting a balanced position which utilises £200k of additional Court Fee income. An estimated cost of pay award of £182k is included in the projection.
- **Facilities Management** **£79k**
 There is a COVID cost of £60k within Facilities Management for the PAT testing of home working equipment. This projection reflects an estimated £19k pay award.
- **Shared Services** **£458k**
 The position reflects a projected staffing saving of £19k along with an estimated cost of pay award of £477k pay award.
- **Pay Award Mitigation.** **-£1642k**
 As stated, current assumptions indicate the additional cost to Resources of the current National Employer's pay offer will be £2.4m. Approximately £0.75m of this is mitigated by following the principle that trading departments will recover the costs from clients where contract and agreements allow. £1.4m will be mitigated by the identification of transformational activity within the directorate which falls within the definition allowing the use of Capital Receipts flexibilities which the government has allowed local authorities. Approximately £0.25m is expected from additional fee income and vacancy management. A total of £1.64m is therefore shown on the 'General Fund Support Services' heading to reflect this mitigation.

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 three months 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 includes Action Plans of £16.626m. Each of these is 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 September, the Strategic & Central accounts projection is an overspend of £0.55m, before taking into account the application of funding to address the £27.4m COVID pressures projected in directorate positions.

The Strategic 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, pressures of £0.7m in the delivery of corporate savings targets and £0.5m in respect of budgeted capitalisations. These pressures are netted down by projected savings in the debt budget of £0.9m and Section 31 Business Rates Reliefs grant which is £0.7m above budget.

The 2021/22 budget contained £0.8m of Budget Action Plans. An amber risk is currently reflected against £500k of budgeted savings, £350k in respect of the delivery of customer contact savings and £150k in respect of organisational change savings in Revenues.

- 3.5.7 Directorate dashboards highlight a projected COVID-19 overspend of £27.4m. 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 compensation for eligible income losses of £3.0m are also reflected in the Strategic position and in the appended dashboard. After the application of these funds there remains a COVID pressure of £1.435m.
- 3.5.8 A projected non-COVID underspend of £0.201m is projected against the Council's 2021/22 revenue budget which combined with the COVID overspend results in an overall forecast variation of £1.234m.
- 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 have also reduced 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 at 30th September 2021, and it is not yet clear how this reduced level of support will impact on the Council's financial position.

- 3.5.10 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. National Employers made a final offer in July 2021, based on which NJC staff on SCP1 would receive a 2.75% increase, all other NJC staff a 1.75% increase and JNC staff a 1.5% increase. The reported position for each directorate at Month 6 reflects the estimated impact of this final offer on staffing costs. Pay negotiations are ongoing, and there remains a risk that the final pay award agreed will exceed this level of provision.
- 3.5.11 Significant global increases in gas and electricity prices have been experienced since late 2020, with current prices at an unprecedented high. The Council purchases gas and electricity in advance in line with its agreed risk strategy, and so has already hedged the price for the vast majority of its energy requirement for 2021/22, and for a substantial proportion for 2022/23. However, there remains a proportion of our forecast volume requirement for which we have not yet secured the price.
- 3.5.12 The 2021/22 budgets for gas and electricity total £20.93m. The latest estimate for 2021/22 is £21.63m for gas and electricity combined (£0.7m over budget). However, if the prices currently being forecast based on the current market conditions are realised, the estimated overall cost would be £23.95m (£3.0m over budget). Approximately 70% of this pressure would fall on the General Fund, with 21% falling to Schools and 9% to the HRA. The pressure on the General Fund may therefore range from approximately £0.5m to £2.1m. As part of the 21/22 budget process, an Energy Reserve of £1.07m was created. It is therefore likely that a substantial call on this reserve may be made. The Council's Energy team will continue to monitor the market and to purchase energy at the optimum time based on expert market advice, whilst observing the agreed risk strategy.
- 3.5.13 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 is monitored and reported throughout the year. At the end of September 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. As such, based on current projections, this reserve will be applied in full in 2021/22.

4. Other Financial Performance

4.1 Council Tax

The Council Tax in-year collection rate at the end of September was 53.6%. For comparison, in September 2020 the in-year collection rate was 54.1%, and in September 2019, a 'normal' year, the in-year collection rate was 54.4%. The collection rate requires continued monitoring as the economy recovers, however the collection rate in the fullness of time for 2021/22 was assumed to be 1% lower, at 98%, than in a normal year in the 2021/22 Budget. Currently this additional allowance for non-collection appears to allow sufficient provision.

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 September 2021 the in-year projection for Council Tax is a surplus of £1.482m. Whilst we expect an improved position by the year-end, at this stage of the financial year it is still 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 £324.0m as at 30th September 2021. These reliefs gave 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 September 2021 was 56.80%, unsurprisingly 6.42% ahead of performance in 2020/21 and now 0.58% ahead of performance in 2019/20, the last 'normal' year. This is a significant relative improvement on the August collection rate as some businesses become due for business rates payment after a prolonged period of having no business rates liability. 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 £927.1m as at 3rd October 2021, a decrease of £2.2m. 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. These positively affected previous assumptions regarding claims for Empty Rate Relief during lockdowns ratepayer appeals many of whom claimed a Material Change of Circumstance due to the pandemic which will not now 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 30th September 2021 it is projected that Leeds share of the in-year deficit will be £30.1m, largely due to the reliefs introduced by Government in March 2021 in response to the COVID-19 situation. These reliefs are fully funded by section 31 grants, £31.6m of which will be held in reserve to meet the cost of this deficit in 2022/23.

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 30th September 2021, there were 177 appeals outstanding against the 2010 ratings list. During September 2021 46 appeals have been settled, only 5 of which have resulted in changes to rateable values. No new appeals have been received in September. Currently, 6.9% 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 has published draft 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 30th September 2021 the Council is providing for a net of 398 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 there are signs that there may be some recovery, particularly in Business Rates, contingent on the continued opening of the local economy.

5. Housing Revenue Account (HRA)

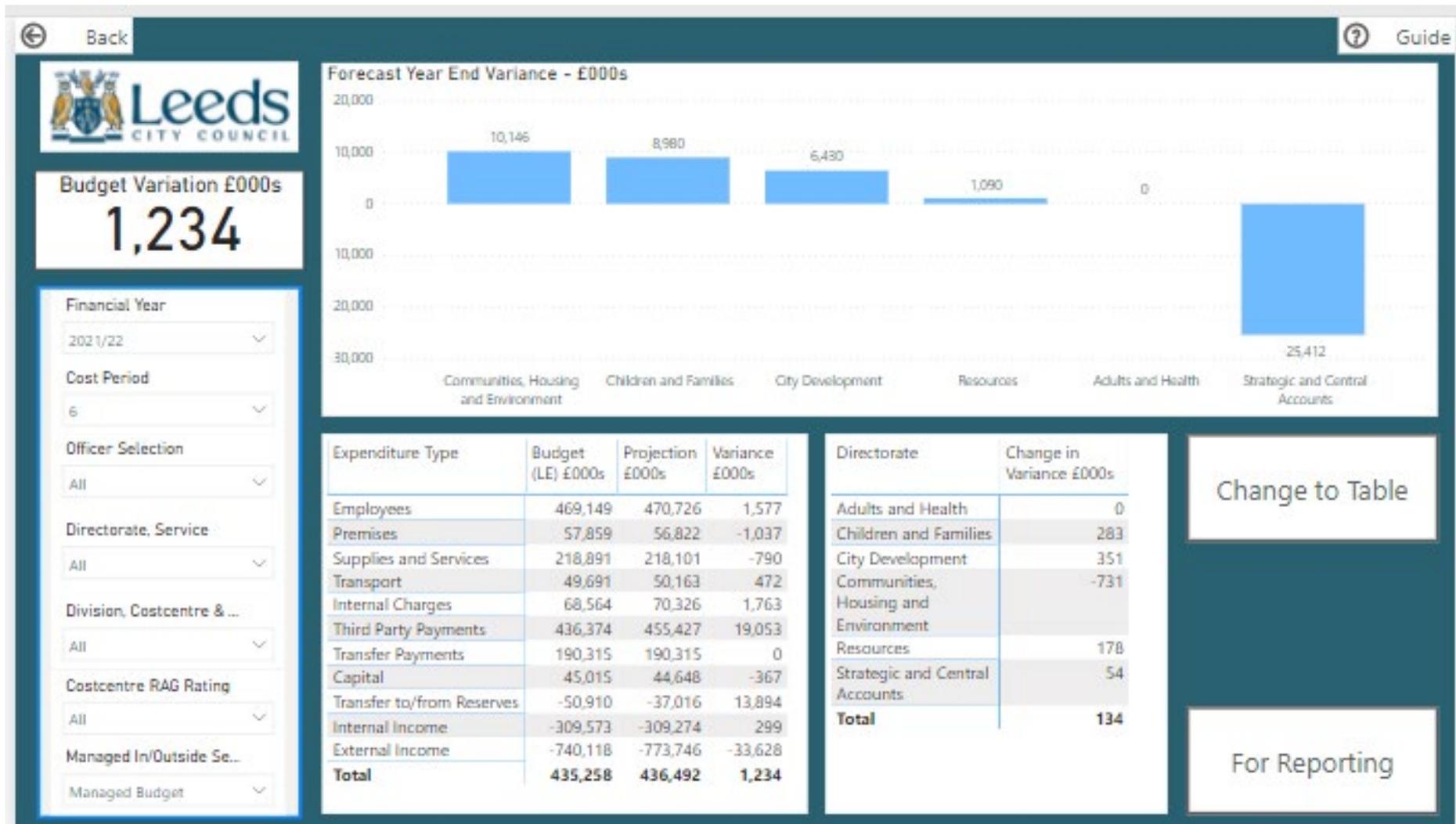
5.1 At the end of September the HRA is projecting a balanced position.

