

Name of meeting: Cabinet

Date: 25th February 2020

Title of report: Corporate Financial Monitoring Report, Quarter 3, 2019/20

Purpose of the Report

To receive information on financial monitoring for General Fund Revenue, Housing Revenue Account (HRA) and Capital Plan, as at Quarter 3 (month 9), 2019/20.

Key decision – is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key decision - is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?	Key decision - Yes
The Decision - Is it eligible for “call in” by Scrutiny?	Yes
Date signed off by Strategic Director & name	Rachel Spencer Henshall – 17.2.2020
Is it also signed off by the Service Director for Finance?	Eamonn Croston – 17.2.2020
Is it also signed off by the Service Director – Legal, Governance & Commissioning?	Julie Muscroft – 17.2.2020
Cabinet member portfolio - Corporate	Give name of Portfolio Holders Cllr Graham Turner

Electoral wards affected: None Ward

Councillors Consulted: None

Public or private: Public

GDPR: This report contains no information that falls within the scope of General Data Protection Regulations.

1. Summary

1.1 General Fund

- 1.1.1 The Council's revised General Fund controllable (net) revenue budget for 2019-20 is **£293.5m**. The budget included planned (net) revenue savings in-year of £10.9m. The in year planned savings target has been adjusted for Quarter 3 monitoring to reflect where existing savings targets have now been reversed out as part of Council approved 2020-23 budget report, on 12 February 2020. This has resulted in a revised in-year planned savings target of £7.7m
- 1.1.2 The revised budget includes a number of planned transfers from reserves during the year, with the most significant being £3.5m from the revenue grants reserve, £0.8m from the Public Health reserve and £0.7m from the Waste Management reserve.
- 1.1.3 Quarter 3 forecasts reflect strong progress to delivering overall spending plans within available resources. Quarter 2 monitoring reported a modest forecast overspend of £0.9m (equivalent to 0.3%), and as at Quarter 3, this has reduced by a further £0.4m to a reported forecast £0.5m overspend. It is expected that this downward trend will continue and that by current year end, overall spending plans will come in within budget. The forecast overspend at Quarter 3 of £0.5m is against a revised budget at Quarter 3 of £293.5m; equivalent to just 0.2%. This includes the following:
- i) forecast delivery of £6.6m planned savings against the revised in-year planned savings target of £7.7m; equivalent to 85%;
 - ii) proposed transfer and roll forward of unbudgeted forecast in-year high needs pressure of £11.2m, through the Dedicated Schools Grant (DSG) funding account, within allowable Government rules;
 - iii) forecast £0.6m net underspends elsewhere.

A detailed breakdown of the planned savings can be found at Appendix 5.

- 1.1.4 The forecast revenue outturn as at Quarter 3 is summarised at Appendix 1 and also in Table 1 below.

Table 1 - Overview of 2019-20 general fund forecast revenue outturn position as at Quarter 3

	Revised Budget	Outturn Forecast	Variance
	£000	£000	£000
Children & Families	80,380	80,320	(60)
Adults & Health	102,646	103,259	613
Economy & Infrastructure	41,880	45,977	4,097
Corporate Services	33,922	34,789	867
Central Budgets	34,650	29,626	(5,024)
Grand Total	293,478	293,971	493

- 1.1.5 As noted at paragraph 1.1.3, it is expected that Strategic Directors continue to ensure as far as possible that management actions are taken between now and year end to manage down the £0.5m forecast overspend, to deliver an overall balanced position for the Council for

2019/20. Headline variances are described in more detail in sections 1.2 to 1.6 below and a summary of all key variances can also be found at Appendix 4.

1.2 Children & Families

Learning – High Needs

- 1.2.1 The National Fair Funding (NFF) regime was implemented by Government from 2018/19. The High Needs block under the new NFF acknowledges the level of previous under-funding, and Government intention was to increase Kirklees' annual allocation by £7m in comparison to the 2017/18 baseline. Due to transitional arrangements, this was to be phased over a 7 year period, at about £1m per annum. This phasing was reflected in existing budget plans.
- 1.2.2 The Council has reported extensively on the fact that since the 2014 Children and Families Act was implemented, there has already been a 44% rise in the number of Education Health & Care Plans (EHCP's) within Kirklees in the last four years (2015 to 2019; 47% nationally). The rising demand and cost pressures show no sign of slowing down, with continued growth of EHCP numbers expected in future years (over 10% in each of the last three years nationally).
- 1.2.3 For Kirklees, there is a significant and increasing funding pressure against the High Needs block of the Dedicated Schools Grant; to the extent that the Council's general fund has supported unfunded DSG pressures at £4.4m in 2017/18 and £8m in 2018/19. However, this is considered unsustainable going forward, with further demand and cost pressures anticipated in future years, adding between £1.5m to £2m spend pressures per annum.
- 1.2.4 Government has acknowledged the extent of current and growing spend pressures on high needs through the 2019/20 Spending Round (SR2019) announcement in September 2019, which included £700m additional funding for high needs in 2020/21. This was subsequently confirmed through the Provisional Local Government Finance Settlement in December 2019, with the Council's share at £6.1m for 2020/21. This includes the minimum £1m annual uplift for Kirklees as part of transitional arrangements to mitigate the £7m baseline 2018/19 under-funding (see also para 1.2.1 above).
- 1.2.5 The 2019/20 Dedicated Schools Grant (DSG) High Needs funding allocation for Kirklees is £37.0m. At Quarter 3, the forecast in-year pressure on High Needs spend in excess of the DSG funding allocation is £11.2m (equivalent to 30.26%). As per recently published updated Government guidance following an initial consultation, this spending pressure must be carried forward on the balance sheet in full, as a funding deficit against Dedicated School Grant (DSG), from 2019/20 onwards.
- 1.2.6 Previously, in-year financial monitoring had assumed that the High Needs pressure would be part offset from the planned release of Central Budget Minimum Revenue Provision (MRP) budget of £5m in 2019/20, as per existing budget plans.
- 1.2.7 In anticipation of Government confirmation of its consultation on treatment of DSG deficits, the 2020-23 Annual Budget Report included proposals to create a demand reserve from the re-direct of MRP set-asides that would previously have been used to at least part offset in-year High Needs spend pressures. It is intended that this will be used to mitigate the impact and volatility of a range of potential demand risks on statutorily provided service activity going forwards. The MRP re-direct has been reflected in the summary of revenue reserves at Appendix 2, with a proposed transfer of £5m into the demand reserve by year end.
- 1.2.8 High Needs remains an area of significant and growing pressure on Council budgets nationally and locally, and officers will continue to review and update current and future year forecasts informed by national and local intelligence. It is anticipated that medium term, growth pressures

may be mitigated at least in part through other measures, with the Council currently working on the implementation of a ten point action plan with key educational partners across the district. The approved capital budget plans for 2019-24 also include £25m to support increased District high needs specialist placement sufficiency.

