

Report of the Chief Officer Financial Services

Report to Executive Board

Date: 16th October 2019

Subject: Financial Health Monitoring 2019/20 – Month 5 (August)

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: 10.4(3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary

1. Main issues

- The purpose of this report is to inform the Executive Board of the financial health of the authority in respect of both the revenue budget and the Housing Revenue Account for the first five months of the financial year.
- The 2019/20 financial year is the fourth and final year covered by the 2015 Spending Review and again presents significant financial challenges to the Council. The Council to date has managed to achieve considerable savings since 2010 and the budget for 2019/20 requires the Council to deliver a further £22.6m of savings.
- The current and future financial climate for local government represents a significant risk to the Council’s priorities and ambitions. Whilst the Council continues to make every effort possible to protect the front line delivery of services, it is clear that the position remains challenging.
- This is the third budget monitoring report of the year, and Executive Board will recall that the 2019/20 general fund revenue budget, as approved by Council, provides for a variety of actions to reduce net spend through the delivery of £22.6m of budget action plans by March 2020. At this stage of the financial year, it is clear that the majority of these actions are on track to be delivered, however this report highlights

a potential overall overspend of £0.77m and measures will be required to be identified and implemented so that a balanced budget position can be delivered. Members will be aware that the updated Medium Term Financial Strategy, received at July's Executive Board, assumes a balanced budget in 2019/20. Any variation to this assumption, will have implications for the level of general reserve available to the Council.

- There is a risk that the level of capital receipts assumed in the revenue budget will not materialise. These receipts are used to offset PFI liabilities, repay MRP and fund redundancy payments and are due to be paid in 2019/20. Any shortfall will have implications for the delivery of a balanced budget position in 2019/20. Details can be found in the attached confidential appendix 1. To manage this risk and deliver a balanced budget position the Council has commenced on work to identify areas where spend could be reduced or stopped to manage this position.
- At Month 5, the Housing Revenue Account is projecting a balanced budget position.

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

- The 2019/20 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on financial performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

3. Resource Implications

- At Month 5 (August) an overall overspend of £0.77m is projected against the approved 2019/20 budget. This projected overspend largely relates to pressures in the Children and Families directorate as discussed below. The Council's Medium Term Financial Strategy assumes a balanced budget position for 2019/20 and therefore further budget savings proposals need to be identified within the Children and Families Directorate so that this requirement can be achieved. These proposals will need to be incorporated into the Month 6 Financial Health monitoring report.
- Any shortfall in the assumed level of capital receipts receivable has implications for the delivery of a balanced budget in 2019/20 and therefore will require the implementation of contingency arrangements to deliver this requirement.

Recommendations

- a) Executive Board are asked to note the projected financial position of the authority as at Month 5 (August).
- b) Executive Board are asked to note the requirement for the Director of Children and Families to identify further budget savings proposals to address the projected overspend in the Directorate.
- c) Executive Board are asked to note the risk that the budgeted level of capital receipts, as detailed in confidential appendix 1, may not be receivable in 2019/20.

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2019/20 at Month 5 (August).
- 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 first five months of the year.

2. Background information

- 2.1 Executive Board will recall that the net revenue budget for the general fund for 2019/20 was set at £516.7m.
- 2.2 Following the closure of the 2018/19 accounts, the Council's general fund reserve stands at £28.0m. The 2019/20 budget assumes a further contribution of £4.5m to this reserve during the current financial year, which will contribute towards ensuring that the Council continues to be financially resilient and sustainable. This budgeted contribution includes repayment of £1.7m which was released from the reserve to Children & Families in 2018/19 to address the income pressure arising within the Directorate as a consequence of the re-profiling of the final payment of the Partners in Practice Project by the DfE.
- 2.3 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main Issues

- 3.1 At Month 5 (August) an overspend of £0.77m is projected, as shown in Table 1.

Table 1

Summary Position - Financial Year 2019/20 Period 5

Directorate	Director	(Under) / Over spend for the current period				Previous month's Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(1,031)	435	(435)	0	0
Children and Families	Steve Walker	(400)	1,575	(750)	825	825
City Development	Martin Farrington	(1,313)	(924)	924	0	0
Resources & Housing	Neil Evans	1,419	2,940	(2,940)	0	0
Communities & Environment	James Rogers	1,609	(35,398)	35,398	0	0
Strategic	Victoria Bradshaw	(67)	470	(523)	(53)	41
Total Current Month		217	(30,901)	31,674	772	866
Previous month (under)/over spend		(831)	5,924	(5,058)	866	

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

3.2.1 **Adults & Health** - the Directorate is projected to deliver a balanced budget. Of the £13.1m savings target 81.2% are effectively delivered and it is assumed that 99.1% will be delivered. Key variances include a projected staffing underspend of £1.0m; though there are pressures within Provider Services overall underspends within the rest of the directorate - particularly Service Transformation, Resources and Commissioning more than mitigate these pressures. Community care packages are projected to overspend by £1.6m. Demand is lower than projected within residential and nursing placements and Direct Payments, but overspends are currently projected on home care, supported living and learning disability services.

3.2.2 **Children and Families** – The 2019/20 budget for Children and Families addressed the underlying key budget pressures experienced in 2018/19 including an additional £2m for the Children Looked After, financially supported Non-CLA budgets, £0.8m for the passenger transport expenditure budget, the loss of £4m of grant funding and increases to the external legal and One Adoption West Yorkshire budgets of £0.5m and £0.35m respectively. At Period 5 (August) it is projected that the directorate will have a year-end overspend of £0.83m, in line with the reported position at P4. This represents 0.3% of the gross expenditure budget.

The dashboard includes potential actions of £1.8m, however the projected costs of Children Looked After (CLA) and financially supported Non-CLA has been increased by £1.7m, net reduction of £0.1m and in line with the reported position at P4. The proposed savings of £1.8m are as follows:

- £0.5m from the resource available for Children and Families in the strategic budget.
- £0.4m staff savings to be delivered by ongoing strict control of vacant posts
- £0.35m from additional grant following confirmation that the School Improvement and Brokerage Grant will be extended for the full financial year. The 2019/20 budget assumed that the grant would cease at the end of 2019 academic year.
- £0.3m from slippage on spend on externally funded schemes.
- £0.2m from a review of income and maximising external contributions.
- £0.05m from savings on uncommitted supplies and services budgets.

There are risks that the level of planned savings are not achieved but with the exception of the staffing savings the actions should be relatively low risk.

As reported at Period 4, the main areas of overspend are forecast to be on CLA and the passenger transport budget. During the second half of 2018/19 there was a notable increase in the numbers of children requiring transport arrangements. In the final quarter of the year the full extent of increases in external contract prices also emerged. Whilst the overall gross transport budget of £13.9m for children with Special Education Needs and Disability and social care arrangements was increased by just under £0.8m it is now apparent that this increase will not be sufficient to meet the full extent of demand and cost increases in 2019/20. The Directorate is working with the Passenger Transport Service on an action plan to mitigate these pressures, but even after these actions an overspend of £0.6m is

currently projected. There is a risk that the proposed actions do not deliver the expected level of savings and the overspend increases.

The External Residential (ER) and Independent Fostering Agency (IFA) placements are both currently higher than the budgeted assumptions although the variance is much lower than in previous years. The Directorate is undertaking a number of actions including reviewing ER placements in order to ensure that placements are still appropriate. Since Period 4 there has been a reduction in both ER and IFA placements. The latest position is that ER placements are at 63 compared to the budgeted number of 58 and IFA placements are currently 208 against the budgeted number of 184. The projected overspend on CLA is £1.9m, the same as reported at Period 4. It is anticipated that there will be further small reduction in numbers over the remainder of the year due to the various actions being pursued by the directorate. There remains a risk that overall CLA numbers remain above these assumptions.

Other significant variations include an overspend of £0.4m on Learning for Life. This comprises a projected shortfall in fee income in Children Centres of £1.0m offset by savings within Family Services and Early help. There is a risk that the income position worsens and the autumn term nursery numbers will be key to determining the outturn position. The service is working on a number of actions to mitigate the income shortfall.

The 2019/20 budget included savings of £1.8m. All the actions are being implemented and are expected to deliver the required level of savings. On the 17th April 2019 the Department for Education confirmed that Leeds was successful in the Strengthening Families Protecting Children Programme bid worth £8.3m over five years, with 2019/20 the first year and potential spend of up to £1.5m. Leeds is committed to work with up to six local authorities over the next five years to help them improve practice and outcomes based on the innovative practice already established in Leeds. The Directorate has already commenced initial work and is currently establishing the revised staffing structures required to deliver the programme, which will be confirmed in a future Delegated Decision Notice and report.