- 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 £877k. 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 £472k 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 £1.8m 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 272 sales completed to the end of September 2021.

Overall Summary

Month 6 (September 2021)

Financial Dashboard 2021/22 Financial Year



Financial Dashboard 2021/22 Financial Year

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Budget Variation £000s

0

Financial Year: 2021/22

Cost Period: 6

Officer Selection: All

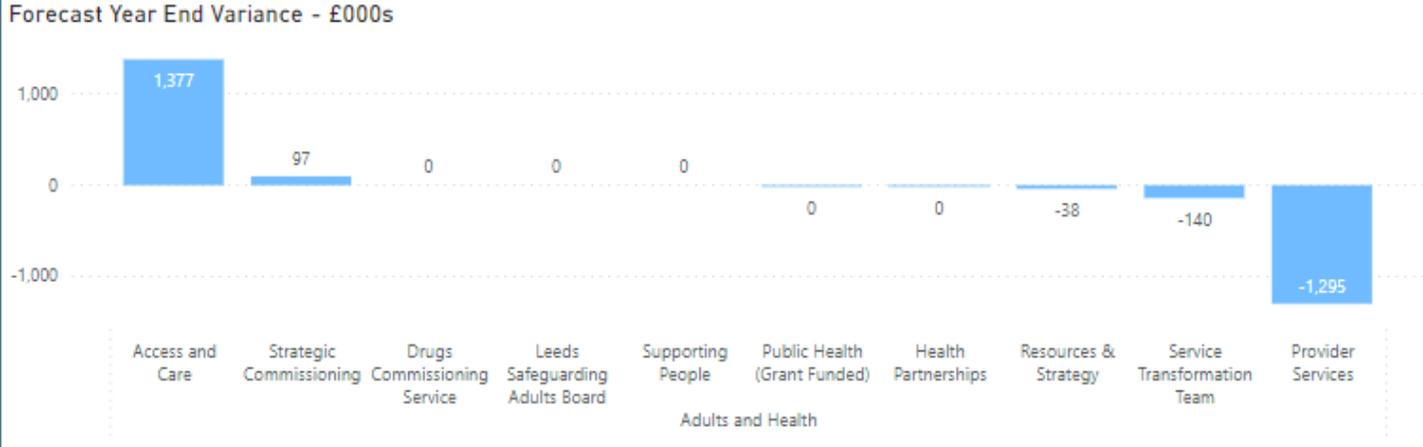
Directorate, Service: All

Division, Costcentre & ...: All

Costcentre RAG Rating: All

Managed In/Outside Se...: Managed Budget

Forecast Year End Variance - £000s



Department	Variance (£000s)
Access and Care	1,377
Strategic Commissioning	97
Drugs Commissioning Service	0
Leeds Safeguarding Adults Board	0
Supporting People	0
Public Health (Grant Funded)	0
Health Partnerships	-38
Resources & Strategy	-140
Service Transformation Team	-140
Provider Services	-1,295

Adults and Health

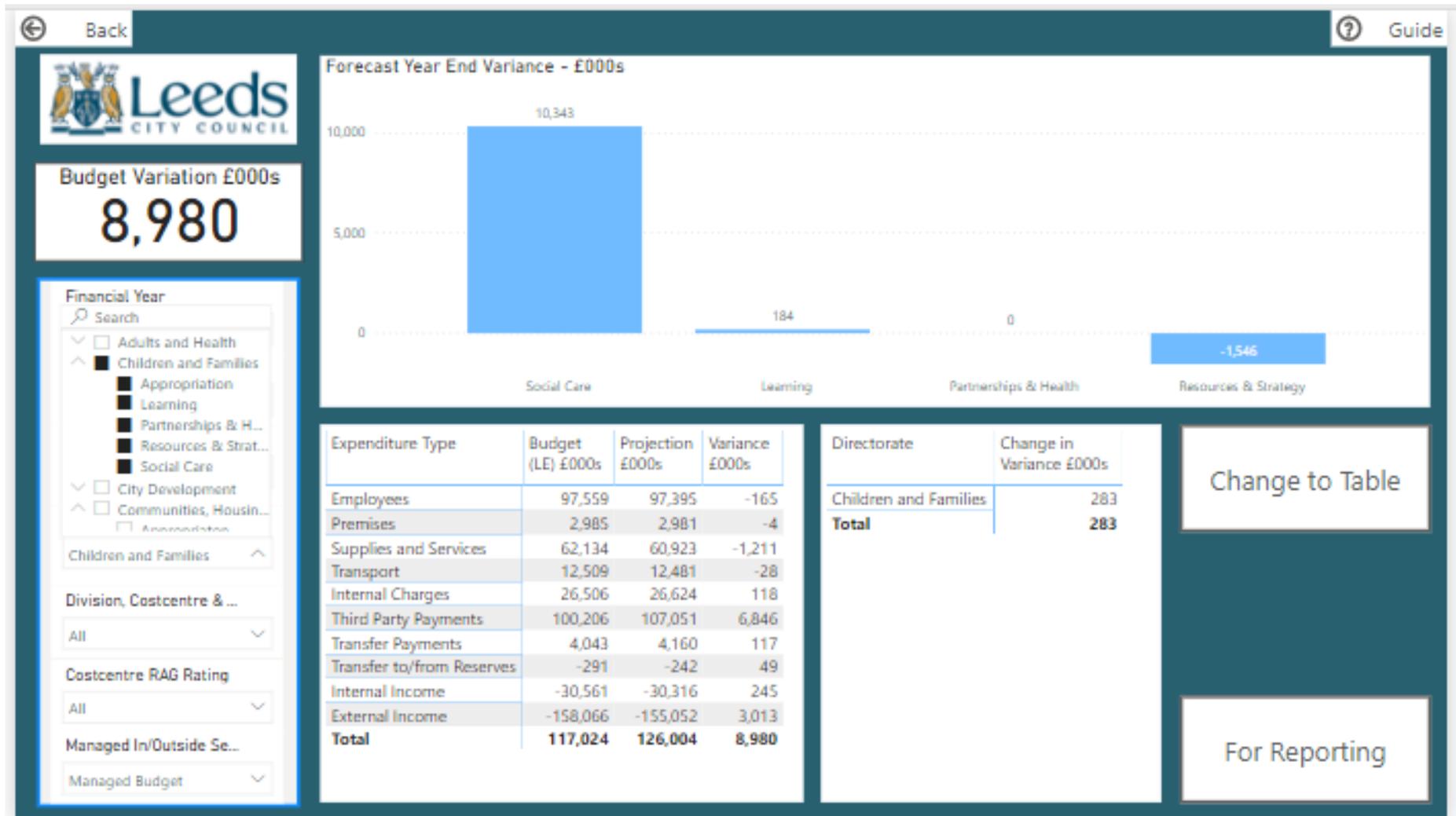
Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	58,011	58,373	362
Premises	1,077	1,073	-4
Supplies and Services	7,525	12,066	4,541
Transport	948	924	-24
Internal Charges	11,492	13,623	2,131
Third Party Payments	283,011	294,192	11,181
Transfer Payments	10,323	10,206	-117
Transfer to/from Reserves	-3,269	-2,708	560
Internal Income	-5,010	-6,648	-1,638
External Income	-168,896	-185,889	-16,993
Total	195,211	195,211	0