Learning and Early Support

- 1.2.9 Currently there are 245 children with Education Health and Care Plans (EHCP's) using Post 16 Home to School Transport, which is an increase of 48 from the previous year and 91 from 4 years ago. The increase in the number of pupils with requiring transport is also reflected in a forecast pressure of £0.8m on Post -16 Home to School Transport.
- 1.2.10 This pressure also links in to other schools transport pressures highlighted in paragraph 1.4.2 further below, and the Council is currently exploring a range of alternate approaches, working with pupils, parents, schools sector and providers, to deliver more innovative and tailored transport options while reducing overall cost pressures. An additional £1.1m has been built into base budgets going forwards as part of the 2020-23 Annual Budget Report to address the estimated residual ongoing pressure in this area.
- 1.2.11 The increased number of approved applications for funding support from Special Educational Needs and Disability Inclusion Fund (SENDIF) has resulted in a forecast overspend of £400k. At this point in 2018/19 approved applications totalled £917k; currently they total £1,389k. The fund primarily supports 2-4 year olds with special educational needs who attend a Private Voluntary and Independent (PVI) or mainstream school nursery setting. Numbers of children accessing the fund have increased from 299 to 406 over the last 12 months alongside a growth in complexity of need. The service have strengthened the resources in the Early Years SEN Inclusion Team and are providing training to nursery settings to upskill their workforce so that they can meet the needs of the children rather than having to access SENDIF and this is intended to help mitigate pressures on this budget going forward.
- 1.2.12 There is a projected overspend of £0.3m within Statutory Responsibility for Education. This relates to staffing (£163k) and one off, additional school support payments in respect of the work needed at Almondbury Community School (£114k). This is offset by a one-off saving of £0.6m relating to vacant posts in the Early Support Service. Approved budget plans for 2020-23 have added back £300k into this budget heading.

Child Protection and Family Support

- 1.2.13 Within Child Protection and Family Support there was a plan to reduce the number of External Residential Placements from 37 to 23 during 2019/20. As a result of the largely successful implementation of this plan, numbers of placements have reduced, resulting in an underspend of £0.6m. This figure is reflective of the increased pressures on other demand led budgets following the successful transition of the placements.
- 1.2.14 There are also additional pressures within the service of £0.6m relating to increased demand on the Youth Remand Service budget and also the Persons from Abroad budget, both of these pressures are as a result of increasing numbers. Additionally, there is an underspend of £0.9m on staffing.

1.3 Adults and Health

- 1.3.1 Within Adults and Health there is a planned saving on independent sector home care of £0.5m, and this is anticipated to be achievable, in part due to strengths based approaches having an impact. However there is a further projected £1.7m home care underspend; mainly due to current capacity challenges in the Independent Sector Home Care market which is resulting in

some re-direct of anticipated Home Care spend to other activities; notably self-directed support, which is projecting an overspend of £1.2m.

- 1.3.2 Home care capacity measures have been implemented part-year to support providers, at an estimated cost of £400k. This is already factored into the £1.7m home care underspend above. The additional cost is offset by compensating funding from Better Care fund; achieved through continued flexible deployment of funding allocations in conjunction with the CCG (Clinical Commissioning Group). The level of weekly hours provision of home care (and therefore cost) is now steadily increasing.
- 1.3.3 The other main projected variance in Adults relates to employee pressures at £1.4m. A Programme is underway to further develop understanding around demand and growth predictions, levels of productivity and the workforce shape required to best deliver pathways. It will also enable an intelligence led approach to vacancy management. In addition, there has been a risk assessment of the sustainability of further social work staff planned savings, in light of emerging service demands and the requirement to ensure standards remain fully compliant with strengthened Care & Quality Commission regulatory standards. The outcome of the above has been to reverse further planned assessment and care management savings of £500k from 2020/21, and a rebasing of existing in house provision budgets (residential) by a further £1.4m in future budget plans.
- 1.3.4 Adults budgets include income from a number of specific adult social care grants such as Winter Pressures at £1.9m, Social Care grant at £1.2m and the Improved Better Care Fund (iBCF) totalling £15.4m. There is also funding allocated through the Better Care Fund (BCF) pooled with Health, with the Council share about £17.2m. This (along with the iBCF, and Winter Pressures grant) has national reporting conditions and joint health sign off agreements. The 2020/21 Local Government Finance Settlement confirmed that all existing social care specific grants, including BCF, will roll into 2020/21 baselines.
- 1.3.5 The Finance Settlement also confirmed the overall national increase in social care funding by £1.5bn in 2020/21, previously announced in SR2019 as funding to 'stabilise the system'. This had been described by the Chancellor as a down payment for more extensive reforms to fix adult social care in the autumn through the delayed release of the Adult funding green paper.
- 1.3.6 Of this, £1bn funding has been allocated to Councils as a specific Social Care grant in 2020/21 Kirklees share is £7.8m. Existing budget plans already assumed £3.6m additional social care grant in 2020/21; therefore only £4.2m of this allocation represents unbudgeted funding growth which has been factored into baseline budgets in the 2020-23 Annual budget Report to Cabinet and Council.

1.4 Economy and Infrastructure

- 1.4.1 Within Environment there is a projected overall income shortfall of £1.4m in Car Parking. As part of 2019-20 budget, car parking charges were frozen, and have been for a number of years. This means that the income targets within the budget cannot be achieved. As part of the Council's town centre and climate change ambition, within Environment, a strategic review of Parking is underway. Also an additional £600k has been built into forward budget plans, as part of a strategic alignment of future income targets.
- 1.4.2 Also within Environment there is a projected overspend of £1.0m on Schools Transport; in the main linked to special educational needs demand (links also to the Learning-High Needs Section 1.2 of the report earlier), and a £0.5m short-term pressure in Bereavement due to a revised income shortfall projection relating to the Cremator Replacement project.

- 1.4.3 Economy and Skills has a £0.3m projected overspend on Commercial Properties. This is due to upgrade and maintenance requirements across several sites.
- 1.4.4 There is a £0.4m projected overspend within Growth & Housing relating to income across Markets. This includes the part year effect of the rent reduction following the introduction of the new tenant leases for Huddersfield and Dewsbury Markets on 1st January 2020. Also as part of the town centre ambition, a strategic review of income targets has been undertaken, resulting in a baseline budgeted income adjustment for Markets of £500k which has been built into base budgets in the recent Annual Budget report to Cabinet and Council.