At the end of 2018/19 there was a surplus balance of £1.1m on general Dedicated Schools Grant (DSG). It is currently projected that there will be an overall overspend of £3.4m on general DSG in 2019/20 leaving a deficit balance of £2.3m at the end of 2019/20. At Period 4 a small surplus balance of £0.1m was projected, As in previous years there are significant pressures on spend in the High Needs Block (HNB) and since Period 4 an exercise has been carried out to review current and projected demands on the High Needs Block. It is clear that on the main areas of spend of outside placements, top-up payments and place funding for Specialist Inclusion Learning Centres (SILCs) there is a significant increase in costs this year. As a result, the projected overspend on the High Needs Block has been increased from the £2.1m reported at Period 4 to the current projection of £5.3m. This is expected to be partly offset by an underspend of £1.5m on the Early Years Block and £0.4m on the Schools Block. There is a risk that the overspend on the HNB increases further during the year due to increases in outside placements and top-up payments.

3.2.3 City Development – At Month 5 the Directorate are projecting a balanced budget position at the year-end despite significant pressures in relation to Kirkgate Market and to the Strategic Investment Fund.

The Markets Service faces another challenging year for a number of reasons including continuation of the ongoing adverse retail climate and uncertain future for retail on the high street, growth in e-commerce and changing consumer spending preferences.

There are also 2 major building projects at the Market, one to build a hotel (2 year build) and the other to refurbish unlettable historic units and replace the roof in the 1875 block shops. The vacant units required for this work equate to £0.45m in lost revenue and the level of disruption to tenants has led to an increase in demand for rent concessions. The current 20% rent concession (April 2019 to October 2019) equates to a further pressure on income of £0.2m.

The Directorate's Strategic Investment Fund requires further acquisitions in order to achieve the net budgeted return of £3.36m. The current shortfall is circa £0.7m. Further viable investment opportunities with the right risk profile continue to be sought and financially appraised.

To mitigate these pressures there is an action plan saving of £1.3m to deliver a balanced budget. This will be met via careful vacancy management, a review of other operational expenditure, and one off income from granting of easements etc.

Street lighting electricity costs are also a key risk as any delays within the LED conversion programme may result in planned savings in electricity not being achieved. The programme has been delayed by one month and is targeted to start in October and electricity costs continue to be closely monitored.

Other risks include Active Leeds income and planning fees which may be affected by the general economic climate and will continue to be closely monitored.

3.2.4 Resources & Housing – At Month 5 the Directorate continues to project a balanced budget at year end. There are cost pressures totalling around £0.61m primarily in Corporate Property Management of around £0.39m, Financial Services staffing of a net £0.04m and slippage in the e-invoicing project within Shared Services of £0.15m. However, there are projected savings within DIS of £0.32m relating to Microsoft costs, leaving around £0.29m to be found to achieve a balanced budget by year end.

The original increase in the Microsoft budget was to adopt a level of licensing based on their assessment of our requirements. DIS have been working with Microsoft to ensure that the Council purchases the optimum, best value subscriptions. From the discovery work carried out to date, DIS feel that around 70% of our employees require the functionality proposed by Microsoft with the remaining 30% covered with cheaper license combinations that will still meet their needs. This 70/30 split will allow the Council to achieve its strategic goals, meet employee needs, provide best value for the required software and deliver savings of around £320k against the original allocated budget for 2019/20.

3.2.5 Communities & Environment – the Directorate is projecting a balanced budget at this stage in the financial year. Within the Waste Management service there are a number of pressures mainly in respect of the ongoing Refuse review which is progressing well, combined with additional costs relating to recovery. However these pressures are anticipated to be offset by net savings on waste disposal contracts and the service is forecasting a balanced position by the year end. Within Customer Access there are pressures of £0.2m due to additional staffing costs associated with the improvement in call answer rates at the Contact Centre and additional security costs at Hub sites. Partially offsetting these pressures is a forecast net saving of £0.1m within Car Parking services, mainly due to staffing and other expenditure variations. The Directorate will work towards identifying appropriate actions of £0.1m to achieve an overall balanced budget by the year end.

3.2.6 Strategic & Central Accounts - At Month 5, the Strategic & Central budgets are projecting a small overspend of £0.05m. The key variations are a projected shortfall of £0.5m in New Homes Bonus which is offset by S31 grant income for small business rates relief projected to exceed budget by £0.7m.

However it should also be noted that there is a projected additional use of £1m from the Insurance reserve as a result of a small number of high value claims. This is a volatile budget and continues to be closely monitored.

The 2019/20 revenue budget assumes the generation of capital receipts from property and land sales will be utilised to offset PFI liabilities, repay MRP and fund redundancy payments. There is now a risk that not all of these assumed capital receipts will be receivable in 2019/20 and therefore any shortfall will have implications for the delivery of a balanced revenue budget in this financial year. Full details of this risk can be found in the confidential appendix to this report. This appendix is confidential under Access to Information Rule 10.4(3) as it contains information relating to the financial or business affairs of the Council and other relevant parties.

In response to this identified risk work has commenced to identify areas where spend could be reduced or stopped to manage this position.

3.3 Other Financial Performance

3.3.1 Council Tax

The Council Tax in-year collection rate at the end of August was 45.59% which is slightly behind performance in 2018/19. At this early stage the forecast is to achieve the 2019/20 in-year collection target of 96.1% collecting some £362m of income.

3.3.2 Business Rates

The business rates collection rate at the end of July was 47.71% which is 0.87% behind performance in 2018/19. The forecast is to achieve the 2019/20 in-year collection target of 97.7%, collecting some £385m of income.

The total rateable value of business properties in Leeds has increased from £930.2m at 1st April to £937.0m at the end of July, an increase of £6.8m. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the national business rates multiplier (49.1p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (74%), Central Government (25%) and West Yorkshire Fire Authority (1%). Following deductions for the Business Rates tariff and to meet the business rates deficit brought forward, Leeds' actual business rates income is currently projected to be in the region of £199.648, which is £0.8m below budgeted expectations.

3.3.3 Business Rates Appeals

The opening appeals provisions for 2019/20 are £21.0m, made up of £13.8 relating to appeals received against the 2010 ratings list and £7.2m estimated costs in relation to the 2017 ratings list. Under the 75% Business Rates Retention pilot, Leeds' budget is affected by 74% of any appeals provision made in this year but provisions brought forward from 2018/19 were made at 99%.

On the 1st July 2019, there were 1,349 appeals outstanding against the 2010 ratings list. During July and August 228 appeals have been settled, of which 122 have not resulted in changes to rateable values. 23 new appeals were received in June and July, this low number received reflecting that appeals are no longer accepted against the 2010 list except in very specific circumstances. At 31st August there are 1,156 outstanding appeals in Leeds, with 12.6% of the city's total rateable value in the 2010 list currently subject to at least one appeal.

No appeals have been received to date against the 2017 list, with only 1.4% of the city's total number of hereditaments in the 2017 list currently subject to either a 'check' or a 'challenge', the pre-appeal stages of the new appeals process introduced in 2017.

4. Housing Revenue Account (HRA)

- 4.1 At the end of Month 5 the HRA is projecting a balanced position against the 2019/20 Budget.

5. Corporate Considerations

5.1 Consultation and engagement

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

5.2 Equality and diversity / cohesion and integration

- 5.2.1 The Council's revenue budget for 2019/20 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 27th February 2019.

5.3 Council policies and the Best Council Plan

- 5.3.1 The 2019/20 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on the financial

performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

5.4 Climate Emergency

5.4.1 Since this is a factual report detailing the Council's financial position for 2019/20 there are no specific climate implications.

5.5 Resources, procurement and value for money

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

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

5.6.1 The information contained in the confidential appendix of this report has been designated as being exempt from publication under the provisions of Access to Information Procedure Rule 10.4(3) because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information), in this case Leeds City Council and other relevant parties. It is considered that since this information concerns negotiations with other parties to effect the realisation of capital receipts then it is not in the public interest to disclose this information at this point in time as this could affect the integrity of those negotiations. It is considered that the public interest in maintaining the content of the appendix as being exempt from publication outweighs the public interest in disclosing the information as doing so would prejudice the Council's commercial position and that of relevant third parties should it be disclosed at this stage.

5.6.2 The matters contained within the exempt appendix are considered urgent and cannot reasonably be deferred due to the need to complete negotiations within the current financial year.

5.6.3 In accordance with the relevant Procedure Rules, the treatment of the matter detailed in appendix 1 as being both exempt from publication and urgent, has been agreed with the Chair of Scrutiny Board (Strategy and Resources).

5.7 Risk management

5.7.1 Budget management and monitoring is 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 such as the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans is in place for 2019/20.

6. Conclusions

6.1 This report informs the Executive Board of the Month 5 position for the Authority in respect of the revenue budget which currently projects an overspend of £0.77m. The Housing Revenue Account is projecting a balanced budget position.

- 6.2 The report also requests that the Director of Children and Families identify further budget savings options that will address the projected overspend in the Directorate.
- 6.3 The report highlights that there is a risk that not all of the assumed capital receipts, which are used to offset PFI liabilities, repay MRP and fund redundancy payments, will be receivable in 2019/20, as detailed in the confidential appendix 1.

