

Financial Health Monitoring 2021/22 – Provisional Outturn (Month 11)

Date: 20th April 2022

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 Provisional Outturn (Month 11) a COVID-19 related overspend of £27.9m 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 Provisional Outturn position continues to assume that the balance of this funding, £23.0m, will be applied to the COVID related overspend. A £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 £1.9m which when combined with a projected non COVID underspend of £2.3m results in a £0.4m underspend position at Provisional Outturn. 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 Provisional Outturn, it is anticipated that the required £56.1m of budgeted savings will be delivered in full or managed through mitigating actions, with the exception of £0.7m relating to three savings plans in the Children and Families directorate and £0.2m relating to two savings plans in City Development. Any areas of risk are highlighted in directorate narratives at Appendix 1, with further detail provided at Appendix 3.
- At Provisional Outturn, the Housing Revenue Account is forecasting a balanced position.
- As the Board will be aware, the Council has agreed to provide £50,000 from the Strategic Contingency Reserve towards the "Leeds Together for All" fund to assist with the integration of refugees from Ukraine arising as the result of the Russian invasion.

Recommendations

Executive Board are asked to:

- a) Note the projected financial position of the Authority at Provisional Outturn (Month 11) and the projected impact of COVID-19 on that position.
- b) Note that for 2021/22 the Authority is forecasting a £0.4m underspend position at Provisional Outturn.

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 10 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 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 will

end on 31st March 2022 and it remains complex to estimate the continued impact of COVID-19 on council tax and business rates income. Concern continues 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 ongoing close monitoring. However, there are signs that there may be some recovery in Council Tax and Business Rates, contingent on the continued opening of the local economy.

- 10 The projected position includes the costs of the 2021/22 pay award, with the final National Employers pay offer having been agreed with unions in late February 2022. Staff received backdated payment of the 2021/22 pay award in March 2022.
- 11 The report highlights a risk relating to unprecedented high global electricity and gas prices. The 2021/22 General Fund budgets for gas and electricity total £20.93m. However, as reflected in the [“Energy costs and purchasing strategy”](#) report received by Executive Board in March 2022, the current estimated overall cost for 2021/22 is £23.5m (£2.6m over budget), with approximately 70% of this pressure falling on the General Fund. As part of the 21/22 budget process, an Energy Reserve of £1.07m was created. After application of the £1.07m Energy Reserve created as part of the 2021/22 Budget, the General Fund would still face an additional pressure of £0.7m. The final position for 2021/22 will be reported to this Board at Financial Outturn. Should this estimated pressure be confirmed at financial outturn, it will be proposed in that Financial Health Outturn report that Executive Board agree to fund it through use of the Strategic Contingency Reserve - as such it will not impact on the revenue bottom line position shown in this report.

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 – Provisional Outturn (Month 11)

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 Provisional Outturn (Month 11).
- 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 Provisional Outturn, a COVID related overspend of £27.9m 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 January assumes that the balance of this funding, £23.0m, will be applied to the COVID related overspend. A £3.0m Government contribution to lost income from sales, fees and charges is also being applied to the identified COVID pressure. After this application of COVID funding there remains a projected COVID overspend of £1.9m which, when combined with a projected non COVID underspend of £2.3m, results in a £0.4m underspend position at Provisional Outturn (Month 11).
- 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 £0.4m underspend against the 2021/22 Budget, of which a £1.9m pressure relates to COVID pressures and £2.3m relates to net directorate savings not relating to COVID.

Summary Position at Month 11 (Provisional Outturn)- 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	1,325	30,890	(30,888)	0	(550)	550	0
Children and Families	Sal Tariq	(19)	6,568	2,863	9,433	10,171	(738)	9,333
City Development	Martin Farrington	(1,655)	(2,100)	8,392	6,293	7,023	(730)	6,327
Communities, Housing & Environmer	James Rogers	1,069	7,410	2,041	9,450	8,120	1,330	9,573
Resources	Neil Evans	(1,711)	(4,732)	4,732	0	3,098	(3,098)	301
Strategic	Victoria Bradshaw	(298)	17,546	(43,106)	(25,560)	(25,961)	401	(25,534)
Total Current Month		(1,289)	55,582	(55,966)	(384)	1,901	(2,285)	0

Previous reported (under)/over spend	(335)	53,813	(53,815)	0	2,142	(2,142)
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MEMO : Covid Related Pressures	27,862
funded by:	
COVID Contingency in Strategic (Use of Govt 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	(2,975)
Remaining COVID Related Pressure	1,901

- 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 £194.97m. This is a reduction of £0.1m from Month 10 due to further general capitalisation of eligible revenue expenditure, taking the annual total to £0.24m. Since Month 10 demand in residential settings has continued to be low, however we have seen an increase in the Homecare market with the number of outstanding packages in February reducing from 208 to 139, further impacted by the average package size increasing from 10.72 hours per week to 11.14 hours per week. Given how late in the financial year this has occurred there will be a small impact on the 2021-22 accounts.

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 £2.016m Budget Action Plans that are at risk of non-delivery; £0.686m relating to client income, £0.589m for shortfall in recovery of payments for care not delivered and reviewing packages, £0.441m slippage in implementing

Commissioning savings plans and £0.3m assistive technology additional income via increased demand. Further details are provided in Appendix 3. Where slippage / non-delivery have been identified, alternative options to balance the budget have also been identified; utilising available reserves £0.4m; LD reassessment teamwork and new charges £1.6m; additional income for Community Beds Service £0.9m; ICF income £0.5m; and additional CCG agreements £0.5m.

Pay Award – This forecast takes account of the latest Employers pay offer for 2021-22 financial year; 1.75% NJC and 1.5% JNC which has been paid in March. The 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 in respect of the low occupancy scheme.

Demand – Incorporated into the budget is demand and demography growth of £8.41m. At Month 11 there is a £1.9m pressure on the Demand Led budgets; £1.4m for Older People (£0.7m Homecare / £0.4m Nursing and £0.3m Residential) and £0.5m for Working Age Adults, predominately in Supported 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 £28.422m has been received and the position assumes that there is associated expenditure against this funding: - £2.661m for Clinical Extremely Vulnerable funding support, £0.525m Hospital Discharge fund, £11.679m Infection Control fund & Rapid Testing (reflecting further £4.659m for ICF3 for October'21 to March'22) and £6.349m Controlled Outbreak Management fund. New, £2.242m, Winter 2021-22 funding for Workforce Recruitment and Retention programme, £4.138m Workforce & Retention Fund strand 2 and £0.828m Impact of Omicron virus and response to impact on Adult Social Care.

At Month 11 there are COVID related savings of £0.55m relating to increased grant income from the Infection Control Fund and the 1% top-slicing of eligible grants. Non-COVID pressures of £0.55m have been identified which offset these COVID related savings; £0.53m staffing and £2.92m non-staffing predominantly around higher demand within Older People settings and Working Age Adults demand budgets, offset by a £2.9m increase in Income.

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 £9.433m which is an increase of £99k from the previously reported Month 10 position. Within the Month 11 projections there is an overspend of £10.171m related to COVID, and a £738k net underspend not related to COVID.

The Month 11 projected overspend of £9.433m is broken down as follows:

Expenditure	£m
• CLA Placements	4.270
• Non CLA Placements	3.323
• CLA staffing	0.441
• Assumed pay award	1.408
• Contract rebate	(1.304)

• 'Little Owls' nurseries staffing	(0.754)
• Saving Action Plans not met	0.290
• S17 Payments	0.250
• School Severance costs	(0.360)
• Early Help service costs	(0.370)
• Legal costs	(0.300)
• Passenger transport costs	0.150
• Learning Staff costs	0.232
• Other	(0.566)

Income

• 'Little Owls' nurseries	2.682
• Leeds Activity Centres	0.153
• DSG contribution for pay award	(0.112)

Total projected overspend 9.433

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 £7.593m. As at the end of February, CLA numbers were 1,371, an increase of 95 since the start of 2021/22. Although the number of in-house CLA placements has increased from the start of the year (847) to 873, demand for external CLA placements has increased from 426 at the start of the year to 498.

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.

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 13 overall since the start of the year, from 1,052 to 1,039. 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 £441k against CLA staffing. This mainly relates to the secure unit staffing budget due to additional agency costs incurred to date due to both specialist post requirements and recruitment difficulties.

The Month 11 position assumes a projected net pressure of £1.928m across the Little Owls nursery settings, this represents a projected £2.682m shortfall of income offset by a projected £754k saving on staff costs. The Little Owls nurseries have experienced a significant reduction in demand due to COVID. 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 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 has been included in a claim to Central Government for the 'Sales, Fees and Charges' grant available for the first three months of the 21/22 financial year.

The projections include the pay award costs reflecting the National Employers final pay offer. In addition, for Month 11 the projections include expected rebates on Children and Families contracts.

The Month 11 projection assumes delivery of £12.621m of the £13.321m savings included within the budget, however £700k of savings will not be delivered. £410k of this is included within the CLA pressures in the breakdown above, and a further £290k is separately identified against partnership contributions and contract savings.

During the year an additional CCG contribution of £1.7m had been highlighted as a high risk action plan. An in year solution has now been identified to offset delivery of this saving pending ongoing discussions for a more permanent agreement.

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 11 we are projecting a £2.745m underspend on DSG for 2021/22, this would result in a closing deficit of £0.511m.

