



Report of Chief Officer Financial Services

Report to Executive Board

Date: 24th June 2020

Subject: Financial Performance - Outturn financial year ended 31st March 2020

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

Summary

1. Main issues

- The purpose of this report is to inform members of the final outturn for the financial year 2019/20. The pre-audited accounts will be presented to the Corporate Governance and Audit Committee at its meeting on the 27th July 2020.
- As set out below, the final position on the General Fund shows an overspend of £0.29m after the creation of a number of earmarked reserves. When compared to the provisional outturn position received at Executive Board in April, this is an improvement of £4.1m which is largely due to a £1.2m improvement in respect of Business Rates S31 grant income, a £1.1m reduction in the previously assumed contribution to the regional Business Rates Pool, a £1m improvement with regards to the level of capital receipts realised in 2019/20 and a £0.6m improvement in the debt position in the Strategic Accounts.
- Whilst the main impact of Coronavirus (COVID-19) has impacted on the 2020/21 revenue budget there was still an initial pressure from the loss of income and additional expenditure of £2.64m on the 2019/20 revenue budget. As this has been funded by the COVID-19 Support Grant from Government these is a nil impact on the Council's outturn position.
- A deficit of £5.5m has been declared on the authority's Collection Fund in respect of business rates. This declared deficit is reflected in the approved 2020/21 revenue budget and reduces the revenue funds available to the Council in that year. Any

impact of Coronavirus (COVID-19) on collection in 2019/20 and 2020/21 will impact on the revenue budget in 2021/22.

- The outturn for the year on the Housing Revenue Account shows a net variation of £2.9m when compared against the 2019/20 budget. However, this has been offset by a reduction in the revenue contribution to the capital programme which brings the HRA back to a balanced position.
- As at the 31st March 2019 the level of general reserve was £28.0m and this has increased to £31.5m at 31st March 2020. This planned increase is consistent with the strategy to increase reserves to ensure that the Council's financial position is both resilient and sustainable.

2. Best Council Plan Implications (see 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

- The financial outturn position for 2019/20 is an overspend of £0.29m (excluding the impact of COVID-19). This position takes account of the £4.1m impact of the shortfall in capital receipts previously reported to this Board in April and the variations that are detailed in the Directorates' respective outturn positions which are detailed in this report.
- The Council's Medium Term Financial Strategy assumes a balanced budget position for 2019/20. To achieve this, as agreed by Executive Board in March and April, the variation arising as a consequence of the shortfall in capital receipts receivable and Directorate variations have been funded by a contribution from the Council's general reserve. The financial impact of Coronavirus (COVID-19) has been met from Government grant.
- The business rates deficit declared in December 2019 and reflected in the approved 2020/21 revenue budget is £5.5m. This reduces the revenue funds available to the Council in 2020/21. Any further deterioration in the deficit will impact on the 2021/22 revenue budget but any impact of COVID-19 on the business rates tax base will affect the 2020/21 revenue budget. The impact of COVID-19 on the Collection Fund continues to be reviewed, and a revised position will be incorporated into the updated Medium Term Financial Strategy, which is timetabled to be received at September's Executive Board.

Recommendations

Members of the Executive Board are asked to;

- a) Note the outturn position for 2019/20
- b) Agree the creation of earmarked reserves as detailed in paragraph 6.3 and to delegate their release to the Chief Officer Financial Services;
- c) Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

1. Purpose of this report

- 1.1 This report sets out for the Board the Council's financial outturn position for 2019/20 for both revenue and capital. It also includes the Housing Revenue Account and expenditure on schools.
- 1.2 In addition the report highlights the position regarding other key financial health indicators including Council Tax and Business Rates collection statistics, sundry income, reserves and the prompt payment of creditors.
- 1.3 It should be noted that, in accordance with proper accounting practice, any significant event which occurs prior to the audit sign-off of the accounts which is expected to be in October 2020 could impact on the Council's final published outturn position and hence on the level of reserves. This is known as a post balance sheet event and, should such an event occur, it will be reported back to this Board at the earliest opportunity.
- 1.4 The Council's unaudited accounts are scheduled to be placed on deposit for public inspection in early July 2020.

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 stood at £28.0m. The 2019/20 budget assumed a contribution of £4.5m to this reserve during 2019/20 which supports the requirement of ensuring that the Council continues to be financially resilient and sustainable. This budgeted contribution included repayment of £1.7m which was released from the general fund 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. In year Executive Board approved release of £1m to enable the Council to take advantage of record low interest rates, creating savings for the Medium Term Financial Strategy. A contribution of £0.34m has also added to the general fund reserve in year. Assuming a balanced budget position it was projected that the balance on the general fund reserve would stand at £31.8m at 31st March 2020.
- 2.3 This Board on 22nd April agreed the release of funding from the general reserve to fund any overspend when compared to budgeted assumptions. This variation is now confirmed to be £0.29m, therefore reducing the balance on the general reserve down to £31.5m at the 31st March 2020, although this is still an increase of £3.5m when compared to the balance at 31st March 2019.
- 2.4 Financial 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, 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 The 2019/20 general fund revenue outturn position, after the creation and transfer of a number of earmarked reserves as detailed in paragraph 6.3, is an overspend of

£0.29m. This compares against the £4.4m projected overspend reported to this Board in April.

Table 1 - summary outturn position

3.2

Summary Position - Financial Year 2019/20 Outturn

Directorate	Director	(Under) / Over spend for the current period				Provisional Outturn Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(164)	6,106	(6,106)	0	0
Children and Families	Steve Walker	(692)	4,134	(2,797)	1,337	890
City Development	Martin Farrington	(1,478)	1,531	(1,566)	(35)	0
Resources & Housing	Neil Evans	2,119	15,708	(16,026)	(318)	(230)
Communities & Environment	James Rogers	3,782	8,797	(8,862)	(65)	(60)
Strategic	Victoria Bradshaw	(511)	3,710	(4,332)	(622)	3,817
Impact of Coronavirus	Victoria Bradshaw		2,640	(2,640)	0	0
Total Current Month		3,055	42,626	(42,329)	297	4,417
Provisional Outturn (under)/over spend		(546)	11,271	(11,754)	4,417	

This £4.1m improvement in the reported position is largely due to a £1.2m improvement in respect of Business Rates S31 grant income, a £1.1m reduction in the previously assumed contribution to the regional Business Rates Pool, a £1m improvement with regards to the level of capital receipts realised in 2019/20 when compared to the forecast position in April and a £0.6m improvement in the debt position in Strategic. The overspend position in the Children and Families Directorate has worsened by £0.4m, as discussed below, but is largely offset by savings in other directorates.

- 3.3 The reported position also takes account of £2.64m regarding the financial impact of Coronavirus (COVID-19) in this financial year, but this financial pressure has been funded in full by the application of Government grant and therefore this does not have an impact on the outturn position. The estimated impact of Coronavirus is discussed separately in the report and detailed at Appendix 2 and is not reflected on Directorate dashboards.
- 3.4 Following Executive Board approvals in March and April 2020, the reported overspend will be funded through a corresponding release from the Council's general reserve.
- 3.5 Full details of the Directorate variations, budget action plans and risk areas for the year can be found in the financial dashboards attached at Appendix 1. The main directorate issues contributing to the outturn position are as follows:-
- 3.5.1 **Adults & Health** - The Directorate has delivered a balanced position. Savings plans that were required to deliver £13.1m of savings actually delivered £15.2m, the collection of client income being the main reason for the over achievement of the plans.

A net £3.4m of pressures were recorded against community care demand-based budgets; pressures were principally within learning disability, home care and supported accommodation. There were also demand based pressures on contracts managed by Strategic Commissioning. Spend was lower than budgeted within

residential and nursing care and direct payments. The increased spend on home care and lower spend on residential care are intrinsically linked to the success of the directorate's strengths-based approach to social care.

The directorate spent £6.4m on approved schemes related to the Improved Better Care Fund (referred to as the Spring Budget monies). This was funded by grant receivable in year and a drawdown from reserves (from previous years underspends and slippage) of £1.7m.

Over and above its Public Health grant funded expenditure, the service received and spent £2.0m of targeted funding, including £0.5m from the improved Better Care Fund to fund the Physical Activity, Better Conversations and SWIFT programmes; £0.5m of Winter Pressures funding was received to fund programmes including infection control training and immunisation for health and social care workers, £0.4m was received from other local authorities to cover the cost of out of area sexual health services. Funding from Public Health England and partners to deliver population health management and smaller contributions from partners such as the British Heart Foundation, Yorkshire Cancer Research and the Leeds CCG to deliver agreed programme of works were received in year.

Income was £6.1m above budget, of this £1.7m was related to a drawdown on Spring Budget reserves to fund associated expenditure, and £0.5m to unbudgeted inflation related funding from the Better Care Fund and £1.4m of additional client income of through improved processes was achieved. As referenced above Public Health received £2.0m of targeted funding.

3.5.2 Children & Families – The position at outturn for the Directorate was an overspend of £1.337m, an increase of £447k compared to the month 11 projection. This position excludes the impact of COVID-19 in 2019/20 of £497k. As reported previously, the main areas of overspend on the Children and Families budget have been on Children Looked After (CLA), financially supported Non-CLA and the passenger transport budget. Some of the additional spend pressures have been offset by increased utilisation of grant funding in addition to savings in staffing related costs of £0.7m.

The Directorate worked with the Passenger Transport Service during the year on an action plan to mitigate the pressures on the transport budget. The final overspend on this budget was £0.5m, which is consistent with projections since month 9 when the projected overspend was reduced by £0.1m.

Overall CLA placements continued to increase during 2019/20 and the final overspend on CLA was £5m. The number of External Residential (ER) placements at the end of 2019/20 was 72 compared to the budget of 58 placements. The number of Independent Fostering Agency (IFA) placements has increased to 211 at the end of the year against the budget of 184. At Month 11, it was reported that if the number and type of CLA placements did not reduce then this would result in an overspend of £3.8m in 2020/21 against the CLA budget. This projection has reduced at the start of 2020/21 due to lower CLA numbers, however there is still a pressure to address which Children and Families have identified actions to mitigate. Further details of this are provided in the Month 1 Financial Health monitoring report on this agenda.

The overspend on Learning for Life has remained at £0.65m in line with previous projections. This comprises a shortfall in fee income in Children's Centres offset by savings within Family Services and Early Help.

The overspends above were offset by savings on supplies and services, staffing costs and the use of grant funding and reserves to bring the overall outturn position to an overspend of £1.337m.

3.5.3 City Development – At Outturn the City Development Directorate had maintained its forecast balanced budget position from Period 11 and 12 and, excluding the impact of Covid 19 of £250k in the last two weeks of the financial year, actually delivered a small underspend of £35k.

The Markets Service faced 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. Overall, Markets and City Centre services overspent by £0.78m. Planned building works meant that the vacant units required for this work equate to £0.585m in lost revenue and the level of disruption to tenants has led to an increase in demand for rent concessions. The 20% rent concession for April 2019 to October 2019 equates to a further pressure on income of £0.2m.

The Directorate's Strategic Investment Fund required further acquisitions in order to achieve the net budgeted return of £3.36m. Further viable investment opportunities with the right risk profile were sought and financially appraised but none were considered a suitable fit with the authority's investment strategy. £0.15m of Round Foundry reserve has been identified as useable as it was not applied in previous years and has been brought in to aid the bottom line. A further pressure of £0.25m is due to the savings realised through further asset rationalisation accruing to other Directorates rather than to City Development where the savings target was held. This includes the successful move of staff from Navigation House and Hough Top Court to other city centre offices.

The Highways and Transportation Service overspent by £0.18m which arose from minor variations across the service. The Street Lighting LED conversion programme was planned to start in September 2019 however the Deed of Variation for the PFI contract was not signed until March 2020 and full commencement of works could not proceed until then. However some 'small works' instructions for lantern swaps have been issued to ensure energy savings are realised and at present there are no budget pressures arising from this delay.

The Planning & Sustainable Development Service finished the year with a £0.22m underspend, this is the net saving from vacant posts across the service throughout the year, increased CIL Admin income and costs relating to the Core Strategy review, Aireborough Legal challenge and referendum/independent examination costs for Neighbourhood Planning.

Arts and Heritage has a minor overspend of £0.028m. The closure of all sites in mid-March resulted in a reduction in income of approximately £0.13m.

Active Leeds has seen a significant increase in income from Memberships on the back of successful promotional campaigns and has finished the year with a £0.37m underspend. The impact of the closure of all sites in mid-May resulted in a reduction in pay and play income of approximately £0.12m.

Historic balances of £1.391m have been used support revenue budget and offset budget pressures outlined above.

3.5.4 Resources & Housing – At outturn, and excluding the impact of COVID which is reported separately, the Directorate underspent by £0.3m.

Within CEL, facilities management services underspent by £0.8m, primarily relating to business rates following the valuation of Merrion House being confirmed and a backdated refund. The remaining services within CEL outturned in line with the approved budget.

The Resources group of services delivered net savings of £1.6m. Savings in DIS of £0.5m primarily related to Microsoft costs; savings in Legal and Democratic Services of £0.5m mainly in staffing costs, Members allowances and additional court fee income. Strategy and Improvement saved £0.4m mainly from additional income. Other services, Finance, HR, Shared Services and Sustainable Energy services were a net £0.2m under budget.

Housing services underspent by £0.2m, again mainly from staffing savings.

However, offsetting these savings totalling £2.6m were overspends of £0.6m within Corporate Property Management due to additional spend on the maintenance of the Council's buildings and £1.7m in LBS due to a shortfall in turnover of £3m compared to the budget and the under-recovery of overheads from vacant posts in the service. LBS delivered a bottom line contribution to the general fund of £9.3m, compared to the budgeted £11m.