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

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For Reporting

Financial Dashboard 2021/22 Financial Year



Financial Dashboard 2021/22 Financial Year

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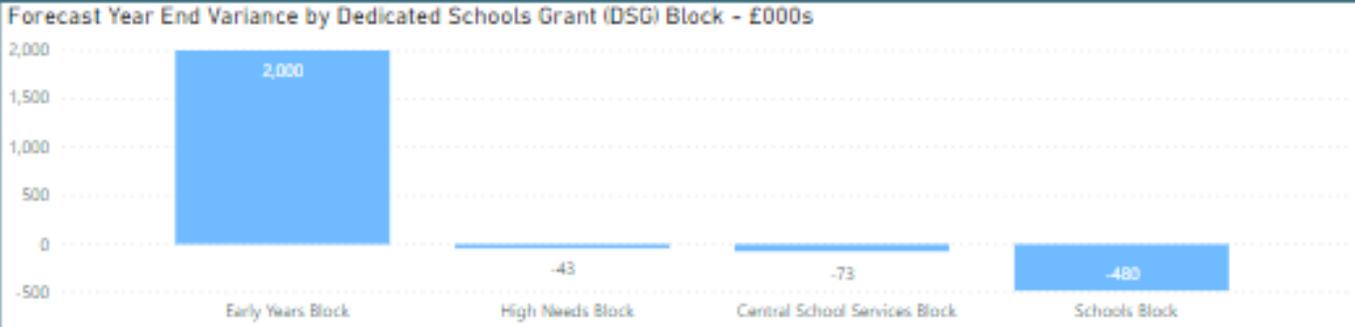


DSG Variation £000s

1,404

Overspend (+) / Underspend (-)

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



Block	Variance (£000s)
Early Years Block	2,000
High Needs Block	-43
Central School Services Block	-73
Schools Block	-480

Financial Year

2021/22

Cost Period

6

Income / Expenditure

All

Sub-Block

All

Cost Description

All

For Reporting

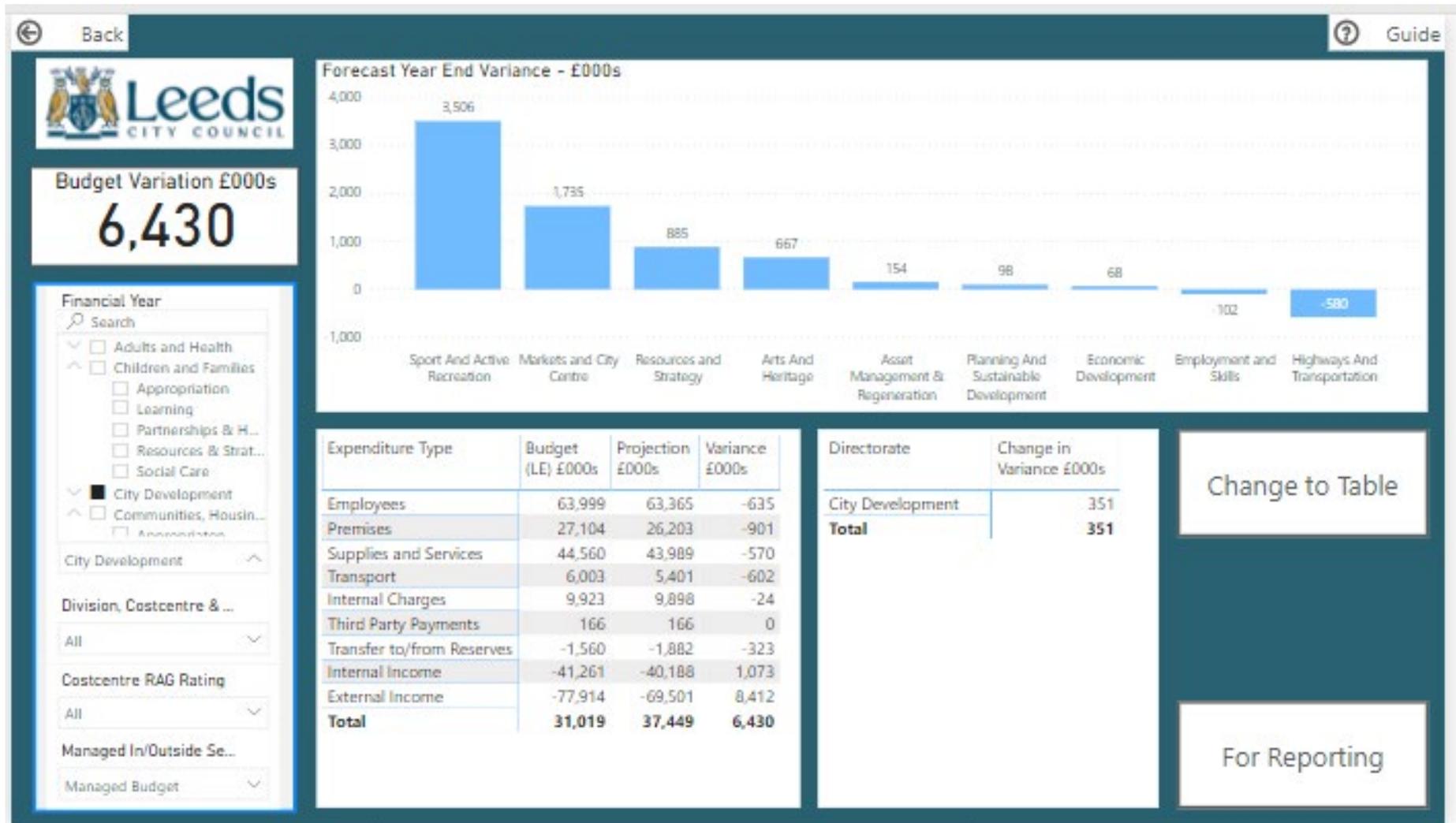
Net Variations against the Approved Budget

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	-317,938	11,974	329,912	317,458	-12,454	0	-480	-480
High Needs Block	-92,284	-89,918	2,365	92,284	89,875	-2,408	0	-43	-43
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	5,083	-73	0	-73	-73
Total	-485,631	-471,291	14,340	485,631	472,695	-12,936	0	1,404	1,404

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	1,839	518	5,491
De-delegated	-1,132	0	-1,132	-436	1,000	-568
Total	2,002	1,681	3,683	1,403	1,518	4,923