1.5 Corporate Strategy, Commissioning and Public Health

- 1.5.1 Within Finance, there is a projected £0.6m overspend in benefit Payments relating to homelessness. Since the introduction of the Homelessness Reduction Act in April 2018 the number of people eligible for, and being provided with, temporary accommodation in Kirklees has increased by 13%.
- 1.5.2 Within Governance and Commissioning there is a forecast £0.3m overspend in Legal As part of the wider Corporate capacity review, previous planned savings targets have been reversed as part of approved budget plans 2020-23.

1.6 Central Budgets

- 1.6.1 Approved Central Budgets for 2019/20 include the set aside of £2.7m minimum revenue provision (MRP) over-allocation budget, as in-year contingency. This has been released in-year, to part mitigate the balance of in-year pressures set out in this report. (see also Appendix 5).
- 1.6.2 Further underspends within Central budgets at Quarter 3 include £0.6m from Yorkshire Purchasing Organisation (YPO) dividend income, £0.5m relating to inflation budgets not required in-year, and £1.4m due to additional in-year business rates s31 grants compared to budget.

1.7 General Fund Reserves

- 1.7.1 The reserves position at Appendix 2 reflects the Council's reserves strategy and approach reported and approved at Budget Council on 12 February 2020.
- 1.7.2 General fund reserves and balances are estimated to reduce through 2019-20 by £1.9m; from £112.5m at the start of the year to £110.6m as at 31 March 2020. The movement includes the Quarter 3 forecast overspend of £0.5m, together with planned drawdowns in the year of £6.4m; the most significant being £3.5m from the Revenue Grants reserve, £0.8m from Public Health, and £0.7m from the Waste Management reserve. These drawdowns are offset in part by the transfer of £5m re-directed MRP budget to create a new demand reserve in order to mitigate the impact and volatility of a range of potential demand risks on statutorily provided service activity going forwards (see also paragraph 1.2.7).
- 1.7.3 The forecast reserves as at 31st March 2020, includes £9.5m relating to statutory schools reserves (which cannot be re-directed for non-school uses), leaving £10.0m general balances and £91.1m earmarked reserves.
- 1.7.4 Total forecast usable reserves at 31st March 2020, net of Public Health and statutory School reserves, is equivalent to 34.8% of the original 2019/20 net revenue budget of £287.1m. For comparator purposes, the median percentage across the 26 metropolitan Councils on this particular indicator was 35% as at 31 March 2019.

- 1.7.5 The significance of this indicator is that it features as part of CIPFA's suite of 'financial resilience' performance indicators being developed to support officers, members and other stakeholders as an independent and objective suite of indicators that measure the relative financial sustainability and resilience of Councils, given extensive and ongoing national coverage and concern about financial sustainability across the local government sector.
- 1.7.6 Forecast financial resilience reserves as at 31st March 2020 are £36.7m, net of the forecast Quarter 3 overspend. This is currently below the minimum £37m requirement recommendation by the Chief Financial Officer at least to the start of 2021/22, as set out in the 2020-23 Annual Budget Report. It is expected however, that Strategic Directors continue to ensure as far as possible that management actions are taken between now and year end to manage down the £0.5m forecast overspend to deliver an overall balanced position for the Council for 2019/20 (see also paragraph 1.1.5). This would enable financial resilience reserves to be maintained at the 2019/20 opening balance of £37.1m.
- 1.7.7 Regular monitoring and review of corporate reserves will be continue to be undertaken as part of the standard monitoring cycle through the remainder of the financial year.
- 1.7.8 Work is ongoing with regards to profiling the commitments against the Strategic Investment reserve. Current projections estimate around £2.0m per annum of expenditure for the period from 2019/20 to 2021/22. These include managing the medium term revenue impact associated with the strategic acquisitions of key assets in support of the Council's broader Blueprint agenda for the major transformation of our key Town Centres and include specifically the purchase of the Piazza, support for Dewsbury Riverside and the town centre masterplan.
- 1.7.9 Commitments against the Strategic Investment reserve will be monitored on an ongoing basis and the level of the reserve will be reviewed going forward with a potential for further resources to be provided to ensure continued support for the Council's strategic agenda.
- 1.7.10 Kirklees had been allocated £315k funding from Government to help Councils with preparations for the UK's planned withdrawal from the EU; £105k in 2018/19 and a further £210k in 2019/20. This is being held within earmarked reserves in the first instance. Any costs incurred relating to planning, for example for increasing capacity or research on economic impact on local businesses, will be monitored and funding drawn down from the reserve to cover these costs in due course.

1.8 Collection Fund

- 1.8.1 The Collection Fund accounts separately for council tax and business rates income and payments. At Quarter 3, there is a projected in year surplus of £2.1m; £1.6m with respect to Business Rates and £0.5m from Council Tax.
- 1.8.2 The projected £0.5m in-year surplus from council tax in part reflects a service review of student property exemptions resulting from student accommodation along with a review of collection rates and the in-year effect of new properties becoming chargeable.
- 1.8.3 The forecast Business Rates surplus relates to an anticipated reduced appeals provision requirement. This is due to a continuation of historical appeals being settled or withdrawn, alongside the new more stringent appeals system implemented from April 2017 onwards. Officers will continue to review and update appeals provision assumptions throughout the remainder of the financial year.
- 1.8.4 Taking into account the opening balance and repayments to the general fund in year, the above in-year projections result in a forecast surplus of £58k at 31st March 2020 for council tax;

equivalent to just 0.03% of Kirklees annual council tax requirement of £180m, and a forecast surplus of £3,377k for business rates, equivalent to 3.7% of planned income of £92m. The overall impact is a repayment of £3.4m from the collection fund to the general fund in 2020/21 which has been factored into updated budget plans in the 2020-23 Annual Budget Report to Cabinet and Council. See also the collection fund summary at Table 2 below.

Table 2 – Collection Fund Summary

Collection Fund forecast (Council Share)	Council Tax	Business Rates	Total
	£000	£000	£000
(Surplus)/Deficit at 1st April 2019	1,621	(8,700)	(7,079)
Re-payments to/(from) General Fund 19-20	(1,179)	6,923	5,744
In year Financial Performance	(500)	(1,600)	(2,100)
(Surplus)/Deficit at 31st March 2020	(58)	(3,377)	(3,435)

North and West Yorkshire Business Rates Pool

- 1.8.5 Kirklees is part of the Leeds City Region (LCR) and North Yorkshire Joint Business Rates 75% Pool in 2019/20. The financial model underpinning the pool estimates a potential overall gain to the combined pool in the region of £24m in-year.
- 1.8.6 Pool income is shared out so that member authorities receive two thirds of the additional income generated through the 75% pilot, with the remaining third of additional income being retained by the pool. This retained funding is re-distributed to projects that meet the Pool's strategic aims; Reducing Digital Isolation, Inclusive Growth, Culture, Sport and Major Events, Business Support, Trade and Investment and Enabling Housing Growth.
- 1.8.7 The 75% pilot will cease at current year end, but Government confirmed a successful further Joint North and West Yorkshire Business Rates 50% Pool application for 2020/21. This was approved as part of the Finance Settlement announcement for 2020/21. It is anticipated that the 50% Pool will still benefit overall from retained levies, in the region of £9m. Specific proposals for the allocation of retained levies will be considered through the Business Rates Joint Committee for the start of the new financial year.

