

Report of the Deputy Chief Executive

Agenda Item 6 (i)

Report to Council

Date: 25th February 2015

Subject: Revenue Budget and Council Tax 2015/16

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In? (Except the recommendations at 13.2, which are eligible for Call In).	<input type="checkbox"/> Yes	<input checked="" 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 of main issues

1. This report seeks the approval of Council to the Revenue budget and Council Tax for 2015/16. Executive Board at its meeting on the 11th February 2015 received a report on the proposed budget from the Deputy Chief Executive. In recommending the budget for 2015/16 to Council, Executive Board did agree a number of amendments which are now incorporated into this report to Council.
2. The report sets out the framework for compiling the 2015/16 budget taking into account the Local Government Finance settlement, the initial budget proposals that were agreed by the Executive Board in December 2014, the results of budget consultation and other factors that have influenced the budget now being proposed. The report also provides an update to the Equality Impact Assessment that was developed as part of the initial budget proposals and as reported to the board in December 2014.
3. The financial year 2015/16 is the second year covered by the 2013 Spending Review and again presents a significant financial challenge to the Council. The Council to date has managed to achieve considerable savings in the order of £250m over the past 4 years and the proposed budget for 2015/16 will require the Council to deliver further significant savings. It is also now clear that the Government's deficit reduction plans will extend through to 2019/20, with the announced reductions in public expenditure suggesting that further savings will be required.

4. The 2015/16 budget now being proposed is not just a response to these financial pressures, but also demonstrates how the Council is responding to a policy agenda which recognises a new role for the authority, based around the developing concept of civic enterprise, but one which, in conjunction with partners and other stakeholders, is still firmly focused on countering disadvantage and inequality within the city.
5. The provisional Local Government Finance settlement was announced in December 2014 and largely confirmed the assumptions in the Initial Budget Proposals. The Government will finalise the settlement in early February but is expected to confirm that any increase in Council Tax of 2% or higher will require a referendum.

Recommendations

6. The report asks Council to adopt following resolutions:
 - i. That the Revenue Budget for 2015/16 totalling £523.784m be approved. This means that the Leeds element of the Council Tax for 2015/16 will increase by 1.99% and the Council will not be accepting the Council Tax freeze grant. This excludes the Police and Fire precepts which will be incorporated into the report to be submitted to Council on the 25th February 2015.
 - ii. Grants totalling £92k be allocated to Parishes.
 - iii. In respect of the Housing Revenue Account, that the budget be approved with an increase of 2.88% in Council House and garage rents. In addition that service charges of £1 per week are introduced for low/medium rise properties and that service charges for multi-storey flats are increased by £1 per week.

1. INTRODUCTION

- 1.1. This report sets out the Council's budget for 2015/16. It has been prepared in the context of the Council's initial budget proposals (IBP) agreed by the Executive Board in December 2014 and the Local Government Finance settlement in accordance with the Council's Budget and Policy Framework. It was agreed that they should be submitted to Scrutiny for review and consideration, and also that they would be used as the basis for wider consultation.
- 1.2. This report seeks approval from Council that the City Council's revenue budget for 2015/16 be approved at £523.784m. This results in an increase of 1.99% in the Leeds element of Council Tax, which for a Band D property is an increase of £22.91 to £1,168.80 for 2015/16.
- 1.3. Detailed budget proposals for each service are set out in the directorate budget reports attached. This information will be consolidated into the Annual Financial Plan and the Budget Book;
 - The Annual Financial Plan - this document brings together the revenue budget, capital programme and performance indicators for 2015/16 providing a clear link between spending plans and performance, at directorate level.
 - The Budget Book – this contains detailed budgets for each directorate at both service level and by type of expenditure/income. Further copies of this document are available to members on request and via the intranet.
- 1.4. In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget and Council Tax are reserved to Council.
- 1.5. The budget proposals contained within this report have, where appropriate, been the subject of the Council's Equality Impact Assessment process and mitigating measures have been put in place or are planned where possible.

2 NATIONAL CONTEXT

- 2.1 The Council's annual budget is set within the context of the 2013 Spending Review which outlined how the Government will continue to reduce the deficit in public finances over the two year period 2014/15 and 2015/16 and confirmed that the deficit reduction plan would continue for a further 3 years to 2017/18.
- 2.2 Originally Government set out to reduce public spending by £81bn between 2010/11 and 2014/15, with local government funding falling by 28% in real terms over the four year period. For Leeds, between the 2010/11 and 2014/15 budgets, funding from government has reduced by £129m, but in addition the Council has also faced significant cost pressures particularly within adult and children's social care as well as reductions in income due to the economic climate. This has meant that savings of around £250m have had to have been found over the last 4 years. However, to date the Council has been able to respond successfully to the financial challenge.
- 2.3 The 2015/16 Settlement Funding Assessment (SFA) was announced in the Local Government Finance Settlement in February 2015. Nationally this showed an average reduction in SFA of 13.6% for 2015/16, with the average for Core Cities at 15.3% and a

reduction for Leeds of 15.4%. According to the Local Government Association, over the lifetime of this Parliament, local government core funding nationally will have fallen by about 40% in real terms.