Financial Dashboard 2021/22 Financial Year



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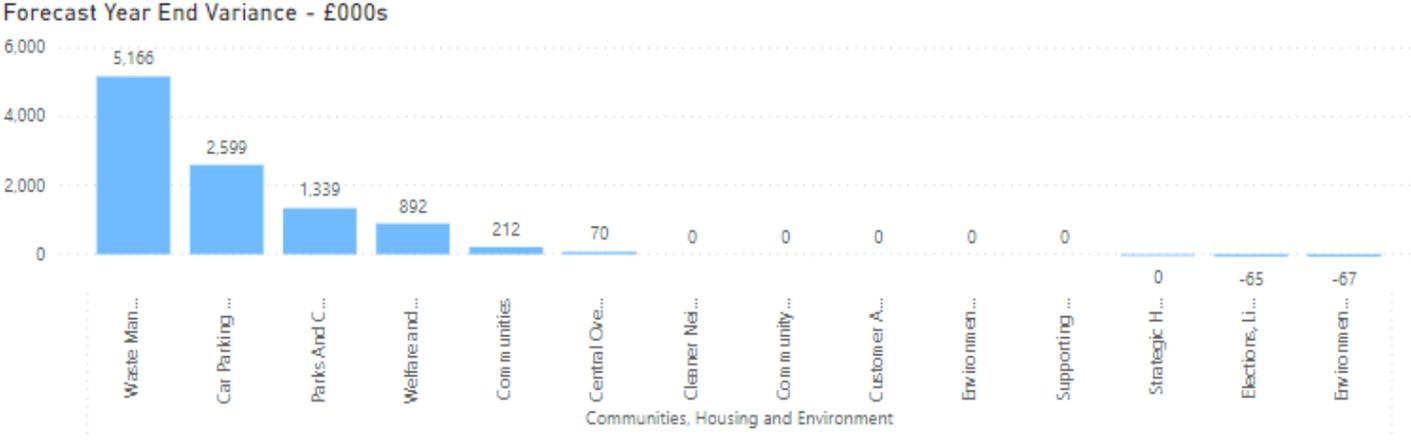
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Budget Variation £000s

10,146

Forecast Year End Variance - £000s



Department	Variance (£000s)
Waste Man...	5,166
Car Parking ...	2,599
Parks And C...	1,339
Welfare and ...	892
Communities	212
Central Ove...	70
Cleaner Nel...	0
Community ...	0
Customer A...	0
Environment...	0
Supporting ...	0
Strategic H...	0
Elections, Li...	-65
Environment...	-67

Financial Year

2021/22

Cost Period

6

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	91,515	93,114	1,599
Premises	10,330	10,171	-160
Supplies and Services	44,117	45,445	1,328
Transport	9,721	10,861	1,141
Internal Charges	11,930	11,818	-112
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	-37,640	-36,239	1,401
External Income	-245,472	-240,523	4,949
Total	75,534	85,680	10,146

Directorate	Change in Variance £000s
Communities, Housing and Environment	-731
Total	-731

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For Reporting

Financial Dashboard 2021/22 Financial Year

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Surplus (-) / Deficit (+)
£000s

0

Financial Year

2021/22

Cost Period

6

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	-9,178	472	78
Grants	-21,385	-21,385	0	0
External Income	-2,033	-2,228	-195	0
Total	-255,248	-254,127	1,120	78

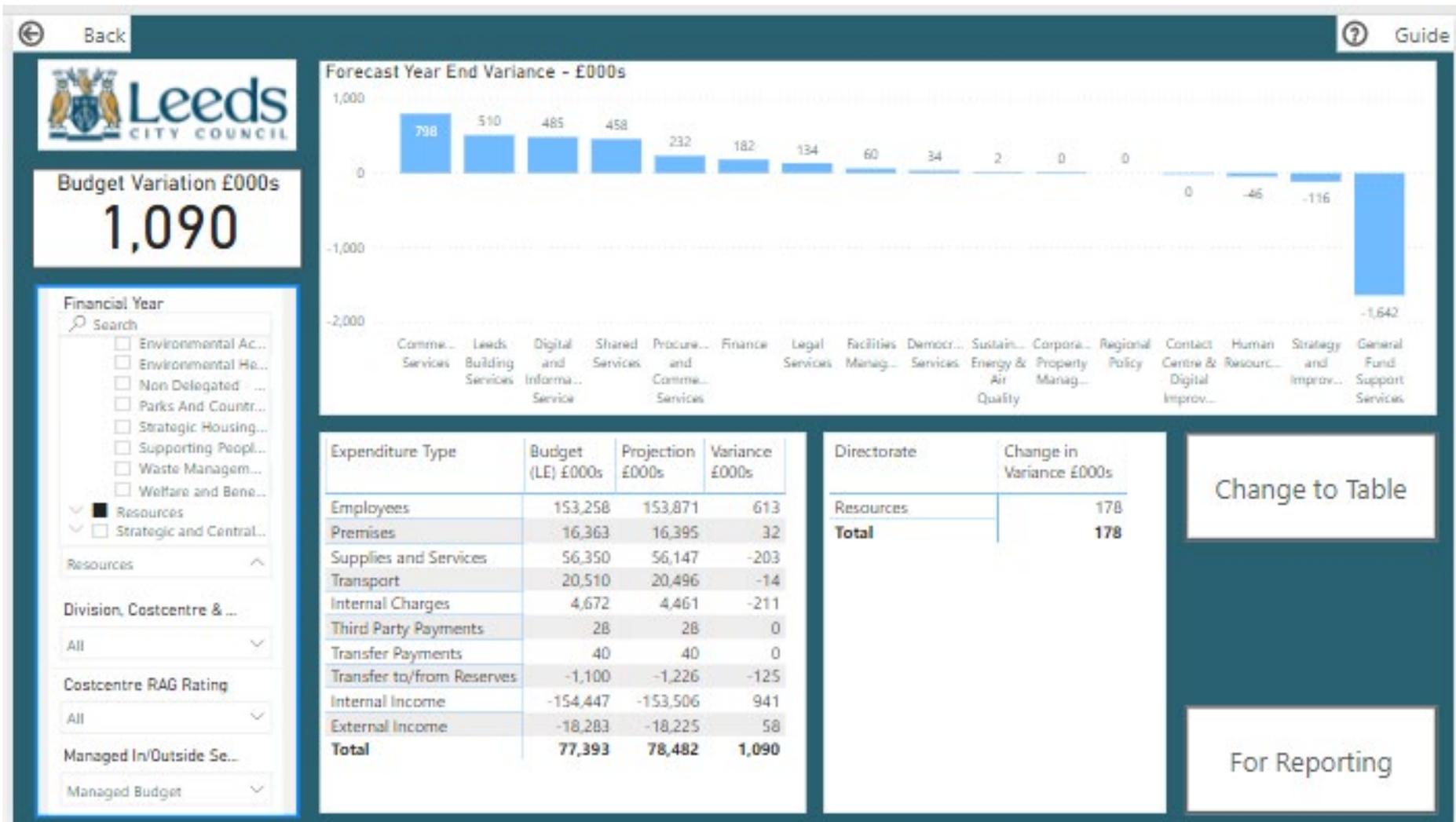
HRA Expenditure	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▲ Discretionary Housing Payments (DHP)	500	500	0	0
Council Tax on Voids	793	793	0	0
Disrepair Provision	1,400	3,200	1,800	800
Repairs to Dwellings	44,853	44,853	0	0
Employees	30,222	29,345	-877	-207
Total	254,918	256,481	1,563	1,448

Surplus (-) / Deficit (+)	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▼ Net Position	-330	2,354	2,683	1,526
Appropriation: Sinking Funds	188	-538	-726	-726
Appropriation: Reserves	141	-1,816	-1,957	-800
Total	0	0	0	-1

HRA Reserves

For Reporting

Financial Dashboard 2021/22 Financial Year



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Budget Variation £000s

-25,412

Financial Year

2021/22

Cost Period

6

Officer Selection

All

Directorate, Service

All

Division, Costcentre & ...

All

Costcentre RAG Rating

All

Managed In/Outside Se...