The in-year overspend is due to the following:

- Schools Block £745k underspend: There is an underspend of 273k within the schools block due to NNDR savings and a funding adjustment following the academy conversion of schools. In addition, there is a net saving of £472k within delegated services
- High Needs Block £368k underspend.
- Early Years Block £1.559m underspend: During 2020/21 there was an underspend on the Early Years block £2,228 due to the 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. Consideration has been given by the authority on the best use of the 2020/21 underspend and, mainly due to the ongoing pressure on the DSG and the requirement to produce a deficit reduction plan, the decision has been made not to redistribute this surplus to Early Years settings.
- Central School Service Block £73k underspend: Within this block there is a projected saving of £73k due to staff vacancies and delays in recruitment.

3.5.3 City Development – At Month 11, the directorate is projecting an overspend of £6.3m for the year. This is primarily due to the continuing impact of COVID on income streams, currently estimated at £7m for the year, partially offset by all other savings across the directorate of £0.7m. This projection includes the impact of the Local Government pay offer which is projected at an additional cost of £0.9m across the directorate.

There is still a degree of uncertainty over the impact of the COVID pandemic on income streams and therefore this position is still subject to some variation before the year end position is finalised.

An element of the COVID related income losses incurred in the first quarter of the year (c£2.6m) is 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 £4.1m, 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, £1.7m 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 £3.2m.
- **Arts and Heritage** - an overspend of £0.6m 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.
- **Asset Management & Regeneration** – an overspend of £0.7m is projected which reflects staffing variations (including the impact of the pay award), a reduction in fee income due to slippage in the capital receipts programme and all other variations across the service. There is a projected shortfall in respect of the Strategic Investment Fund and Estate Rationalisation savings targets although these are anticipated to be largely offset by fee income from the sale of Logic Leeds buildings and on-off income from granting access rights to developers on Council owned Land.
- **Markets and City Centre** - The estimated ongoing impact of COVID on income is a projected shortfall of £1.1m on Markets income reflecting rental support to market traders and vacant units and £0.8m 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 short-term funding in 21/22 has therefore 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 £0.3m in Development Management is currently estimated,

although this is partially offset by savings in the rest of the service, giving an overall overspend of £0.2m.

- Highways and Transportation – The service is projecting an underspend of £0.1m which includes savings of £0.4m in respect of street lighting energy consumption and maintenance. A projected staffing underspend of £0.7m due to vacancies is offset by reduced income and increased external supplier costs.
- The overall projected position of £6.3m includes net staffing savings of £0.7m across the directorate after taking account of income generating posts. As noted above, this includes provision of £0.9m for the impact of the local government pay award across the directorate which has recently been agreed.

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 11 position reflects shortfalls in the following main areas:

- Efficiencies within the Planning Service (impacted by COVID) - £0.1m
- Breezecard charging income - £0.1m

In addition, there are some budget savings plans where, although they are not being achieved as originally envisaged, mitigating savings have been identified to offset the pressures. These include:

- Strategic Investment Fund target - £0.8m, largely offset by existing disposals and disinvestments
- Estate Rationalisation savings - £0.4m, offset by one-off Access Rights income
- Additional Highways DLO surplus, - £0.08m, offset by other savings within Highways & Transportation
- Reduced opening hours at Lotherton Hall and Thwaite Mills - £0.1m, offset by other expenditure savings within the service

3.5.4 Communities, Housing & Environment – At Month 11, the Directorate is facing pressures of £9,450k, of which £8,120k is COVID related and for which the Council has set aside specific funding to mitigate. There are £1,330k of other non-COVID pressures which are outlined in more detail below. The figures remain largely consistent with previous months and include the impact of the pay award offer.

As this projection is based upon available information at the end of February, the outturn position relating to pressures in car parking income and waste management are not expected to be materially different.

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, which is accounted for centrally.

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

- **Car Parking Services** **£2,978k**
Loss of car parking and enforcement income, based on lost income to February 2022 and projected forward for 1 month.

- **Net loss of Parks & Countryside income** **£1,202k**
 This includes net income losses from visitor attractions, cafes, bereavement services and the cancellation of planned events, offset by minor expenditure savings.
- **Waste Management** **£4,097k.**
 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 and the cost of providing additional staffing cover at Household Waste sites.
- **Benefits subsidy income** **£180k**
- **Other minor variations** **£(337k)**
 This includes losses on income from the hire of Community Centres, offset by receipt of public health funding and other funding to compensate.
- **Non COVID Variations** **£1,331k**

Outside of the COVID related pressures, the main pressure is a net estimated £1.9m 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 in excess of the amounts 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 most 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, the Resources Directorate is forecasting a balanced position. This is a £301k improvement from last month. The improvement is mainly due to:

- Legal services £18k increase due to changes in income.
- Leeds Building Service £41k decrease in operating costs.
- Democratic services £41k decrease due to savings across supplies and services.
- Finance £252k decrease due to a government refund in relation to Magistrate fees.
- Catering services increased by £17k due to changes in meal numbers.

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

Leeds Building Services (LBS)

This is the result of increased costs 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

£840k

The overall loss of income from schools is £1,720k. This is offset by the savings on food of £477k and staffing savings of £770k. The overall loss of commercial income is £733k this is all due to COVID and is somewhat offset by staffing savings of £200k and food savings of £283k. Were the Government to extend the Sales, Fees and Charges grant to beyond the first quarter of 21/22 (as LCC has lobbied for), this additional loss of income would be eligible for that grant.

There are £88k staffing savings due to the ASC sites closing and Staff being redeployed to other sites which will alleviate pressure and reduce level of casual staff. Also, there is a management staff saving of £18k.

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 £198k is included in these figures, mitigated by £15k charging out the cost and the remainder mitigated by flexible use of Capital Receipts, shown outside of CEL.

This figure also incorporates £150k Supplier Relief.

Integrated Digital Service

£385k

There is a projected staffing and agency overspend of £1,646k including £385k pay award, which is partially offset by savings of circa £935k on running costs, £200k one-off savings on Prudential Borrowing, circa £800k from health, £230k one off income from projects, £580k loss of income on other projects, also other variances, such as an income shortfall of £267k due to fall out of capital income.

Legal and Democratic

£216k

There is a £176k pressure due to a reduction in income due to the impact of COVID. The budget pressure may be partially mitigated corporately by the quarter one Sales Fees and Charges grant. This is offset by staffing savings and income from CCGs within Democratic Services. An estimated cost of pay award of £134k is included in these figures.

Procurement and Commercial Services

£100k

There is a projected loss of income of £415k due to the delayed recruitment of a Commercial Finance Manager and Senior Commercial Business Partner which impacted income generation for the service. The service has identified an additional £347k to mitigate some of this income loss. An estimated cost of pay award of £32k is included in these figures.

Strategy and Improvement

-£44k

There is a projected saving of £106k, due to income from Public Health to fund 5 x SO2 posts for 6 months. An estimated cost of pay award of £62k is included in the projection.

Human Resources**-£204k**

Projected staff saving of £178k across the HR service, along with an additional income of £130k from Public Health, and £80k saving on supplies and services is partly offset by an estimated £56k loss of income due to the of elements of the Aspire contract and £39k loss of other income. An estimated cost of pay award of £88k is included in the projection.

Finance**-£507k**

This position utilises £132k of additional Court Fee income, which is offsetting pressures in Revenues and £100k of the Pay Award. An estimated cost of pay award of £187k is included in the projection.

The Government has recently announced a refund to Local Authorities in regard to overcharged magistrate court fees paid for council tax liability orders applied for between April 2014 and July 2018. Whilst the accounting treatment of this refund is to be finalised, it is prudent to show additional £570k projected income from this refund at this time. The full amount of the refund is expected to be in the region of £670k. Potential liabilities and contingency provision in respect of this will be examined prior to year-end.

Facilities Management**-£140k**

The service has absorbed approximately a £75k pressure to provide front of house at seven key buildings from November 2021. These are the large multi occupancy sites where there are a multitude of departments using the building as either a permanent base or as dropdown space. This service enables safe and secure access to staff and visitors as they will operate a reception system and helps discharge our statutory responsibilities with regards to Health and Safety providing services such as First Aider, Fire Warden and Emergency Incident Officer.

There is a COVID cost of £60k within Facilities Management for the PAT testing of home working equipment. There is also NNDR credit of £200k as the service has actively sort to declare buildings as void where relevant.

Corporate Property Management**-336k**

This reflects an NNDR credit of £336k as the service has actively sort to declare buildings as void where relevant.

Cleaning, Fleet, Presto, School Crossing Patrol**£125k**

There is a £135k Pay Award for these services.

Shared Services**-£115k**

This reflects a projected staffing saving of £193k along with an estimated cost of pay award of £477k. This is offset by supplies and services savings.

Capital Receipt Flexibilities**-£1,398k**

£1.4m value of transformational activity within the directorate has been identified which falls within the additional flexibility definition for Capital Receipts which the government has allowed local authorities. A total of £1.398m is therefore shown on the 'General Fund Support Services' heading to reflect this.

Reported overspends due to loss of income from the ongoing impact of COVID 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.

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 February, the Strategic & Central accounts projection is an overspend of £0.4m, before taking into account the application of funding to address the £27.9m 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 was anticipated when the budget was set, and pressures of £1.3m in the delivery of corporate savings targets and £0.6m in respect of budgeted capitalisations. A cost of £0.3m in relation to the settlement of disputed historical energy bills has also been recognised. These pressures are netted down by projected savings in the debt budget of £2.9m.

Contained within the published Provisional Local Government for 2022/23 was an announcement of a further year's allocation of New Homes Bonus. Therefore, an additional projected £6.8m receivable in New Homes Bonus grant will be transferred to the Strategic Contingency Reserve for use in future years.