1.9 Housing Revenue Account

- 1.9.1 The Council's Housing Revenue Account (HRA) accounts for all Council housing related revenue expenditure and income in a separate statutory (ring-fenced) account. The forecast revenue outturn at Quarter 3 is a surplus of £0.9m against an annual turnover budget of £92.0m in 2019-20; equivalent to 1%. The surplus includes a planned re-payment to the HRA by Kirklees Neighbourhood Housing of £1.1m fee underspend rolled forward from 2018/19.
- 1.9.2 Forecast HRA reserves at 31 March 2020, net of set asides for business risks and investment needs and a minimum working balance, is £59.0m. A summary of the HRA outturn and reserves position can be found at Appendix 3. Key variances are highlighted as part of Appendix 4.

1.10 Capital

- 1.10.1 Officers have undertaken a fundamental review of capital plan requirements over the 2019-25 period and these are reflected in the annual budget report to Council on 12th February 2020.

Significant re-profiling into future years of current in-year capital budgets was undertaken, with the aim of narrowing of the gap between the reported in-year capital budget and forecast outturn for 2019/20. The 2019/20 budget was set at £96.8m.

- 1.10.2 Since then, capital budgets have been further reviewed under Financial Procedure Rules 3.10-3.15, in terms of re-profiling slippage into future years. In total £5.2m (£1.5m borrowing slippage, £0.5m grant slippage, £3.2m HRA reserves) has been re-profiled into subsequent financial years as shown in Appendix 7.
- 1.10.3 The Council's revised capital budget for 2019/20 is £91.6m. The forecast capital outturn at Quarter 3 is £85.5m; forecast £6.1m variance.
- 1.10.4 The quarter 3 position is summarised in Table 3 below, categorised by Council primary outcomes as set out in the Corporate Plan, which illustrates how the Council's investment proposals align with the Council's ambitions for its residents. Each primary outcome is further structured between strategic priorities, baseline work programmes and one-off projects.

Table 3 – Forecast Capital Outturn 2019/20 at Quarter 3

By Category	Revised Budget £000	Actuals to Date £000	Annual Forecast £000	Variance £000
Achieve & Aspire	12,669	6,747	11,145	(1,524)
Best Start	3	2	3	0
Independent	905	397	887	(18)
Sustainable Economy	49,542	26,131	45,594	(3,948)
Well	2,820	1,104	2,715	(105)
Safe & Cohesive	15	2	15	0
Clean & Green	1,625	632	1,625	0
Efficient & Effective	2,479	900	2,479	0
General Fund	70,058	35,915	64,463	(5,595)
Independent –Strategic Priorities	4,200	2,730	3,700	(500)
Independent - Baseline	17,377	11,638	17,377	0
Housing Revenue Account	21,577	14,368	21,077	(500)
Total Capital Plan	91,635	50,283	85,540	(6,095)

- 1.10.5 A more detailed breakdown of the capital outturn position including a breakdown of the budget adjustments incorporating the re-profiling exercise outcome is provided at Appendix 6, along with key variances highlighted.
- 1.10.6 Officers will continue to review capital budget profiles in year, including any more detailed recommendations for potential re-profiling of scheme budgets between years (allowable under Financial Procedure Rules 3.10-3.15), as part of outturn financial monitoring. Any such recommendations would reflect the growing complexities and challenges over the next 5 years in delivering to this scale of ambition.
- 1.10.7 The overall capital funding position will also be updated for outturn, based on the actual spending at the end of the financial year. It should be noted that early indicators of actual expenditure as at Quarter 3 are £8.9m ahead of last year (£50.3m for 2019/20 compared to £41.4m in 2018-19), which highlights the progress to date in delivering the capital plan.
- 1.10.8 The capital financial outturn position will be presented to Council as part of the Financial Outturn and Rollover Report. Future capital plan updates will continue to be presented to Council via the annual budget strategy update and annual budget approval reports to Cabinet and Council

as a matter of course, as part of the annual planning cycle. This will include the outcome of a member approved summer review to re-shape the plan to reflect realistic delivery timescales.

- 1.10.9 Corporate Landlord Asset Investment presented a report to Cabinet on 19th March 2019 which included a final business case to approve refurbishment and fire safety works at Cliffe House for £1m. Further detailed investigations have highlighted pressures, resulting in revised design specifications, which have increased the overall budget allocation to £1.5m over the 2019-21 period, in order for the contract to be let. The increase will be funded from within existing corporate landlord capital budgets.

2 Information required to take a decision

- 2.1 The Appendices accompanying this report provide a more detailed breakdown of the Quarter 3 financial monitoring position, as follows:

- i) Appendix 1 sets out by service area, the forecast general fund revenue outturn position in 2019/20;
- ii) Appendix 2 summarises the forecast general fund reserves and balances movements in-year,
- iii) Appendix 3 summarises the forecast HRA financial position including movements in HRA reserves in-year;
- iv) Appendix 4 highlights the more significant general fund and HRA variances across service areas;
- v) Appendix 5 shows forecast performance against planned revenue savings at Quarter 3.
- vi) Appendix 6 sets out by Outcome area the forecast capital outturn position in 2019/20 and the reasons for the more significant forecast capital variances across strategic priority and baseline capital schemes.
- vii) Appendix 7 shows capital budget re-profiled into future years of the capital plan.

3 Implications for the Council

3.1 Working with People

3.2 Working with Partners

3.3 Place Based working

3.4 Climate Change & Air Quality

3.5 Improving Outcomes for Children

3.6 Other (eg Legal/Financial or Human Resources)

- 3.6.1 The financial climate facing local government remains challenging; in particular with regard to Council's like Kirklees that have statutory education and social care responsibilities. The number of people who require support continues to increase and the complexity of services provided to vulnerable children and adults require higher levels of resourcing, while the cost of services continues to increase.