3.5.5 Communities & Environment – the overall outturn position for 2019/20, excluding the impact of Covid 19 is an underspend of £0.07m. The main variations across the individual service areas are as follows:

An overspend of £0.56m within Customer Access mainly reflects additional staffing costs associated with the improvement in call answer rates at the Contact Centre, together with additional staffing and premises costs at Community Hub sites and additional staffing costs within the library service. A further overspend of £0.17m within Communities reflects slippage on grant funded projects and other minor variations across the service.

Within the Waste Management service, the ongoing Refuse review combined with additional costs of recovery have been offset by residual waste disposal contract savings and other expenditure savings identified within the service. It is proposed to carry forward a further £0.54m of disposal contract savings to 2020/21 in support of the route review and developing waste strategy. The main variation of £0.38m relates to additional costs incurred in respect of the SORT disposal contract reflecting lower market prices for recycled materials, and overall the service overspent by £0.38m at the year end.

Offsetting these areas of overspend are underspends of £0.47m within Car Parking services resulting from staffing/expenditure savings of £0.07m and additional net income of £0.4m and savings within Electoral and Regulatory Services of £0.45m, which are due to a combination of expenditure savings and additional income across the service.

Further savings of £0.18m have been made within the Welfare and Benefits service, largely as a result of additional Housing Benefit Grant income, and within the Cleaner Neighbourhood and City Centre Teams (£0.08m) which largely reflects staffing savings resulting from vacancies.

- 3.5.6 **Strategic & Central Accounts** - At Outturn, the Strategic & Central budgets are projecting an underspend of £0.6m, an improvement of £4.4m on the position reported at Month 11. Within this overall position, the MRP (Minimum Revenue Provision) charge to fund debt is £4.1m higher than budgeted for (projected at £5.1m at Month 11), due to delays in realising some capital receipts.
- 3.5.7 There has been an increase of £3.7m in comparison to the budget for net income relating to business rates. Section 31 grants receivable are £1.6m higher than budgeted for, and the council has received a £0.5m distribution as its share of the 2018/19 national levy surplus. In addition, the council's estimated net contribution to the North & West Yorkshire Business Rates Pool is £1.5m lower than budgeted for.
- 3.5.8 The projected outturn position also includes an underspend of £3.2m in the external debt budget (£2.6m at Month 11), reflecting lower than anticipated long term borrowing rates in the first half of the year, a projected improvement in internal revenue balances, and slippage against the forecast capital programme. The costs of borrowing have also been offset by additional capital receipts from the sale of vehicles. However there is an anticipated shortfall of £0.5m in prudential borrowing recharges to directorates. Other key variations are a projected shortfall of £0.6m in New Homes Bonus, and an underspend of £0.8m on the budget set aside for preparations for the City of Culture, which was not required during 2019/20. There have also been shortfalls of £0.7m in comparison to the target for general capitalisation and £1.3m in comparison to the target for schools capitalisation. The Strategic & Central accounts also reflect a debtor of £525k for the agreed settlement of a contractual dispute. This amount has been transferred to the Insurance reserve.

3.6 Impact of Coronavirus (COVID-19) in 2019/20

- 3.6.1 As referenced earlier, whilst the main impact of Coronavirus (COVID-19) will be seen in 2020/21, there has been an impact in the final weeks of 2019/20. The outturn position takes account of £2.64m of additional costs and income lost in this financial year. Impact by directorate is summarised at Table 2 and further detail is provided at Appendix 2.

Table 2 – Impact of COVID-19 by Directorate

Directorate/Service	At Provisional	
	Outturn	At Outturn
	£000s	£000s
Adult Social Care	-	-
Children & Families	340	497
City Development	1,000	250
Communities & Environment	487	1,007
Resources & Housing	675	886
Total Impact 19/20	2,502	2,640

- 3.6.2 To date Government has made payment of £3.2bn of Support Grant funding to local authorities. A letter received from the Secretary of State for Housing, Communities and Local Government on 20th March sets out that this funding is intended to help authorities address the pressures being faced in response to the Covid-19 pandemic across all the services being delivered. In particular this funding should enable authorities to:

- Meet the increased demand for adult social care and enable councils to provide additional support to social care providers.
- Meet the cost of extra demand and higher business-as-usual costs of providing children's social care, including as a result of school closures and the need for increased accommodation to address the need for isolation, including for unaccompanied asylum-seeking children.
- Provide additional support for the homeless and rough sleepers, including where self-isolation is needed.
- Support initial costs incurred by LAs in their critical role in supporting those within the most clinically high-risk cohort who also have no reliable social network (i.e. who are both at high risk clinically and socially).
- Meet pressures across other services, as a result of reduced income, rising costs or increased demand.

3.6.3 Leeds City Council has received £43.749m of Support Grant and will apply £2.640m in 2019/20, carrying forward the remaining £41.109m for use in 2020/21.

3.6.4 The outturn position reported here reflects that COVID-19 financial pressures realised in general fund services in 2019/20 have been funded in full by Government grant and, as such, have a nil impact on the final outturn position.

3.7 **Early Leaver's Initiative**

3.7.1 The Council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a reduction in the workforce and subsequent savings which have contributed towards the Council being able to deliver balanced budget positions. In 2019/20 approval has been given for 36.32 FTE's to leave the Authority through the Early Leaver's Initiative and this will generate savings of £4.58m over the five year period up to and including 2024/25.

3.7.2 Utilising capital receipt flexibilities that the Government introduced in 2016 the Council has funded £0.7m of Early Leaver costs associated with staff exiting the authority in 2019/20.

4. **Housing Revenue Account (HRA)**

4.1 The outturn for the year on the HRA shows net variations of £2.9m when compared against the 2019/20 budget. However, these variations have been offset by a reduction in the revenue contribution to the capital programme which results in a balanced budget position for the HRA in 2019/20.

4.2 Despite the reduced revenue contribution to the capital programme, it is important to note that the actual spend on the capital programme has been maintained and spend in 2019/20 was £83.1m, with funding being switched to the use of prior year and current year Right to Buy receipts and greater use of the Major Repairs Reserve.

4.3 Total income received was £1.1m less than budgeted expectations. An increased level of Right to Buy sales (612 sales compared to the budget of 530 sales) resulted in lower rental income of £0.5m. Other Income was reduced due to £0.42m of salary costs which could not be capitalised as posts were vacant and £0.31m of reduced income from LEEDS PIPES district heating scheme. This was due to elements of the scheme commencing later than the budgeted date.

- 4.4 The budget for disrepair was overspent by £1.73m. This was largely as a result of a combination of resolving an increased number of disrepair cases and the requirement to increase the provision being made for those cases which could not be completed in 2019/20 due to COVID-19.
- 4.5 Against a budget of £44.8m, expenditure on maintaining and repairing the Council's housing stock was £1.49m over budget partially due to a reassessment of the costs of the internal provider with a consequential increased charge to the HRA.
- 4.6 Savings of £1.48m on employee costs arose due to a combination of posts being held vacant awaiting the implementation of new structures and turnover of posts.
- 4.7 Premises costs were approximately £0.33m lower than budgeted for. This was principally due to savings from a review of historic and current utility costs.
- 4.8 Supplies and Services underspent by £0.59m. This was mainly due to savings on Digital Information Services (DIS) spend of £0.16m and the reclassification of LEEDS PIPES costs to Internal Services of £0.46m.
- 4.9 Services commissioned from the Council were £1m above the budgeted level. Additional expenditure of £0.3m was made to the Contact Centre to improve tenant experience of query handling ahead of the change to a new Housing ICT system. An additional £0.39m was spent on disrepair legal claims. Reclassification of LEEDS PIPES costs accounted for the largest variance of £0.41m, offset by supplies and services savings noted above. These pressures were partly offset by savings in other areas, the largest of which are; £0.18m for Horticultural Maintenance and for £0.08m for a reduction in Court fees.
- 4.10 The revenue contribution to the Capital Programme was £2.78m lower than budgeted. However, as referenced above this did not result in any reduction in investment in the housing stock.
- 4.11 The unitary charge for the Housing Private Finance Initiative (PFI) schemes was £0.48m under budget, the largest element of this was an insurance refund of £0.27m. A range of other adjustments to the unitary charge model made up for the balance.
- 4.12 The Capital charges overspend of £0.1m reflects additional costs of borrowing for an expanded Housing Growth programme, the income benefits of which will be seen in future years when the properties are brought online.
- 4.13 Following a review in the level of tenant arrears there was a minor reduction in the provision for doubtful debts of £0.05m and Housing Advisory Panel expenditure was £0.1m under budget, this will be carried forward to 2020/21 through the appropriation account.
- 4.14 The £135k overspend on the appropriation account partly reflects the impact of utilising less PFI sinking fund reserves than had been budgeted.
- 4.15 In summary, the above variations have produced a pressure on the HRA of £2.9m which has been met by reducing the revenue contribution to the capital programme.

5. Schools

5.1 The 2019/20 outturn position for schools is shown in table 3 below;

Table 3

Outturn	£m
Schools Reserves	
Balance Brought Forward	16.5
Net Contribution To Reserves	1.7
Balance Carried Forward	18.2
Extended Services & Partnerships	
Balance Brought Forward	6.3
Net Contribution To / From Reserves	0.0
Balance Carried Forward	6.3
Dedicated Schools Grant	
Balance Brought Forward	1.7
Net Contribution From Reserves	-4.9
Balance Carried Forward	-3.2

- 5.2 As schools are funded from the Dedicated Schools Grant (DSG) their reserves are ring fenced and must be carried forward. At 31st March 2020, mainstream school reserves stand at £18.2m.
- 5.3 In accordance with previous decisions, there is outstanding borrowing against school reserves for school VER costs totalling £0.2m together with a further £4.0m which supported early intervention and preventative services in Children's Services in 2013/14.
- 5.4 After netting the above items from the £18.2m, the net mainstream schools reserves position totalled £14.0m as at 31st March 2020. There is also a further ring-fenced school reserve of £1.4m specifically relating to the carry forward of in year PFI scheme balances and a new SEND funding reserve of £0.1m resulting in an overall school reserves balance of £15.5m as at 31st March 2020.
- 5.5 Extended Services & Partnerships reserves amount to £6.3m as at 31st March 2019. These include balances held by Area Inclusion Partnerships and Clusters.
- 5.6 At the start of 2019/20 the ring fenced DSG reserve was £1.7m. During 2019/20 there has been an overall overspend on DSG services of £4.9m, which is as a result of an over spend on the High Needs Block (£7.2m), partly offset by underspends on the Schools Block (£1.6m), the Early Years Block (£1.0m) and the Central School Services block (£0.2m). In addition, £0.5m of the de-delegated DSG surplus brought forward was refunded to schools during 2019/20. In total a deficit balance of £3.2m will be carried forward to 2020/21, comprising a general DSG deficit of £3.9m with an additional surplus balance of £0.7m on the de-delegated DSG. This position will be reported to Schools Forum in July.
- 5.7 During 2019/20, changes were made to the School and Early Years Finance (England) Regulations 2020 to make it a statutory requirement that a deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the local authority not to do this.
- 5.8 A discussion will be held with Schools Forum in July on options for the use of the de-delegated surplus balance. As an alternative to distributing this back out to schools pro-rata to their original contributions, the council is intending to propose

that this be used as a fund to support schools that have incurred exceptional Covid related costs not covered by government funding.

- 5.9 In line with previous years, during 2019/20 there was an underspend on Early Years funding, due to funding being based on the January census which has higher numbers of 2 - 4 year olds than the average of all censuses over the year. The council is looking at how some of this funding could be used to support the Early Years sector with the challenges they are facing due to Covid, which will help to ensure the sufficiency of childcare in the city moving forward.

6. Reserves

- 6.1 A full statement of all Council reserves can be found at Appendix 3. A summary of the reserves is shown in table 4 below. It should be noted that the £24.2m increase in ring-fenced and grant reserves includes £19.3m of COVID-19 Support Grant which will be applied in 2020/21;

Table 4

Reserves	Balance at 31.3.19 £m	Transfer to/(from) £m	Balance at 31.3.20 £m
General Fund:			
General Reserve	28.0	3.5	31.5
Earmarked Reserves	36.5	(6.4)	30.1
Ring-fenced & Grant Reserves	4.7	24.2	28.9
Total	69.1	21.3	90.5
Schools:			
Ring-fenced Reserves	22.0	(3.5)	18.5
Housing Revenue Account:			
General Reserve	6.5	0.0	6.5
Earmarked Reserves	39.4	(17.6)	21.8
Total	45.9	(17.6)	28.3
Total Reserves	137.0	0.3	137.3

6.2 General Reserve

- 6.2.1 The 2019/20 budget assumed a contribution to the general reserve of £4.5m. In year Executive Board approved release of £1m which will result in debt management savings in future years. A contribution of £0.34m has also added to the general fund reserve in year. Following Executive Board approvals in March and April, the final outturn overspend of £0.29m reported here will be funded from the Council's general reserve. This results in a net contribution to the general reserve of £3.5m in 2019/20.
- 6.2.2 This contribution to the Council's general reserve will contribute to the Council's financial resilience, particularly in the context of the impact of COVID-19 which is adding to the inherent uncertainty resulting from delays to the Government's next spending review, the unknown implications of both the Government's intended

move to 75% business rate retention nationally and the outcome of the Government's Fair Funding Review. Adding to this uncertainty is the continued delay in the publication of the Government's green paper on social care which will hopefully provide greater certainty around their future funding intentions.