The 2021/22 budget for Strategic contained £0.8m of net savings in Budget Action Plans. A red risk is currently reflected against £1.05m of budgeted savings in respect of the delivery of customer contact savings.

- 3.5.7 Directorate dashboards highlight a projected COVID-19 overspend of £27.9m. 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 £1.9m.
- 3.5.8 A projected non-COVID underspend of £2.3m is projected against the Council's 2021/22 revenue budget which combined with the COVID overspend results in a projected £0.4m underspend position for Month 11.

- 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 end on 31st March 2022 and it remains complex to estimate the continued impact of COVID-19 on council tax and business rates income. There are signs that there may be some recovery in both Business Rates and Council Tax, although this remains contingent on the continued opening of the local economy. A summary is given of the continuing areas of concern at paragraph 4.4.
- 3.5.10 The Council 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. This offer was agreed in late February 2022 and is reflected in the reported position for each directorate at Month 11. Staff received backdated payment of the 2021/22 pay award in March 2022.
- 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 General Fund budgets for gas and electricity total £20.93m. However, as reflected in the [“Energy costs and purchasing strategy”](#) report received by Executive Board in March 2022, the current estimated overall cost for 2021/22 is £23.5m (£2.6m over budget). Approximately 70% of this pressure would fall on the General Fund, with 21% falling to Schools and 9% to the HRA. As part of the 21/22 budget process, an Energy Reserve of £1.07m was created. There is still some uncertainty with regard to the final outturn position, however based on these current estimates, after application of the Energy Reserve the General Fund would still face an additional pressure of £0.7m. The final position for 2021/22 will be reported to this Board at Financial Outturn. Should this estimated additional unfunded pressure be confirmed at financial outturn, it will be proposed in that Financial Health Outturn report that Executive Board agree to fund it through use of the Strategic Contingency Reserve - as such it will not impact on the revenue bottom line position shown in this report. 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 January, it is anticipated that the required £56.1m of budgeted savings will be delivered in full or managed through mitigating actions, with the exception of £0.7m relating to three savings plans in the Children and Families directorate and £0.2m relating to two savings plans in City Development. Areas of

risk are highlighted in directorate narratives above with further detail provided at Appendix 3.

3.6 Reserves

- 3.6.1 **COVID Reserve** - 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.
- 3.6.2 **Strategic Contingency Reserve** – The Board will be aware that the Council has agreed to provide £50,000 from the Strategic Contingency Reserve towards the “Leeds Together for All” fund to assist with the integration of refugees from Ukraine arising as the result of the Russian invasion. The money will be used to provide accommodation support and other forms of assistance, in partnership with a range of refugee charities and other third sector organisations to Ukrainian refugees as they build new lives in Leeds after fleeing the fighting in their homeland. It will also be used to further develop local support systems to ensure Leeds remains a welcoming and compassionate city for all migrants in the long term.

4. Other Financial Performance

4.1 Council Tax

The Council Tax in-year collection rate at the end of February 2022 was 91.25%. For comparison, in February 2021 the in-year collection rate was 92.20%, and in February 2020, a ‘normal’ year, the in-year collection rate was 92.99%. 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 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 benefits 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 December 2021, the in-year projection for Council Tax was a surplus of £1.050m, resulting in a projected closing deficit to declared for 2021/22 of £2.654m. Leeds share of this deficit will be £2.249m, a General Fund cost to be met in 2022/23, and this declared deficit was incorporated into the 2022/23 Budget.

Since December 2021, the in-year projection for Council Tax as at 28th February 2022 is a surplus of £1.055m for 2021/22, with a resulting closing deficit of £2.649m (Leeds share £2.246m). The slight improvement in Leeds share of £0.003m will now impact the Council's General Fund in 2023/24.

4.2 Business Rates

The budgeted collection rate for business rates is to achieve an in-year collection target of 96.5%, collecting £367.6m of business rates income. However, the Board will be aware that, in response to the ongoing effects of the COVID-19 pandemic, the Government subsequently announced significant additional business rates reliefs, reducing the income to be collected directly from business to £317.8m as at 28th February 2022. 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 31st March 2022. 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 February 2022 was 87.91%, which is 1.38% higher than the collection at this time in 2020/21, as the impact of the new 100% reliefs in the first three months which affected the profile of payments becoming due during the year are unwinding. The collection rate is 6.40% below that in 2019/20, the last 'normal year'. Current projections are that in the fullness of time collection will be 6.6% below that of a normal year, which results in bad debt provisions required to be created in 2021/22 of £17.1m.

The total rateable value of business properties in Leeds has reduced from £929.3m at the time of the 2021/22 budget to £922.1m as at 27th February 2022, a decrease of £7.2m. The 2021/22 budget includes an expected reduction in Rateable Value of £11.2m for the full year. This is a considerable deterioration since the position as at 31st December 2021, but the three large buildings that have been removed from the Leeds list, at the instruction of the Valuation Office Agency, and that account for £3.2m in the loss of RV, have been done so temporarily to undergo redevelopment work. It is assumed that they will return to the list in due course.

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 that 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 £13.5m from the position declared and used in the 2021/22 budget, leaving an opening surplus for the 2021/22 of £1.2m. This improvement benefits the General Fund in 2022/23.

As at 31st December 2021 it was projected that Leeds share of the in-year deficit for 2021/22 will be £29.4m, 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, £32.1m of which will be held in reserve to meet the cost of this deficit in 2022/23. Leeds share of the declared deficit in 2021/22 was therefore £28.2m, which was incorporated into the 2022/23 Budget and is now fixed.

However, since declaration of the 2021/22 deficit in December 2021 the authority submitted a revised outturn to Government for 2020/21. This was because collection of business rates relating to 2020/21 were significantly higher than forecast at the time of making provisions in March 2021 as normal collection activity resumed following the lockdowns in early 2021. This led to a reduction in the provisions required for that year which has had a subsequent impact on the forecasts of required provisions for 2021/22. The net result of these movements, along with improvements in the projected requirement for provisions against appeals and Empty Rate Relief, has been an improvement in the projected actual closing deficit position for 2021/22 being improved by £6.606m. This improvement will impact the General Fund for the authority in 2023/24.

Unfortunately, because the Government introduced a Local Tax Income Guarantee (LTIG) for the financial year of 2020/21, with losses in scope on business rates during that year being compensated at a rate of 75%, it is expected that the improvement in the Council's requirement to make provisions for bad debts in 2020/21 will impact upon this grant, reducing it by £5.3m. The £8.6m of income from this grant, that was budgeted to be applied against the deficit in 2021/22, is still secure. However, the remaining funding of £6.3m held in reserve, and that was anticipated to be applied in 2023/24 against the final instalment of the deficit from 2020/21, will now be reduced by £5.3m. The net result of the improved deficit outlined in the paragraph above and the reduction in LTIG is a projected improvement to the 2023/24 General Fund position of £1.3m.

4.3 Business Rates Appeals

Following a review of outstanding appeals since 31st March 2021, the opening appeals provisions for 2021/22 are now revised to £26.6m, made up of £7.7m relating to appeals received against the 2010 ratings list and £18.9m 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 28th February 2022, there were 139 appeals outstanding against the 2010 ratings list. During February 2022 12 appeals have been settled, 11 of which have resulted in changes to rateable values, but 6 of these were ATMs for which the Authority holds specific provisions. No new appeals have been received in February. Currently, 6% of the city's total rateable value on the 2010 list is subject to at least one appeal. Currently £5.3m are held in provisions for appeals against the 2010 Rating List.

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. There are 16 outstanding appeals that have been submitted to the Valuation Tribunal, the final stage of the new process.

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 primary legislation, which has now received Royal Assent, 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 28th February 2022 the Council is providing for a net of 392 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. In total the Council holds an estimated £16.1m in provisions for appeals against the 2017 Ratings List.

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

It remains very complex to estimate the continued impact of COVID-19 on council tax and business rates income. It is certain that there does appear to be a continued impact on collection rates, particularly in regard to Business Rates. Concerns persist about growth in the tax bases of both Council Tax and Business Rates, and the increased impact of Empty Rates Relief on Business Rates income has been especially pronounced in 2021/22 as COVID reliefs have progressively reduced. In 2023 it is widely predicted that the Revaluation of Rateable Values for Business Rates will see a considerable reduction in the tax base for most billing authorities as a result of the pandemic. Although the Business Rates Retention Scheme is meant to adjust for Revaluations to make them revenue neutral for local government, this may entail a significant shift between locally generated resources and grant funding. All these factors will require close monitoring over the coming months and will be incorporated in the financial models used to project the Council's available resources over the period of the current Financial Strategy.

5. Housing Revenue Account (HRA)

- 5.1 At Provisional Outturn the HRA is projecting a balanced position.
- 5.2 There is a forecast reduction in rental income of £1,395k mainly due to a temporary increase in the number of void properties because of the ongoing impact of COVID-19. There is a £187k pressure on service charges which is mainly 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.
- 5.3 Employee costs are forecast to underspend by £1,909k. 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 £1,347k 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, therefore the reserve is no longer required.
- 5.5 There is a forecast pressure on the disrepair budget of £1.97m for the year, this pressure has been offset by utilising the disrepair / repairs reserve.
- 5.6 There is a forecast pressure on the repairs to dwellings budget of £1.93m due to the catch-up costs from the COVID-19 backlog and price pressures, this pressure has been offset by using the disrepair / repairs reserve.
- 5.7 The provision for doubtful debt figure has been reviewed and the projection is now forecast to be £281k lower than budgeted due to a reduction in the current tenant arrears.
- 5.8 There is a forecast saving of £270k on capital charges due to a realignment of the Council House Growth programme and the impact of lower than forecast interest rates.
- 5.9 A review of the internal recharges has resulted in a £950k saving compared with the budget in 21/22.
- 5.10 There is a forecast saving of £193k on payment to HAPs and other organisations. The £90k projected underspend on HAPs will be transferred to the HAPs reserve.
- 5.11 The Right to Buy sales budget for the year was 610 properties, the current projection only assumes 534 sales with 475 completed sales at the end of February.