Managed Budget

Forecast Year End Variance - £000s



Category	Variance (£000s)
Strategic Accounts	8,075
Joint Committees And Other Bodies	1,026
Corporate Insurance	0
Capital Accounting Appropriations	0
Non-Distributa... Costs	0
Corporate & Democratic Core	-128
Miscellaneous	-178
Debt Financing Costs	-865
Government Grants And Parish Precepts	-33,342

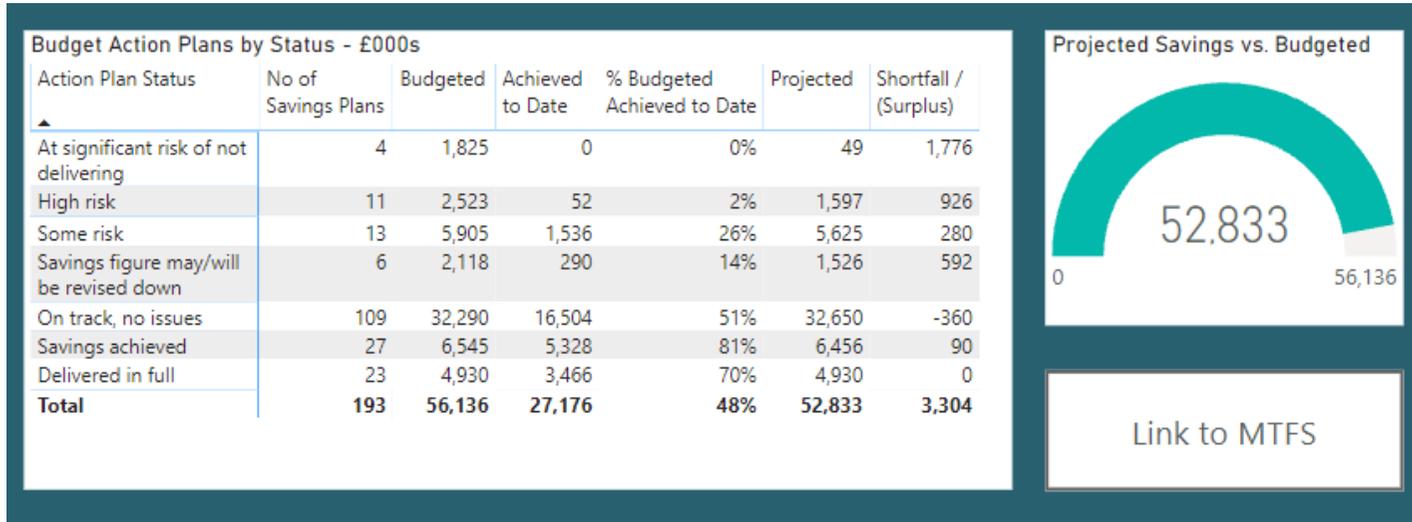
Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	4,807	4,609	-198
Supplies and Services	4,206	-469	-4,675
Internal Charges	4,041	3,902	-139
Third Party Payments	35,765	36,791	1,026
Transfer Payments	803	803	0
Capital	45,015	44,648	-367
Transfer to/from Reserves	-43,418	-29,686	13,732
Internal Income	-40,654	-42,377	-1,724
External Income	-71,488	-104,555	-33,067
Total	-60,922	-86,334	-25,412

Directorate	Change in Variance £000s
Strategic and Central Accounts	54
Total	54

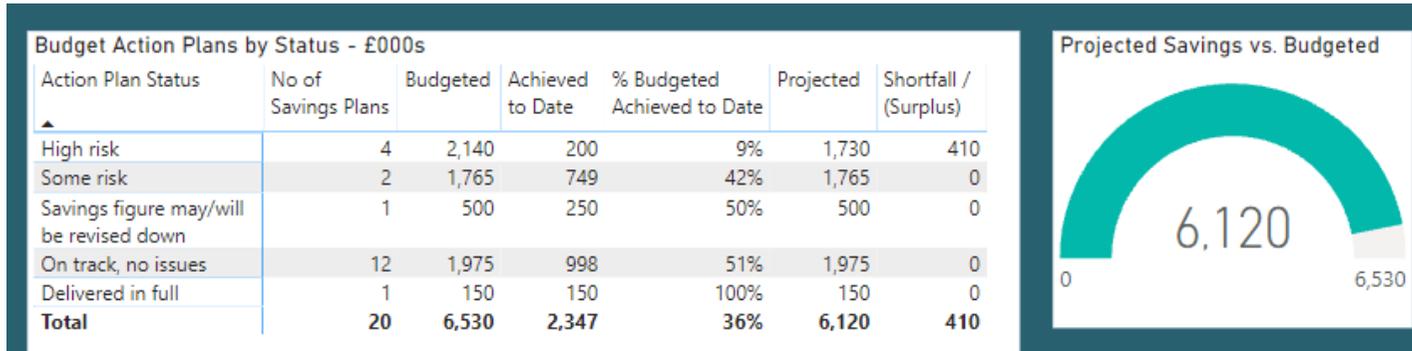
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For Reporting

Budget Action Plan 2021/22 Financial Year



Other Savings Measures



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	3	1,725	0	0%	49	1,676
High risk	5	1,183	0	0%	442	741
On track, no issues	17	7,749	3,888	50%	7,749	0
Savings achieved	4	925	925	100%	925	0
Delivered in full	8	3,713	2,249	61%	3,713	0
Total	37	15,295	7,062	46%	12,878	2,417

Projected Savings vs. Budgeted

0 12,878 15,295

[Link to MTFS](#)

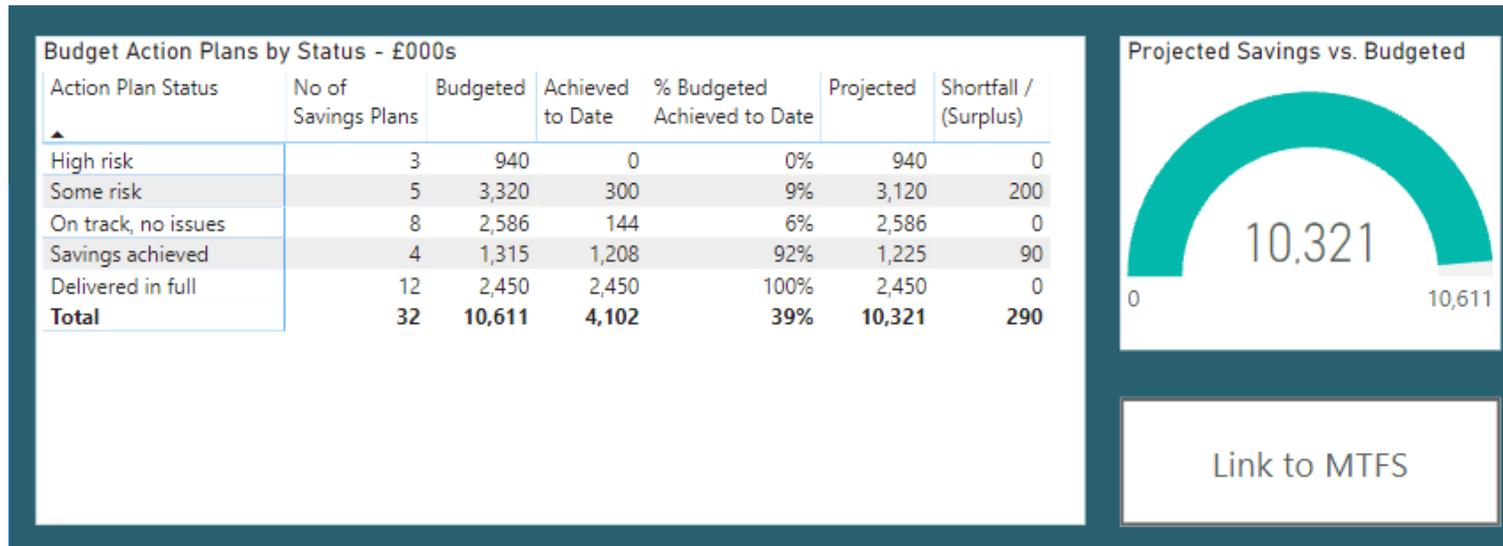
Budget Action Plan 2021/22 Financial Year