6.2.3 Table 5 below provides an explanation of the movement in the general reserve:

Table 5

General Fund Reserve	£m
Opening Balance 1st April 2019	28.0
Budgeted Contribution	4.5
Use In Year	(1.0)
Contribution In Year	0.3
In-year Overspend	(0.3)
Closing Balance 31st March 2020	31.5

6.3 Creation of New Earmarked Reserves

It is recommended that the following earmarked reserves are created;

- A Behaviour Service Scheme Reserve £0.02m to carry forward funding from the Clinical Commissioning Group (CCG) to continue the Intensive Positive Behaviour Service in 2020/21
- A Waste Management Reserve of £0.54m, to carry forward waste disposal contract savings identified in 2019/20 in order to support the delivery of the Refuse route review and the developing waste strategy.

7. Capital Programme

7.1 The actual capital expenditure for General Fund and HRA in 2019/20 is £372.2m, an underspend of £15.9m or a 4.1% variation against the February 2020 Capital Programme projected outturn.

General Fund

7.2 The following table (Table 6) shows the in-year actual General Fund capital expenditure against estimate, split by directorate:

Table 6

General Fund	Feb 20	May 20	Variation	
	Estimate	Outturn	£m	%
	£m	£m	£m	%
Adults & Health	6.3	5.5	(0.8)	(12.7%)
Strategic and Central	21.2	18.7	(2.5)	(11.8%)
City Development	153.0	138.4	(14.6)	(9.5%)
Children & Families	32.3	30.9	(1.4)	(4.3%)
Resources & Housing	67.6	66.7	(0.9)	(1.3%)
Communities & Environment	10.0	10.2	0.2	2%
Total Spend	290.4	270.4	(20.0)	(6.9%)
Financed by				
General Fund Borrowing	137.1	128.4	(8.7)	(6.3%)
General Fund Specific Grants and Contributions	148.5	138.8	(9.7)	(6.5%)
General Fund Capital Receipts	4.8	3.2	(1.6)	(33.3%)
Total Funding	290.4	270.4	(20.0)	(6.9%)

- 7.3 A full breakdown of the net variations is detailed in Appendix 4. Comments are also provided for schemes that have a material variation of greater than +/-£500k.
- 7.4 The general fund borrowing variation is £8.7m or 6.3% of the expected spend on borrowing. The treasury outturn position is presented as a separate report to this Executive Board.
- 7.5 The General Fund capital programme delivered £290.4m of expenditure including major works on our Annual maintenance programmes, Highways planned maintenance to our roads and streets network, Connecting Leeds Transport Investment Programme, East Leeds Orbital Road, Flood Alleviation, West Yorkshire Playhouse, Learning Places programme, Clean Air Zone, District Heating Network, Digital & Information services programme, provision of Adaptations grants, and the vehicle replacement programme underpinning the council's emissions reduction programme.

Housing Revenue Account

- 7.6 Table 7 shows the in-year actual Housing Revenue expenditure against estimate:

Table 7

HRA	Feb 20	May 20	Variation	
	Estimate	Outturn	£m	%
	£m	£m	£m	%
Council Housing Growth Programme	12.9	16.4	3.5	27.1%
Housing Leeds Council House Programme	83.1	83.6	0.5	0.6%
BITMO Council House Programme	1.7	1.7	0.0	0%
Total Spend	97.7	101.7	4.0	4.1%
Financed by				
HRA Self-Financing	72.1	72.8	0.7	1%
HRA Capital Receipts RTBs	15.1	16.2	1.1	7%
HRA Specific Grants and Contributions	4.2	2.6	(1.6)	(38.1%)
HRA Borrowing	6.3	10.1	3.8	60%
Total Funding	97.7	101.7	4.0	4.1%

- 7.7 The HRA Capital programme delivered £101.7m of expenditure including £16.4m on the Council House Growth Programme and £85.3m on the refurbishment of our council house properties.

Capital Programme Resources

- 7.8 The following table (Table 8) details the overall capital financing position for the Council:

Table 8

	Feb 20 Estimate £m	May 20 Outturn £m	Variation £m	
Net Capital Spend	388.1	372.1	(16.0)	(4.1%)
Financed by				
General Fund Borrowing	137.1	128.4	(8.7)	(6.3%)
General Fund Specific Grants and Contributions	148.5	138.8	(9.7)	(6.5%)
General Fund Capital Receipts	4.8	3.2	(1.6)	0%
HRA Self-Financing	72.1	72.8	0.7	1%
HRA Capital Receipts RTBs	15.1	16.2	1.1	7%
HRA Specific Grants and Contributions	4.2	2.6	(1.6)	(38.1%)
HRA Borrowing	6.3	10.1	3.8	60%
Total Funding	388.1	372.1	(16.0)	(4.1%)

- 7.9 Capital receipts of £0.9m have been utilised for the early leaver initiative (ELI) severance costs in 2019/20 to fund expenditure capitalised under the government's temporary flexibility for funding transformational change via capital receipts. In line with existing accounting policy £3.89m of receipts have been utilised to fund PFI liabilities, £6.66m have been used to repay debt and £0.89m of general receipts applied to fund in year spend. Borrowing of £3.2m has been undertaken in lieu of section 278 contributions.
- 7.10 HRA Council House Growth Programme, Housing Leeds and BITMO have utilised £72.8m of self-financing funding, £2.6m of external contributions, have utilised £16.2m of Right to Buy receipts and have borrowed £10.1m to fund the programme in 2019/20.
- 7.11 The net debt of the Council as at 31st March 2019 is £2.16bn. Further details of this and the debt financing costs will be presented in the 2019/20 Outturn Treasury Management report to this Executive Board.

8. Other Financial Performance

- 8.1 The performance statistics for the year in respect of the collection of local taxation are as follows:-

	2010/11 Leeds Actual	2011/12 Leeds Actual	2012/13 Leeds Actual	2013/14 Leeds Actual	2014/15 Leeds Actual	2015/16 Leeds Actual	2016/17 Leeds Actual	2017/18 Leeds Actual	2018/19 Leeds Actual	2019/20 Leeds Actual
Council tax	96.70%	96.60%	96.60%	95.70%	95.70%	95.90%	96.10%	96.10%	96.10%	95.93%
Business Rates	97.90%	97.50%	97.60%	97.10%	97.30%	97.80%	97.50%	98.00%	97.80%	97.29%

8.2 Following the introduction of the Council Tax support scheme in 2013/14 a 19% contribution scheme was implemented for working age claimants and this was increased to 26% for 2014/15 but was then subsequently set at 25% for the years between 2015/16 and 2019/20. The collection position for Council Tax and Business Rates at the end of March was as follows:

- Numbers of Council Tax Support claimants have begun to increase as a consequence of the impact of COVID-19. This has affected the general Council Tax collection rate below and also rates of collection for those now receiving CTS.
- Council Tax in-year collection rate – 95.93%, whilst this is below target (96.1%), the slightly lower collection rate largely reflects the impact of COVID-19 at the end of the year. £364.3m has been collected in respect of 2019/20 bills, an increase of £20.9m when compared to the previous year.
- Collection rate for those affected by Council Tax Support scheme – 73.0% (73.3% last year)
- Collection rate for those previously getting 100% Council Tax Benefit – 66.2% (64.0% last year)
- The collection of non-domestic rates for the year is 97.29% of the current net debit of £389.0m. This represents a decrease of 0.51% in comparison to 2018/19.
- Discretionary Business Rate Relief Scheme – against a budget of £500k in 2019/20 some £470k of local discounts were approved under the scheme to support the creation of employment and economic growth and to increase the business rates base.

Prompt Payment of Creditors

8.3 The prompt payment result at the year-end was 93.87% of undisputed invoices processed within 30 days or within contract terms.

9. Corporate considerations

9.1 Consultation and engagement

9.1.1 This is a factual report and is not subject to consultation.

9.2 Equality and diversity / cohesion and integration

9.2.1 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.

9.3 **Council policies and the Best Council Plan**

9.3.1 The 2019/20 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget in support of our Best Council ambition of offering value for money through being an efficient and enterprising organisation.

Climate Emergency

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

9.4 **Resources, procurement and value for money**

9.4.1 This is a financial report and all financial implications are detailed in the main body of the report.

9.5 **Legal implications, access to information, and call-in**

9.5.1 There are no legal implications arising from this report.

9.6 **Risk management**

9.6.1 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, for example 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 was in place for 2019/20.

10. **Conclusions**

10.1 The 2019/20 financial outturn position for General Fund services, which is a £4.1m improvement when compared with the provisional outturn position reported to April's Executive Board, results in a £3.5m contribution to the Council's general reserve. As a result the level of general reserve at 31st March 2020 is £31.5m.

10.2 The outturn for the year on the HRA shows net pressures of £2.9m when compared against the 2019/20 budget. However, these pressures have been offset by a reduction in the revenue contribution to the capital programme to bring the HRA ring-fenced revenue account back into balance.

10.3 At 31st March 2020, mainstream school reserves stand at £18.2m. Extended Services & Partnerships reserves amount to £6.3m as at 31st March 2019, including balances held by Area Inclusion Partnerships and Clusters. As a result of an over spend on the High Needs Block, partly offset by underspends on other blocks, and a refund of de-delegated DSG surplus brought forward to schools

during 2019/20, a deficit balance of £3.2m will be carried forward on the DSG reserve to 2020/21.

- 10.4 Expenditure in respect of the General Fund Capital Programme was £20.0m or 6.9% lower than that assumed in the February 2020 Capital Programme projected outturn.

11. Recommendations

- 11.1 Members of the Executive Board are asked to;
- a. Note the outturn position for 2019/20
 - b. Agree the creation of earmarked reserves as detailed in paragraph 6.3 and to delegate their release to the Chief Officer Financial Services;
 - c. Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

12. Background documents¹

- 12.1 There are no background documents relating to this report

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

Outturn

The directorate has delivered a balanced position.

Budget Action Plans were required to deliver £13.1m of savings. By the year-end this target had been exceeded and £15.2m was achieved - even though there was some slippage in several of the demand and partner income BAPS.

The main variations across the key expenditure types are as follows:

Staffing (-£0.2m)

There were pressures noted within Resources, Social Work and Social Care Services and Service Transformation but underspends within Commissioning and Health Partnership more than mitigated these.

Community Care Packages (+£3.4m)

Pressures have been evidenced within learning disability, home Care and supported accommodation. Underspends have been recorded within residential and nursing care and direct payments.

Public Health Commissioning (+£2.0m)

Last year's grant underspend has been used to meet anticipated demand and cost pressures. The Children's bereavement programme was funded by reserves. Additional specific income necessitated increased commissioning costs of £1.7m.

Other Costs (+£4.0m)

The main element of this variance (£3.1m) related to Spring Budget schemes funded by the Better Care Fund (funding drawn down from reserves), this was primarily slippage on previous years plans. A number of overspends including IT development costs for the BI and CIS systems, client transport, empty premises costs relating to Waterside, cleaning, catering and legal were recorded; underspends relating to the early repayment and the Corporate ask of savings from non-essential spend helped to partially mitigate this.

Appropriation Accounts

The appropriation account is used to move money to and from reserves

a) Government Grant - Winter Pressures Funding (-£0.2m) to fund social workers to support the transfers from Community Beds and (-£0.2m) for rapid response (homecare).

b) £0.2m of additional income from the Disabilities Facilities Grant was transferred to reserves.

c) Public Health (-£0.1m) – representing underspends from last year to be spent in this year on the children's bereavement programmes (-£0.1m).

d) An additional £0.5m was receivable from the Better Care Fund representing late agreement on the level of inflation to be applied to the sum the Council receives. In line with the directorate's budget plans this sum has been transferred to reserves and forms a part of 2020/21 budget planning.

e) Utilising reserves to fund additional cost for Timely Transfers of Care (-£0.4m).

f) The in-year savings identified from non-essential spend have been transferred to reserves (+£0.1m).

g) Leeds Plan is a partnership account and ring-fenced underspends will be carried forward (+£0.2m).

h) The use of the Improved Better Care Fund reserve for costs incurred by approved IBCF schemes in year (-£3.1m).

i) Use of reserve to fund Population Health Management (-£0.3m).

Income (-£6.1m)

Income is above target in many areas, client contributions are significantly above target. Other noticeable impacts are the additional £0.5m receivable as an inflationary uplift to the Better Care Fund; (£0.2m) from charging the Disabilities Facilities Grant for staff time and additional income (£0.3m) from the CCG to contribute towards the additional costs associated with timely transfer of care work. Additional income received by public health (£2m) will be used to fund increased costs. Spring Budget income drawn from reserves to fund schemes amounted to an additional £1.7m.