Financial Dashboard 2021/22 Financial Year

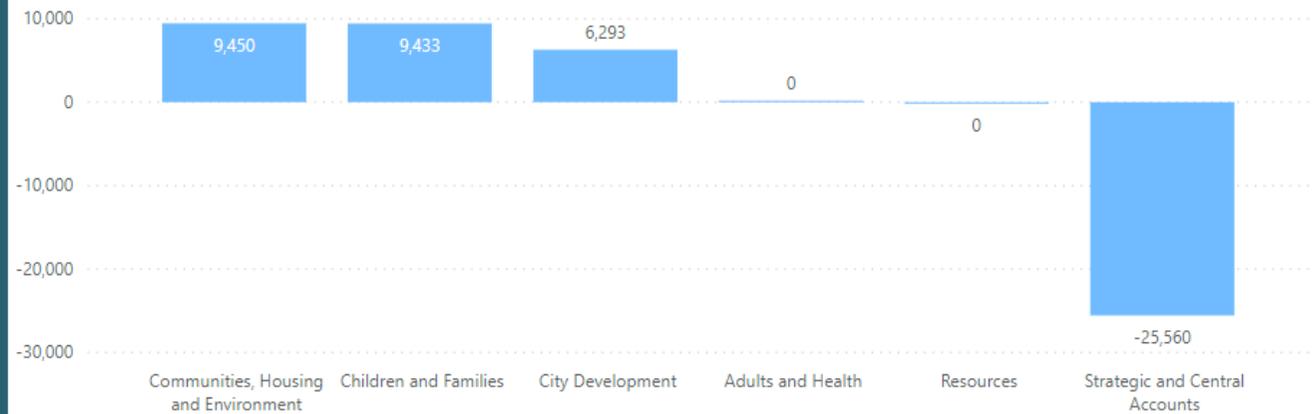


Budget Variation £000s

-384

Overspend (+) Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	468,760	467,470	-1,289
Premises	57,894	57,936	43
Supplies and Services	221,862	222,822	960
Transport	49,719	50,320	601
Internal Charges	69,781	72,154	2,373
Third Party Payments	436,845	467,612	30,767
Transfer Payments	190,297	190,421	124
Capital	45,015	42,786	-2,229
Transfer to/from Reserves	-51,185	-26,952	24,233
Internal Income	-311,571	-307,393	4,178
External Income	-742,158	-802,302	-60,144
Total	435,258	434,874	-384

Directorate	Change in Variance £000s
Adults and Health	0
Children and Families	99
City Development	-35
Communities, Housing and Environment	-123
Resources	-301
Strategic and Central Accounts	-31
Total	-390

Financial Dashboard 2021/22 Financial Year

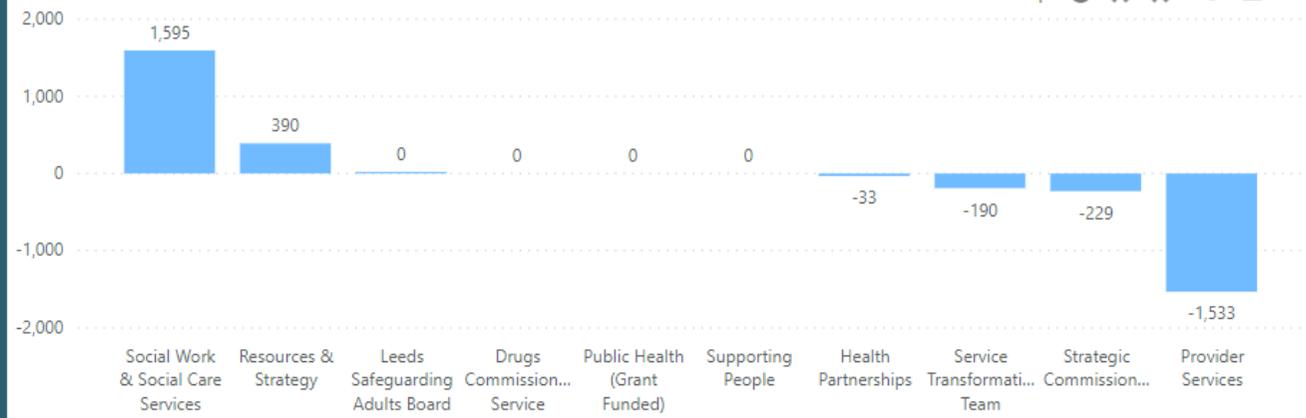


Budget Variation £000s

0

Overspend (+) Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	58,011	59,335	1,325
Premises	1,077	1,068	-8
Supplies and Services	7,640	11,334	3,694
Transport	948	855	-93
Internal Charges	11,652	14,137	2,485
Third Party Payments	282,026	303,619	21,594
Transfer Payments	10,323	10,561	238
Capital		0	0
Transfer to/from Reserves	-3,383	-1,728	1,655
Internal Income	-5,249	-6,968	-1,719
External Income	-168,071	-197,241	-29,169
Total	194,972	194,972	0

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

Financial Dashboard 2021/22 Financial Year

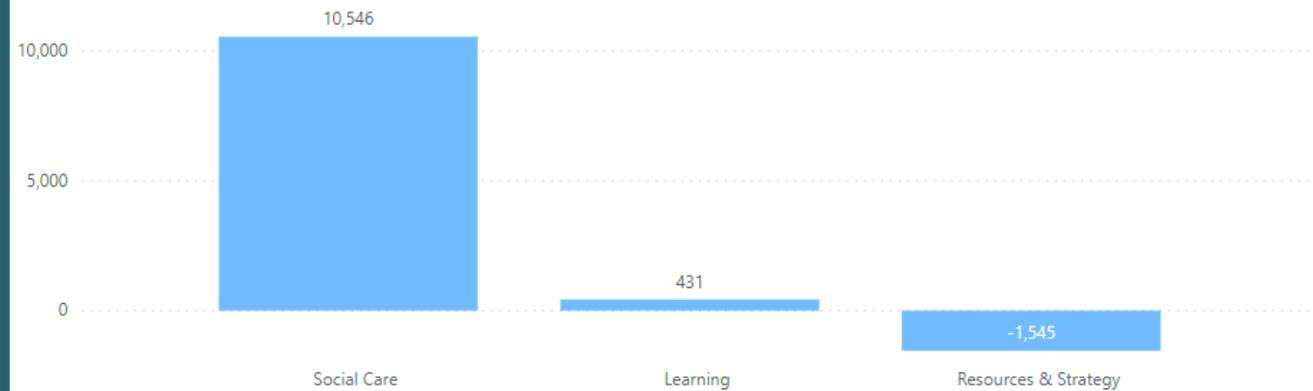


Budget Variation £000s

9,433

Overspend (+) Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	97,582	97,563	-19
Premises	2,987	3,116	129
Supplies and Services	62,130	60,959	-1,171
Transport	12,510	12,424	-86
Internal Charges	26,506	26,603	97
Third Party Payments	99,706	107,814	8,108
Transfer Payments	4,043	3,824	-219
Capital		0	0
Transfer to/from Reserves	-291	-562	-271
Internal Income	-30,602	-30,851	-250
External Income	-157,566	-154,452	3,113
Total	117,006	126,439	9,433

Directorate	Change in Variance £000s
Children and Families	99
Total	99

Financial Dashboard 2021/22 Financial Year



DSG Variation £000s

-2,745

Overspend (+) / Underspend (-)

Financial Year

2021/22

Cost Period

11

Income / Expenditure

All

Sub-Block

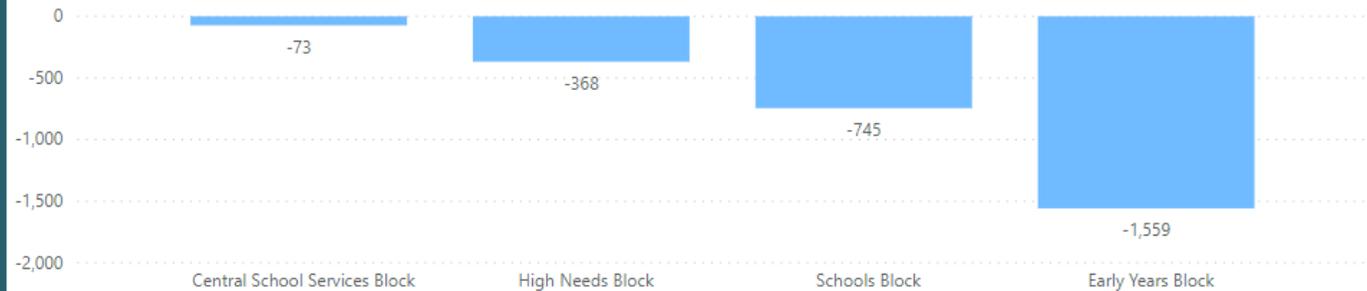
All

Cost Description

All

For Reporting

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



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	-317,904	12,008	329,912	317,160	-12,753	0	-745	-745
High Needs Block	-92,284	-89,924	2,359	92,284	89,556	-2,728	0	-368	-368
Early Years Block	-58,279	-57,534	745	58,279	55,975	-2,304	0	-1,559	-1,559
Central School Services Block	-5,156	-5,156	0	5,156	5,083	-73	0	-73	-73
Total	-485,631	-470,519	15,112	485,631	467,774	-17,857	0	-2,745	-2,745