7. Recommendations

- 7.1 Executive Board are asked to note the projected financial position of the authority as at Month 5 (August).
- 7.2 Executive Board are asked to note the requirement for the Director of Children and Families proposals to identify further budget savings proposals to address the projected overspend in the Directorate.
- 7.3 Executive Board are asked to note the risk that the budgeted level of capital receipts, as detailed in confidential appendix 1, may not be receivable in 2019/20.

8. Background documents¹

None

9. Appendices

- 9.1 Appendix 1 – Designated as exempt from publication under the provisions of Access to Information Procedure Rule 10.4(3)
- 9.2 Directorate dashboards

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

ADULTS AND HEALTH

Financial Dashboard - 2019/20 Financial Year

Month 5 (August 2019)

The Directorate is projected to deliver a balanced position.

Budget Action Plans are required to deliver £13.1m of savings. At Period 5, 81.2% are effectively delivered and it is assumed that most plans will be delivered by the end of the year with some slippage in the demand and partner income BAPS. The main variations at Period 5 across the key expenditure types are as follows:

Staffing (-£1.0m)

There are pressures within Provider Services but overall underspends within the rest of the directorate particularly Service Transformation, Resources and Commissioning more than mitigate these. These underspends have reduced since last period due to new starters during the month.

Community Care Packages (£1.6m)

Pressures are expected within Learning Disability, Home Care and Supported Accommodation. Underspends are projected within residential and nursing care and Direct Payment numbers continue to fall.

General Running Costs (-£0.3m)

Due to early repayment £0.277m of debt will not be paid this year.

Appropriation Accounts (£0.2m):

a) Leeds Adults Safeguarding Board- LASB (£0.061m) - an underspend due to staff savings within Leeds Adult Safeguarding is projected and, in line with the Board's ring-fenced status, it is planned to be carried forward into the next financial year.

b) Winter Pressures Funding (£0.200m) - Winter pressures funding of £200k required to fund the Community Care Beds.

c) recognising the pressures facing the authority and the directorate in 2020/21 it is intended that the £277k saving from the early repayment of debt will be carried forward in reserves to be utilised in the next financial year.

d) Public Health Appropriation (-£0.287m) - the Public Health grant underspend from last year of £185k will be used to cover any fluctuations arising from prescribing and dispensing costs for drug treatment following the introduction of a new tariff for the drug buprenorphine in April 2018. £102k will be used for children's bereavement programmes.

Income (-£0.4m)

There are additional client contributions and additional external income.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Health Partnerships	1,535	(994)	541	(79)	0	1	0	0	0	0	0	0	(77)	61	(17)
Access & Care Delivery	273,180	(47,775)	225,405	(177)	0	2	(7)	(193)	2,555	(990)	0	48	1,238	(424)	813
Service Transformation Team	1,508	(15)	1,493	(272)	0	0	0	0	0	0	0	0	(272)	(133)	(405)
Commissioning Services	28,660	(54,764)	(26,104)	(339)	0	0	0	0	0	0	0	0	(339)	60	(279)
Resources and Strategy	5,707	(841)	4,866	(114)	0	0	0	(79)	0	0	0	79	(114)	0	(114)
Public Health (Grant Funded)	43,886	(43,542)	344	(52)	0	0	0	0	338	0	0	(287)	(1)	1	0
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	354,475	(147,930)	206,545	(1,031)	0	3	(7)	(272)	2,893	(990)	0	(160)	435	(435)	(0)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
A. Key Budget Action Plans						
1.	Additional funding	S Hume	iBCF, Spring Budget, Advonet Grant, Social Care Grant	B	7.3	0.0
2.	Demand Based Savings - Ld	S McFarlane		G	0.3	0.0
3.	Demand Based Savings - Mental Health	S McFarlane		G	0.1	0.0
4.	Demand Based Savings - Telecare	S McFarlane		R	0.1	0.1
5.	Demand Based Savings - Reablement	S McFarlane		R	0.1	0.1
6.	Demand Based Savings - Chc / 117	S McFarlane		G	0.3	0.0
7.	Prudential Borrowing - Recovery Hubs	S McFarlane		B	0.2	0.0
8.	Ld - Funded Nursing Care Paid By Lcc On Chc Funded People	S McFarlane		G	0.1	0.0
9.	Premises Running Cost Savings	S McFarlane		G	0.1	0.0
10.	Demand Based Savings - Demand Mgt	S McFarlane		A	0.3	0.0
11.	Managing Budget Reductions	S Hume		G	0.1	0.0
12.	Demand Budgets (Commissioning)	S Hume		G	0.2	0.0
13.	Staffing	Various	primarily use of vacancy factors	B	0.8	(0.2)
14.	Income	Various	better collection of assessed income and recovery of monies from partners	G	2.2	0.1
15.	Public Health	I Cameron	review of commissioned services and use of reserves	B	1.0	0.0
B. Other Significant Variations						
1.	Staffing	All	relating to staffing turnover and slippage in employing new staff			(0.9)
2.	Community care packages	Various	anticipated variation			1.7
3.	General running costs	All	primarily non-spend of debt related budgets			(0.3)
4.	Use of reserves	All	net contribution to reserves (Leeds Adults Safeguarding Board and debt savings offset by transfers from reserves for Community Beds and Public Health) and carry forward of debt underspend			(0.2)
5.	Income	S. McFarlane	client contributions and CCG contribution to CHC transport costs			(0.5)
					Adults and Health Directorate - Forecast Variation	
					0.0	

CHILDREN & FAMILIES 2019/20 FINANCIAL YEAR FINANCIAL DASHBOARD - Period 5

Overall Summary - The 19-20 budget for C&F addressed the underlying 18-19 key budget pressures, with the following additional resources reflected in the 19-20 C&F budget; £4m pay, £4m fallout of grant (DfE PIP Innovation 2016-18, School Improvement and Brokerage and Special Education Needs grant), £2m Children Looked After (CLA) demand, £0.7m Passenger Transport costs. At period 5 the directorate is projecting an overspend of **£0.825m** against a gross expenditure budget of £293m which equates to an overspend of 0.3%. This is in line with the Period 4 position. The Directorate has identified a number of actions to help offset the projected overspend on demand-led budgets with a total of £1.8m in savings and additional income being proposed so far. The Directorate will continue to identify potential options to manage the overspend. Pressures at P5 are in line with those reported at P4, £1.90m CLA Demand pressures around ER and IFA placements, £0.625m Passenger Transport and £0.4m Learning for Life (Lfl) net pressure principally due to Children Centre fee income. These pressures are expected to be partly offset by additional grant income, (UASC grant income of £0.3m, School Improvement and Brokerage Grant £0.35m and DfE Innovation (SFPC) grant £0.3m), an underspend on staffing of £0.40m, release from the Strategic budget for Children Service **£0.5m**, Other planned service action plans **£0.2m** and savings on Supplies & Services £0.05m. There is a risk that the projected overspend worsens, with action being required to contain the CLA, Lfl Nursery fee income, savings target for Staffing and Passenger Transport pressures at this reported position.

Children Looked After (CLA): - The Children Looked After budget (CLA) was increased by £1.5m to £42.4m in the 2019/20 budget. The budget took into account the level of supported children in the autumn of 2018, 1,284 and there are currently 1,303; the same as reported at P4. This has resulted in significant pressures on the 19-20 External Residential (ER) and Independent Fostering Agencies (IFA) budgets. Current ER numbers are 63 compared to the budgeted number of 58, whilst the number of Independent Fostering Agencies (IFA) is 208 compared to the budgeted number of 184. Both ER and IFA placement numbers have reduced since P4 and it is anticipated that there will be a further small reduction in numbers over the remainder of the year to achieve this projected position of a **£1.90m** pressure. The reconfiguring of the LCC run children homes and their current limited capacity continues to impact on the CLA demand budgets, along with barriers in education provision within the city preventing CLA children being placed back into Leeds. There is still a risk that there will be further budget pressure increases in 2019-20.

Non CLA Financially supported: - The non-CLA financially supported budget was increased by £0.5m to £12.9m in the 2019/20 budget. Budgeted 19-20 numbers are 867 placements; current numbers are 873. At this stage of the year it is assumed that spend will be in budget.

Staffing: - The staffing budget for 19-20 is £87.4m. At P4 the Directorate made a commitment to deliver savings of **£0.40m** on the pay budget. This reflects some one-off funding from the carry forward of DfE PIP monies and Troubled Families Earned Autonomy. The directorate will need to strictly control all post releases and DDN requests to achieve this position and mitigate any potential pay pressures. Also need to continue to review and control the use of Overtime and Agency staff.

Transport: - The overall budget for Passenger Transport is £14.7m; an increase of £0.65m from 18-19. The budget for CEL Passenger Transport has increased by £0.95m and the budget for WYCA reduced by £0.3m; net £0.65m. There has been a notable increase in the number of children requiring transport during 18-19 and a significant increase in contract prices over the increase allowed for in the 2019/20 budget. The actual increase in demand will be clearer at the start of the autumn '19 academic term but at this stage an increase in costs for CEL Passenger Transport of **£0.625m** are projected. This assumes that a number of actions are progressed to reduce costs and the Directorate is working with CEL to mitigate the demand and cost pressures, for example; route rationalisation, Independent travel Training and switch from Private Hire to In-House fleet transportation. There is a risk that demand continues to increase and unit costs increase further during the year.