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	1,502	(982)	520	(106)	0	(75)	(2)	(2)	(1)	0	0	198	14	(40)	(26)
Social Work & Social Care Services	273,180	(47,974)	225,206	57	28	103	(0)	548	5,140	(2,960)	0	(206)	2,710	(2,745)	(35)
Service Transformation	1,731	(239)	1,493	32	0	(13)	(0)	8	(1)	0	0	0	25	(165)	(139)
Commissioning Services	28,820	(54,732)	(25,911)	(347)	(79)	(119)	(10)	3,069	1,230	0	0	(3,063)	681	(992)	(311)
Resources and Strategy	5,734	(1,762)	3,972	223	15	111	16	223	0	0	0	(3)	585	(73)	512
Public Health (Grant Funded)	43,886	(43,542)	344	(23)	7	206	0	(25)	2,015	0	0	(89)	2,091	(2,091)	0
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	354,854	(149,231)	205,624	(164)	(27)	213	4	3,820	8,382	(2,960)	0	(3,163)	6,106	(6,106)	(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		B	0.3	0.0
3.	Demand Based Savings - Mental Health	S McFarlane		B	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		B	0.3	(0.5)
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		B	0.1	0.0
9.	Premises Running Cost Savings	S McFarlane		B	0.1	0.0
10.	Demand Based Savings - Demand Mgt	S McFarlane		B	0.3	0.0
11.	Managing Budget Reductions	S Hume		B	0.1	0.0
12.	Demand Budgets (Commissioning)	C Baria		B	0.2	0.0
13.	Staffing	Various	primarily use of vacancy factors	B	0.8	(0.0)
14.	Income	Various	better collection of assessed income and recovery of monies from partners	B	2.2	(1.9)
15.	Public Health	V Eaton	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			(0.2)
2.	Community care packages	Various	anticipated variation			5.7
3.	General running costs	All	Savings relating to non-spend of debt budget and non essential spend offset by increased other running costs such as transport, catering and cleaning			4.0
4.	Use of reserves	All	net contribution to reserves (iBCF inflation, additional income from DFG offset by transfers from reserves for Community Beds, Winter Pressures, timely transfer of care and Public Health)			(3.2)
5.	Income	All	client contributions and CCG contribution to CHC transport costs and additional BCF income			(4.3)
					Adults and Health Directorate - Forecast Variation	
					0.0	

CHILDREN & FAMILIES 2019/20 FINANCIAL YEAR FINANCIAL DASHBOARD - Outturn

Overall Summary - Outturn for the Directorate is an overspend of £1.337m; adverse movement of £0.375m from the projected position at P12. This excludes Covid related costs of £497k. The adverse movement is predominantly comprised of; £0.8m further CLA Demand pressure, £0.1m net other pressures in Social Care due to higher recharges (DIS / Community Buildings, etc..) and non-delivery of some of the assumed saving plans around supplies & services, offset by further savings in Resources & Strategy Central Overheads Severance £0.273m (net) and increased usage of earmarked reserves, £0.293m (full utilisation of the Troubled Families and National Accreditation & Assessment of Social Work - NAAS).

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 at outturn there were 1,345; no increase from the reported position at Period 12. This has resulted in pressures on the 19-20 External Residential (ER) and Independent Fostering Agencies (IFA) budgets, with the trend over the last 6 months being for increased external placements. Current ER numbers are 72 compared to the budgeted number of 58, whilst the number of Independent Fostering Agencies (IFA) is 211 compared to the budgeted number of 184 taking the overall overspend to £5.007m an increase of **£0.8m** from P12. Secure Justice numbers currently at 5 against budget of 4; reduction of 5 from the reported P11 position. At outturn, adverse movement of £0.8m from the projected position at P12 principally in ER placement costs (£0.7m) and Secure Justice (£0.1m).

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 923; No change from P12 projections.

Staffing: - The staffing budget for 19-20 is £87.4m. A further positive movement of £0.264m from the projected P12 position. Due to further severance savings in Resources and Strategy Central Overhead account. Outturn is an overall saving of £0.692.

Transport : - No change from the projected position at P12; overspend of £0.525m.

Trading and Commissioning : - At Outturn the trading position did worsen, however this impact was due to Covid-19 and is captured on that report. As such no change for this dashboard from the projected P12 position.

Premises, Supplies & Services & Internal Charges:- At Outturn there was a further pressure in Social Care of £0.1m relating to higher recharges from DIS and Community Buildings and non-delivery of action plans for supplies & services. £0.04m lat charges from LBS.

Other Income / Projects: - £0.293m further utilisation of earmarked reserves NAAS and Troubled Families.

Dedicated Schools Grant - There is a separate Dashboard for the DSG

Budget Management - net variations against the approved budget

	Expenditure Budget	Income Budget	Latest Estimate	PROJECTED VARIANCES											Total (under) / overspend
				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	£'000
Demand Led Budgets:															
In House placed CLA	20,352	(3,648)	16,704	0	0	0	0	0	(350)	0	0	0	(350)	0	(350)
Independent Fostering Agency	7,546		7,546	0	0	0	0	0	1,250	0	0	0	1,250	0	1,250
External Residential	11,913		11,913	0	0	0	0	0	3,707	0	0	0	3,707	(250)	3,457
Other Externally placed CLA	2,566		2,566	0	0	0	0	0	400	0	0	0	400	0	400
Non CLA Financially Supported	12,883	(3,514)	9,369	0	0	0	0	0	250	0	0	0	250	0	250
Transport	15,062	(617)	14,445	0	0	0	525	0	0	0	0	0	525	0	525
Sub total Demand Led Budgets	70,322	(7,779)	62,542	0	0	0	525	0	5,257	0	0	0	5,782	(250)	5,532
Other Budgets															
Partnerships & Health	4,977	(1,603)	3,374	155	0	(267)	117	40	0	0	0	0	45	(561)	(516)
Learning	31,545	(26,950)	4,594	100	0	0	0	0	0	0	0	0	100	(722)	(622)
Social Care	122,260	(75,738)	46,522	(383)	41	20	0	206	100	(293)	0	(500)	(809)	(1,264)	(2,073)
Resources and Strategy	65,318	(60,454)	4,864	(564)	0	(70)	0	(100)	0	0	0	(250)	(984)	0	(984)
Sub total Other Budgets	224,100	(164,746)	59,354	(692)	41	(317)	117	146	100	(293)	0	(750)	(1,648)	(2,547)	(4,195)
Total	294,422	(172,526)	121,896	(692)	41	(317)	642	146	5,357	(293)	0	(750)	4,134	(2,797)	1,337

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation £m
A. Significant Variations						
	Children Looked After & Financially Support Non-CLA Demand Budgets.	Steve Walker / Sal Tariq	The budget supports an average of 58 ER and 184 IFA Placements. Currently at 72 ER and 211 IFA Placements. Partly impacted due to reduced capacity in LCC run homes; currently at 22 against potential 28 when 7 mainstream homes fully operational. At outturn additional costs of £0.8m impacted on the account; principally ER £0.7m and Secure Justice £0.1m).	R		5.257
	Staffing Related Costs	C&F Leadership Team	At Outturn further pay savings of £0.264m due to further severance savings in R&S Central Overhead account.	G		(0.692)
	Learning For Life - Early Start & Youth Services	Sal Tariq / Andrea Richardson	No change from the reported P12 position. However further income pressures £0.15m, reflected on the Covid-19 dashboard.	R		0.650
	Passenger Transport	Sue Rumbold	No change from the P12 reported position.	R		0.525
	Income (Incl. Grants)	C&F Leadership Team	Further income utilised from Earmarked Reserves. Full utilisation of the following reserves:- Additional Troubled Families Earned Autonomy grant funding, £0.1m and National Accreditation and Assessment for Social Work (NAAS), £0.2m.	G		(3.643)
	Premises, Supplies & Services and Internal Charges	C&F Leadership Team	£0.12m additional costs re internal charges from DIS and Community Buildings. Also non-delivery of savings action plans for Supplies and Services. £0.04m last charges from LBS.	A		(0.277)
B. Key Budget Action plans (BAP's)						
Transport	Pasenger Transport - Other Transport savings	Sue Rumbold	Savings from WYCA and additional schools swimming income. Further savings of £0.25m due to full cost recover from DSG for Personal Travel plans.	G	(0.30)	(0.133)
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)	0.000
Social Care	Make savings on Independent Support workers within CHAD.	RuthTerry	Based on 2018/19 spend this should be achievable	G	(0.05)	0.000
Social Care	Achieve running cost savings in Learning for Life	Andrea Richardson	cease commissioned service with ASHA - saving £50k	G	(0.05)	0.000
Resources & Stratgey	Reduction in Prudential borrowing charges	Tim Pouncey	Savings achieved - borrowing repaid	G	(0.05)	0.000
Social Care	Achieve increased charges at Adel Beck	Sal Tariq	Income target not achieved.	G	(0.20)	0.400
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)	0.000
Social Care/Transport	Additional income from moving towards full the recovery of appropriate costs from the Dedicated Schools Grant	Tim Pouncey	At P12 reflected additional DSG contribution towards cost for ER / IFA placements. Due to increasing numbers over last 3 / 4 months.	G	(0.60)	(0.250)
C. Contingency Plans						
	Use of strategic contingency for Children Services.	Steve Walker	Request release from strategic budget to support the directorates financial position			(0.500)
Children and Families Directorate - Forecast Variation						1.337

CHILDREN & FAMILIES 2019/20 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - OUTTURN

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 the end of 2019/20 there was an overspend of £5,051k on general DSG and an in year underspend of £596k on de-delegated services.

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, though overall there is an underspend as a result of recoupage adjustments on NNDR and growth funding in respect of schools which have converted to academies during 2019/20. 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). There is additional de-delegated income of £242k due to the way de-delegated budgets are dealt with when a school becomes an academy and a further underspend of £515k on schools contingency. This is partly offset by increased costs of £201k on maternity and small variances elsewhere giving an overall underspend of £596k. The Growth Fund budget is part of this block and was £1,164k underspent which means that the £400k of the DSG surplus brought forward from 2018/19 which had been earmarked for this was not needed.

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). The admissions service was underspent by £175k as a result of staff turnover and vacancies. Other minor underspend means that the overall underspend on this block is £185k.

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. An estimate has been made of the expected final grant adjustment based on current census information currently available. The effect of this is that there is an underspend of £1,016k. This is largely due to funding being based on the January census, which has higher numbers of 2 - 4 year olds than the average of all censuses over the year.

High Needs Block - This element is used to support provision for pupils and students with special educational needs and disabilities. This block was overspent by £7,232k following increasing costs due to high levels of demand and increasing complexity of cases. The main variances in this block were:-

- a lack of suitable places in Leeds resulted in an overspend on out of area and residential placements of £3,077k.
- an increase in special school places required from September 2019 resulted in an overspend of £711k on SILC funding and a further overspend of £270k on special academies and free schools.
- a general increase in the FFI top-up to mainstream schools and academies produced an overspend £2,231k and there was an overspend of £224k on additional place funding for schools with a higher level of high needs pupils.
- there has been a significant increase in early years FFI top-ups which resulted in an overspend of £625k.
- there is an overspend of £389k due to an increased take up of personal budgets (particularly personal transport).
- the North West SILC is not now expected to become an academy until 2020/21 which means that additional funding needed to ensure that NW SILC is in a sustainable financial position going forward is not now required in 2019/20.
- these overspends are partly offset by underspends on services provided by Leeds City Council, largely as a result of staff vacancies.

On 5th May 2020, the Education and Skills Funding Agency confirmed that the council's request around top-up funding rates in respect of the SEMH provision was successful. Therefore there are no further costs expected on this.

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 was an overall in year overspend of £5,051k which meant that there is a deficit on general DSG carried forward to 2020/21 of £3,954k. Following the repayment of part of the accumulated reserves to schools and the effect of the in-year underspend, the de-delegated reserves stand at £721k.

There have been some recent changes to the DSG conditions of grant. The first is that local authorities are required to carry forward overspends to their DSG into future years. They can apply to the Secretary of State to disregard this requirement if they want to fund some or all of the overspend from other sources. The second change is that the requirement to submit a deficit recovery plan if the overall deficit is greater than 1% of the gross DSG allocation has been removed. Instead, any local authority that has an overall deficit on its DSG account at the end of the 2019 to 2020 financial year, or whose DSG surplus has substantially reduced during the year, must co-operate with the Department for Education (DfE) in handling that situation. This will involve providing a plan on how the deficit will be funded and regular updates on how that plan is working. It would also involve meetings with DfE officers to discuss any issues. Overall, as DSG has moved from a surplus of £1,684k to a deficit of £3,233k, it is possible that we will be asked to take part in this process.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(301,877)	(298,760)	3,117
Individual Schools Budgets	295,697	292,364	(3,333)
De-delegated budgets	4,680	4,084	(596)
Growth Fund	2,900	1,736	(1,164)
Contribution to /from reserves	(1,400)	(1,000)	400
	0	(1,576)	(1,576)
Central School Services Block			
DSG Income	(4,725)	(4,725)	0
CSSB Expenditure	4,725	4,540	(185)
	0	(185)	(185)
Early Years Block			
DSG Income	(55,877)	(59,162)	(3,285)
FEEE 3 and 4 year olds	45,708	47,418	1,710
FEEE 2 year olds	7,312	7,645	333
Other early years provision	2,857	3,083	226
	0	(1,016)	(1,016)
High Needs Block			
DSG Income	(66,389)	(66,293)	96
Funding passported to institutions	59,524	66,867	7,343
Commissioned services	1,702	1,703	1
In house provision	4,605	4,397	(208)
Prudential borrowing	558	558	0
	0	7,232	7,232
Total	0	4,455	4,455

General £'000	De-delegated £'000	Total £'000
(1,097)	(587)	(1,684)
400	0	400
(697)	(587)	(1,284)
(1,097)	(587)	(1,684)
5,051	(596)	4,455
0	462	462
3,954	(721)	3,233

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

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 (net of reduced call on reserves)			(0.76)
Schools Block		Underspend due to adjustments made as part of the academy conversion process			(0.22)
Schools Block		Net underspend on de-delegated services.			(0.60)
Central School Services Block		Underspend on admissions service.			(0.19)
Early Years Block		Projected underspend on early years block mainly as a result of funding received for additional hours.			(1.01)
High Needs Block		Increased cost of outside and residential placements.			3.08
High Needs Block		Increase in funding to special schools			0.71
High Needs Block		Increase in FFI top-up and place funding to mainstream schools and academies			2.48
High Needs Block		Increase in early years FFI top-up.			0.60
High Needs Block		Net effect of all other high needs variations			0.36

Dedicated Schools Grant - Outturn Variation

4.45

CITY DEVELOPMENT 2019/20 BUDGET FINANCIAL DASHBOARD - OUTTURN

At Outturn the City Development Directorate has maintained its forecast balanced budget position from Period 11 and 12 and, excluding the impact of Covid 19 in the last two weeks of the financial year estimated at £250k, actually delivered a small underspend of £35k.

The Planning & Sustainable Development Service finished the year with a £223k underspend, this is the net saving from vacant posts across the service throughout the year, increased CIL Admin income and costs relating to the Core Strategy review, Aireborough Legal challenge and referendum/independent examination costs for Neighbourhood Planning.