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	-2,274	255	1,115
De-delegated	-1,132	0	-1,132	-472	1,000	-604
Total	2,002	1,681	3,683	-2,746	1,255	511

Financial Dashboard 2021/22 Financial Year

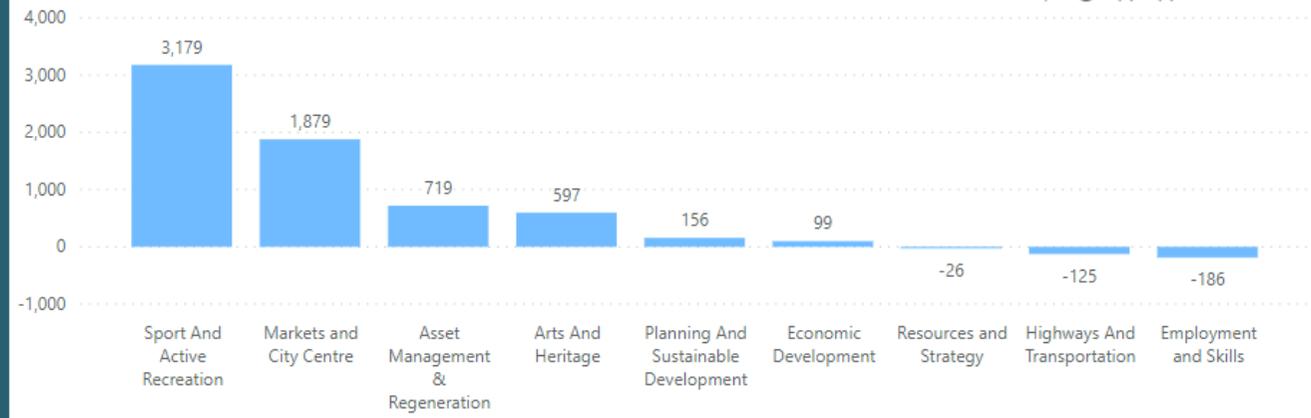


Budget Variation £000s

6,293

Overspend (+) Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	63,768	62,113	-1,655
Premises	27,264	27,705	441
Supplies and Services	44,889	44,211	-678
Transport	6,003	5,642	-361
Internal Charges	10,017	10,411	394
Third Party Payments	166	169	3
Transfer Payments		0	0
Capital		0	0
Transfer to/from Reserves	-1,720	-1,964	-244
Internal Income	-41,520	-40,259	1,261
External Income	-78,013	-70,882	7,131
Total	30,852	37,145	6,293

Directorate	Change in Variance £000s
City Development	-35
Total	-35

Financial Dashboard 2021/22 Financial Year

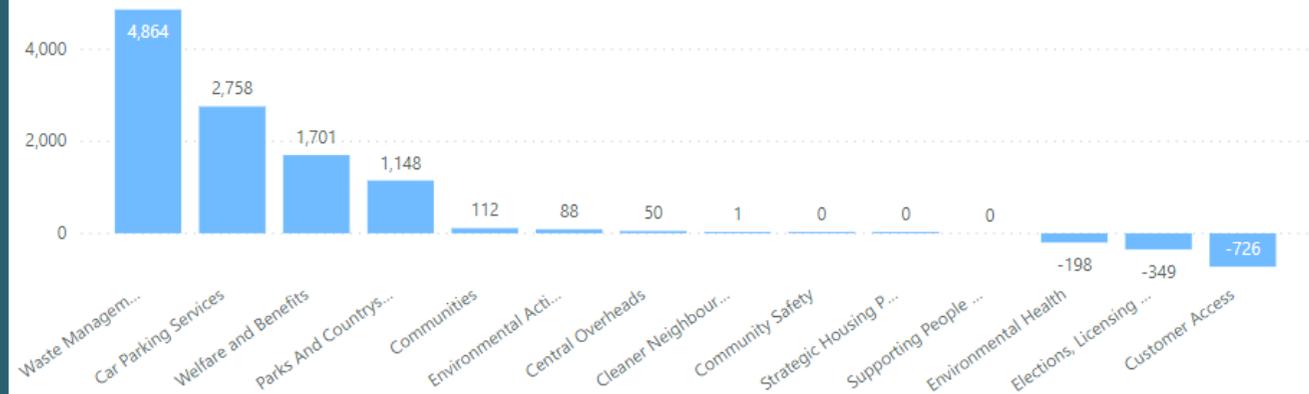


Budget Variation £000s

9,450

Overspend (+) Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	91,250	92,319	1,069
Premises	10,330	10,011	-320
Supplies and Services	44,819	50,591	5,772
Transport	9,693	10,868	1,175
Internal Charges	12,893	12,490	-403
Third Party Payments	19,155	19,155	0
Transfer Payments	175,088	175,088	0
Capital		0	0
Transfer to/from Reserves	-1,272	-1,156	117
Internal Income	-38,688	-38,278	410
External Income	-248,754	-247,123	1,631
Total	74,514	83,964	9,450

Directorate	Change in Variance £000s
Communities, Housing and Environment	-123
Total	-123

Financial Dashboard 2021/22 Financial Year

[← Back](#)


Surplus (-) / Deficit (+) £000s

0

Overspend (+) Underspend (-)

HRA Income	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▲				
Dwelling Rents	-209,900	-208,505	1,395	-120
Non Dwelling Rents	-3,258	-3,208	51	-13
Service Charges	-9,021	-8,834	187	0
Internal Income	-9,650	-8,304	1,347	-4
Grants	-21,385	-21,385	0	0
External Income	-2,033	-1,727	306	239
Total	-255,248	-251,962	3,285	103

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	3,370	1,970	-250
Repairs to Dwellings	44,853	46,781	1,928	-50
Employees	30,222	28,313	-1,909	-93
Premises	8,255	8,570	314	197
Supplies and Services	3,688	3,373	-315	-276
PFI Unitary Charge	10,449	10,610	161	0
Transport	298	306	8	19
Internal Services	43,992	43,042	-950	-411
Housing Advisory Panels, BITMO & Other Organisations	3,771	3,578	-193	0
Provision for Doubtful Debts	1,136	855	-281	120
Capital Charges	44,588	44,318	-270	0
Contribution to Captial Programme	60,971	61,325	354	342
Total	254,918	255,735	817	-402

Surplus (-) / Deficit (+)	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▼				
Net Position	-330	3,772	4,102	-299
Appropriation: Sinking Funds	188	53	-135	0
Appropriation: Reserves	141	-3,825	-3,967	299
Total	0	0	0	0

Financial Dashboard 2021/22 Financial Year

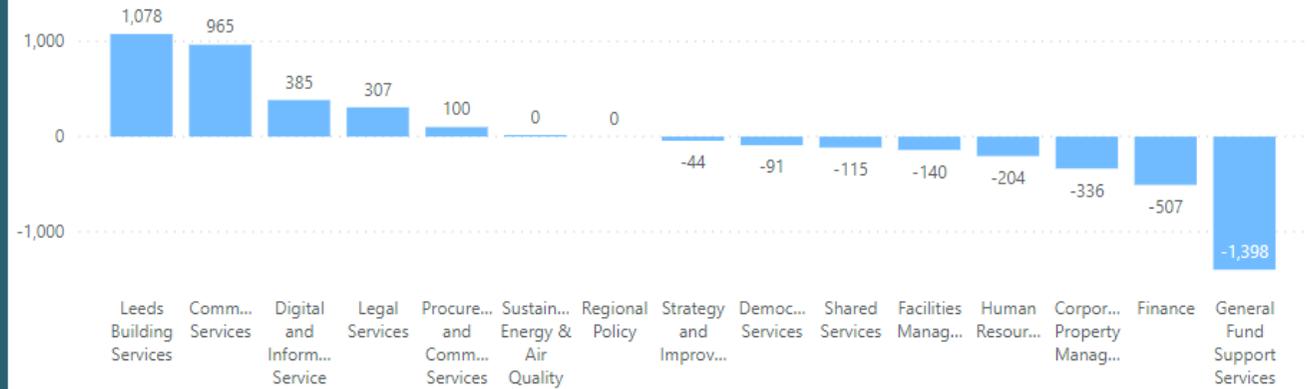


Budget Variation £0

0

Overspend (+) Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	153,342	151,632	-1,711
Premises	16,236	15,767	-469
Supplies and Services	56,611	54,389	-2,222
Transport	20,565	20,530	-34
Internal Charges	4,672	4,656	-16
Third Party Payments	28	28	0
Transfer Payments	40	35	-5
Capital		0	0
Transfer to/from Reserves	-1,100	-1,376	-275
Internal Income	-154,860	-148,756	6,104
External Income	-18,266	-19,638	-1,372
Total	77,269	77,268	0