Trading and Commissioning: - Although the Trading areas of the directorate collectively underachieved their income targets in 2018/19, action plans have been developed for the areas where income was below budget in 2018/19. An action plan has been developed to look at maximising income from Learning for Life, but a shortfall of **£0.4m** against net managed budget is now projected; £1m shortfall on Children Centres FEE income offset by other savings within Lfl Services. Again there is a significant risk that the projected level of nursery fee income is not achieved. Occupancy levels within the Little Owls nurseries at September '19 (start of the new academic year) will be crucial to determining the financial projection for 19-20 financial year.

Supplies & Services: - The S&S budget for C&F directorate is £61.4m, of which £52.8m relates to Pfl payments and £1.0m for food costs for LCC run homes and nurseries. A savings target of **£0.05m** is now reflected. Controls will need to be put in place to ensure only essential expenditure on controllable S&S is committed for the remainder of the year.

Other Income / Projects: - On the 17th April 2019 the DfE announced that the authority was successful in its bid, Strengthening Families Protecting Children (SFPC) bid. The award is for £8.24m over 5 years, with £1.58m being awarded for 2019/20 financial year. Plans are being developed to deliver the outcomes of the grant and deliver further **£0.3m** contribution to current costs. Delivery of the Troubled Families - Earned Autonomy Project continues to be implemented. The impact of the realignment of grant funding within Early Help service continues to be reviewed to ensure no overall financial impact of delivering the programme. UASC Home Office announcement re introduction of new flat rate of £114 per day for each eligible UASC child; impact additional **£0.3m** Home Office grant income. **£0.35m** School Brokerage Grant contribution to current costs; covers the first 2 terms of the 19-20 academic year, The Government had previously indicated that funding would cease at the end of August 2019.

Dedicated Schools Grant and One Adoption West Yorkshire - There is a separate Dashboard for the Dedicated Schools Grant

	PROJECTED VARIANCES														Total (under) / overspend £'000	
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Demand Led Budgets:																
In House placed CLA	20,352	(3,648)	16,704	0	0	0	0	0	(250)	0	0	0	(250)	0	0	(250)
Independent Fostering Agency	7,546		7,546	0	0	0	0	0	1,250	0	0	0	1,250	0	0	1,250
External Residential	11,913		11,913	0	0	0	0	0	900	0	0	0	900	0	0	900
Other Externally placed CLA	2,566		2,566	0	0	0	0	0	0	0	0	0	0	0	0	0
Non CLA Financially Supported	12,883	(3,514)	9,369	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	15,062	(617)	14,445	0	0	0	625	0	0	0	0	0	625	0	0	625
Sub total Demand Led Budgets	70,322	(7,779)	62,542	0	0	0	625	0	1,900	0	0	0	2,525	0	0	2,525
Other Budgets																
Partnerships & Health	5,150	(1,342)	3,808	(50)	0	0	0	0	0	0	0	0	(50)	(200)	0	(250)
Learning	31,600	(26,706)	4,894	(100)	0	0	0	0	0	0	0	0	(100)	(350)	0	(450)
Social Care	120,881	(75,324)	45,557	(200)	0	(50)	0	0	0	0	0	(500)	(750)	(200)	0	(950)
Resources and Strategy	65,206	(60,259)	4,947	(50)	0	0	0	0	0	0	0	0	(50)	0	0	(50)
Sub total Other Budgets	222,838	(163,631)	59,207	(400)	0	(50)	0	0	0	0	0	(500)	(950)	(750)	0	(1,700)
Total	293,159	(171,410)	121,749	(400)	0	(50)	625	0	1,900	0	0	(500)	1,575	(750)	0	825

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments		Action Plan Value	Forecast Variation
A. Significant Variations				RAG	£m	£m
	Children Looked After	Steve Walker / Sal Tariq	The budget supports an average of 58 ER and 184 IFA Placements. Currently at 63 ER and 208 IFA Placements. Partly impacted due to reduced capacity in LCC run homes; currently at 17 against potential 28 when 7 mainstream homes operational.	R		1.90
	Staffing Related Costs	C&F Leadership Team	£0.8m High Level Action Plan target savings (£0.4m Social Care, £0.1m Learning and £0.3m Attendance). Close control of recruitment & post releases and potential impact of any DDN's need to be monitored and actioned to deliver the projected savings of £0.4m. Also control use of Agency and Overtime costs.	G		(0.40)
	Learning For Life - Early Start & Youth Services	Sal Tariq / Andrea Richardson	Net pressure of £0.4m explained by £1m shortfall in Children Centres income, offset by savings within Family Services, Early Help and Youth services. Impact of numbers on roll at the start of the new academic year will be crucial for determining the level of nursery fee income for 19-20.	R		0.40
	Passenger Transport	Sue Rumbold	Continuation of increasing demand within LCC run Passenger Transport. Whilst the strategy provided £0.7m additional funding, there is a further pressure of £0.625m due to increasing demand and prices via commissioning. Impact of new demand and tenders for private hire arising from the commencement of the academic year will be crucial.	R		0.63
	Income (Incl. Grants)	C&F Leadership Team	£0.3m Home Office announcement re new funding formulae for councils looking after asylum seeking children (UASC) and implementation of a flat standard rate of £114 per day. £0.35m School Brokerage grant income for the autumn and spring terms of the 19-20 academic year and £0.3m from slippage of spend on externally funded programmes. .	G		(0.95)
	Supplies & Services	C&F Leadership Team	£0.05m savings target from S&S budget. To put in place controls to reduce overall spend.	A		(0.05)
B. Key Budget Action plans (BAP's)						
Transport	Pasenger Transport - Other Transport savings	Sue Rumbold	Savings from WYCA and additional schools swimming income	G	(0.30)	0.00
Social Care	Achieve running cost savings from former Partner in Practice funded activities	Sal Tariq	review non-staffing expenditure previously funded through the PiP grant	G	(0.15)	0.00
Social Care	Make savings on Independent Support workers within CHAD.	RuthTerry	Based on 2018/19 spend this should be achievable	G	(0.05)	0.00
Social Care	Achieve running cost savings in Learning for Life	Andrea Richardson	cease commissioned service with ASHA - saving £50k	G	(0.05)	0.00
Resources & Stratgey	Reduction in Prudential borrowing charges	Tim Pouncey	Savings achieved - borrowing repaid	G	(0.05)	0.00
Social Care	Achieve increased charges at Adel Beck	Sal Tariq	Increases in charges agreed, overall position will depend on the placements.	G	(0.20)	0.00
Social Care	Achieve other additional income targets	All COs	Includes £0.2m secured from Housing capital for the capitalisation of part of the costs of the CHAD team	G	(0.40)	0.00
Social Care/Transport	Additional income from moving towards full the recovery of appropriate costs from the Dedicated Schools Grant	Tim Pouncey	Should be achievable depending on the total costs incurred	G	(0.60)	0.00
C. Contingency Plans						
	Use of strategic contingency fro Children Services.	Steve Walker	Request release from strategic budget to support the directorates financial position			(0.50)
	Further service action plans	Steve Walker & Leadershio Team	To identify additional income or further savings on expenditure.			(0.20)
Children and Families Directorate - Forecast Variation						0.825

CHILDREN & FAMILIES 2019/20 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - PERIOD 5

Overall Summary - The Dedicated Schools Grant (DSG) is made up of 4 separate blocks - the Schools Block, Central School Services Block, Early Years Block and High Needs Block. At month 5 there is a projected overspend of £3,430k on general DSG and no overall variance on de-delegated services although there is a risk that this position could deteriorate in the second half of the year once more detailed information is available on top up payments and outside placements. This position includes the impact of the additional funding for the high needs block announced by the Secretary of State for Education on the 17th December 2018.

Schools Block - This is the largest element of the DSG and mostly consists of delegated funding to local authority maintained schools. When a school becomes an academy, funding payments are made directly by the ESFA and not paid to local authorities to distribute. When this happens, there is a reduction in grant income which is largely matched by reduced expenditure. There are a number of de-delegated services where schools have agreed for the local authority to retain funding to cover some costs centrally which otherwise would need to be charged to schools (such as maternity costs, trade unions costs and the libraries service). These budgets are currently projected to be on budget overall. The Growth Fund budget remains part of this block and is currently projected to be £400k underspend which means that the element of the DSG surplus brought forward from 2018/19 has been earmarked for this is no longer needed.

Schools Forum have previously queried the significant level of reserves on de-delegated budgets and have requested a payment be made to schools from this reserve. A proposal will be taken to the next Schools Forum to repay the 2018/19 underspend of £462k back to schools pro-rata to the amount of de-delegated funding paid in that year.