- 3.6.2 A one-year Spending Round (SR2019) was announced on 4th September 2019, setting out proposals for Government departmental spend over the 2020/21 financial year. Government noted that the announcement was fast tracked ahead of official Office of Budget Responsibility (OBR) independent fiscal forecasts which inform the Autumn Budget statement. The Chancellor outlined £13.8bn of investment in areas including Health and Education in what he described as the fastest increase for 15 years.
- 3.6.3 Following the general election on 12 December 2019, Government subsequently released the detail of the 2020/21 provisional local government financial settlement on 20 December 2019, subsequently confirmed as the final settlement.
- 3.6.4 As noted in the 2020-23 Annual Budget Report, the funding announcements outlined above have made a significant contribution in delivering a balanced budget for 2020/21, however there remains uncertainty regarding funding for Kirklees in future years. In part, this is due to the implementation of a national Council 75% Business Rates Retention Scheme, incorporating a re-basing of Council funding through a National Fair Funding Review; now due to commence in 2021/22.
- 3.6.5 In addition, Government intends to deliver a multi-year Spending Review in 2020 which "...will take into account the nature of Brexit and set out further plans for long-term reform" (HM Treasury Spending Round 2019). HM Treasury commentary here re-affirms the unpredictability regarding the outcome of the next spending review beyond SR2019.
- 3.6.6 Updated budget plans in the Annual Budget Report include further target savings proposals of £5.4m over the 2020-23 period. However, given the uncertainties outlined above, there is significant volatility in future years funding forecasts from 2021/22 onwards, and the Council at least needs to ensure that it achieves overall delivery of its planned savings over the 2019-22 period, including corrective action or alternative proposals.
- 3.6.7 Quarter 3 monitoring forecasts indicate the delivery in-year of £6.0m forecast savings against a revised planned savings of £7.7m; equivalent to 85%, noting as well that the High Needs spend pressure will roll forward on the balance sheet as a deficit against DSG.
- 3.6.8 Strategic Directors will continue to ensure as far as possible that management actions are taken between now and year end to manage down the remaining net overspend position to a nearer overall break-even position.
- 3.6.9 The Council's refreshed reserves strategy recently approved in the 2020-23 budget plans are directed at strengthening organisational flexibility and financial resilience over the medium to longer term in account of the continued funding uncertainty for Councils post 2021. Any projected overspend would in the first instance effectively be transferred to reserves at year end and offset by financial resilience reserves, as indicated at Appendix 2.
- 3.6.10 Officers will undertake a further review of reserves as part of the closure of accounts process, and reflect any further changes as appropriate, which will be subsequently reported to Cabinet and Council early Summer 2020 as part of the 2019/20 financial outturn & rollover report.
- 3.6.11 The collection fund financial performance reflected at Quarter 3 suggests that in the region of £3.4m can be repaid to the general fund in 2020/21. This was reflected in the 2020-23 Annual Budget Report to Cabinet and Council.
- 3.6.12 Whilst the capital investment ambition over the next 5 years as set out in the 2020-23 Annual Budget Report, is considered to be affordable, the Council will continue to review its assessment of affordability, and potentially re-prioritise and flex current plans, if the national funding and economic landscape changes significantly over the next 12 months.

4 Consultees and their opinions

This report has been prepared by the Service Director Finance, in consultation with the Executive Team.

5 Next Steps and timelines

To present this report to Cabinet as part of the Quarterly financial monitoring reporting cycle.

6 Cabinet portfolio holders recommendations

The portfolio holder agrees with the recommendations set out in this report.

7 Officer recommendations and reasons

Having read this report and the accompanying Appendices, Cabinet are asked to:

General Fund

- 7.1 note the roll forward of the £11.2m High Needs overspend through the DSG mechanism for the reasons set out in the narrative of this report ;
- 7.2 note the 2019/20 forecast revenue overspend of £0.5m as at quarter 3; net of the proposal set out at 7.1 above;
- 7.3 note the expectation that Strategic Directors work to identify opportunities for spending plans to be collectively brought back in line within the Council's overall budget by year end;
- 7.4 note the forecast year end position on corporate reserves and balances;

Collection Fund

- 7.5 note the forecast position on the Collection Fund as at Quarter 3;

HRA

- 7.6 note the Quarter 3 forecast HRA surplus and forecast year-end reserves position;

Capital

- 7.7 note the Quarter 3 forecast capital monitoring position for 2019-20;
- 7.8 approve the re-profiling across years of the capital plan as outlined in paragraph 1.10.2.
- 7.9 note the increased capital expenditure budget for the works at Cliffe House as outlined at paragraph 1.10.9.

8 Contact Officer

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Sarah Hill, Finance Manager

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9 Background papers and History of Decisions

Annual budget report 2020-23
Outturn and Rollover Report 2018-19

- 10 Service Director responsible**
Eamonn Croston, Service Director Finance.

Appendix 1

Corporate Revenue Budget Monitoring 2019/20 – Month 9									
	Year To Date			Annual					
Strategic Director portfolio responsibilities	Controllable Budget (Net)	Actuals	Variance	Controllable Budget (Net)	Planned use of reserves	Revised Budget	Forecast	Variance	Change in Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£000
Child Protection & Family Support	46,568	45,514	(1,054)	58,596	161	58,757	57,706	(1,051)	(24)
Learning & Early Support & Schools	30,187	37,399	7,212	20,965	658	21,623	22,614	991	10
Sub Total (Children & Families)	76,755	82,913	6,158	79,561	819	80,380	80,320	(60)	(14)
Adults Social Care Operation	51,492	53,475	1,983	33,492	920	34,412	32,532	(1,880)	(287)
Commissioning, Quality and Performance	56,305	55,776	(529)	60,327	3	60,330	62,833	2,503	7
Integration, Access & Community Plus	5,909	6,307	398	7,904	-	7,904	7,894	(10)	30
Sub Total (Adults & Health)	113,706	115,558	1,852	101,723	923	102,646	103,259	613	(250)
Growth & Housing	5,566	5,665	99	5,718	932	6,650	6,749	99	(106)
Economy & Skills	6,683	6,964	281	7,542	665	8,207	8,488	281	103
Environment	12,296	16,253	3,957	24,531	669	25,200	28,734	3,534	627
E&I Management	2,221	2,404	183	1,823	-	1,823	2,006	183	148
Sub Total (Economy & Infrastructure)	26,766	31,286	4,520	39,614	2,266	41,880	45,977	4,097	772
Strategy, Innovation & Planning	11,512	11,528	16	14,616	33	14,649	14,666	17	78
Public Health & People	3,166	3,109	(57)	2,151	1,481	3,632	4,072	440	495
Governance & Commissioning	4,614	4,665	51	6,212	168	6,380	6,430	50	47
Finance	42,106	42,466	360	8,343	918	9,261	9,621	360	(262)
Sub Total (Corporate Strategy, Commissioning & Public Health)	61,398	61,768	370	31,322	2,600	33,922	34,789	867	358
Central	19,087	21,221	2,134	34,860	(210)	34,650	29,626	(5,024)	(1,225)
General Fund Total	297,712	312,746	15,034	287,080	6,398	293,478	293,971	493	(359)