Directorate	Change in Variance £000s
Resources	-301
Total	-301

Financial Dashboard 2021/22 Financial Year

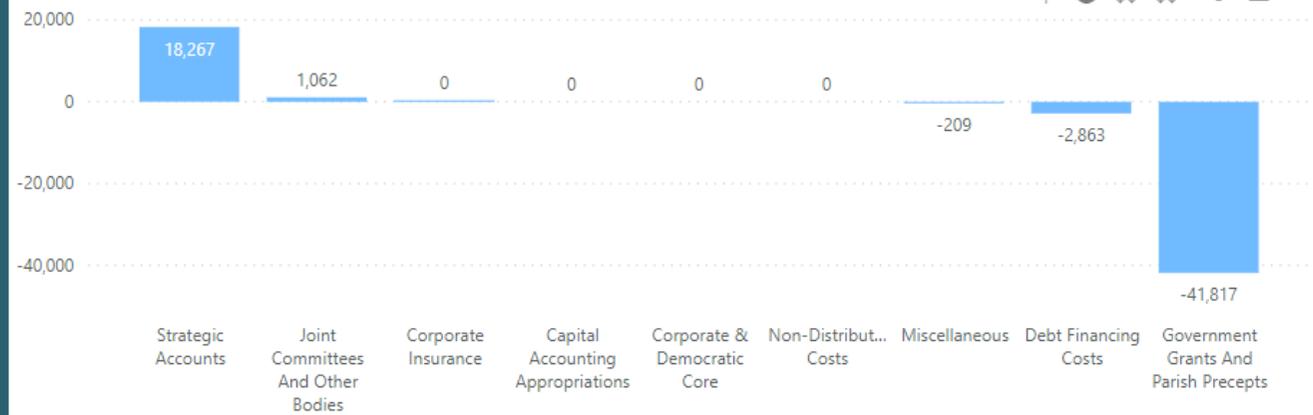


Budget Variation £000s

-25,560

Overspend (+) Underspend (-)

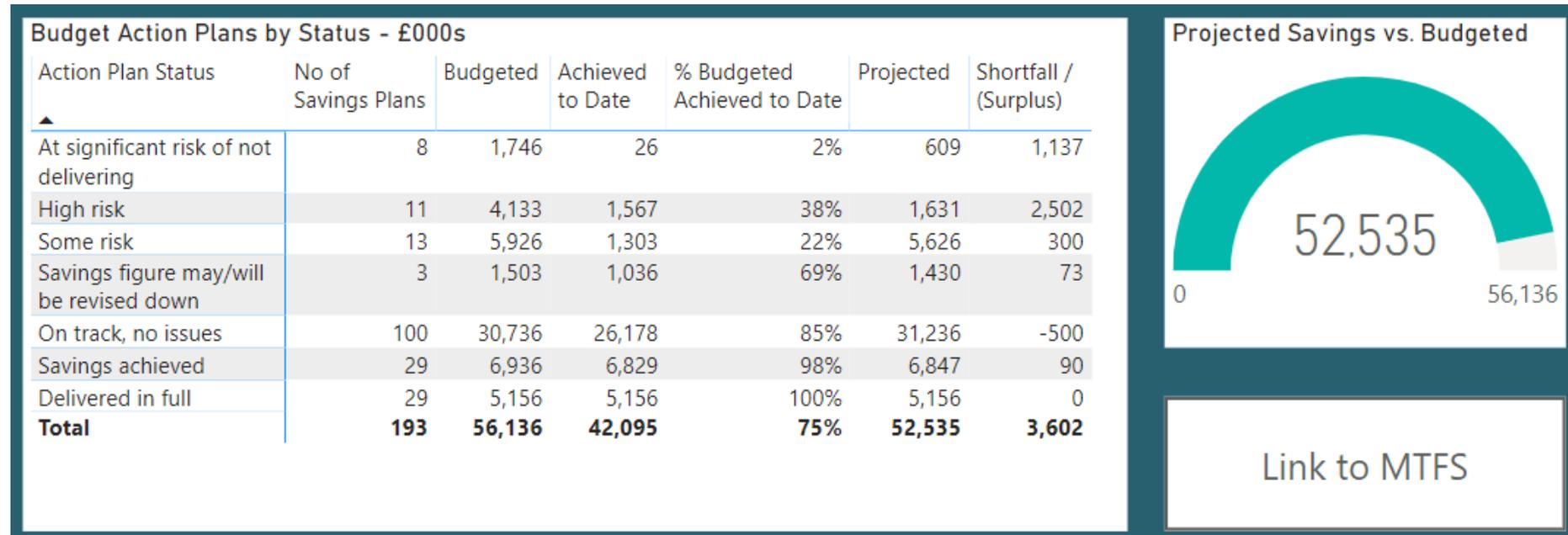
Forecast Year End Variance - £000s



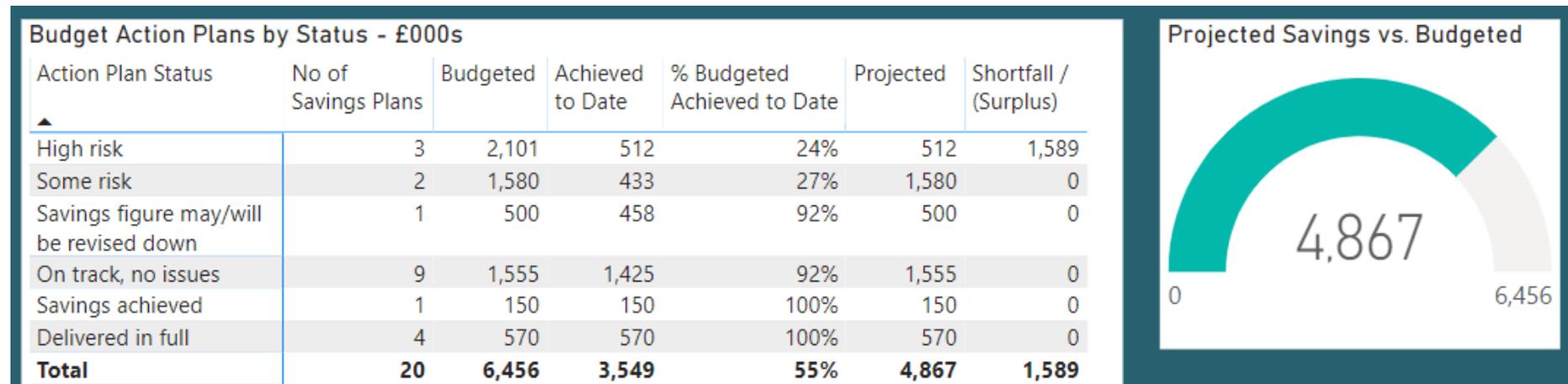
Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	4,807	4,508	-298
Premises		270	270
Supplies and Services	5,774	1,337	-4,436
Internal Charges	4,041	3,857	-184
Third Party Payments	35,765	36,827	1,062
Transfer Payments	803	913	110
Capital	45,015	42,786	-2,229
Transfer to/from Reserves	-43,418	-20,167	23,251
Internal Income	-40,654	-42,281	-1,628
External Income	-71,488	-112,965	-41,478
Total	-59,354	-84,914	-25,560

Directorate	Change in Variance £000s
Strategic and Central Accounts	-31
Total	-31

Budget Action Plan 2021/22 Financial Year



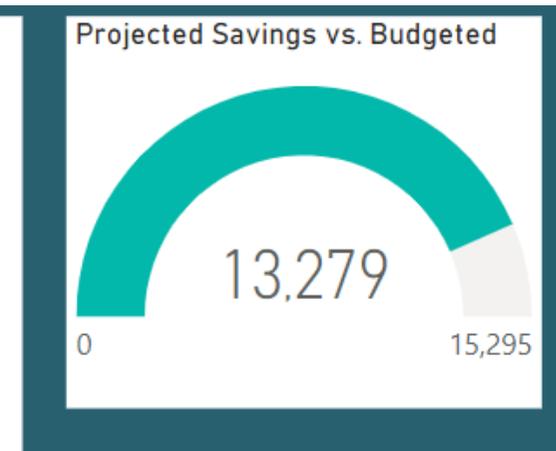
Other Savings Measures



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	2	1,236	0	0%	550	686
High risk	6	1,672	405	24%	442	1,230
Some risk	1	500	368	74%	400	100
On track, no issues	14	8,088	6,847	85%	8,088	0
Savings achieved	6	1,236	1,236	100%	1,236	0
Delivered in full	8	2,563	2,563	100%	2,563	0
Total	37	15,295	11,419	75%	13,279	2,016



Budget Action Plan 2021/22 Financial Year

Red and Amber Risk Areas

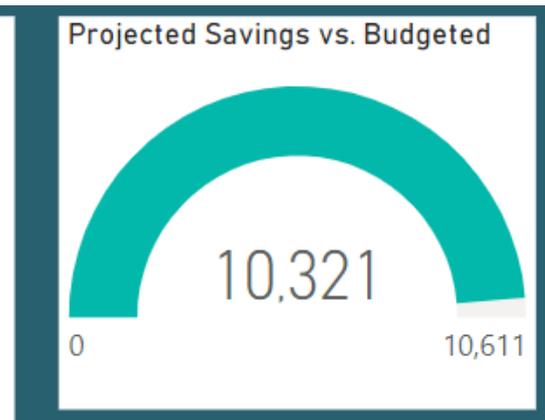
Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted £'000s	Achieved to date / £'000s	Budgeted achieved to date %	Projected £'000s	Projected Shortfall / (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Review of care packages	Shona McFarlane	Some risk	500	368	74%	400	100	£400k forensic 1 to 1's. £100k Homecare Double Ups. Shortfall on Homecare double ups
Budgeted savings	SR	Increase in client contributions	Shona McFarlane John Crowther	At significant risk of not delivering	1,076	0	0%	550	526	The consultation on the removal of the MAC charge and charging for two carers for one hour has undergone extensive scrutiny, delaying the potential implementation. Some clients will then need to be reassessed so savings only likely for a max of two months
Budgeted savings	BAU	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	BAU	Recovery of Payments for Care not Delivered	Shona McFarlane	High risk	489	0	0%	0	489	Two extra staff needed to fulfil this role. Recruited in August but they have been diverted to others tasks. Not expected to be able to focus on this until February
Budgeted savings	SR	Commissioned services for working age adults proposals: reduction in grant funding	Shona McFarlane Caroline Baria	High risk	33	15	45%	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	SR	Strategic Commissioning (Older Adults) proposals: 10% reduction in grant funding	Shona McFarlane Caroline Baria	High risk	24	11	46%	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	SR	Commissioned services for working age adults proposals: reduction in grant funding	Shona McFarlane Caroline Baria	High risk	348	160	46%	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	SR	Strategic Commissioning (Older Adults) proposals: 10% reduction in grant funding	Shona McFarlane Caroline Baria	High risk	478	219	46%	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	SR	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	3,799	3,799	100%	3,799	0
Cancelled	0	0	0%	0	0
High risk	2,908	405	14%	992	1,916
Some risk	500	368	74%	400	100
On track, no issues	8,088	6,847	85%	8,088	0
Total	15,295	11,419	75%	13,279	2,016