- 2.4 As part of the Settlement, Government provide their assessment of ‘spending power’ for each local authority. The Government uses ‘spending power’ to measure the overall revenue funding available for local authority services, including council tax, locally retained business rates and government grants. It is designed to aggregate the resources the councils have available to support services for local residents. For 2015/16 the national average reduction in spending power is 2.0% compared to 2.2% for Leeds. Table 1 below shows how Spending Power has been calculated for Leeds for 2015/16, which includes all of the Better Care Fund.

Table 1

Component of Spending Power	Leeds City Council		
	2014-15 (adj) £m	2015-16 £m	Change %
Council Tax Requirement excluding parish precepts	242.7	245.3	1.1%
Core Grant (SFA)	316.9	268.1	-15.4%
SFA: Adjustment to reflect Section 31 grants for business rates initiatives	1.5	2.1	40.0%
minus Council Tax Support Funding to Parishes	-0.2	-0.2	0.0%
Lead Local Flood Authorities	0.1	0.1	-33.3%
Community Right to Challenge	0.01	0.0	-100.0%
Community Right to Bid	0.01	0.0	-100.0%
Council Tax Freeze Grant 2015-16		2.9	
New Homes Bonus	11.0	13.6	24.1%
New Homes Bonus: returned funding	0.5	0.5	-1.0%
Council Tax Support New Burdens Funding	0.4	0.2	-51.7%
Local Council Tax Support and Housing Benefit Admin Subsidy	5.1	4.8	-4.7%
Social Housing Fraud	0.1	0.0	-100.0%
Department of Health Revenue grant	0.6	0.7	10.9%
Public Health Grant (Ring-fenced)	40.5	40.5	0.0%
Adult Social Care New Burdens	3.4	3.4	0.0%
Better Care Fund	23.5	50.1	112.9%
Total	646.0	632.0	-2.2%

- 2.5 In the Chancellor’s Autumn Statement it was confirmed that the Government’s deficit reduction plan would continue through to 2019/20 and that the scale of reductions in overall Government spending would be similar to those seen from 2010. Further information on 2016/17 and beyond is given in section 7.

3 LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

- 3.1 The final Local Government Finance Settlement was received on 3rd February 2015 and confirmed that the Council Tax referendum limit is to remain unchanged at 2% or greater. The proposed budget is based on a 1.99% Council Tax increase and means that the Council will not be accepting the Council Tax freeze grant.
- 3.2 Each local authority has been allocated a Settlement Funding Assessment (SFA) for 2015/16 which is the equivalent of formula grant under the previous funding regime.

Table 2

	2014/15 £m	Adjusted Figure 2014/15 £m	2015/16 £m
Formula Grant	270.715	270.715	225.181
Council Tax Benefit/Support Grant			
Council Tax Freeze Grant 2011/12	6.662	6.662	6.636
Council Tax Freeze Grant 2013/14	2.766	2.766	2.766
Early Intervention Grant	21.237	21.237	19.344
Preventing Homelessness	0.862	0.862	0.859
Lead Local Flood Authority Grant	0.143	0.143	0.143
Learning Disability & Health Reform Grant	10.623	10.623	10.583
Returned Holdback	0.413	0.413	0
Local Welfare Provision		3.445	2.594
Settlement Funding Assessment	313.421	316.866	268.106
Year on Year Reduction - to unadjusted figure (£m)			-45.315
Year on Year Reduction - to unadjusted figure (%)			-14.46%
Year on Year Reduction - to adjusted figure (£m)			-48.760
Year on Year Reduction - to adjusted figure (%)			-15.39%

- 3.3 Settlement Funding Assessment (SFA) is essentially the aggregate of government grant and business rate income for an authority. For Leeds the SFA figure for 2015/16 is £268.106m - £1.151m higher than announced in the provisional settlement announced on 18th December 2014.

This change was to provide a further £74m to be shared between upper tier authorities. The Ministerial Statement indicated this was “to recognise that Councils have asked for additional support, including to help them respond to local welfare needs and to improve social care provision”. The extra £74m is to be provided through Revenue Support Grant and will not be ring fenced and there are no new duties, expectations or monitoring requirements associated with its use.

- 3.4 The adjusted 2014/15 figures in Table 2 include £3.445m in respect of 2014/15 Local Welfare Provision (previously paid as a specific grant) and against this adjusted figure the reduction in the Leeds SFA is £48.76m, or 15.39%. No indicative funding forecasts have been provided for 2016/17.