Red Risk Areas

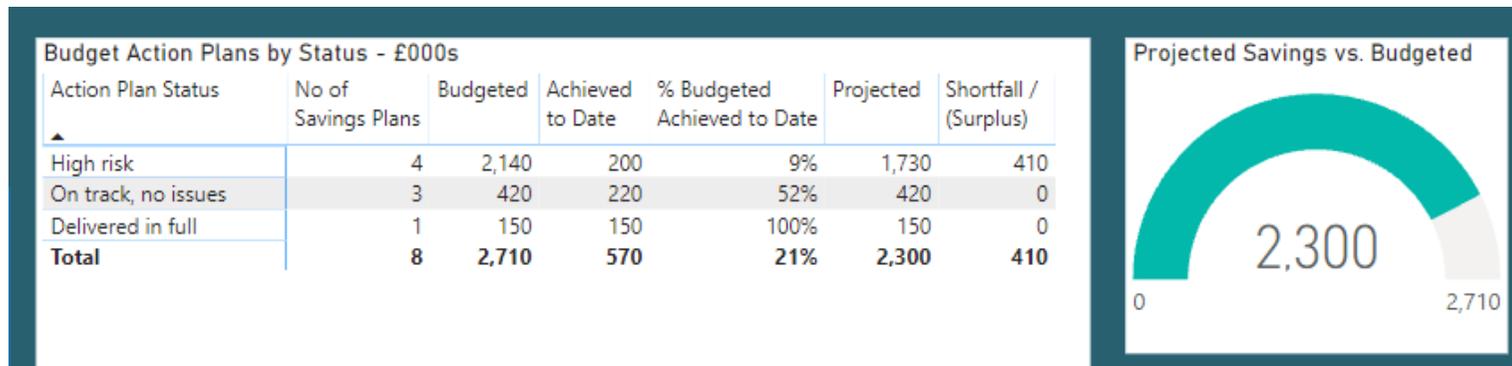
Overview				Status		2021/22				Comments		
Budgeted savings / Other savings measures	Ref.	Savings Review / Business As Usual	No.	Savings title	Accountable Chief Officer	Latest	Budgeted £'000s	Achieved to date / £'000s	Budgeted achieved to date %	Projected £'000s	Projected Shortfall / (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	Access and Care	SR	7	Increase in client contributions	Shona McFarlane John Crowther	At significant risk of not delivering	1,076	0	0%	0	1,076	MAC review is out for consultation and then financial assessment would be needed so Feb impact at earliest, Charges for two careres similarly out for consultation and then needing financial assessments for Feb impact,
Budgeted savings	Access and Care	BAU	5	Assistive Technology	Shona McFarlane	High risk	300	0	0%	0	300	Meant to be achieved through increasing the number of people receiving a referral for reablement and assistive technology and therefore reducing the cost of on going long term care. This has not happened in 2021/22
Budgeted savings	Access and Care	BAU	2	Recovery of Payments for Care not Delivered	Shona McFarlane	At significant risk of not delivering	489	0	0%	49	440	Two extra staff needed to fulfil this role. Recruited in August so savings expected in second half of the year. Shortfall funded from demands savings
Budgeted savings	Access and Care	SR	17	Commissioned services for working age adults proposals: reduction in grant funding	Shona McFarlane Caroline Baria	High risk	33	0	0%	17	16	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
Budgeted savings	Access and Care	SR	18	Strategic Commissioning (Older Adults) proposals: 10% reduction in grant funding	Shona McFarlane Caroline Baria	High risk	24	0	0%	12	12	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
Budgeted savings	Strategic Commissioning	SR	17	Commissioned services for working age adults proposals: reduction in grant funding	Shona McFarlane Caroline Baria	High risk	348	0	0%	174	174	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
Budgeted savings	Strategic Commissioning	SR	18	Strategic Commissioning (Older Adults) proposals: 10% reduction in grant funding	Shona McFarlane Caroline Baria	High risk	478	0	0%	239	239	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
Budgeted savings	Resources and Strategy	SR	7	Increase in client contributions	John Crowther	At significant risk of not delivering	160	0	0%	0	160	Appointeeship Charges deferred until 22/23. Impact to be addressed via other savings

Savings achieved	4,638	3,174	68%	4,638	0
Cancelled	0	0	0%	0	0
High risk	2,908	0	0%	491	2,417
Some risk	0	0	0%	0	0
On track, no issues	7,749	3,888	50%	7,749	0
Total	15,295	7,062	46%	12,878	2,417

Budget Action Plan 2021/22 Financial Year



Other Savings Measures



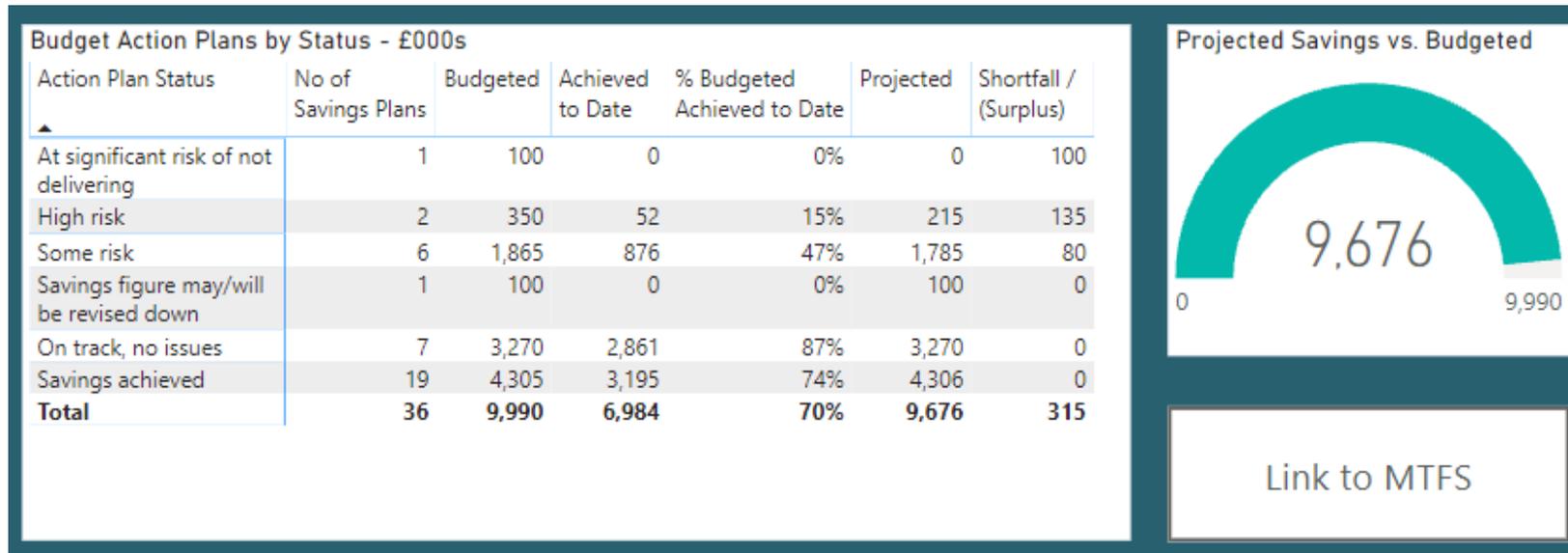
Budget Action Plan 2021/22 Financial Year