Budget Action Plan 2021/22 Financial Year

Budget Action Plans by Status - £000s

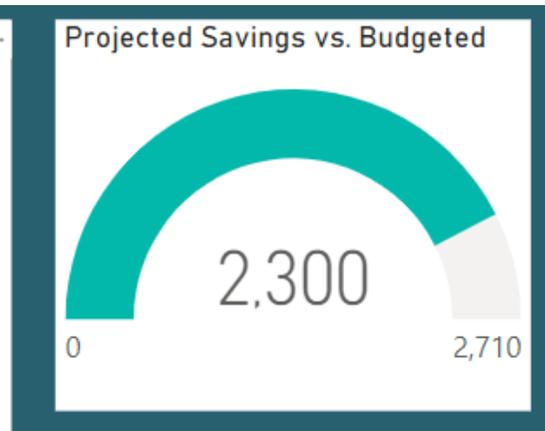
Action Plan Status	No of Savings Plans	Budgeted	Achieved to Date	% Budgeted Achieved to Date	Projected	Shortfall / (Surplus)
Some risk	5	3,856	300	8%	3,656	200
On track, no issues	4	1,464	777	53%	1,464	0
Savings achieved	5	1,465	1,358	93%	1,375	90
Delivered in full	18	3,826	3,826	100%	3,826	0
Total	32	10,611	6,261	59%	10,321	290



Other Savings Measures

Budget Action Plans by Status - £000s

Action Plan Status	No of Savings Plans	Budgeted	Achieved to Date	% Budgeted Achieved to Date	Projected	Shortfall / (Surplus)
High risk	1	410	0	0%	0	410
Some risk	2	1,580	433	27%	1,580	0
Savings achieved	1	150	150	100%	150	0
Delivered in full	4	570	570	100%	570	0
Total	8	2,710	1,153	43%	2,300	410



Budget Action Plan 2021/22 Financial Year

Red and Amber Risk Areas

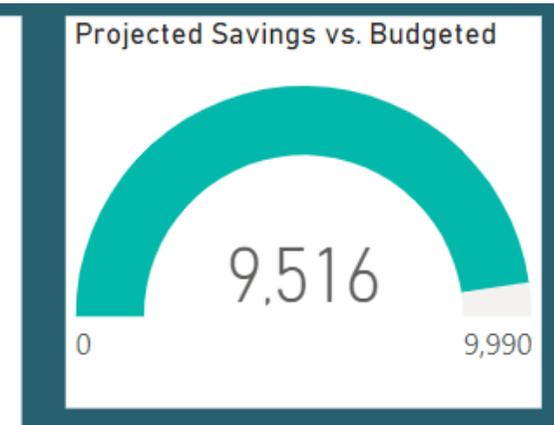
Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted £'000s	Achieved to date / £'000s	Budgeted achieved to date %	Projected £'000s	Projected Shortfall / (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Increase in income from Adel Beck Placement charges	Ruth Terry	Some risk	250	0	0%	250	0	Whilst additional income is expected this needs to be considered in the context of overall budget position of Adel Beck
Budgeted savings	BAU	CCG Income	Julie Longworth	Some risk	1,700	0	0%	1,700	0	An in year solution has been found to achieve this saving pending further discussions to agree a more permanent arrangement.
Other savings measures	BAU	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	0	Passenger transport - WYCA savings	Tim Pouncey	Some risk	150	0	0%	150	0	CEL on target to fully deliver these savings, position will not be confirmed until year end
Budgeted savings	0	Passenger transport - CEL savings	Tim Pouncey	Some risk	1,256	0	0%	1,256	0	CEL on target to fully deliver these savings, position will not be confirmed until year end
Budgeted savings	BAU	Contract savings	Tim Pouncey	Some risk	500	300	60%	300	200	£200k shortfall against this target, no mitigating savings yet identified
Other savings measures	0	Additional income - moved in MTFs to Grants, so is not part of the Savings Review total figure	Sal Tariq	Some risk	1,250	433	35%	1,250	0	Further income expected to be identified
Other savings measures	x	Additional income	Sal Tariq	Some risk	330	0	0%	330	0	Further income expected to be identified

Savings achieved	6,011	5,904	98%	5,921	90
Cancelled	0	0	0%	0	0
High risk	410	0	0%	0	410
Some risk	5,436	733	13%	5,236	200
On track, no issues	1,464	777	53%	1,464	0
Total	13,321	7,414	56%	12,621	700

Budget Action Plan 2021/22 Financial Year

Budget Action Plans by Status - £000s

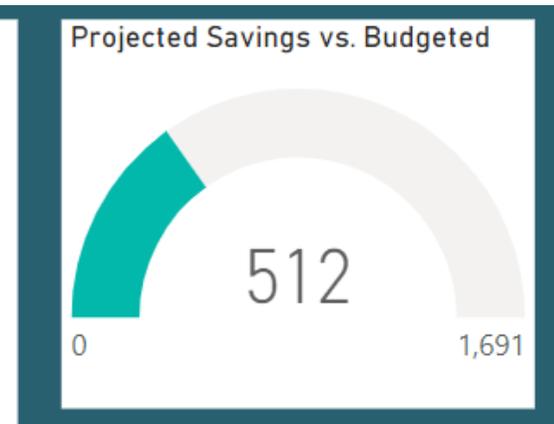
Action Plan Status	No of Savings Plans	Budgeted	Achieved to Date	% Budgeted Achieved to Date	Projected	Shortfall / (Surplus)
▲						
At significant risk of not delivering	4	387	26	7%	59	328
High risk	3	1,336	1,162	87%	1,189	147
Some risk	5	850	635	75%	850	0
On track, no issues	6	3,182	2,773	87%	3,182	0
Savings achieved	18	4,235	4,235	100%	4,236	0
Total	36	9,990	8,832	88%	9,516	475



Other Savings Measures

Budget Action Plans by Status - £000s

Action Plan Status	No of Savings Plans	Budgeted	Achieved to Date	% Budgeted Achieved to Date	Projected	Shortfall / (Surplus)
▲						
High risk	2	1,691	512	30%	512	1,179
Total	2	1,691	512	30%	512	1,179



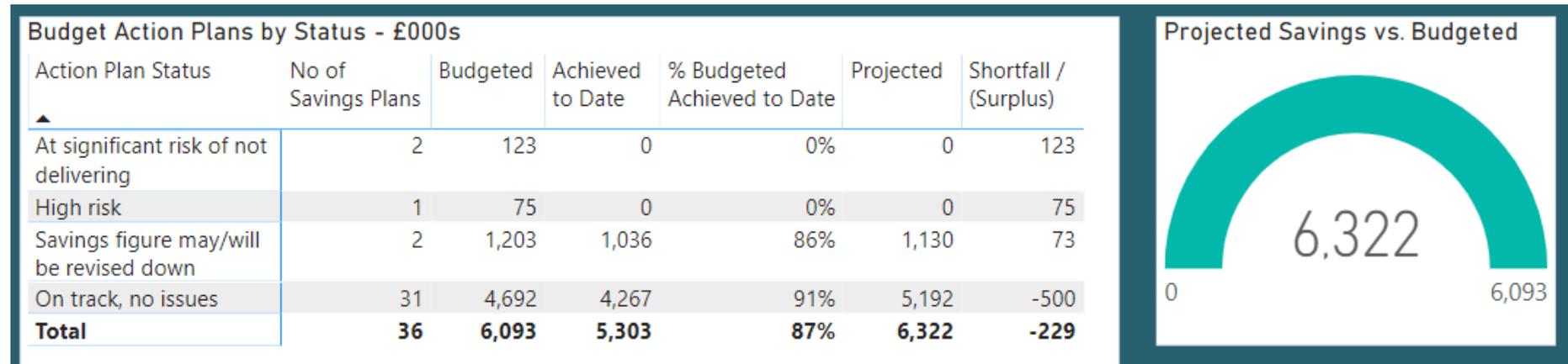
Budget Action Plan 2021/22 Financial Year