Economic Development has a minor overspend mainly due to a small shortfall in income.

Asset Management and Regeneration have managed a number of pressures. The Strategic Investment Fund (SIF) required further acquisitions to be made in order to achieve the net income target of £3.36m and the current shortfall has increased from £592k to £728k. This £136k increase is the net pressure from unforeseen delays in the lettings of the three new Trilogy warehouses. These pressures have been partially offset by the assumed use of the £130k SIF reserve and the slipping of some prudential borrowing charges. Throughout 2019/20 none of the investment opportunities available were considered suitable fits with the authority's investment strategy.

The £250k Asset Rationalisation budget action plan saving did not result in direct savings to City Development although there were some notable successes with the workstream, which have resulted in savings for the Council. Major staffing relocations and asset rationalisations of Hough Top Court and Navigation House were completed in 2019/20 and savings for the Council realised although they were not cashable to City Development as the savings occurred in other service areas. To partially offset these pressures £150k from the Round Foundry provision has been identified as useable (unapplied in previous years) and £86k historic new burdens funding for Self and Custom Build Housing also not applied in previous years.

Employment and Skills have ended the year with a minor underspend mainly relating to staffing.

The Highways and Transportation Service overspent by £180k which was arising from minor variations across the service. The Street Lighting LED conversion programme was planned to start in September 2019 however the Deed of Variation for the PFI contract was not signed until March 2020 and full commencement of works could not proceed until then. However some 'small works' instructions for lantern swaps have been issued to ensure energy savings are realised and at present there are no budget pressures arising from this delay.

Arts and Heritage has a minor overspend of £28k. The closure of all sites in mid-March resulted in a reduction in income of approximately £130k.

Active Leeds has seen a significant increase in income from Memberships on the back of successful promotional campaigns and has finished the year with a £367k underspend. The impact of the closure of all sites in mid-May resulted in a reduction in pay and play income of approximately £120k.

At Kirkgate Market traders had been granted a 20% rent discount for 7 months (April to October) as footfall continues to be an issue in the market, which comprises £200k of the £785k shortfall in income, the rest is due to vacant or unlettable units within the market, and rent free periods on new lettings.

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	9,605	(7,659)	1,946	(457)	(63)	120	(4)	104	0	0	0	0	(300)	77	(223)
Economic Development	2,219	(538)	1,680	18	3	(2)	7	15	283	(283)	0	0	41	22	63
Asset Management & Regeneration	17,427	(20,647)	(3,220)	(1,059)	1,330	11	8	(6)	0	50	0	0	334	790	1,124
Employment & Skills	6,009	(4,314)	1,694	(61)	19	7	(2)	(45)	45	(20)	0	0	(58)	20	(38)
Highways & Transportation	65,382	(48,271)	17,111	(776)	42	1,295	119	360	0	0	0	0	1,040	(860)	180
Arts & Heritage	21,531	(9,931)	11,600	422	(127)	339	51	93	13	(523)	0	0	268	(240)	28
Active Leeds	25,724	(20,585)	5,139	135	(117)	(107)	10	(21)	60	180	0	0	140	(507)	(367)
Resources & Strategy	1,008	(413)	595	300	0	(75)	0	(3)	0	0	0	(20)	202	(1,768)	(1,566)
Markets & City Centre	3,410	(3,702)	(292)	0	(108)	(16)	(1)	(22)	0	11	0	0	(136)	900	764
Total	152,314	(116,062)	36,252	(1,478)	979	1,572	188	475	401	(585)	0	(20)	1,531	(1,566)	(35)

Key Budget Action Plans and Budget Variations:				RAG	Action Plan Value	Forecast Variation against Plan/Budget
		Lead Officer	Additional Comments		£m	£m
A. Budget Action Plans						
1.	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	(1.00)	0.73
2.	Asset Management & Regeneration	Angela Barnicle	Asset Rationalisation - savings delivered but realised in other Directorates	R	(0.25)	0.25
3.	Highways & Transportation	Gary Bartlett	LED Street Lighting Conversion	G	(0.70)	0.00
4.	Highways & Transportation	Gary Bartlett	Fees Capitalisation	G	(0.40)	0.00
5.	Active Leeds	Cluny MacPherson	Sport Income	G	(0.22)	(0.39)
6.	Active Leeds	Cluny MacPherson	Sport Efficiencies	G	(0.15)	0.14
Total Budget Action Plan Savings					(2.72)	0.73
B. Other Significant Variations						
1.	Markets & City Centre	Phil Evans	Markets net rental income re 20% rent reduction and loss of income re vacant/unlettable units			0.79
2.	Asset Management & Regeneration	Angela Barnicle	Use of Round Foundry balance and historic new burdens funding for Self and Custom Housing not applied in previous years.			(0.24)
3.	Asset Management & Regeneration	Angela Barnicle	Vacancy savings net of income generating posts			(0.24)
4.	Asset Management & Regeneration	Angela Barnicle	Capital Receipts Fees			0.19
5.	All Services	All	Other minor variations across services			0.13
6.	Resources and Strategy	Phil Evans	Use of historic balances to support revenue budgets			(1.39)
				City Development Directorate - Forecast Variation (0.035)		

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2019/20 FINANCIAL YEAR

FINAL OUTTURN

Overall

The Directorate's final outturn was a £318k underspend against its £82.1m net budget, which is in line with the provisional outturn figures previously reported. This reported position does not include any Covid-19 related variations which have been accounted for and reported separately.

The Directorate's position can be broadly explained by an underspend within Resources, CEL and Housing general fund services of £2.6m offset by an under recovery against surplus of £1.6m within LBS plus an overspend within Corporate Property Management (CPM) of £0.6m, with the explanations outlined below.

Resources

Savings of £1.6m have been achieved across services, with DIS £0.5m (mainly Microsoft) and Strategy and Improvement £0.4m (due to additional grant and other income) being the two most significant areas. Within Legal and Democratic Services there are savings £0.5m, with £0.1m on Members allowances the largest single item. HR have achieved over £0.1m savings on staffing costs and £0.2m and additional traded income with schools, offsetting the impact of not receiving budgeted income from the apprentice levy. Financial services underspent by £0.1m

Shared Services has outturned at +£0.2m, mainly due additional staffing cost. However, the service had a £1m savings target in the budget and consequently most has been delivered.

Housing and Property Services

The CPM service overspent by £0.6m. Spend on building maintenance across the Council's portfolio of assets was £0.9m over budget, partially offset by additional capitalisation of spend of £0.4m.

Within Housing general fund services, savings of £0.2m have been achieved, mainly arising from additional income chargeable to capital schemes and additional grant income.

Civic Enterprise Leeds (CEL)

Total savings of £757k have been achieved in CEL mainly as a result of a £781k saving within Facilities Management. This saving arose from savings in both business rates following the confirmation of the valuation by the VOA and savings against the prudential borrowing budget (with both savings relating to Merrion House). Although there were some minor variations within individual services, the remainder of CEL broadly came in on budget

Leeds Building Services

The budget assumed a delivery of an £11m surplus with a turnover of £69.3m. The outturn position came in at £1.6m short against the budgeted surplus. This is due to a combination of a shortfall in achieving the budgeted turnover level (£69.3m), front line vacant posts and an increase in non productive time which have all affected the overall recovery position. LBS have, however, contributed an overall surplus to the general fund (excluding the impact of COVID) in excess £9.3m.

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	98,893	(31,676)	67,217	3,724	310	240	0	378	0	4,101	(2)	198	8,949	(10,566)	(1,617)
LBS	58,336	(69,345)	(11,009)	(2,034)	(157)	2,296	169	4,569	0	0	0	0	4,843	(3,188)	1,655
Housing inc CPM	25,819	(12,475)	13,344	66	1,025	154	101	119	472	(120)	0	(78)	1,739	(1,338)	401
CEL	82,774	(70,196)	12,578	363	(426)	(125)	230	45	1	0	3	86	177	(934)	(757)
Directorate Action Plan				0		0							0		0
Total	265,822	(183,692)	82,130	2,119	752	2,565	500	5,111	473	3,981	1	206	15,708	(16,026)	(318)

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						
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 operational spend	G	(0.05)	
Leeds Building Services	To deliver an improved surplus of £1.4m from additional turnover; efficiencies and productivity.	Sarah Martin	Forecast shortfall of surplus mainly due to vacant front line posts. (Permanent advert is out for these trades)	R	(1.40)	1.65
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. Projected £166k over on staffing, offset by £159k income; Expected to balance	G	(0.30)	
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)	(0.10)
HR	Development of ULEV scheme	Andrew Dodman (Alex Watson)	Initial Communications and promotion has gone out;	A	(0.06)	0.05
HR	Secure £150k of income chargeable to the Apprentice Levy	Andrew Dodman (Alex Watson)	Income not achievable through this plan, but service budget is expected to be balanced for 19-20 from savings in other areas.	R	(0.15)	0.15
Legal Services	To identify £206k of external legal costs that can be brought in house	Catherine Witham (Nicole Walker)	Delivered through staffing savings 19/20; Virement for 20/21 required	G	(0.21)	(0.23)
Shared Services	Deliver £0.79m staffing savings to balance the 19/20 budget	Mariana Pexton	Staffing overspend after accounting for extra income on funded posts	R	(0.79)	0.40
Shared Services	Electronic Processing of Invoices	Mariana Pexton	Scheme slipped into 2020/21	R	(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 £100k; Balance to be delivered through management of vacancies.	G	(0.26)	(0.44)
B. Other Significant Variations						
1	CPM	Sarah Martin	Pressures on the maintenance budget (net of £0.4m additional capitalisation)	R		0.59
2	Finance -Court Fees	Victoria Bradshaw	Income in line with budget	G		0.00
3	Resources - Schools Income	All	No variation assumed from traded income with schools	G		0.00
4	Facilities Management	Sarah Martin	VOA - Valuation of Merrion House finalised - in year saving £600k from 18/19 accrual and some backdating and saving on financing costs at Merrion	G		(0.78)
4	All Other Variations	All	£470k savings mainly from DIS relating to Microsoft; £277k savings in Democratic Services , Review of accruals £200k; Finance £128k under; HR additional income £300k and Shared Services operating costs £200k	G		(1.75)
Resources and Housing Directorate - Outturn Variation					(0.318)	

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2019/20 FINANCIAL YEAR

Outturn 2019/20

The overall position for the directorate is a £65k underspend against the budget. This excludes the impact of COVID-19 (+£1,007k) which is shown separately.

Communities (£168k overspend)
The overspend is mainly due to the under recovery of grant in relation to Community-Led Local Development (CLLD) projects £115k and other minor variations across the service.

Customer Access (£569k overspend)
The outturn variation is partly attributable to additional staffing costs within the Contact Centre of £390k due to recruitment to improve call answer rates, which is partially offset by funding of £300k secured from Housing Leeds in respect of Housing enquiries. Community Hubs have overspent by £424k reflecting additional staffing and premises costs including increased security and business rates. Additional staffing costs of £119k within the library service are due to delays in the planned restructure and all other variations across the service give net savings of £64k.

Electoral and Regulatory Services (£453k under budget)

Elections, Licensing and Registrars (£160k under budget)
The underspend of £160k is mainly due to additional income and expenditure savings in the Entertainment Licensing and Registrar services.

Environmental Health (£293k under budget)
The saving of £293k is due to both staffing and operational savings across the functions and additional income from Pest Control services.

Welfare and Benefits (£178k under budget)
The net position in respect of Housing Benefit expenditure/subsidy and overpayment income has resulted in a variation of +£144k against budget. However this has been offset by net savings of £322k across the service which mainly reflects additional Housing Benefit grant income and other net expenditure savings.

Parks and Countryside (£9k overspend)
Although there are net pressures across Attractions and the Arium of £548k, these are offset by additional surpluses at cafes of £73k and other net expenditure savings, mainly within Bereavement (£101k), Grounds Maintenance (£152k) and the cost of prudential borrowing (£165k).

Car Parking (£469k under budget)
The year end variation reflects expenditure savings of £73k and overall additional income of £396k. A shortfall against budget of £323k in respect of on-street parking income has been offset by additional off-street income of £269k and all other income including additional PCN/Bus Lane Enforcement income (£450k).

Community Safety (£32k under budget)
The Community Safety outturn position reflects in year staffing savings of £122k, mainly due to vacancies, partially offset by expenditure and income variations of net £90k which includes the non achievement of planned CCTV infrastructure savings and a shortfall in Leedswatch income .

Waste Management (£384k overspend)
Pressures within the Refuse service, due to the ongoing Refuse review combined with additional costs of recovery, have been offset by residual waste disposal contract savings and other expenditure savings identified within the service. Staffing variations of £223k within Waste Operations have been largely offset by additional income at the weighbridges. The main variation relates to additional costs incurred in respect of the SORT disposal contract (+£379k) which is largely due to lower market income prices experienced. Price increases in respect of re-let waste stream contracts (+£112k) have been offset by other waste disposal expenditure variations and additional income received.

Cleaner Neighbourhoods Teams (£179k under budget)
The underspend of £179k is mainly due to delays in recruitment during the year, with additional transport costs incurred of £110k being offset by additional income and other minor expenditure savings.

City Centre (£99k overspend)
The overspend of £99k is mainly due to increased staffing (£45k) and vehicle (£35k) costs, part of which is due to covering event clean ups, in addition to one off costs associated with moving depot (£24k).