Red and Amber Risk Areas

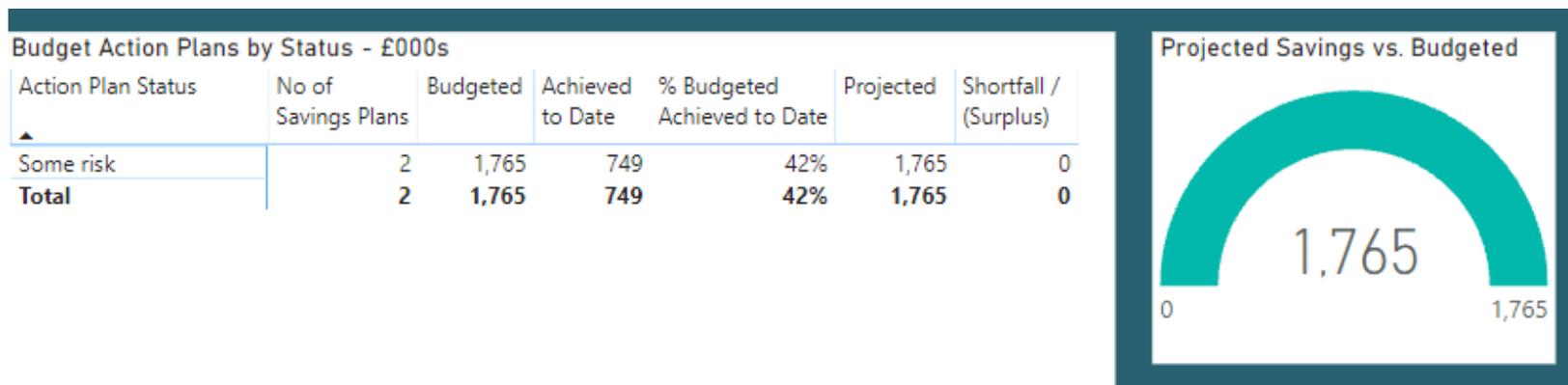
	Overview					2021/22 Savings / Income					Comments	
Budgeted savings / Other savings measures	Ref.	Savings Review / Business As Usual	No.	Savings title	Accountable Chief Officer	Latest	Budgeted £'000s	Achieved to date / £'000s	Budgeted achieved to date %	Projected £'000s	Projected Shortfall / (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	Social Care	BAU	9	Increase in income from Adel Beck Placement charges	Ruth Terry	Some risk	250	0	0%	250	0	Whilst additional income is expected need to consider in context of overall budget position of Adel Beck
Budgeted savings	Social Care	BAU	6	Additional income through increase in Unaccompanied Asylum Seeking Children	Ruth Terry	Some risk	1,000	683	68%	1,000	0	£683k achieved to date is subject to the latest Home Office claim and based on current UASC numbers, any subsequent placements will result in further income generation.
Budgeted savings	Social Care	BAU	5	CCG Income	Julie Longworth	Some risk	1,700	0	0%	1,700	0	Negotiations ongoing with the CCG
Budgeted savings	Social Care	SR	1	CLA Review/ Review of Early Help and Prevention	Julie Longworth	High risk	750	0	0%	750	0	Early Help review ongoing but not expected to be implemented within 21/22. Mitigating savings have been identified through over staff savings with Social Care due to delayed recruitment and vacancies.
Budgeted savings	Social Care	BAU	23	Safeguarding partnership – management costs	Sal Tariq	High risk	40	0	0%	40	0	Revised plan to deliver these savings subject to governance, so may be a delay in implementation
Other savings measures	Social Care	BAU	32	Review of CLA pressure previously assumed	Ruth Terry	High risk	410	0	0%	0	410	Significant pressures reported on the CLA budget and unable to deliver. No mitigating savings identified.
Budgeted savings	Cross-cutting	BAU	23/34	Contract savings	Tim Pouncey	Some risk	500	300	60%	300	200	£200k shortfall against this target, no mitigating savings yet identified
Budgeted savings	Cross-cutting	BAU	21	Running costs	Tim Pouncey	High risk	150		0%	150	0	
Budgeted savings	Cross-cutting			Taxi Contract	Tim Pouncey	Some risk	20		0%	20	0	
Other savings measures	Cross-cutting			Additional income - moved in MTFs to Grants, so is not part of the Savings Review total figure	Sal Tariq	High risk	1,250	433	35%	1,250	0	Further income expected to be identified
Other savings measures	Cross-cutting	BAU	21	Running costs	Tim Pouncey	High risk	150			150	0	
Other savings measures	Cross-cutting	x		Additional income	Sal Tariq	High risk	330			330	0	Further income expected to be identified

Savings achi	3,915	3,808	97%	3,825	90
Cancelled	0	0	0%	0	0
High risk	3,080	433	14%	2,670	410
Some risk	3,470	983	28%	3,270	200
On track, n	2,856	364	13%	2,856	0
Total	13,321	5,588	42%	12,621	700

Budget Action Plan 2021/22 Financial Year



Other Savings Measures



Budget Action Plan 2021/22 Financial Year

Red and Amber Risk Areas

Budgeted savings / Other savings measures	Overview			Savings title	Accountable Chief Officer	Status	2021/22 Savings / Income				Comments	
	Ref.	Savings Review / Business As Usual	No.				Latest	Budgeted £'000s	Achieved to date / £'000s	Budgeted achieved to date %		Projected £'000s
Budgeted savings		BAU	5	Estate Rationalisation and Remodel	Angela Barnicle	Some risk	236	0	0%	236	0	Projection assumes further estate rationalisation savings to be found in year
Budgeted savings		BAU	3	Markets and City Centre Service	Phil Evans	High risk	200	50	25%	115	85	high risk of the all savings with markets being achieved by year end. Latest forecasts assume 57% will be achieved this year leading to a 85K pressure.
Budgeted savings		BAU	10	Highways & Transportation	Gary Bartlett	Some risk	900	370	41%	820	80	Additional DLO income target may not be achievable in 21/22 due to delays in recruitment but shortfall managed within the service
Budgeted savings		BAU	11 (10)	Arts, Events & Venues	Eve Roodhouse	Some risk	254	224	88%	254	0	Some risk re Carriageworks Income as a result of covid
Budgeted savings		SR	6	Strategic Planning	David Feeney	Savings figure may/will be revised down	100	0	0%	100	0	Saving proposal not achieved but alternative savings identified.
Budgeted savings		SR	7	Planning application decision-making process	David Feeney	At significant risk of not delivering	100	0	0%	0	100	Unlikely to achieve saving proposal due to workload pressures within the service as a result of Covid.
Budgeted savings		SR	11 (1)	Lotherton Hall	Eve Roodhouse	Some risk	67	24	36%	67	0	Savings delivered via Service wide review of expenditure (achieved) and through additional Income via One Estate (being monitored)
Budgeted savings		SR	11 (9)	Breezecard charge	Eve Roodhouse	High risk	150	2	1%	100	50	Breezecard offer launched August. Requires 36,000 sales to achieve target. To be monitored closely as considerable risk
Budgeted savings		SR	11 (6)	Leeds Lights	Eve Roodhouse	Some risk	208	158	76%	208	0	Mostly delivered (savings against Staffing and Transport) along with increased Income being monitored
Budgeted savings		SR	11 (14)	John Charles Centre	Phil Evans	Some risk	200	100	50%	200	0	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
Other savings measures				Estate Rationalisation	Angela Barnicle	Some risk	450	266	59%	450	0	Projection assumes use of fees from sale of Amazon/Trilogy (c£1.15m)
Other savings measures				Strategic Investment Fund	Angela Barnicle	Some risk	1,315	483	37%	1,315	0	Projection assumes St Georges House income and use of fees from sale of Amazon/Trilogy (c£1.15m)

Savings achieved	4,305	3,195	74%	4,306	0
Cancelled	0	0	0%	0	0
High risk	450	52	12%	215	235
Some risk	3,730	1,625	44%	3,650	80
On track, no issues	3,270	2,861	87%	3,270	0
Total	11,755	7,733	66%	11,441	315

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)
High risk	1	50	0	0%	0	50
Savings figure may/will be revised down	3	668	290	43%	576	92
On track, no issues	32	5,375	3,331	62%	5,735	-360
Total	36	6,093	3,621	59%	6,311	-218

Projected Savings vs. Budgeted

6,311

0 6,093

[Link to MTFS](#)