Red and Amber Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	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	BAU	Estate Rationalisation and Remodel	Angela Barnicle	High risk	236	192	81%	192	44	Projection reflects savings from St Georges House.
Budgeted savings	BAU	Markets and City Centre Service	Phil Evans	High risk	200	150	75%	177	23	Some risk of all savings within markets not being achieved by year end. Latest forecasts assume 90% will be achieved this year leading to a 23K pressure.
Budgeted savings	BAU	Highways & Transportation	Gary Bartlett	High risk	900	820	91%	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	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	Strategic Planning	David Feeney	Some risk	100	0	0%	100	0	Staffing savings identified
Budgeted savings	SR	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	Lotherton Hall	Eve Roodhouse	At significant risk of not delivering	67	24	36%	49	18	Savings delivered via Service wide review of expenditure (achieved) and through additional Income via One Estate (being monitored)
Budgeted savings	SR	Thwaite Mills	Eve Roodhouse	At significant risk of not delivering	70	0	0%	0	70	Savings delivered via Service wide review of expenditure
Budgeted savings	SR	Breezcard charge	Eve Roodhouse	At significant risk of not delivering	150	2	2%	10	140	Breezcard offer launched August. Requires 36,000 sales to achieve target. To be monitored closely as considerable risk. New launch January/February
Budgeted savings	SR	Leeds Lights	Eve Roodhouse	Some risk	208	173	83%	208	0	Mostly delivered (savings against Staffing and Transport) along with increased Income being monitored
Budgeted savings	SR	Yeadon Tarn Sailing Centre	Phil Evans	Some risk	88	88	100%	88	0	Proposal to lease ongoing, currently awaiting Business Case review of interested parties. Staffing savings identified in current year
Budgeted savings	SR	John Charles Centre	Phil Evans	Some risk	200	150	75%	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	0	Estate Rationalisation	Angela Barnicle	High risk	376	0	0%	0	376	Fee income from sale of Logic Leeds (c£1.15m) and access rights income will offset.
Other savings measures	0	Strategic Investment Fund	Angela Barnicle	High risk	1,315	512	39%	512	803	Projection assumes St Georges House income. Remainder to be offset by fee income from sale of Logic Leeds (c£1.15m)

Savings achieved	4,235	4,235	100%	4,236	0
Cancelled	0	0	0%	0	0
High risk	3,414	1,700	50%	1,760	1,654
Some risk	850	635	75%	850	0
On track, no issues	3,182	2,773	87%	3,182	0
Total	11,681	9,344	80%	10,028	1,654

Budget Action Plan 2021/22 Financial Year



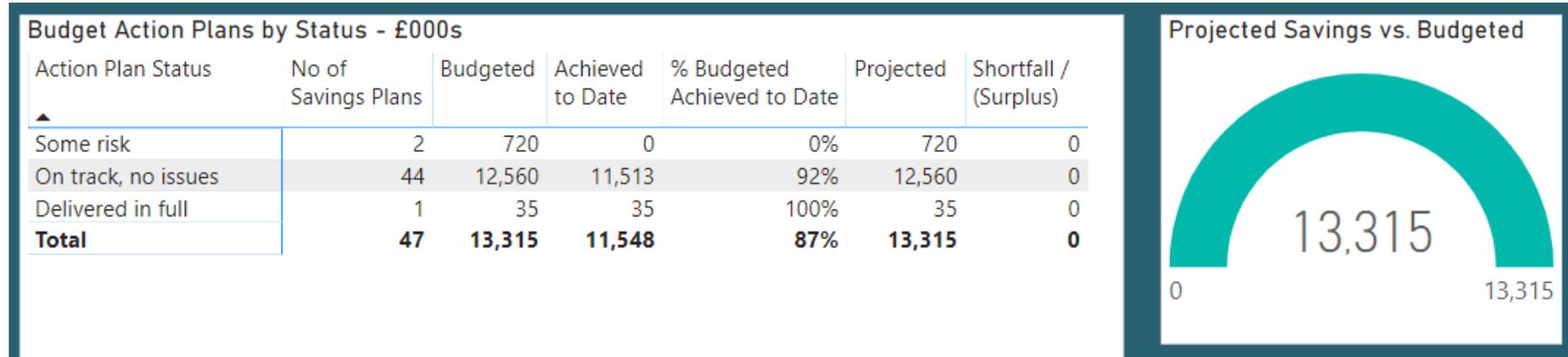
Budget Action Plan 2021/22 Financial Year

Red and Amber Risk Areas

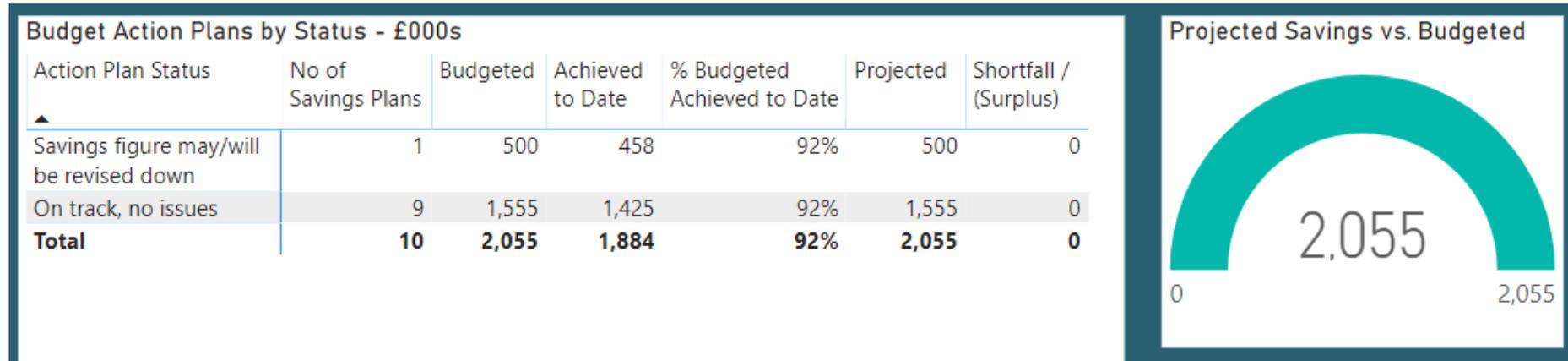
Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted £'000s	Achieved to date / £'000s	Budgeted achieved to date %	Projected £'000s	Projected Shortfall / (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Bus Lane Enforcement	John Mulcahy	At significant risk of not delivering	50	0	0%	0	50	Total parking income including BLE is significantly affected by COVID. Assuming this £50k is part of £3.2m parking income pressures
Budgeted savings	BAU	Environmental Services Staffing	John Woolmer	Savings figure may/will be revised down	683	626	92%	683	0	Approx £40k projected variance 1 x team manager from original proposals - however expected to be offset with other natural vacancies during the year
Budgeted savings	BAU	Ellar Ghyll HWRC	John Woolmer	High risk	75	0	0%	0	75	Will not be implemented this year yet but other savings have been identified at household waste sites to offset this specific BAP pressure
Budgeted savings	BAU	Benefits Staffing	Lee Hemsworth	Savings figure may/will be revised down	520	410	79%	447	73	Approx 50% delivered through ELIs at the end of 2020/21. Balance from vacant posts pending completion of service review and a restructure. £125k staffing pressure is projected at P11 although £52k of this is covered by additional grant funding.
Budgeted savings	0	Parks - Intruder Monitoring	Sean Flesher	At significant risk of not delivering	73	0	0%	0	73	Delay with installation of camera infrastructure.

Savings achieved	0	0	0%	0	0
Cancelled	0	0	0%	0	0
High risk	198	0	0%	0	198
Some risk	1,203	1,036	86%	1,130	73
On track, no issues	4,692	4,267	91%	5,192	-500
Total	6,093	5,303	87%	6,322	-229

Budget Action Plan 2021/22 Financial Year



Other Savings Measures



Budget Action Plan 2021/22 Financial Year

Red and Amber Risk Areas

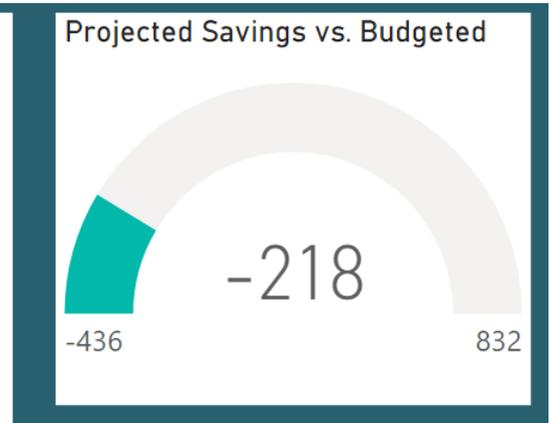
Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted £'000s	Achieved to date / £'000s	Budgeted achieved to date %	Projected £'000s	Projected Shortfall / (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	0	CONTACT CENTRE: CHE>R	Mariana Paxton	Some risk	420	0	0%	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 remainder has been achieved through mitigation in other areas. The action plan is rated as amber.
Budgeted savings	SR	CEL: Increase income	Sarah Martin	Some risk	300	0	0%	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	0	Other	Various	Savings figure may/will be revised down	500	458	92%	500	0	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	458	38%	1,220	0
On track, no issues	14,115	12,939	92%	14,115	0
Total	15,370	13,432	87%	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)
High risk	1	1,050	0	0%	0	1,050
Savings figure may/will be revised down	1	300	0	0%	300	0
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%	-218	1,050



Budget Action Plan 2021/22 Financial Year

Red and Amber Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	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	0	Organisational Change	0	High risk	1,050	0	0%	0	1,050	Revenues/Customer contact savings revised down.
Budgeted savings	0	Organisational Change	0	Savings figure may/will be revised down	300	0	0%	300	0	Revenues/Customer contact savings revised down.

Savings achieved	-1,268	-1,268	100%	-1,268	0
Cancelled	0	0	0%	0	0
High risk	1,050	0	0%	0	1,050
Some risk	300	0	0%	300	0
On track, no issues	750	0	0%	750	0
Total	832	-1,268	-152%	-218	1,050