Central School Services Block

This block covers costs such as prudential borrowing repayment, equal pay costs, the admissions service and the retained duties element of what used to be the Education Services Grant (which covers statutory and regulatory duties, asset management and welfare services). There are no overall variances currently projected on these services.

Early Years Block - This element is concerned with provision to pre-school children. The final grant amount received is largely based on the January 2020 census and so will not be confirmed until the 2020/21 financial year. Following the significant underspend in the past 2 years, the unit rates paid to providers has been increased for both 2 year old and 3 & 4 year old providers. However, it is still expected that there will be an underspend of approximately £1,500k. This is due to an expected difference between the number of places funded and the number of places paid to providers. Work is currently ongoing to confirm the impact from the summer term 2019.

High Needs Block - This element is used to support provision for pupils and students with special educational needs and disabilities. This block is currently experiencing increasing costs due to high levels of demand and increasing complexity of cases. The main variances in this block are:-

- a lack of suitable places in Leeds is expected to result in an overspend on outside placements of £2,300k.
- an increase in special school places required from September 2019 is expected to result in an overspend of £820k on SILC funding.
- a general increase in the FFI top-up to mainstream schools and academies is projected to result in an overspend of at least £2,210k based on the FFI database at the end of August.

There is also a risk around two other areas that are not currently included in the projections:-

- the North West SILC is expected to become an academy during 2019/20 which means that the accumulated deficit may need to be funded. At 31/3/19, this deficit was £1.6m.
- a disapplication request is to be submitted around top-up funding in respect of the SEMH provision. If unsuccessful, there is a potential additional cost of approx. £1.5m.

Reserves - There is a surplus reserve brought forward from 2018/19 of £1,097k and a de-delegated reserve of £587k. As a result of the variations detailed above, there is expected to be an overall in year overspend of £3,430k which means that there is a projected deficit on general DSG carried forward to 2020/21 of £2,333k. Following the repayment of part of the accumulated reserves, the de-delegated reserves are expected to be a surplus of £125k.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(301,877)	(300,219)	1,658
Individual Schools Budgets	295,939	294,281	(1,658)
De-delegated budgets	4,438	4,438	0
Growth Fund	2,900	2,500	(400)
Contribution to /from reserves	(1,400)	(1,400)	0
	0	(400)	(400)
Central School Services Block			
DSG Income	(4,725)	(4,725)	0
CSSB Expenditure	4,725	4,725	0
	0	0	0
Early Years Block			
DSG Income	(55,877)	(55,877)	0
FEEE 3 and 4 year olds	45,709	44,209	(1,500)
FEEE 2 year olds	7,312	7,312	0
Other early years provision	2,856	2,856	0
	0	(1,500)	(1,500)
High Needs Block			
DSG Income	(66,389)	(66,389)	0
Funding passported to institutions	59,524	64,854	5,330
Commissioned services	1,702	1,702	0
In house provision	4,605	4,605	0
Prudential borrowing	558	558	0
	0	5,330	5,330
Total	0	3,430	3,430

Latest Estimate

Balance b/fwd from 2018/19
 Net contribution to/from balances
Balance c/fwd to 2020/21

Projected Outturn

Balance b/fwd from 2018/19
 Projected in year variance
 Net contribution to/from balances
Balance c/fwd to 2020/21

General £'000	De-delegated £'000	Total £'000
(1,097)	(587)	(1,684)
400	0	400
(697)	(587)	(1,284)
(1,097)	(587)	(1,684)
3,430	462	3,892
	0	0
2,333	(125)	2,208

Key Budget Action Plans and Budget Variations:

	Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans					
Transfer funding to High Needs Block		Transfer of £1.5m from the schools block and £800k from the central school services block to the high needs block as detailed in report to Schools Forum in January 2019.	B	2.30	0.00
B. Significant Variations					
Schools Block		Projected underspend on Growth Fund			(0.40)
Early Years Block		Projected underspend on early years block mainly as a result of low take up in summer term. And funding received for additional hours.			(1.50)
High Needs Block		Increase in payments to institutions due to increase in number and complexity of cases			2.30
High Needs Block		Increase in payments to institutions due to increase in number and complexity of cases			0.82
High Needs Block		Increase in payments to institutions due to increase in number and complexity of cases			2.21

Dedicated Schools Grant - Forecast Variation

3.43

CITY DEVELOPMENT 2019/20 BUDGET FINANCIAL DASHBOARD - MONTH 5 (APRIL - AUGUST)

At period 5 the Directorate is forecasting to deliver a balanced position despite two significant pressures in relation to Kirkgate Market and the Strategic Investment Fund.

At Kirkgate Market traders have been granted a 20% rent discount for 6 months as footfall continues to be an issue in the market, which comprises £200k of the forecast £663k shortfall in income, the rest is due to the vacant units within the market.

The Strategic Investment Fund requires further acquisitions to be made in order to achieve the net income target of £3.36m, the current shortfall is circa £690k. Further investment opportunities continue to be sought and financially appraised.

Street lighting electricity costs are a key risk as any delays in the LED conversion programme may result in planned electricity savings not being achieved, however an early works agreement has been signed and the programme remains on track for a September 2019 start.

Other risks include Active Leeds income and planning fee income which may be affected by the general economic climate and will continue to be closely monitored.

The Directorate will seek to contain and mitigate these pressures via one off income receipts and expenditure savings.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Planning & Sustainable Development	9,436	(7,490)	1,946	(132)	0	0	0	0	0	0	0	0	(132)	132	0
Economic Development	2,269	(611)	1,658	(7)	1	(92)	0	10	0	0	0	0	(88)	88	0
Asset Management & Regeneration	16,681	(19,923)	(3,242)	(138)	2	0	0	0	0	0	0	0	(136)	539	403
Employment & Skills	6,210	(4,515)	1,695	(15)	0	0	0	15	0	0	0	0	0	0	0
Highways & Transportation	65,238	(48,123)	17,115	(1,201)	(324)	778	(39)	176	0	0	0	0	(610)	773	163
Arts & Heritage	19,308	(8,438)	10,870	66	8	(6)	0	0	0	0	0	0	68	22	90
Active Leeds	25,554	(20,415)	5,139	124	(63)	(67)	0	0	0	0	0	0	(6)	25	19
Resources & Strategy	1,005	0	1,005	(28)	0	(10)	0	0	0	0	0	0	(38)	(1,318)	(1,356)
Markets & City Centre	3,410	(3,702)	(292)	18	0	0	0	0	0	0	0	0	18	663	681
Total	145,701	(113,217)	35,894	(1,313)	(376)	603	(39)	201	0	0	0	0	(924)	924	0

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
A. Budget Action Plans		Lead Officer	Additional Comments		£'000	£'000
1.	Asset Management & Regeneration	Angela Barnicle	Purchase of commercial assets to generate additional rental income over and above the annual costs of borrowing and other land-lord related costs	R	(1,000)	650
2.	Asset Management & Regeneration	Angela Barnicle	Asset Rationalisation	G	(250)	0
5.	Highways and Transportation	Gary Bartlett	LED Street Lighting Conversion	G	(700)	0
6.	Highways and Transportation	Gary Bartlett	Fees Capitalisation	G	(400)	0
8.	Sport and Active Lifestyles	Cluny MacPherson	Sport Income	G	(220)	25
.9.	Sport and Active Lifestyles	Cluny MacPherson	Sport Efficiencies	G	(150)	(6)
Total Budget Action Plan Savings					(2,720)	669
B. Other Significant Variations						
1.	Markets & City Centre		Markets Rental Income re 20% Reduction and loss of income due to vacant units			663
2.	Arts and Heritage	Cluny MacPherson	Staffing			66
3.	All	All	Other minor variations			(80)
2.	Resources & Strategy	Ed Mylan	Action Plans to mitigate net budget pressures. Work ongoing to identify further savings and quantify potential impact of robust management of vacancies and staff turnover			(1,318)
City Development Directorate - Forecast Variation						0

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2019/20 FINANCIAL YEAR

PERIOD 5

Overall

The Directorate is projecting a balanced position at month 5 albeit with an action plan to contain the underlying financial risks facing some services. The month on month improvement in the projected variance suggests that the action plan is having a positive impact. The month 5 position reflects a requirement to deliver action plan savings of £286k (down £103k from £389k at month 4) to mitigate the collective pressures identified. Budget pressures remain within Corporate Property Management (CPM) and challenging staffing target savings across a range of Resources services.

Resources

The budget requires the delivery of over £3.2m of savings in this area of which approximately £2m are staffing savings. After a number of years of reductions in support services, this figure is becoming increasingly challenging to achieve without fundamental change to the way some of these services are provided. There may be a timing issue to deliver all the savings as planned. Early indications are that there are likely to be overall pressures in Shared Services of £0.15m and Finance £0.09m. The reported £0.15m Shared Services pressure assumes continuing savings through staff turnover. A review of the Finance function has commenced. There are forecast savings within Digital and Information Services relating to expenditure on Microsoft licences of £320k.