Communities, Housing and Environment
Budget Action Plan 2021/22 Financial Year

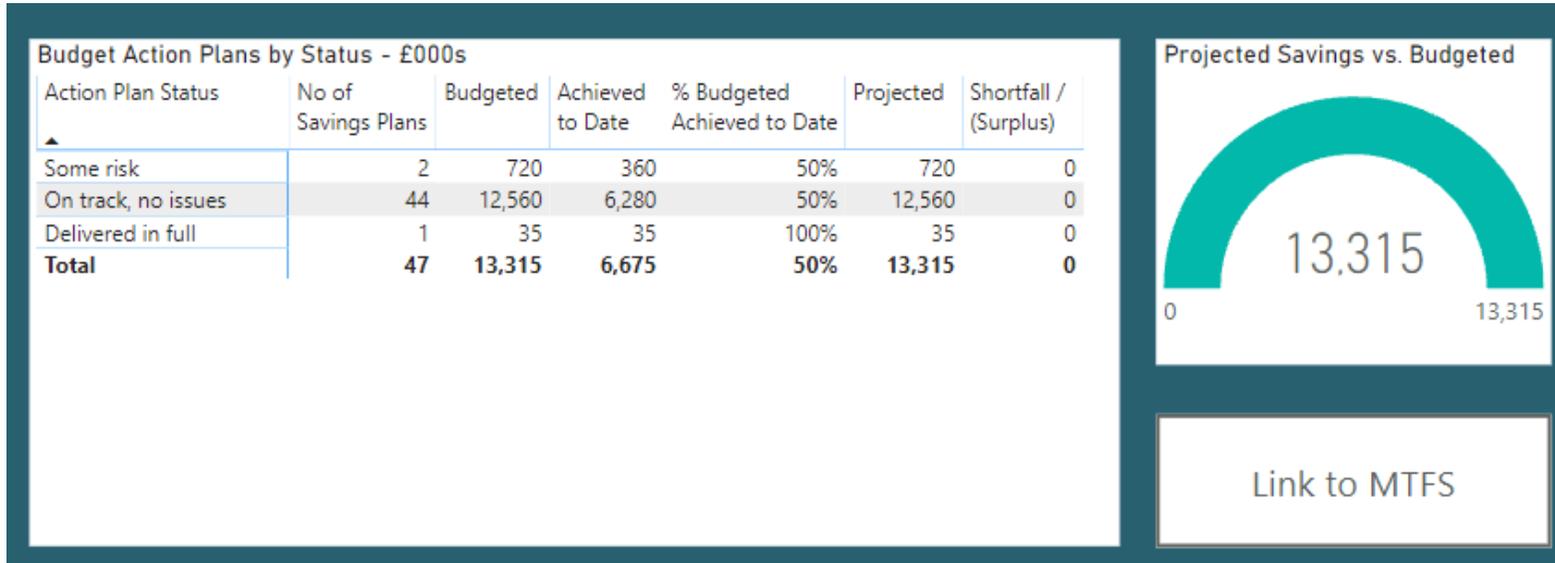
September (Month 6)

Red and Amber Risk Areas

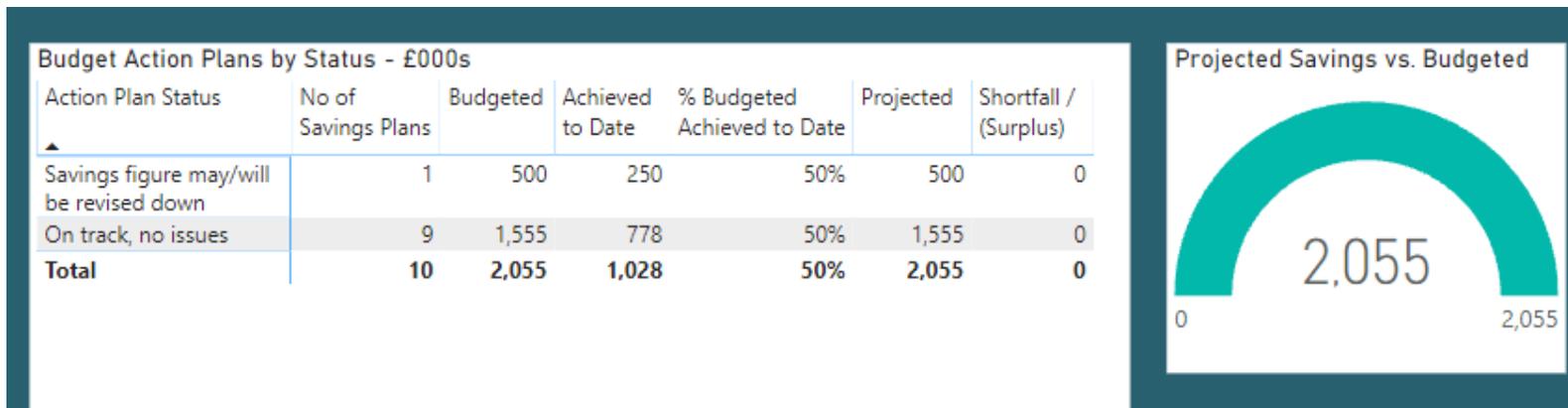
Budgeted savings / Other savings measures	Overview				Status	2021/22 Savings / Income			Projected Shortfall / (Surplus) £'000s	Comments Including mitigating actions for Reds & Ambers	
	Savings Review / Business As Usual	No.	Savings title	Accountable Chief Officer	Latest	Budgeted £'000s	Achieved to date / £'000s	Budgeted achieved to date %			
Budgeted savings	BAU	8c	Bus Lane Enforcement	John Mulcahy	High risk	50	0	0%	0	50	Total parking income including BLE is significantly affected by COVID. Assuming this £50k is part of £2.8m parking income pressures
Budgeted savings	BAU	1	Ellar Ghyll HWRC	John Woolmer	Savings figure may/will be revised down	75	30	40%	60	15	Slight delay in weekday closures, not implemented yet
Budgeted savings	BAU	Budgeted Savings on MTFS	Benefits Staffing	Lee Hemsworth	Savings figure may/will be revised down	520	260	50%	463	57	Approx 50% delivered through ELIs at the end of 2020/21. balance from vacant posts pending completion of service review and a restructure. Shortfall to be covered from admin grant income
Budgeted savings		Dec Saving	Parks - Intruder Monitoring	Sean Flesher	Savings figure may/will be revised down	73	0	0%	53	20	Delay in implementation with a minor shortfall expected

Savings achieved	0	0	0%	0	0
Cancelled	0	0	0%	0	0
High risk	50	0	0%	0	50
Some risk	668	290	43%	576	92
On track, no issues	5,375	3,331	62%	5,735	-360
Total	6,093	3,621	59%	6,311	-218

Budget Action Plan 2021/22 Financial Year



Other Savings Measures



Budget Action Plan 2021/22 Financial Year

Amber Risk Areas

Budgeted savings / Other savings measures	Overview			Savings title	Accountable Chief Officer	Status	2021/22 Savings / Income				Comments	
	Ref.	Service Review / Business As Usual	No.				Latest	Budgeted £'000s	Achieved to date / £'000s	Budgeted achieved to date %		Projected £'000s
Budgeted savings			Movements between Resources and CHE	CONTACT CENTRE: CHE>R	Mariana Paxton	Some risk	420	210	50%	420	0	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.
Budgeted savings		SR	16	CEL: Increase income	Sarah Martin	Some risk	300	150	50%	300	0	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.
Other savings				Other	Various	Savings figure may/will be revised down	500	250	50%	500	0	

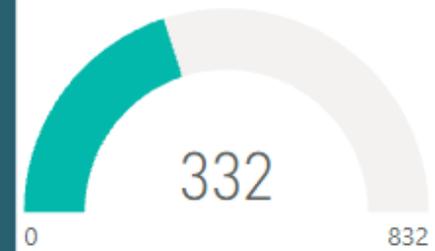
Savings achieved	35	35	100%	35	0
Cancelled	0	0	0%	0	0
High risk	0	0	0%	0	0
Some risk	1,220	610	50%	1,220	0
On track, no issues	14,115	7,058	50%	14,115	0
Total	15,370	7,703	50%	15,370	0

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)
Savings figure may/will be revised down	2	1,350	0	0%	850	500
On track, no issues	1	750	0	0%	750	0
Delivered in full	2	-1,268	-1,268	100%	-1,268	0
Total	5	832	-1,268	-152%	332	500

Projected Savings vs. Budgeted



[Link to MTFS](#)

Budget Action Plan 2021/22 Financial Year

Amber Risk Areas

Overview				Status	2021/22 Savings / Income				Comments				
Budgeted savings / Other savings measures	Ref.	Service Review / Business As Usual	No.	Savings title	Planned action / Description	Accountable Chief Officer	Latest	Budgeted £'000s	Achieved to date / £'000s	Budgeted achieved to date %	Projected £'000s	Projected Shortfall / (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings				Organisational Change	Customer contact (Resources-DIS)	TBC	Savings figure may/will be revised down	1,000	0		650	350	Revenues/Customer contact savings revised down.
Budgeted savings				Organisational Change	Revenues (Resources)	TBC	Savings figure may/will be revised down	350	0		200	150	Revenues/Customer contact savings revised down.

Savings achieved	-1,268	-1,268	100%	-1,268	0
Cancelled	0	0	0%	0	0
High risk	0	0	0%	0	0
Some risk	1,350	0	0%	850	500
On track, no issues	750	0	0%	750	0
Total	832	-1,268	-152%	332	500