General Fund Earmarked Reserves							
	As at 1st April 2019	Reserves Review 2019/20 Annual Budget Report	Revised Balance	Planned drawdown in-year	Planned contribution in-year	Unplanned use of Reserves (forecast variance)	Forecasted Reserves position as at 31st March 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Statutory (School Reserves)	(9,744)		(9,744)	268	-	-	(9,476)
Earmarked							
Financial Resilience Reserves	(32,746)	(4,400)	(37,146)	-	-	493	(36,653)
Earmarked (Other)							
Rollover	(2,161)	-	(2,161)	477	(189)	-	(1,873)
Revenue Grants (various)	(12,945)	21	(12,924)	3,502	-	-	(9,422)
Public Health	(2,069)	-	(2,069)	827	-	-	(1,242)
Stronger Families Grant	(1,817)	-	(1,817)	-	-	-	(1,817)
Insurance	(1,900)	-	(1,900)	-	-	-	(1,900)
Other	(3,912)	(120)	(4,032)	114	-	-	(3,918)
Ward Based Activity	(1,067)	(160)	(1,227)	145	-	-	(1,082)
Social Care Reserve	(2,496)	-	(2,496)	-	-	-	(2,496)
Property and Other Loans	(3,000)	-	(3,000)	-	-	-	(3,000)
Adverse Weather	(4,000)	1,000	(3,000)	-	-	-	(3,000)
Strategic Investment support	(5,400)	-	(5,400)	279	-	-	(5,121)
Waste Management	(11,000)	-	(11,000)	663	-	-	(10,337)
Mental Health	-	(1,400)	(1,400)	-	-	-	(1,400)
Business Rates	-	(2,000)	(2,000)	-	-	-	(2,000)
Commercialisation	(500)	-	(500)	-	-	-	(500)
Elections	-	(500)	(500)	123	-	-	(377)
Demand Reserve	-	-	-	-	(5,000)	-	(5,000)
Total-Earmarked Other	(52,267)	(3,159)	(55,426)	6,130	(5,189)	-	(54,485)
Sub Total Earmarked Reserves	(85,013)	(7,559)	(92,572)	6,130	(5,189)	493	(91,138)
GENERAL BALANCES	(10,215)	-	(10,215)	-	189	-	(10,026)
Grand Total	(104,972)	(7,559)	(112,531)	6,398	(5,000)	493	(110,640)
Total usable reserves (excluding schools and public health)	(93,159)	(7,559)	(100,718)	5,303	(5,000)	493	(99,922)

Appendix 3

HOUSING REVENUE ACCOUNT 2019/20 - MONTH 9								
	Year to			Annual				
	Date							
	Controllable Budget (Net)	Actuals	Variance	Revised Budget	Forecast	Variance	Variance from Previous Month	Change in Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Repairs & Maintenance	17,956	18,005	49	23,549	23,549	0	0	0
Housing Management	25,007	25,341	334	34,187	34,450	263	193	70
Other Expenditure	614	805	191	27,568	26,828	(740)	27	(767)
Total Expenditure	43,577	44,151	574	85,304	84,827	(477)	220	(697)
Rent & Other Income	(65,483)	(65,046)	437	(91,999)	(91,237)	762	853	(91)
Revenue Contribution to Capital Funding	0	0	0	6,695	6,695	0	0	0
Planned transfer to HRA Reserves	0	(1,200)	(1,200)	0	(1,200)	(1,200)	(1,200)	0
Total	(21,906)	(22,095)	(189)	0	(915)	(915)	(127)	(788)

HRA RESERVES

	Balance at 31 March 2019	Approved Movement in Reserves	Balance at 31 March 2020
	£'000	£'000	£'000
Set aside for business risks	(4,000)		(4,000)
Forecast in Year Surplus/Deficit		(915)	(915)
To support the Capital Investment Programme		3,722	3,722
Set aside to meet investment needs (as per HRA Business Plan)	(56,282)		(56,282)
Working balance	(1,500)		(1,500)
Total	(61,782)	2,807	(58,975)

Key Highlights – Child Protection & Family Support

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Various	Accelerated progression/ Reinstate savings re agency usage	11,463	(685)	(858)	Substantive vacancy/ Turnover savings
Various	Social Care volume inflation	20,988	(421)	(636)	Estimated underspending on demand led placement costs due to improvements in service delivery, review of high cost placements and reduced numbers of Looked After Children.
Fostering - Placements	Impact of reducing children outside Kirklees by 50%	6,655	(236)	424	Overspending on demand led placement costs.
Various	Other social care pressures	11,111	716	597	Estimated overspending linked primarily to service investment and delivery as part of the service improvement plan and Ofsted inspection recommendations. Also, overspending on Youth Offending Team Remand and persons from abroad without UK citizenship and no recourse for public funds

Key Highlights – Learning & Early Support & Schools

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Post 16 Services	Post-16 Transport	508	635	814	Over spending on Post-16 Home to School Transport due to increase in number of pupils with EHC plans requiring transport.
Early Support Service	Review of Early Support	5,439	(869)	(600)	One off temporary saving due to vacant posts over the period April to September.
Early Years Quality & Improvement	Review support to early learning	64	(55)	112	Balance of 2019/20 MTFP budget savings not achieved
Early Yrs SEN Support incl. Portage service		1,085	(6)	311	Forecast overspending on Inclusion Fund £400k. Approvals for current financial year total £1,389k in comparison to £917k for last financial year. Overspending on Inclusion Fund partly offset by underspending on EYSEN Inclusion team staffing.
Statutory Responsibility for Education System		497	299	277	Overspending on Employee costs.

Key Highlights – Adults Social Care Operation

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Assessment & Care Management	Staffing re-alignment	4,389	861	596	Multiple transformation work-streams on-going resulting in slippage in achieving savings.
Self-Directed Support	Reduced spend on independent sector home care & Apply proportional spend on direct payments.	18	53	(1,335)	Lack of capacity in the Independent Sector Home Care market is resulting in lower home care spend, and alternate spend on direct payments.
Independent Sector Residential. & Nursing – Older People	Reduction of Older People Placements	20,100	135	(670)	Lower than anticipated activity, partially offset by higher than anticipated unit costs.
Independent Sector Residential. & Nursing – Physical Disability	Reduction of Physical Disability Placements	3,003	199	708	Higher than anticipated unit costs.
Contracted Services (independent sector daycare)	Review of contracts	1,634	160	423	Work ongoing to identify means of achieving savings.