Leeds Building Services

The budget assumes delivery of an £11m surplus with a turnover of just under £70m. At Period 5 no variation is forecast. However, there are a significant number of front line vacant posts which will affect the overall recovery position. It is assumed that work will be sub contracted to deliver the business plan.

Housing and Property Services

There are continuing pressures within the CPM function which are estimated at around £0.4m. This is after assuming additional capitalisation of building maintenance and staffing costs. At this stage there are no variations to report within the remainder of the Housing General Fund and Supporting People services.

Civic Enterprise Leeds (CEL)

A balanced position is projected at period 5 but we will continue to closely monitor some of the significant income generating services within the group.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Resources	98,339	(31,125)	67,214	2,380	(47)	(704)	(23)	(19)	0	0	0	60	1,647	(1,761)	(114)
LBS	58,336	(69,345)	(11,009)	(911)	0	1,043	0	(132)	0	0	0	0	0	0	0
Housing & Property	25,889	(12,545)	13,344	136	794	(2)	28	0	0	0	0	0	956	(556)	400
CEL	80,845	(68,219)	12,626	100	29	(93)	576	11	0	0	0	0	623	(623)	0
Directorate Action Plan				(286)		0							(286)		(286)
Total	263,409	(181,234)	82,175	1,419	776	244	581	(140)	0	0	0	60	2,940	(2,940)	0

Key Budget Action Plans and Budget Variations:					RAG	Action Plan Value	Forecast Variation against Plan/Budget
Service	Budget Action	Lead Officer	Comments		£m	£m	
HOUSING							
Leeds Building Services	To deliver an improved surplus of £1.4m from additional turnover; efficiencies and productivity.	Simon Costigan	New rates agreed ahead of 2019/20. Meetings held with business unit managers regarding turnover assumptions.	G	(1.40)		
Housing	Review of housing general fund staffing costs	Jill Wildman	To be controlled through effective management of vacancies; No issues currently anticipated	G	(0.10)		
CEL							
Cleaning /Catering	Additional income	Sarah Martin	Awarded window cleaning contract for Barnsley Council & headquarter clearance of Harrogate Council. Plans to expand Civic Flavour.	G	(0.07)		
Facilities Management	Review of Entry systems at Civic Hall	Sarah Martin	Quotes obtained for installation of speedgates from LBS, awaiting a slot from LBS for the work to be done. This will enable a review of staffing levels.	G	(0.04)		
Facilities Management	Energy savings	Sarah Martin	More timely meter readings, use of energy efficient lighting & movement sensors & better use of Trend system to remotely control heating systems.	G	(0.03)		
Facilities Management	In-sourcing of Waste and Voids contracts	Sarah Martin	Proposals to vire budgets have been submitted to HoF. Virement codes received and virement to be completed.	G	(0.06)		
CEL Management	Staffing restructure	Sarah Martin	ELI case has been completed which will partially deliver savings	G	(0.08)		
Fleet Services	Operational Savings	Sarah Martin	Plans being developed and implemented to use capital funding to reduce spend on hire.	G	(0.05)		
RESOURCES							
DIS	Procurement efficiencies targeted to deliver £0.5m of contract savings	Dylan Roberts	£346k secured and savings realised; £180k under review; £20k pressure re HYDRA to be found	G	(0.55)		
DIS	Staffing reductions	Dylan Roberts	£245k savings completed; Remaining £75k relates to review of App Support team	G	(0.32)		
DIS	Secure net additional income from charges to Capital and external income	Dylan Roberts	External income has been completed; Capital programme reflects these proposals - staff have been recruited to PM roles. Ongoing review of activity	G	(0.40)		
Financial Services	Deliver £0.3m staffing savings to balance the 19/20 budget	Victoria Bradshaw	Total staffing pressure circa £500k; Some savings from maternities and leavers since budget. £330k to find, but additional income around £160k leaving £145k pressure ; Further ELI expressions have been received. Service reviews scheduled	A	(0.30)	0.04	
HR	Deliver £0.09m staffing savings to balance the 19/20 budget	Andrew Dodman	Budget should be delivered through management of releases	G	(0.09)		
HR	Development of ULEV scheme	Andrew Dodman (Alex Watson)	Initial Communications and promotion has gone out; No sign up as at 31.5.19	A	(0.06)		
HR	Secure £150k of income chargeable to the Apprentice Levy	Andrew Dodman (Alex Watson)	Meetings with E&S set up; Indications are that this is double count and won't be achievable. HR will need to identify suitable alternative savings	A	(0.15)		
Legal Services	To identify £206k of external legal costs that can be brought in house	Catherine Witham (Nicole Walker)	Analysis of 18/19 LCC wide spend on external costs that could now be brought in house when structure filled.	A	(0.21)		
Shared Services	Deliver £0.79m staffing savings to balance the 19/20 budget	Helena Phillips	Requires around 8% VF to deliver; Current staffing levels indicate £720k pressure after offsetting additional income for funded posts; Careful management of turnover required.	A	(0.79)		
Shared Services	Electronic Processing of Invoices	Helena Phillips	Unlikely to deliver project this Financial Year.	A	(0.15)	0.15	
Strategy and Improvement	Deliver £0.255m staffing savings to balance the 19/20 budget	Mariana Pexton	Potential to use some new one off external funding to help offset pressures - circa £80k; Balance to be delivered through management of vacancies.	G	(0.26)		
B. Other Significant Variations							
1	CPM	Simon Costigan	Pressures on the maintenance budget (net of £0.4m additional capitalisation)	R		0.40	
2	Finance -Court Fees	Victoria Bradshaw	Budget reduced to £2m in 19/20. No significant variation at Month 3	G		0.00	
3	Resources - Schools Income	All	No variation assumed from traded income with schools	G		0.00	
4	All Other Variations	All	£320k savings from DIS relating to Microsoft; To review and instigate Directorate action plan as appropriate (£0.286m) & £18k Strategy & Improvement pressure	G		(0.59)	
					Resources and Housing Directorate - Outturn Variation		0.00

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY
FINANCIAL DASHBOARD - 2019/20 FINANCIAL YEAR
Period 5 (August 2019)

Overall Position (Nil variance)

Communities (Nil variance)
The service is projecting a nil variance.

Customer Access (£238k Overspend)
The service is currently projecting an overspend of £238k which is attributable to additional staffing costs within the Contact Centre (£450k) due to recruitment to improve call answer rates. This has been partially offset by funding of £300k secured from Housing Leeds in respect of Housing enquiries. Additional security costs incurred at the Hubs have also resulted in a further pressure of £88k.

Electoral and Regulatory Services (£35k Under budget)

Elections, Licensing and Registrars (£20k Over budget)
The service is projecting an overspend of £20k reflecting minor expenditure variations across the service.

Environmental Health (£55k Under budget)
The Environmental Health service is projecting a saving of £55k due to staffing savings across the service.

Welfare and Benefits (Nil variance)
A balanced position is currently projected. This position includes a projected staffing overspend of £100k across the service although it is anticipated that this will be offset by other savings within the service. An ongoing area of risk is around the achievement of the budgeted level of overpayment income.

Parks and Countryside (Nil variance)
The service is projecting a balanced position. Although there is currently a net pressure across Attractions and the Arium of £0.3m, it is anticipated that these shortfalls will be offset by expenditure savings and additional income in other areas of the service.

Car Parking (£125k Under budget)
The service is currently projecting a saving of £125k. This saving is mainly due to staffing and other expenditure variations. In addition, based on current trends, there is a projected shortfall against budget on the levels of 'on street' parking income (+£196k), although this is offset by additional income including 'off street' parking income and PCNs

Cleaner Neighbourhoods Teams (£10k Under budget)
The service is projecting a net saving of £10k which is due to projected staffing savings, partially offset by additional vehicle costs.

City Centre (£7k Overspend)
The service is projecting an overspend of £7k due to additional staffing costs across the service.

Waste Management (Nil variance):
Pressures within the Refuse service relating to the ongoing Refuse review combined with additional costs of recovery are anticipated to be offset by residual waste disposal contract savings. Other staffing pressures, mainly within Waste Operations, are assumed to be offset by other savings across the service. There are also pressures on the SORT disposal contract (£103k), mainly due to market income prices, and also pressures on a number of recently re-let waste stream contracts due to price increases (£141k), although these are largely offset by volume trend variations across waste streams.

Community Safety (Nil variance)
The service is currently projecting as a nil variance

Directorate Wide (Action plan savings £75k)
The directorate will work towards identifying appropriate savings to balance the overall projected overspend of £75k.