Budget Management - net variations against the approved budget;

Summary By Service	Budget			Outturn variances													Total (under) / overspend
	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	19,030	(13,686)	5,344	236	897	(62)	13	75	25	0	175	0	1,347	(1,179)	168		
Customer Access	24,293	(4,343)	19,950	1,056	201	191	8	32	0	0	0	0	1,488	(919)	569		
Electoral & Regulatory Services (Including Environmental Health)	8,327	(5,913)	2,414	613	784	442	55	5	0	0	0	161	2,060	(2,513)	(453)		
Welfare And Benefits	265,394	(261,307)	4,087	88	191	(19)	14	99	0	0	0	0	345	(523)	(178)		
Car Parking Services	4,874	(13,194)	(8,320)	(95)	91	(119)	4	45	0	0	0	0	(74)	(395)	(469)		
Community Safety	10,037	(7,653)	2,384	(14)	22	(219)	38	371	(157)	0	0	0	41	(73)	(32)		
Waste Management	42,737	(7,718)	35,019	2,080	354	(23)	387	(462)	0	0	0	540	2,876	(2,492)	384		
Parks And Countryside	33,164	(26,483)	6,681	(35)	847	(369)	94	127	0	0	8	0	672	(663)	9		
Environmental Action (City Centre)	2,095	(450)	1,645	38	101	0	34	(3)	0	0	0	0	170	(71)	99		
Cleaner Neighbourhood Teams	12,772	(4,289)	8,483	(185)	113	(168)	111	(16)	0	0	0	0	(145)	(34)	(179)		
Directorate wide	0	(5)	(5)	0	1	16	0	0	0	0	0	0	17	0	17		
Total	422,723	(345,041)	77,682	3,782	387	2,885	730	273	(132)	(12)	183	701	8,797	(8,862)	(65)		

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
Communities						
Communities team	Achievement of staffing efficiencies	Shaid Mahmood	Delivered	G	(0.08)	0.000
Community Centres	Asset transfer savings and general efficiencies within the service	Shaid Mahmood	Asset transfers savings achieved of £30k. Delivery of Facilities Management savings.	G	(0.10)	0.000
Third Sector Infrastructure Fund	10% saving on Third Sector Infrastructure Fund	Shaid Mahmood	Agreed to taper the relief over the year with Voluntary Action Leeds.	G	(0.03)	0.012
Communities	Achievement of base budget vacancy factor	Shaid Mahmood	The receipt of additional grants in year assisted the service in achieving it VF.	G	(0.18)	0.000
Customer Access						
Libraries	Staffing efficiencies achieved through the planned restructure of the Libraries and Information service	Lee Hemsworth	Delayed restructure - mainly cost of agency cover	A	(0.20)	0.119
Libraries	Review and reduce the provision of publications in Libraries	Lee Hemsworth	Not achieved	R	(0.04)	0.040
Libraries	Retender Library management system contract as single contract (18/19 saving)	Lee Hemsworth	Delivered	G	(0.05)	0.000
Customer Access	Achievement of base budget vacancy factor	Lee Hemsworth	Delivered	G	(0.65)	0.00
Customer Access	Achievement of base budget efficiencies (18/19 channel shift saving)	Lee Hemsworth	Agreed additional funding with HRA of £300k to improve performance.	A	(0.31)	0.09
Welfare & Benefits						
Welfare and Benefits	Achievement of staffing efficiencies	Lee Hemsworth	Welfare Rights and Leeds Benefits service - undertaken in year	G	(0.15)	0.00
Welfare and Benefits	Local Welfare Support Scheme - passport the costs of carpets / flooring awarded to Housing Leeds	Lee Hemsworth	Charged to HRA	G	(0.10)	0.00
Welfare and Benefits	Achievement of base budget vacancy factor	Lee Hemsworth	Restructure of Council Tax team	G	(0.05)	0.00
Elections, Licensing, Regulatory Services (incl Environmental Health)						
Registrars	Implement fee review in respect of non-statutory charges	John Mulcahy	Fee review implemented -	G	(0.10)	0.00
Elections	Shared cost of local elections in 19/20	John Mulcahy	Shared cost with Parish councils	G	(0.10)	0.00
All	Achievement of base budget vacancy factor (including Environmental Health £34k)	John Mulcahy	VF achieved in year.	G	(0.10)	0.00
Waste Management						
Refuse	Progress route review to deliver £1.1m savings in the base budget	Helen Freeman	Route review ongoing. Additional costs offset by other savings across the service.	A	(1.10)	0.00
Waste Management - all services	Achievement of base budget vacancy factor	Helen Freeman	Delivery in year	G	(0.08)	0.00

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.	G	(0.11)	0.00
Car Parking	Increase Sunday / Evening charges by 10%	Helen Freeman	Price tariffs review was delayed during the year.	A	(0.06)	0.05
Environmental Action Services (incl Parking and Countryside)	Achievement of vacancy factor (Car parks £145k, CC £23k, CNT £139k)	Helen Freeman	Delivered in year	G	(0.31)	0.00
Parks and Countryside				G		
Parks and Countryside	Maximise further commercial income generating opportunities	Sean Flesher	Delivered in year	G	(0.05)	0.00
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 been reversed pending further review.	R	(0.03)	0.03
Parks and Countryside	Identify appropriate staffing costs to charge to Capital	Sean Flesher	Delivered in year	G	(0.07)	0.00
Parks and Countryside	Staffing savings - achievement of vacancy factor (5% all services, 9% Parks Operations)	Sean Flesher	Delivered in year	G	(1.18)	0.00
Community Safety						
Community Safety	Identify efficiencies in use of external funding (£50k 18/19 + £60k 19/20)	Paul Money	Delivered in year	G	(0.11)	0.00
Community Safety	Replacement of CCTV infrastructure	Paul Money	Delays in the project.	R	(0.05)	0.05
Community Safety	PCSO staffing savings - achievement of vacancy factor above base	Paul Money	Delivered in year	G	(0.01)	0.00
Community Safety	Achievement of base vacancy factor	Paul Money	Delivered in year	G	(0.31)	0
Directorate Wide						
Other Significant Variations						
All services			Other expenditure variations			(0.46)
				Communities & Environment - Outturn Variation (0.065)		

**STRATEGIC & CENTRAL ACCOUNTS - 2019/20 FINANCIAL YEAR
FINANCIAL DASHBOARD - DRAFT OUTTURN**

Overall :

Strategic & Central Accounts has an underspend position of £0.6m with the main variations being -

- Due to delays in realising some capital receipts, additional Minimum Revenue Provision of £4.1m will be required to ensure that a prudent amount of debt is repaid for the year.
- The costs of borrowing have also been offset by additional de-minimus capital receipts of just over a £1.0m from the sale of vehicles.
- There is a projected shortfall in income from the New Homes Bonus grant of £0.6m
- Section 31 grant income for business rates is £1.6m higher than budget, and contributions to the regional business rates pool are £1.5m less than was budgeted for. In addition the council has received a £0.5m distribution from the national business rates levy surplus for 2018/19.
- There is a shortfall of £2.0m in capitalisation against the revised budget.
- A £0.5m debtor has been recognised for the agreed settlement of a contractual dispute. This amount has been transferred to the insurance reserve.
- The procurement exercise for insurance cover generated savings of £0.6m offsetting the overspend on insurance claims.

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	(1,740)	(18,998)	(20,738)	(421)	(174)	1,727							910	2,042	(644)	1,398
Debt	20,860	(17,517)	3,343			(123)						1,963		1,840	(530)	1,310
Govt Grants	6,001	(36,209)	(30,208)											(347)	(2,655)	(3,002)
Joint Committees	35,902	(7)	35,895							(96)				(96)	(54)	(150)
Miscellaneous	5,836	(833)	5,003	(90)		(78)				2				(166)	(12)	(178)
Insurance	10,470	(10,470)	0			2,087		(734)					(916)	437	(437)	0
Total	77,329	(84,034)	(6,705)	(511)	(174)	3,613	0	(734)	(94)	(347)	1,963	(6)	3,710	(4,332)	(622)	

STRATEGIC & CENTRAL ACCOUNTS - 2019/20 FINANCIAL YEAR

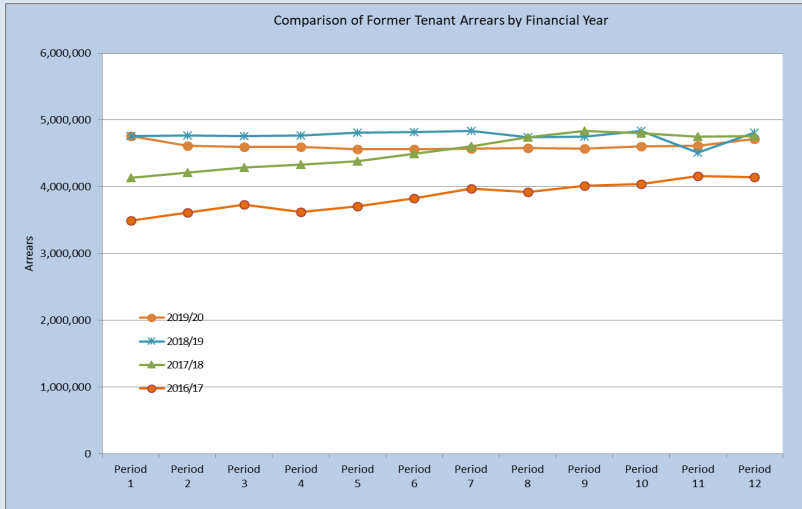
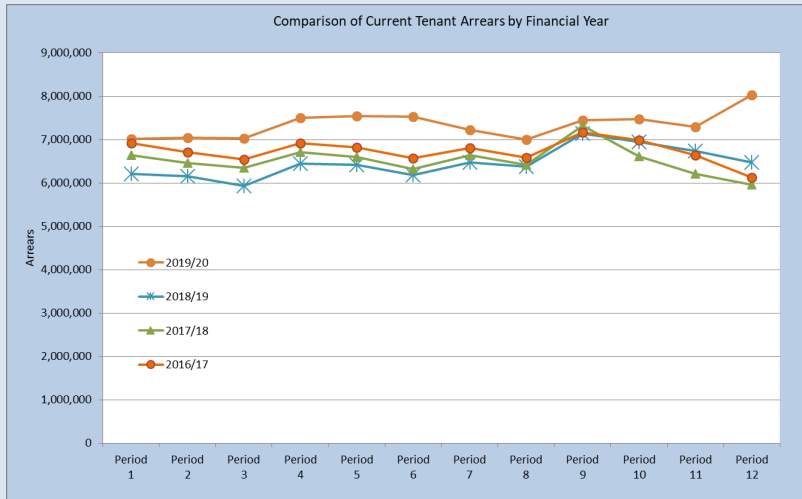
<u>Key Budget Action Plans and Budget Variations:</u>				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Victoria Bradshaw	Variation anticipated at Period 12 plus replacement of short term with long term borrowing to take advantage of low long term interest rates. Increase in de minimis capital receipts.	G	18.5	(3.2)
2.	Minimum Revenue Provision	Victoria Bradshaw	Additional cost of £4.1m due to delays in capital receipts.	R	1.0	4.1
3.	New Homes Bonus	Victoria Bradshaw	Current forecast is £571k below budget.	R	(10.0)	0.6
4.	Business Rates (S31 Grants & retained income)	Victoria Bradshaw	Current forecast is (£905k) above budget and (£246k) expected from national pool distribution.	G	(20.0)	(3.7)
5.	S278 Contributions	Victoria Bradshaw	(£3,243k) income achieved as expected.	R	(3.5)	0.2
6.	General capitalisation target	Victoria Bradshaw	Revised target achieved	R	(0.7)	0.7
7.	Schools capitalisation target	Victoria Bradshaw	£2.1m shortfall in schools capitalisation target	R	(4.0)	1.3
8.	Joint Committees	Victoria Bradshaw	Minor surplus at year end.	G	35.9	(0.2)
B. Other Significant Budgets						
1.	Insurance	Victoria Bradshaw	Cost of claims offset by lower external premiums, lower legal costs and higher than budgeted income from school plus £0.9m contribution from the insurance reserve.	A	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Actuals £484k below budget.	R	(16.1)	0.5
3.	Miscellaneous	Victoria Bradshaw	Minor surplus at year end.	G	5.0	(0.2)
4.	Strategic Account	Victoria Bradshaw	Shortfall of £250k on prompt payment target and £90k on apprenticeship levy income, offset by a saving of £100k on business rates for District Heating and an additional £300k of unidentified miscellaneous income	G	(15.3)	0.1
5.	City of Culture	Victoria Bradshaw	An underspend of £0.8m in the budget for preparations for the City of Culture event	G	1.5	(0.8)
Strategic & Central Accounts - Forecast Variation						(0.6)