Key Highlights – Commissioning, Quality & Performance

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Self-Directed Support	Apply proportional spend on direct payments	15,702	21	412	Higher Commissioned Services activity and higher Direct Payment unit costs than anticipated. Lower health income than anticipated
Contracted Services (independent sector daycare)	Review of contracts	3,303	637	271	Work on-going to identify means of achieving savings.
Independent Sector Residential. & Nursing- Learning Disability	Reduction of Learning Disability Placements	21,039	(1,295)	44	Higher than anticipated unit costs, partially offset by lower than anticipated activity.
Assessment & Care Management		2,913	512	596	Mainly agency spend.
Self-Directed Support		896	(157)	516	Lack of capacity in the Independent Sector Home Care market is resulting in lower spend. Higher Commissioned Services activity and higher Direct Payment unit costs than anticipated. Lower health income than anticipated.

Key Highlights – Environment

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Car Parking	Bus Lane Enforcement	(4,831)	1,268	1,404	Ongoing income shortfall on parking charges, due to no price increase and some loss of land.
Bereavement Services		(602)	526	526	Planned closures for cremator replacement works. Estimated shortfall for the year £527k (Dewsbury works only, Huddersfield now due to start April 2020)
Public Protection		4,582	1,135	1,457	Schools Transport; £1m. Budget savings in previous years not achieved due to high volumes of clients linked to high needs. Service offer being reviewed.

Key Highlights – Economy & Skills

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Commercial Properties		(1,860)	271	271	Several sites sold off. Some sites require upgrade/maintenance.

Key Highlights – Growth & Housing

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Markets		(552)	435	435	Declining income across all Markets - Part of Huddersfield Blueprint plans

Key Highlights – Finance

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Benefit Payments		(81)	635	635	Homeless subsidy costs, reduced clawback income

Key Highlights – Governance & Commissioning

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Legal Services		1,459	283	283	Current & previous years savings target not achieved

Key Highlights – Central budgets

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Treasury Management		12,080	-	(2,700)	Release of MRP overprovision to part offset 2019-20 savings unlikely to be achieved
Inflation		479	-	(479)	Inflation budget not required
General contingencies		(5,522)	1,773	(2,037)	YPO dividend £0.6m, additional Section 31 Business Rates Grants £1.4m.

Key Highlights - HRA

Activity Level	Description	Annual Budget £'000	Variance to Date £'000	Variance for the year £'000	Comments
Income		(91,999)	437	761	Income forecast lower than budget for rechargeable repairs, Leaseholder income, Rents and Service Charges

Planned Savings Table

Reference	Service Activity	Headline Proposal	Forecast Saving	Planned Saving	Variance Month 9
			£000	£000	£000
EX CP3	Management and Regulatory	Planned reduction in Legal Disbursement charges	-339	-175	-164
EX CP4	Service Wide	Planned reduction in the use of Agency Social Workers	-609	-636	27
TOTAL CHILD PROTECTION AND FAMILY SUPPORT			-948	-811	-137
EX IN1	Access Strategy & Delivery – Library and Information Centres	Re-shape Library and Information Service	-275	-300	25
EX OC7	Access, Strategy & Delivery – Access to Services	New ways of working; customer service centres/Kirklees Direct	-173	-100	-73
EX OC8	Access Strategy & Delivery – Library and Information Centres	Organisation wide – cross-cutting savings from Place based working	-348	-300	-48
TOTAL INTEGRATION, ACCESS & COMMUNITY HUB			-796	-700	-96
EX AS3	Demand Led Services	Reduce spend on independent sector home care and apply proportional spend on direct payment	-988	-988	0
EX AS4/5	Independent Sector Residential & Nursing Placements	Reduction of older people and physical disability placements	-349	-387	38
EX AS6	Day care and Contracted Services	Review all existing contracts	290	-133	423
EX AS7	Day care and Contracted Services	– Older People’s Independent Sector Day Services	-50	-50	0
EX AS8	Other demand led services	Community equipment	-33	-33	0
EX AS9	Care Phones & Assistive Technology	Care Phones – Increased Income	9	-20	29
New AS1	Care Phones & Assistive Technology	Additional savings	0	-250	250
New AS2	Other demand led services	Change in bad debt provision requirement	-200	-200	0
TOTAL ADULT SOCIAL CARE OPERATION			-1,321	-2,061	740
NEW CR2	Management & Regulatory	Increase income collection efficiency thereby reducing bad debt requirement	117	-50	167
NEW CR3	Management & Regulatory	Increased contribution from HRA/KNH for housing management service	-1,500	-1,500	0
TOTAL ECONOMY & INFRASTRUCTURE MANAGEMENT			-1,383	-1,550	167
EX CR6	Corporate Landlord	New ways of working	-140	-300	160
TOTAL ECONOMY & SKILLS			-140	-300	160
EX CR1	Transport Services	Smarter practices/efficiencies	-90	-103	13

Reference	Service Activity	Headline Proposal	Forecast Saving	Planned Saving	Variance Month 9
			£000	£000	£000
EX CR2	Bereavement Services	Additional income potential, 20%, through smarter marketing/product offer	-11	-50	39
EX CR3	Parks & Open Spaces	Increased cost recovery on services from KNH	-25	-25	0
NEW CR1	Management & Regulatory	Income generation initiatives ; 10% booking fee – town hall tickets	-50	-50	0
EX CR4	Schools Facilities Management – Catering/Assets	Meal price increase/reduced subsidy on living wage	-79	-55	-24
EX CR5	Schools Facilities Management - Cleaning	Realignment to current performance	-57	-25	-32
TOTAL ENVIRONMENT			-312	-308	-4
NEW ER1	Management & Regulatory	Reduction in the events budget	-147	-100	-47
EX ER3	Strategic Investment - Planning	Increase in Planning Fees	57	-120	177
TOTAL GROWTH & HOUSING			-90	-220	130
EX CS3	Finance and Accountancy	Efficiency Savings	-178	-201	23
EX CS5	Welfare and Exchequer	More automation on back office services	-107	-50	-57
TOTAL FINANCE			-285	-251	-34
EX CS6	HD-One Financial & HR Transactional Services	Income generation	-100	-100	0
EX PI1	Sexual Health	Incorporating additional schemes into integrated sexual health services main contract	49	-100	149
EX PI3 / 4 / 5	Obesity, Physical Activity, Healthy Child	Incorporating additional schemes into healthy child programme	-129	-103	-26
EX PI2	Substance Misuse	Reducing payments in primary care and ongoing contract efficiencies	-11	-100	89
TOTAL PUBLIC HEALTH & PEOPLE			-191	-403	212
EX CS1	Transformation team	Organisation wide – cross-cutting reduction in sickness absence	-859	-859	0
NEW CS1	Management & Regulatory	Strategy & Commissioning review	-250	-250	0
TOTAL STRATEGY, INNOVATION & PLANNING			-1,109	-1,109	0
TOTAL GENERAL FUND PLANNED BUDGET SAVINGS STILL IN VIEW			-6,575	-7,713	1,138