Budget Management - net variations against the approved budget;

Summary By Service	Period 5 Projected variances															Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Communities	17,436	(12,080)	5,356	(169)	0	(86)	(1)	142	0	0	0	0	(114)	114	0	
Customer Access	24,293	(4,281)	20,012	450	88	126	(14)	0	0	0	0	0	650	(412)	238	
Electoral & Regulatory Services (including Environmental Health)	8,327	(5,913)	2,414	(120)	(1)	10	(6)	0	0	0	0	54	(63)	28	(35)	
Welfare And Benefits	265,394	(260,867)	4,527	26	0	148	0	88	0	(38,077)	0	0	(37,815)	37,815	0	
Car Parking Services	4,874	(13,155)	(8,281)	(68)	3	(77)	10	6	0	0	0	0	(126)	1	(125)	
Community Safety	8,735	(6,342)	2,393	(120)	0	(23)	7	106	0	0	0	0	(30)	30	0	
Waste Management	42,737	(7,693)	35,044	1,691	39	(290)	244	(365)	0	0	0	0	1,319	(1,319)	0	
Parks And Countryside	33,164	(25,896)	7,268	42	197	634	(42)	(17)	0	0	0	0	814	(814)	0	
Environmental Action (City Centre)	2,079	(427)	1,652	71	1	5	(5)	(5)	0	0	0	0	67	(60)	7	
Cleaner Neighbourhood Teams	12,722	(4,536)	8,186	(119)	(10)	(211)	315	0	0	0	0	0	(25)	15	(10)	
Directorate wide	0	0	0	(75)	0	0	0	0	0	0	0	0	(75)	0	(75)	
Total	419,761	(341,190)	78,571	1,609	317	236	508	(45)	0	(38,077)	0	54	(35,398)	35,398	0	

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	RAG	Action Plan Value (£000s)	Forecast Variation against Plan/Budget
Communities						
Communities team	Achievement of staffing efficiencies	Shaïd Mahmood	£40k of this to be delivered by the saving of 2 posts through ELI.	G	(75)	0
Community Centres	Asset transfer savings and general efficiencies within the service	Shaïd Mahmood	Asset transfers should generate £70k. Delivery of additional savings targets are to be considered by Facilities Management.	G	(100)	0
Community Centres	Achievement of base income pressure	Shaïd Mahmood	The actual pressure at outturn 18/19 was £40k, options remain to review and increase prices. This will be reviewed alongside the Facilities Management savings.	G	(100)	0
Third Sector Infrastructure Fund	10% saving on Third Sector Infrastructure Fund	Shaïd Mahmood	Agreed to taper the relief over the year with Voluntary Action Leeds.	G	(30)	0
Communities	Achievement of base budget vacancy factor	Shaïd Mahmood	Service to review current staffing arrangements and look at where they can offset existing staffing costs against grant income. Service may also consider holding some posts vacant.	G	(175)	0
Customer Access						
Libraries	Staffing efficiencies achieved through the planned restructure of the Libraries and Information service	Lee Hemsworth	Structure to be agreed with the Unions. Currently have a significant number of vacant posts.	G	(200)	0
Libraries	Review and reduce the provision of publications in Libraries	Lee Hemsworth	Awaiting outcome of review regarding what publications should be available at Library sites. Any shortfall in savings will be delivered from elsewhere within the budget.	G	(40)	0
Libraries	Retender Library management system contract as single contract (18/19 saving)	Lee Hemsworth	Retender process has now taken place and forecast savings will be delivered in year. A data Migration process is required to facilitate the new support contract, this should be funded out of savings delivered but may also need some capital resource.	G	(50)	0
Customer Access	Achievement of base budget vacancy factor	Lee Hemsworth	Most of this has already been delivered but there is some concern about achievability in Hubs.	G	(646)	0
Customer Access	Achievement of base budget efficiencies (18/19 channel shift saving)	Lee Hemsworth	Agreed additional funding with HRA of £300k to improve performance. May potentially overspend by £150k.	R	(310)	150
Welfare & Benefits						
Welfare and Benefits	Achievement of staffing efficiencies	Lee Hemsworth	The pending restructure of the benefits team which is still subject to approval may impact on the delivery of this efficiency. To be monitored.	A	(150)	0
Welfare and Benefits	Local Welfare Support Scheme - passport the costs of carpets / flooring	Lee Hemsworth	On target to deliver	G	(100)	0
Welfare and Benefits	Achievement of base budget vacancy factor	Lee Hemsworth	On target to deliver but will be affected by a restructure.	G	(47)	0
Elections, Licensing, Regulatory Services (incl Environmental Health)						
Registrars	Implement fee review in respect of non-statutory charges	John Mulcahy	Fee review implemented - to be monitored in year.	G	(100)	0
Elections	Shared cost of local elections in 19/20	John Mulcahy	To be delivered.	G	(100)	0
All	Achievement of base budget vacancy factor (including Environmental	John Mulcahy	To be delivered.	G	(100)	0
Waste Management						
Refuse	Progress route review to deliver £1.1m savings in the base budget	Helen Freeman	Route review ongoing, anticipated to be offset by other savings across the service.	A	(1,100)	0
Waste Management - all services	Achievement of base budget vacancy factor	Helen Freeman	Progress to be monitored in year.	G	(83)	0
Environmental Action Services (incl Parking)						

Car Parking	Increase charges at Woodhouse Lane car park by 50p for a full day	Helen Freeman	Increase has been implemented mid April 19. Need to monitor income levels during the year.	G	(110)	0
Car Parking	Increase Sunday / Evening charges by 10%	Helen Freeman	Price increases including Sunday / evening charges are currently under review.	G	(60)	0
Environmental Action Services (in	Achievement of vacancy factor (Car parks £145k, CC £23k, CNT £139k)	Helen Freeman	Progress to be monitored in year.	G	(310)	0
Parks and Countryside				G		0
Parks and Countryside	Maximise further commercial income generating opportunities	Sean Flesher	Progress to be monitored in year.	G	(50)	0
Parks and Countryside	Review and standardise leedscard discounts at Attractions	Sean Flesher	Following initial review and implementation the decision to standardise the leedscard discounts has now been reversed pending further review.	R	(30)	30
Parks and Countryside	Identify appropriate staffing costs to charge to Capital	Sean Flesher	Progress to be monitored in year.	G	(65)	0
Parks and Countryside	Staffing savings - achievement of vacancy factor (5% all services, 9% Parks Operations)	Sean Flesher	Progress to be monitored in year.	G	(1,181)	0
Community Safety						
Community Safety	Identify efficiencies in use of external funding (£50k 18/19 + £60k 19/20)	Paul Money	Use of external funding has identified £80k to contribute to savings, further work to identify the remaining £30k is on going.	G	(110)	
Community Safety	Replacement of CCTV infrastructure	Paul Money	Delays in the project.	R	(50)	50
Community Safety	PCSO staffing savings - achievement of vacancy factor above base	Paul Money	Will be based on actuals once quarterly invoices are received	G	(10)	0
Community Safety	Achievement of base vacancy factor	Paul Money	Progress to be monitored in year	G	(312)	
Directorate Wide						0
Other Significant Variations						
All services	Other expenditure variations					(230)
Communities & Environment - Forecast Variation						0

**STRATEGIC & CENTRAL ACCOUNTS - 2019/20 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 5**

Overall :

At month 5 Strategic & Central Accounts are projected to show small underspend of £0.01m. The main factors within this are :

- There is a projected shortfall in the New Homes Bonus grant of £0.52m
- The current projection for Section 31 grant income is £0.75m higher than budget
- The debt budget is currently forecast to overspend by £0.18m, as a result of replacing short term borrowing with long term borrowing, to take advantage of the low long term rates available
- It should also be noted that there are risks associated with both the general and schools capitalisation budgets.
- It is anticipated that the procurement exercise for insurance cover will generate savings of £0.65m to offset projected overspend of £2.04m on insurance claims. The net overspend of £1m on insurance will result in a call of £0.4m on the Insurance Reserve, in comparison to the budgeted £0.6m contribution.

Budget Management - net variations against the approved budget

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	PROJECTED VARIANCES										Total (under) / overspend £'000		
				Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000		Income £'000	
Strategic Accounts	(3,748)	(18,698)	(22,446)											0		0
Debt	20,859	(17,376)	3,483			27						242		269	(90)	179
Govt Grants	6,001	(36,209)	(30,208)											0	(225)	(225)
Joint Committees	35,902	(7)	35,895											0		0
Miscellaneous	5,836	(833)	5,003	(67)										(67)	60	(7)
Insurance	10,543	(10,543)	0			1,989		(651)					(1,070)	268	(268)	0
Total	75,393	(83,666)	(8,273)	(67)	0	2,016	0	(651)	0	0	242	(1,070)	470	(523)	(53)	

STRATEGIC & CENTRAL ACCOUNTS - 2019/20 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:

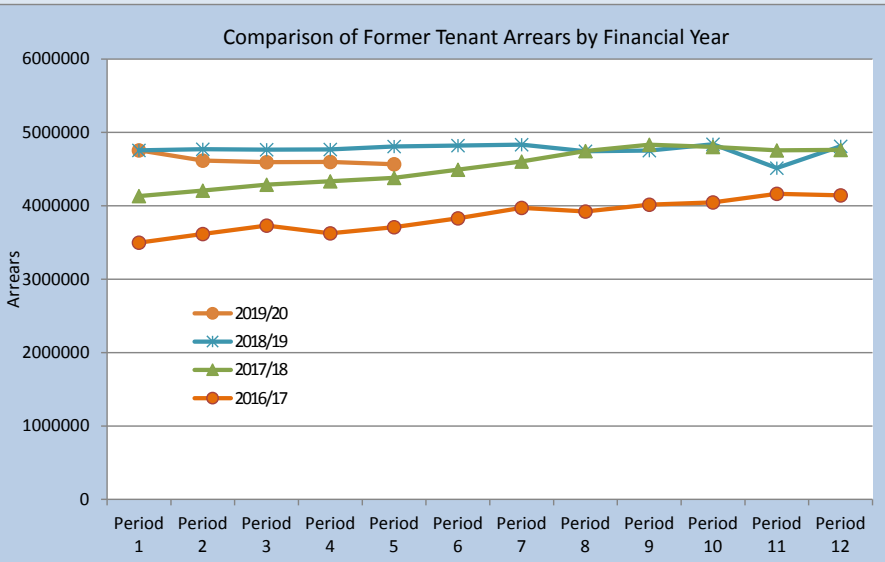
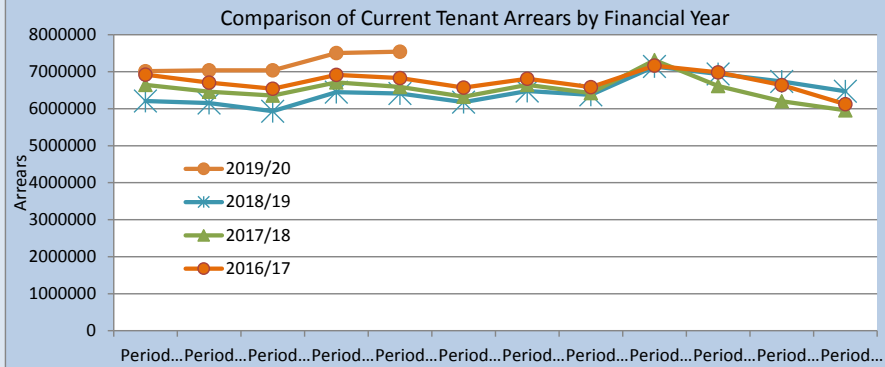
				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Victoria Bradshaw	Minor variation anticipated at Period 5	A	18.6	0.1
2.	Minimum Revenue Provision	Victoria Bradshaw	No variation anticipated at Period 5	G	1.0	0.0
3.	New Homes Bonus	Victoria Bradshaw	Expected to be £522k less than budgeted	R	(9.9)	0.5
4.	Business Rates (S31 Grants & retained income)	Victoria Bradshaw	Expected to be £747k more than budgeted	G	(26.0)	(0.7)
5.	S278 Contributions	Victoria Bradshaw	A couple of new £m schemes due to start soon so expect to achieve budget.	G	(3.5)	0.0
6.	General capitalisation target	Victoria Bradshaw	Capitalisation of eligible spend in directorate/service revenue budgets. Based on 2018/19 outturn there is a risk that this target may not be met.	A	(4.1)	0.0
7.	Schools capitalisation target	Victoria Bradshaw	Capitalisation of eligible spend in school revenue budgets. Based on 2018/19 outturn there is a risk that this will not be met.	A	(4.0)	0.0
8.	Joint Committees	Victoria Bradshaw	No variation anticipated at Period 5	G	35.9	0.0
B. Other Significant Budgets						
1.	Insurance	Victoria Bradshaw	6 new large claims with an estimated cost of £1,615k plus cost of general insurance claims partially offset by lower external premiums and higher schools income and will require £1,121k from the insurance reserve to cover shortfall	A	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Current forecast is slightly above budget (£22k)	G	(16.1)	0.0
3.	Miscellaneous	Victoria Bradshaw	Cost of unfunded pensions is forecast to be slightly below budget (£8k)	G	5.0	0.0
Strategic & Central Accounts - Forecast Variation						(0.1)

Housing Revenue Account - Period 5 Financial Dashboard - 2019/20 Financial Year

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

Directorate	Current Budget	Projected Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
Income					
Rents	(209,496)	(209,123)	374	19/20 budgeted RtB sales were 530. 18/19 Outturned 615 and assuming 645 19/20.	375
Service Charges	(7,976)	(8,072)	(96)	£125k Sheltered budget assumed uplift but 18/19 charges applied. [£-60k] increased Multi Storey Flats income and [£-140k] Leaseholder rents (moved from other income).	(75)
Other Income	(34,083)	(34,010)	73	£125k Loss of capitalisation due to staffing savings, [£-69k] from projected RtB sales and other small variances.	57
Total Income	(251,556)	(251,205)	351		357
Expenditure					
Disrepair Provision	1,400	2,245	845	Projected overspend based on period 1-5 actuals.	770
Repairs to Dwellings	44,791	45,201	410	£330k based on 18/19 Outturn. £80k for Mears overhead.	410
Council Tax on Voids	680	595	(85)	Assumed saving based on 18/19 Outturn.	(85)
Employees	30,806	29,942	(864)	£52k Technical, [£-548k] Housing Management, [£-225k] Property and Contracts, [£-143k] Housing Growth team netted off above by reduced capitalisation.	(815)
Premises	8,716	8,823	108	£70k utilities MTFP pressure. £42k Lease for Navigation House extended.	70
Supplies & Services	4,100	4,237	137	£50k Household energy use - data analysis work. £86k change in the workplace works at Burmantofts.	51
Internal Services	41,451	41,826	375	£300k Contact Centre staffing, Disrepair legal £300k inc £100k for external outsourcing to Swinburne Maddison, [£-136k] Insurance, [£-118k] ICT Savings.	393
Capital Programme	62,441	61,040	(1,401)	Use of additional usable capital receipts from RtB sales.	(1,361)
Unitary Charge PFI	9,685	9,685	-		-
Capital Charges	44,776	44,985	209	Additional interest payments to GF as per period 3 Treasury report.	209
Other Expenditure	6,192	6,193	1		0
Total Expenditure	255,037	254,772	(265)		(357)
Net Position	3,481	3,567	86		(0)
Appropriation: Sinking funds	(2,345)	(2,345)	-		-
Appropriation: Reserves	(1,137)	(1,223)	(86)	Use of reserve to fund £86k change in the workplace works at Burmantofts.	(0)
(Surplus)/Deficit	(0)	(0)	(0)		(0)
Proposed New Reserves			-		-
Transfer to Capital Reserve			-		-
Total Current Month	(0)	(0)	(0)		(0)

Housing Revenue Account - Period 5 Financial Dashboard - 2019/20 Financial Year



Change in Stock	Budget	Projection
Right to Buy sales	(530)	(645)
Right of First Refusals/ Buybacks	0	56
New Build (Council House Growth)	0	0
Total	(530)	(589)

Right to Buy Receipts	2018/19 Actual	2019/20 Projection
Total Value of sales (£000s)	32,969	35,814
Average Selling Price per unit (£000s)	53.6	55.5
Number of Sales*	615	645
Number of Live Applications	1,428	1,456

Arrears	2018/19	2019/20	Variance
	£000	£000	£000
Dwelling rents & charges	2018/19 Week 18	2019/20 Week 18	
Current dwellings (HMA1)	5,701	6,700	999
Current other	748	805	56
Former Tenants	4,769	4,599	(170)
	11,218	12,103	885
Under occupation	2018/19 Week 52	2019/20 Week 18	
Volume of Accounts	3,650	3,464	(186)
Volume in Arrears	1,316	1,395	79
% in Arrears	36.1%	40.3%	4.2%
Value of Arrears	295	244	(50)
Collection Rates	2018/19 Week 52	2019/20 Week 18	
Dwelling rents	97.27%	95.78%	-1.5%
Target	97.50%	97.50%	0.0%
Variance to Target	-0.23%	-1.72%	-1.5%

Housing Revenue Account - Period 5 Financial Dashboard - 2019/20 Financial Year

Projected Financial Position on Reserves	Reserves b/f	Use of Reserves	Contribution to Reserves	Closing reserves
	£000	£000	£000	£000
HRA General Reserve	(6,495)			(6,495)
Earmarked Reserves				
Welfare Change	(1,372)	783		(589)
Housing Advisory Panels	(410)			(410)
Sheltered Housing	(2,921)			(2,921)
Holdsworth Place - land purchase	(64)	64		0
Early Leavers' Initiative	(408)			(408)
Wharfedale View	(15)			(15)
Changing the Workplace	(235)			(235)
ERDMS	(262)			(262)
	(5,687)	847	0	(4,840)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(5,092)	3,902		(1,190)
LLBH&H PFI Sinking Fund	(4,617)		(1,557)	(6,174)
	(9,709)	3,902	(1,557)	(7,364)
Capital Reserve				
MRR (General)	(19,920)	376		(19,544)
MRR (New Build)	(4,072)			(4,072)
	(23,992)	376	0	(23,616)
Total	(45,883)	5,125	(1,557)	(42,315)