Housing Revenue Account - Outturn 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)	(208,994)	503	19/20 budgeted RtB sales were 530, outturn was 612 sales.	511
Service Charges	(7,976)	(8,142)	(166)	£113k Sheltered budget assumed 3.3% uplift - charge same as 18/19. [£-48k] Multi Story Flats. [£-243k] Leaseholder income based on 1819 outturn. £12k heating.	(63)
Other Income	(33,711)	(32,928)	782	£418k Reduced capitalisation due to staffing savings, £77k Reduction in Telecom Income, Leeds Pipes Income £314k, £50k court admin fee income, £46k DRM (net off from expend on internal services). [£144k] Apprenticeship levy grant offset in employees costs.	1,125
Total Income	(251,183)	(250,064)	1,119		1,573
Expenditure					
Disrepair Provision	1,400	3,129	1,729	Fewer cases closed due to COVID-19.	1,600
Repairs to Dwellings	44,791	46,284	1,493	Overspend on repairs, partially offset by Gain share income.	(179)
Council Tax on Voids	680	908	228	Includes 3 months charges from 18-19.	228
Employees	30,806	29,324	(1,481)	£85k severance. [£-889k] Housing Management, [£-304k] Housing Growth and [£-518k] Property and Contracts vacant posts. £144k Apprenticeship levy costs, offset by grant income.	(1,695)
Premises	8,716	8,382	(334)	Review of utilities expenditure [£-315k]. Carbon reduction Levy [£-40k]. [£-11k] Navigation House savings. £30k CAMS repairs.	(288)
Supplies & Services	4,100	3,509	(591)	Various ICT savings [£-163k], £83k Changing the workplace, [£460k] Leeds pipes, [£84k] reduction in tenant advertising, membership and insurance costs, £29k NPS fees.	(61)
Internal Services	42,027	43,015	988	£300k Contact Centre staffing, £386k Disrepair legal (inc £158k for external outsourcing to Swinburne Maddison), [£175k] Horticultural Maintenance, [£-79k] Court fees reduction partly offset in other income. £414k Leeds pipes, £103k BSC salaries offset on employees, £77k legal disbursement.	726
Capital Programme	61,117	58,338	(2,779)	Reduced Contribution to Capital	(1,315)
Unitary Charge PFI	9,685	9,203	(482)		(484)
Capital Charges	44,776	44,883	107	Cost of additional borrowing.	-
Other Expenditure	6,192	6,057	(135)	[£54k] Bad debt calculation, [£97k] HAPS offset by appropriation, £20k Community payback scheme.	(115)
Total Expenditure	254,288	253,032	(1,256)		(1,584)
Net Position	3,105	2,968	(137)		(11)
Appropriation: Sinking funds	(2,345)	(2,210)	135	LLBH PFI	45
Appropriation: Reserves	(761)	(758)	2		(33)
(Surplus)/Deficit	(0)	(0)	0		0
Proposed New Reserves			-		-
Transfer to Capital Reserve			-		-
Total Current Month	(0)	(0)	0		0

Housing Revenue Account - Outturn Financial Dashboard - 2019/20 Financial Year



Change in Stock	Budget	Outturn
Right to Buy sales	(530)	(612)
Right of First Refusals/ Buybacks	0	45
New Build (Council House Growth)	0	4
Total	(530)	(563)

Right to Buy Receipts	2018/19 Actual	2019/20 Outturn
Total Value of sales (£000s)	32,969	33,931
Average Selling Price per unit (£000s)	53.6	55.4
Number of Sales*	615	612
Number of Live Applications	1,428	1,333

Arrears	2018/19	2019/20	Variance
	£000	£000	£000
Dwelling rents & charges	2018/19 Week 52	2019/20 Week 53	
Current Dwellings	6,471	7,157	686
Current Other	-	873	873
Former Tenants	4,814	4,716	(98)
	11,285	12,745	1,460
Under occupation	2018/19 Week 52	2019/20 Week 53	
Volume of Accounts	3,650	3,051	(599)
Volume in Arrears	1,316	1,198	(118)
% in Arrears	36.1%	39.3%	3.2%
Value of Arrears	295	197	(97)
Collection Rates	2018/19 Week 52	2019/20 Week 53	
Dwelling rents	97.27%	96.43%	-0.8%
Target	97.50%	97.50%	0.0%
Variance to Target	-0.23%	-1.07%	-0.8%

Housing Revenue Account - Outturn 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)	565	0	(807)
Housing Advisory Panels	(410)	0	(97)	(507)
Sheltered Housing	(2,921)	145	0	(2,777)
Holdsworth Place - land purchase	(64)	64	0	0
Early Leavers' Initiative	(408)	0	0	(408)
Wharefedale View	(15)	(8)	0	(23)
Changing the Workplace	(235)	84	0	(151)
ERDMS	(262)	6	0	(257)
	(5,687)	855	(97)	(4,930)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(5,092)	3,618	0	(1,474)
LLBH&H PFI Sinking Fund	(4,617)	0	(1,408)	(6,025)
	(9,709)	3,618	(1,408)	(7,499)
Capital Reserve				
MRR (General)	(21,814)	71,728	(58,193)	(8,278)
MRR (New Build)	(2,179)	1,074	0	(1,105)
	(23,992)	72,802	(58,193)	(9,383)
Total	(45,883)	77,274	(59,698)	(28,307)

		At Provisional Outturn (Month 11) £000s	At Outturn £000s
Directorate/Service	Brief Description		
Adult Social Care			
	No anticipated impact for the current financial year. Whilst services day services have been shut there are no expected savings. There will be a loss of client income and potential additional costs to cover associated carer costs; however it will prove difficult to unpick income as a client is charged on their ability to pay against a whole care package. Additional carer costs will be picked up as they come through the system in 2020/21.		
Children & Families			
Trading with Schools	Currently 13 areas within C&F directorate trade with Schools & Academies (loss of income and additional expenditure re cancellation costs of venues, Key Note speakers etc.). Full year budget is £4,874k which would need to be pro-rata for any closure period. Expenditure assumes some cancellation costs. Otherwise budgeted expenditure relates to LCC staff costs, therefore other than some savings on casual staff limited scope to offset expenditure against falling income. Excludes Children's Centres, Adel Beck Secure Unit and Youth Projects (detailed separately).	200	195
Children Centres loss fee paying income	Estimates assume no external fee income received although may still receive some for children of priority workers. Assuming DfE Nursery Grant income for 2,3 & 4 year olds is still received, although current allocation is related to attendance.	90	155
Income in Youth Service Projects	Budget is full year income. Would need to be reduced pro-rata based on school closure period. Private bookings also being cancelled now following central government advice on Social Gatherings	20	49
WYCA - both the swimming costs and the costs of the home to school transport provided	WYCA charge the Council based on the "Cooperation Agreement" contract for home to school transport £1M+, MetroCard's, Fee's & swimming transport, even though there is a non supply of service now sports centres are closed and if schools are closed in the future. Impact on income represents school swimming where LCC collects that directly from the Maintained schools. WYCA charges LCC and collects the income for Academies which is then passed over to LCC. The expenditure incurred by WYCA will be charged onto LCC even though there is non supply of service as WYCA argue the contractors still need to be paid - (Legal ruling required).	20	20
School attendance penalty notices	Closure of schools will result in reduction in income. C&F are charging for non-attendance up to end of February 2020 but nothing after that until advised otherwise by Legal. Estimated impact is for whole of summer term, assume more penalties in summer term than other terms due to holidays.	10	23
CLA demand budgets	Impact of higher placement costs due to increase staffing. Further impact of not being able to move child onto a cheaper placement type; for example from ER to In-House foster carer or Secure Justice to LCC run home. Impact on In-House / Kinship allowances - case by case basis re hardship.	-	55
		340	497
City Development			
	Immediate impact in 2019/20 would be from closure of facilities across Culture and Sport. Closure from 18 th March so we have the potential loss of 2 weeks income - see below. Overall around £1m of income at risk with little in the way of expenditure savings. This is probably nearer worst case scenario, perhaps £0.5m more optimistic , but clearly there will be some impact on the P12 position. We are currently building up a more detailed list of the impact. Monthly income for Museum, arts and venues around £400k although we won't have lost a whole months income. Assume 2 weeks loss of income, around £200k Monthly income in Sport is around £1m including £0.4m of DDs. Potential £0.5m loss of income, a lot will depend on policy with DDs which may impact more in early 2020/21. March DDs were processed. Impact of closures will be a 2020/21 pressure. Reduced income in P12 from 2 week closure for pay and play income and school swimming income. There is also a risk that expected capital receipts income (and fee income to City Dev) falls short of current assumptions although difficult to quantify at the moment but there is likely to be a shortfall against our current assumptions – potentially say £0.3m. We will need to discuss the latest capital receipts forecast with colleagues in Asset Management to see what anticipated receipts are now at risk.	200 500 300	130 120
		1,000	250

Directorate/Service	Brief Description	At P11 £000s	At Outturn £000s
Communities & Environment			
Directorate Wide			
Temporary Mortuary	Initial cost of refrigeration pods and Body Scoops		150
Communities			
Community Centres	Community centre bookings cancelled	12	16
Customer Access			
Contact centre - service provision	New expenditure on licences to facilitate home working. Spend will be split between 19/20 and 20/21.	94	36
Library - service provision	New expenditure on licences to facilitate home working. Spend will be split between 19/20 and 20/21.		17
Community Hubs/library income + Central Library	Sales/printing income etc		24
Electoral and Regulatory Services			
	Land & Property Search Service Income	10	
Cancellation of May20 elections	Savings on postages normally incurred in financial year prior to election		(106)
Registrars income	Face to face appointments and wedding ceremonies cancelled - loss of income and provision for refunds	34	17
Waste			
Refuse staffing	Cover for additional sickness in March		112
Disposal costs	Additional volumes of waste at RERF		63
Weighbridge income	Reduced trade waste being disposed of	10	13
Personal Protective Equipment	Additional cost of PPE for Refuse collectors	2	2
Zero waste Leeds Social media	Additional social media costs £2k per week initially for 10 weeks		3
Hire of artic for bulk haul	2 vehicles hired for first 3 weeks now down to one		3
Cleaner Neighbourhoods Team			
Bulky waste collections	Collections ceased		4
Environmental Enforcement	Net impact of 3GS suspending service		3
Car Parking	Car parking now free of charge and enforcement activity ceased	152	340
Parks & Countryside			
Tropical World - closure	Closure of Tropical World (Admissions, Retail and Café)	83	88
Home Farm & Wildlife World, (admissions/ retail)	Admission income, Lotherton Wildlife World and Home Farm	20	67
Cafés	Golden Acre, Temple Newsam, Lotherton Café	45	70
Arium	Retail & Café at Arium	25	61
Golf	Golf courses closed impacting on admission income and retail sales		6
Parks Operations	Fewer staff available to carry out income earning development works		18
		487	1,007
Resources & Housing			
	Additional spend on cleaning materials -will be new year spend in the main.	100	-
	Food Warehouse		3
	DIS Equipment, net of printing savings		75
	Loss of events income	14	14
	4 week closure of schools results in a £460k net shortfall in income for school meals; Charge schools KS1 USFM grant; Loss of KS2 income and academies KS income.	460	294
	LBS – Based on current absenteeism there is an impact upon the recovery of costs and return. For each 10 operatives a 2 week period would be £35k. OUturn: more operatives self isolating and being stood down as a consequence of reduced work.	102	500
		675	886
Total Estimated Impact 19/20		2,502	2,640

Directorate	Description of Reserve	Balance at	Transfers To &	Balance at	Reason for Reserve
		1st	From Reserve	Outturn 2019/20	
		April 2019	From Reserve	Outturn 2019/20	
		£k	£k	£k	
	GENERAL FUND	(27,992)	(3,528)	(31,520)	
Adults & Health	S256 funding for Health Inequalities	(2,311)	488	(1,823)	Specific funding from Leeds South and East CCG for tackling health inequalities.
Adults & Health	Health & Social Care (CCG)	(4,254)	89	(4,165)	To fund Health and Social Care priorities
Adults & Health	Prisons Reserve	(205)	79	(126)	CCG funding for social work in prisons
Adults & Health	Drugs Commissioning	(133)	0	(133)	Carry forward of external income for drug and alcohol priorities
Adults & Health	Transforming Care	(2,766)	0	(2,766)	Provision to mitigate against costs associated with the NHS England led transfer of care packages to a community setting, in accordance with 2017/18 budget report
Adults & Health	Social Care Development Reserve	(976)	0	(976)	Provision to meet costs associated with development of social care models e.g. Recovery Model in accordance with 2017/18 budget report
Adults & Health	Resilience Reserve	(1,627)	1,000	(627)	Provision to mitigate against unforeseen demand pressures e.g. caused by hot summers, cold winters, flu outbreaks etc., in accordance with 2017/18 budget report
Adults & Health	Safeguarding (Adults)	(290)	24	(266)	Independent Safeguarding Board - carry forward of partner contributions.
Adults & Health	Spring Budget	(10,874)	3,274	(7,600)	Carry forward of Spring Budget monies from DCLG.
Adults & Health	Skills For Care	(217)	24	(193)	To provide funding for training of Care Workers
Adults & Health	Winter Monies	(178)	178	0	Funding received from Leeds CCG to reduce delays in transferring people out of hospitals back into community based care
Adults & Health	Public Health Children's Bereavement	(102)	102	0	Funding allocated to establish a new Children and Family Bereavement Service - carried forward underspend allocated to projects that address the emotional wellbeing of young people.
Children & Families	Health Innovations	(1,439)	694	(745)	Monies given by Health Service for a number of joint initiatives around commissioning & children's centres
Children & Families	Safeguarding (Children's)	(215)	(15)	(230)	Independent Safeguarding Board - carry forward of partner contributions to fund serious case reviews
Children & Families	NEW - BS Scheme	0	(20)	(20)	Funding from the CCG to continue the Intensive Positive Behaviour Service in 20/21
City Development	Armed Forces Day	(6)	0	(6)	Funding for Armed Forces Days
Communities & Environment	Casino License	(177)	(38)	(215)	Reserve for creation of Social Inclusion Fund as per licence bid
Communities & Environment	Economic, Social and Environmental Wellbeing fund	(209)	0	(209)	Carry forward balances on the wellbeing budgets of Community Committee.
Communities & Environment	Communities Innovation Fund	(20)	0	(20)	To fund work with the 3rd Sector to develop future financial sustainability in the sector.
Communities & Environment	NEW - Waste Reserve	0	(540)	(540)	Balance of waste disposal contract savings secured in 19/20 to support the delivery of the Refuse route review and the developing waste strategy.