SAVINGS NO LONGER IN VIEW (BASE BUDGET ADJUSTMENT IN 2020-21 BUDGET REPORT)					
EX LE4	Education services for vulnerable children	Part of a broader strategic review of services to vulnerable children	100	-84	184
EX LE5	Early Learning	Review support to early learning (sufficiency and development)	0	-300	300
EX AS1 / 2 / 10 / 12 / 13	Assessment and Care Management	Staff Realignment within Adult Social Care	-125	-740	615

Reference	Service Activity	Headline Proposal	Forecast Saving	Planned Saving	Variance Month 9
			£000	£000	£000
EX CQ1	Demand led services	Apply proportionate spend on direct payments	0	-412	412
EX CQ2	Independent sector residential and nursing placements	Reduction in high cost learning disability placements	-379	-423	44
EX CQ3	Independent sector residential and nursing placements	Mental Health Placements	399	-67	466
EX CQ4	Day care and contracted services	Review of all existing contracts	37	-234	271
EX CR7	Parking	Bus lane enforcement	0	-750	750
EX ER4	Markets	Closure of Heckmondwike & Holmfirth markets and other increase income	395	-40	435
EX CS2	Legal Services	Further savings to be identified	161	-122	283
TOTAL SAVINGS NO LONGER IN VIEW			588	-3,172	3,760
ORIGINAL GENERAL FUND PLANNED BUDGET SAVINGS			-5,987	-10,885	4,898

	Annual Budget Report Plan	Budget Adjustment incl Re- profiling	Qtr 3 Revised Budget	Actuals to Date	Forecast	Variance	Variance	Change in Variance
	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000
General Fund								
Achievement	12,669	0	12,669	6,747	11,145	(1,524)	(12)	(1,524)
Children	10	(7)	3	2	3	0	0	0
Independent	1,263	(358)	905	397	887	(18)	(2)	(18)
Sustainable Economy	50,752	(1,210)	49,542	26,131	45,594	(3,948)	(8)	(2,946)
Well	2,821	(1)	2,820	1,104	2,715	(105)	(4)	76
Safe & Cohesive	25	(10)	15	2	15	0	0	0
Clean and Green	2,005	(380)	1,625	632	1,625	0	0	85
Efficiency & Effectiveness	2,479	0	2,479	900	2,479	0	0	0
GENERAL FUND TOTAL	72,024	(1,966)	70,058	35,915	64,463	(5,595)	(8)	(4,327)
Housing Revenue Account		-						
Strategic Priorities	5,800	(1,600)	4,200	2,730	3,700	(500)	(12)	1,189
Baseline	19,024	(1,647)	17,377	11,638	17,377	0	0	0
HOUSING REVENUE TOTAL	24,824	(3,247)	21,577	14,368	21,077	(500)	(2)	1,189
CAPITAL PLAN TOTAL	96,848	(5,213)	91,635	50,283	85,540	(6,095)	(7)	(3,138)

Capital Monitoring Key Highlights – Aspire & Achieve

Appendix 6

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
Strategic Priorities			
New Pupil Places in Primary/Secondary Schools	2,679	(567)	Underspend on Beaumont Academy. Any underspends in funding Strategic Priorities schemes (grant funding) will be required to rollover into next year to enable the rolling programme on schools to be delivered as part of the Schools Investments Needs Strategy.
Baseline			
Capital Maintenance	4,479	(697)	Due to disputes in final accounts and holding retention payments on contracts.
Aspire & Achieve Total	7,158	(1,264)	

Capital Monitoring Key Highlights – Sustainable Economy

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
Baseline			
Highways	16,204	(1,413)	Resourcing for schemes within Structures and Safer Roads teams to be scoped up and undertaken next year and rescheduling of Network Management schemes for 2020-21.
Corporate Landlord	4,802	(1,267)	Underspend due to delays on Dewsbury Cremator implementation (-£500k). Various underspends across a range on schemes which are due for completion in 2020-21 (-£770k)
Sustainable Economy Total	21,006	(2,680)	

Capital Monitoring Key Highlights – Housing Revenue Account

Appendix 6

Activity Level	Annual Budget £'000	Variance for the year £'000	Comments
HRA Strategic Priorities			
KNH New IT System	500	(500)	Delays in signing of contract
HRA TOTAL	500	(500)	

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund						
Best Start						
<i>Strategic Priorities:</i>						
New Build Residential Children's Units	(7)	7	0	0	0	0
Best Start Total	(7)	7	0	0	0	0
Independent						
<i>Strategic Priorities:</i>						
Commissioning Option Appraisals to facilitate outcomes of Specialist Accommodation Strategy	(50)	50	0	0	0	0
<i>One Off Projects:</i>						
Adults Social Care Operation	(163)	163	0	0	0	0
Information Technology	(145)	45	100	0	0	0
Independent Total	(358)	258	100	0	0	0
Sustainable Economy						
<i>One Off Projects:</i>						
Leeds City Region Revolving Investment Fund	(1,211)	1,211	0	0	0	0
Sustainable Economy Total	(1,211)	1,211	0	0	0	0
Safe & Cohesive						
<i>Strategic Priorities:</i>						
Youth Offending Team	(10)	10	0	0	0	0
Safe & Cohesive Total	(10)	10	0	0	0	0
Clean and Green						
<i>Strategic Priorities:</i>						
Depot Works	(85)	85	0	0	0	0
<i>One Off Projects:</i>						
Electric Vehicle Charge Points	(295)	295	0	0	0	0
Clean & Green Total	(380)	380	0	0	0	0
GENERAL FUND TOTAL	(1,966)	1,866	100	0	0	0

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
Housing Revenue Account						
<i>Strategic Priorities:</i>						
(Your Home, Your Place)	(1,082)	1,082	0	0	0	0
Estate Improvements	(217)	217	0	0	0	0
Compliance	(368)	368	0	0	0	0
Fuel Poverty	20	(20)	0	0	0	0
<i>Baseline:</i>			0	0	0	0
Housing Growth	(1,100)	1,100	0	0	0	0
Remodelling – High Rise	(500)	500	0	0	0	0
HOUSING REVENUE ACCOUNT TOTAL	(3,247)	3,247	0	0	0	0
TOTAL CAPITAL PLAN RE-PROFILED	(5,213)	5,113	100	0	0	0
<i>Funding:</i>						
Borrowing – General Fund	(1,508)	1,408	100	0	0	0
Grants – General Fund	(458)	458	0	0	0	0
HRA Revenue Contribution/Major Repairs Reserve	(3,247)	3,247	0	0	0	0
TOTAL FUNDING RE-PROFILED	(5,213)	5,113	100	0	0	0