Directorate	Description of Reserve	Balance at	Transfers To &	Balance at	Reason for Reserve
		1st April 2019 £k	From Reserve £k	Outturn 2019/20 £k	
Resources & Housing	Homelessness Prevention Fund	(1,684)	637	(1,047)	To fund Homelessness prevention
Resources & Housing	Lord Mayor	(25)	15	(10)	Balance of budget carried forward.
Resources & Housing	Members club	(8)	0	(8)	Surplus on the Members Club.
Resources & Housing	Low Carbon Programme	(8)	0	(8)	To support delivery of work on Air Quality
Resources & Housing	Section 256	(60)	(300)	(360)	Funding from the CCG to be utilised by DIS to fund development of Digital Solutions for Personalised Care
Resources & Housing	Energy Efficiency Reserve - LCC	(195)	(26)	(221)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic & Central	General Insurance	(1,400)	(1,878)	(3,278)	To help fund cost of future insurance claims
Strategic & Central	Mutual Municipal Insurance	(11)	0	(11)	Reserve to fund potential claw backs of past insurance receipts from MMI.
Strategic & Central	Legal Cost of VAT claims	(63)	0	(63)	Funds set aside from £8.4m VAT claim refund received in 10/11 (originally £100k) to help fund legal costs for remaining VAT cases
Strategic & Central	Capital Reserve	(1,477)	(268)	(1,745)	Directorate contributions towards borrowing costs of capital schemes. Contributions received over life of asset and released back to revenue to cover debt costs over life of loan. Reserve now exhausted.
Strategic & Central	ELI Reserve	(2,000)	2,000	0	Reserve carried forward to support 18/19 base: ELI severance now funded by capital receipts in line with Council agreed policy therefore funds released to revenue.
Strategic & Central	Invest to Save	(650)	206	(444)	Fund to get projects off the ground to generate future revenue savings.
Strategic & Central	Business Rates Distribution	(2,902)	695	(2,207)	To carry forward 2018/19 Business Rates Pool surplus and funding allocated to projects.
	Sub-total Earmarked Reserves	(36,482)	6,420	(30,062)	
	Total non-ring fenced Reserves	(64,474)	2,892	(61,582)	

Directorate	Description of Reserve	Balance at	Transfers To &	Balance at	Reason for Reserve
		1st April 2019 £k	From Reserve £k	Outturn 2019/20 £k	
Schools	Extended Schools Balances	(6,247)	(4)	(6,251)	Surpluses on extended school activities carried forward
Schools	Schools Balances	(14,050)	(1,348)	(15,398)	Schools balances net of VER, Children's Services and BSF PFI borrowing
Schools	Dedicated Schools Grant	(1,684)	4,917	3,233	Carry forward of ring fenced DSG funding.
Schools	NEW - SEND Fund	0	(100)	(100)	Funding received for work with children with Special Educational Needs and Disabilities
Adults & Health	Public Health Grant	(572)	572	0	Public Health grant carried forward
Communities & Environment	Taxi & Private Hire Licensing Surplus	(86)	(161)	(247)	Ring fenced reserve for taxi and private hire licensing service.
Strategic	Energy Efficiency Reserve - Salix	(415)	(95)	(510)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic	Revenue grants	(3,586)	(24,543)	(28,129)	Revenue grants carried forward as per IFRS requirements
	Sub-total General Fund Ring-fenced Reserves	(26,640)	(20,762)	(47,402)	
	Note 1: Revenue Grants				
Adults & Health		0	119	(270)	Revenue Grants Carried Forward
Children & Families (Partners in Education)		(301)	(1,314)	(1,615)	Revenue Grants Carried Forward - DIE Partners In Practise funding.
Children & Families (Other)		(1,491)	238	(864)	Revenue Grants Carried Forward
City Development		(1,215)	(187)	(1,402)	Revenue Grants Carried Forward
Communities & Environment		(51)	0	(51)	Revenue Grants Carried Forward
Resources & Housing		(296)	(4,120)	(4,416)	Revenue Grants Carried Forward
Strategic Accounts (Brexit)		(232)	46	(186)	Revenue Grants Carried Forward
Strategic Accounts (COVID-19 Grant Reserve)		0	(19,325)	(19,325)	Revenue Grants Carried Forward - MHCLG COVID Support Grant
	Sub-total Revenue Grants	(3,586)	(24,543)	(28,129)	

Directorate	Description of Reserve	Balance at 1st April 2019 £k	Transfers To & From Reserve £k	Balance at Outturn 2019/20 £k	Reason for Reserve
	HRA RING FENCED RESERVES				
	HRA General Reserve	(6,495)	0	(6,495)	
	Welfare Reform	(1,372)	565	(807)	To fund pressures arising from welfare reform.
	Housing Advisory Panels (HAPs) Reserve	(410)	(97)	(507)	To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.
	Sheltered Housing	(2,921)	144	(2,777)	To fund investment in sheltered housing schemes which will contain shared bathing facilities and fund improved access for people with mobility issues.
	Holdsforth Place (Land Purchase)	(64)	64	0	To fund the purchase of land at Holdsforth Place, no longer required, balance taken to revenue
	Early Leavers' Initiative	(408)	0	(408)	To fund the cost of approved severance payments
	Wharfedale View SF	(15)	(8)	(23)	Contribution from shared owners towards future costs of replacing furniture and carpets at Wharfedale View Extra Care facility
	Changing the Workplace	(235)	84	(151)	To fund the cost of 'new ways of working' for staff in Housing Leeds as office moves are completed.
	eFiles Box It Project	(262)	6	(256)	Principally to fund the scanning of Housing Management paper files to electronic files - to assist the Housing Service in the preparation for moving to Community Hubs.
	Swarcliffe PFI	(5,092)	3,618	(1,474)	PFI Sinking Fund
	LLBH&H PFI Sinking fund	(4,617)	(1,408)	(6,025)	PFI Sinking Fund
	Major Repairs Reserve	(23,992)	14,608	(9,384)	Ring-fenced to fund capital expenditure or redeem debt.
	Sub-total HRA Reserves	(45,883)	17,578	(28,307)	
	Total Ring-fenced Reserves	(72,523)	(3,184)	(75,709)	
	TOTAL RESERVES	(136,997)	(292)	(137,291)	

CAPITAL PROGRAMME - 2019/20 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2020 and the final outturn 2019/20 as at 18th May 2020. The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Adults & Health	Assisted Living Leeds	2,718.9	(281.1)	Site development & expansion not progressed as potentially envisaged. Scheme is based on opportunities that may arise in the area and provides funding to move on these opportunities when they arise.
	ICT schemes	1,377.3	(379.9)	The schemes within Business Intelligence, Digital Transformation and schemes to be delivered in partnership with the NHS have slipped to 2020/21 and there are no material variances on these 10 schemes.
	Other schemes	1,386.1	(120.6)	No material variances on remaining 4 schemes within Adults and Health.
		5,482.3	(781.6)	

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Strategic & Central	General Capitalisations & interest, Transformational Change, PFI Lifecycle costs, CORE Systems review	16,205.5	(202.6)	Year end exercise to assess capital and revenue expenditure resulting in increased costs from directorate revenue of £0.8m as a result of capitalising additional directorate expenditure. This was offset by the transformational change programme which includes provision for the early leaver initiative scheme and the CORE systems review scheme which together came under by £1m. The PFI Lifecycle costs balanced to the budgeted £10.3m.
	Changing the Workplace	2,421.4	(2,316.3)	The major variance is concerned with the Merrion House scheme where the remaining provision we have in for the generator £1.3m can now be taken out as all costs are substantially complete apart from some imminent outstanding defects which are due c£100k. There are no other material variances within the programme, however further scrutiny will be needed on the remaining funding left in the programme as we change the way we work moving forward.
	Other schemes	57.0	0.0	No material variances on remaining Ward Based Initiative schemes schemes within Strategic and Central.
		18,683.9	(2,518.9)	

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
City Development	Highways	116,771.0	(10,294.5)	Highways accounts for 84% of the 2019/20 City Development programme. Main variances occurred on Connecting Leeds Public Transport Initiative a DFT grant funded programme where the full year projection of £46.5m was not adjusted and remained as reported to DFT. The programme achieved £40.2m of spend on a number of high priority schemes which have progressed well, Stourton P&R, Elland Road P&R, Headrow Gateway, A61 South Bus priority, A647 Bus Priority and others as part of the Bus Infrastructure programme. Other schemes not achieving their projections were Cycle City Ambition programme £1.6m, Street Lighted LED replacement programme £1.3m, Regent St Flyover £1m and the Flood Alleviation programme £0.5m some of the reasons being contractors overly optimistic projections, the reaction to COVID19 and delays in supply chains. To offset the underspends an unexpected payment of £1.4m for clean bus technology was paid out to WYCA in March 2020, we also achieved better than expected spend on East Leeds Orbital Road £0.8m and Highways Maintenance programmes £0.5m. Other highways schemes within the 300+ schemes delivered in year net £3.3m underspends have no material variances within this report.
	Asset Mgt	9,414.5	(2,468.7)	The main variance to report in asset mgt was Redhall Demolition £0.5m due to the complexity around utility connection terminations and achieving some savings on material recycling and recovery £0.5m. There were no other material variances to report within the remaining 47 schemes delivered.
	Culture and Sport	8,674.8	(30.9)	While no overall material variances within the Culture and Sport programme there have been some minor over and underspends on the 26 schemes delivered in 2019/20.
	Economic Development	2,509.0	(479.4)	While no overall material variances within the Economic Development programme there have been some over and underspends on the 35 schemes delivered in 2019/20.
	Regeneration	1,103.3	(1,297.5)	While no overall material variances within the Regeneration programme there have been some over and underspends on the 13 schemes delivered in 2019/20.
		138,472.6	(14,571.0)	

CAPITAL PROGRAMME - 2019/20 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2020 and the final outturn 2019/20 as at 18th May 2020.

The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Children & Families	Learning Places	16,367.9	(652.2)	The main variances within the Learning Places Programme were down to some delays in agreeing final accounts which we assumed would be settled in year. There have also been some minor over and underspends on the 45 schemes delivered in 2019/20.
	Schools Capital Maintenance	6,758.6	(7.7)	While no overall material variances within the Capital Maintenance programme there have been some minor over and underspends on the 28 schemes delivered in 2019/20.
	Other Children's Services Schemes	7,732.7	(757.9)	No material variances on the remaining 48 schemes within Children and Families
		30,859.2	(1,417.8)	

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Resources & Housing General Fund	District Heating Network, Fuel poverty fund and Clean Air Zone	15,487.2	3,655.4	Significant spend was achieved in the last quarter for the various Clean Air Zone (CAZ) scheme which apportioned an additional net £2.3m in readiness for the CAZ. The District Heating Phase 2 also accelerated spend in the last quarter resulting in additional works being carried out than expected which has led to a £1.8m variance at outturn. This has been offset by the underspend £0.4m on the remaining energy efficiency schemes.
	CPM - works to Corporate buildings, Backlog Maintenance Fire Risk assessment works and Demolitions	7,204.9	(1,641.7)	No individual material variances within the programme where there have been some minor over and underspends on the 225 schemes delivered in 2019/20.
	Vehicles and Total Mobile system	1,113.8	(116.5)	No material variances in the two schemes delivered.
	Vehicle Replacement Programme	22,433.7	2,494.0	The due dates for delivery of an additional 13 refuse vehicles we're brought forward and allowed us to accelerate the replacement programme in 2019/20. An additional £2.5m was achieved.
	Digital Information Services and Finance	11,167.8	(1,637.8)	The contractor was appointed via the Local Full Fibre Network scheme but they we're then re-prioritised to work on the Nightingale Hospital (COVID-19 response) digital infrastructure works £1.2m. While no material variances on the remaining 11 schemes there have been some minor over and underspends on the schemes delivered in 2019/20.
	Housing Supported Loans, Adaptations programme, private sector renewal and Travellers Sites.	9,317.3	(3,676.8)	The new supply affordable and supported housing loans scheme underspent as a result of spend not transpiring in the last quarter of 2019/20 as expected. While adaptations achieved it's budgeted expenditure target additional income as a result of a transfer between HRA and GF in 2019/20 resulted in savings of £1.2m in year. No other individual material variances within the remaining R&H programme.
		66,724.7	(923.4)	

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Communities & Environment	Parks Main Programme	4,574.5	229.7	While no overall material variances within the programme there have been some over and underspends on the 91 schemes delivered in 2019/20.
	Community Hubs and Customer Access systems	3,658.5	1,067.7	While no overall material variances within the programme there have been some over and underspends on the 15 schemes delivered in 2019/20.
	Waste Operational	787.2	(963.7)	While no overall material variances within the programme there have been some over and underspends on the 11 schemes delivered in 2019/20.
	Other E&H General Fund	1,185.5	(78.7)	No other material variances on remaining 64 schemes within Communities and Environment.
		10,205.7	255.0	
Total General Fund Variances		270,428.4	(19,957.7)	

CAPITAL PROGRAMME - 2019/20 HRA, HOUSING LEEDS & BITMO OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2020 and the final outturn 2019/20 as at 18th May 2020.

The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Resources and Housing HRA	Council Housing Growth Programme	16,441.6	3,583.3	The overall council house growth newbuild programme performed better than expected and delivered more in the last quarter with increased net spend of £1.7m relating to Phase 1 newbuild schemes at Beech Walk and Nevilles . The council was also able, despite challenging circumstances to exchange contracts to purchase 21 homes in Seacroft and Killingbeck ward and completed on the first 4 in March £1m. The CHGP team achieved 45 purchases in 2019/20 within the right of first refusal scheme which resulted in additional spend of £2.1m and continues to progress well.
	Housing Leeds & Other HRA	83,648.6	565.9	Housing Leeds outturn is £0.6m above projections mainly due to accelerating some schemes in year. Existing funding was brought forward to match final account provision. Movements in year between budgets have been contained within the overall budget provision and while there have been overs and unders on some budget headings during the year HL have managed the 2019/20 programme within the existing overall funding available.
	BITMO	1,674.2	(64.8)	No material variances
Total HRA Variances		101,764.4	4,084.4	
Total Capital Program Variances		372,192.8	(15,873.3)	