- 3.5 The SFA takes account of the following:

- The new national totals for Local Government funding for 2015/16.
- Government funding for Council Tax support is part of the total formula grant and is no longer separately identified.
- As for 2014/15, grants in respect of Early Intervention, Homelessness Prevention, Lead Local Flood Authorities and Learning Disability & Public

Health Reform Funding are now included within the SFA but continue to be separately identified within the assessment.

- SFA includes £2.594m in respect of Local Welfare Provision. It is important to note that this funding is not new funding. The DCLG have split out an element of RSG to reflect what it believes should reflect Local Welfare Provision. However, this amount was previously paid as a Specific Grant in 2014/15, with no funding added to RSG for 2015/16.
- The national New Homes Bonus top-slice is £50m less than was anticipated for 2015/16. The impact of this is that RSG has increased and the New Homes Bonus adjustment grant will fall.

3.6 The business rates element of SFA is determined by taking the 2014/15 baseline business rates amount of £173.4m and uplifting it for inflation. The uplift for inflation, based upon September 2014 RPI, was expected to be 2.3% but the government announced in the Provisional Local Government Settlement that this would be capped at 2% and has provided a separate grant to compensate local authorities for the difference. The business rates element of SFA for 2015/16 for Leeds is therefore £176.7m, with the compensation grant being £2.7m, an increase of £1.2m from 2014/15.

3.7 Under the new funding arrangements introduced in 2013/14, SFA was split between Revenue Support Grant (RSG) and locally retained business rates in the proportions 60% and 40% respectively. Then, where an authority's RSG and baseline business rates added together exceeds their SFA, a "Tariff" is payable back to the government. Conversely, if this figure is less than an authority's SFA then that authority receives a "Top-up". Leeds City Council has been determined to be a "Tariff" authority and for 2015/16 this tariff element increases by 2% for inflation.

3.8 Taking account of the above, the funding position for Leeds City Council for 2015/16 is as detailed in Table 3 below:

Table 3

	2014/15 £m	2015/16 £m	Change %
Revenue Support Grant	172.319	124.308	-27.9
Business Rates Baseline	173.362	176.675	+1.9
Total	345.681	300.983	-12.9
Less Tariff	-32.260	-32.877	+1.9
Leeds' Settlement Funding Assessment	313.421	268.106	-14.5

3.9 As a tariff authority any growth in our local share above £176.675m in 2015/16, is subject to an additional levy equivalent of 18.6%. Normally the levy would be paid back to Government, but because Leeds is part of a Business Rates Pool with the other West Yorkshire Districts plus Harrogate and York, the proceeds of the levy for the pool are locally retained to be used to support economic growth in the city region.

3.10 It is estimated that the total amount of business rates to be retained by Leeds in 2015/16 will be £186.8m. After taking account of the levy of £2.8m which will be paid to

the City Region, this will result in growth income of £7.3m over the baseline - an increase of £0.6m from that originally estimated for 2014/15, as illustrated in Table 4 below:

Table 4

	2014/15 £m	2015/16 £m	Variation £m
Business Rates local share	182.320	186.846	4.526
less: Business Rates Baseline	173.362	176.675	3.313
Growth above baseline	8.958	10.171	1.213
less: Levy	-2.233	-2.828	-0.595
Net Growth	6.725	7.343	0.618

- 3.11 The Government has continued the Small Business Rates relief scheme and will compensate the Council in 2015/16 by £4.1m, an increase of £0.3m from 2014/15. In addition, the Government confirmed in the Autumn Statement that it will continue to provide a relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in 2015-16. The total value of the relief to businesses in Leeds is estimated to be approximately £2.3m in 2015/16.
- 3.12 As in 2014/15, the local council tax support scheme operates as a discount on the same basis as other discounts currently in place with protected groups receiving a 100% discount.
- 3.13 Full Council at their meeting on the 14th January 2015 approved a Council Tax Support Scheme which continues with the scheme of protection for vulnerable groups and the practice of disregarding in full Armed Forces Compensation Payments. For 2015/16 the local scheme requires non-protected recipients of council tax benefit to pay 25% of their council tax bills, reduced from 26% in 2014/15. In addition, the new scheme introduces arrangements for non-protected job seekers that require, after a period of 6 months, that they take up additional support to help them into work in order that they can continue to receive Council Tax Support.
- 3.14 The localisation of council tax support has the effect of reducing the overall tax base for Leeds. In addition, the taxbase for 2015/16 takes account of an estimated 2,000 additional Band D equivalent properties (1%) compared to that assumed in setting the 2014/15 Council Tax.
- 3.15 Following a review in 2013/14 of ultimate Council Tax collection yields (as opposed to in year collection rates), the collection rate in respect of pre 2013/14 Council Tax was increased from 99.2% to 99.3%, based on the average ultimate collection rates dating back to 1993/94, and this rate is assumed to continue for pre 2013/14 Council Tax. However, for 2013/14 Council Tax onwards, the assumed ultimate collection rate was reduced to 99.0% due to the impact of the Council Tax Support scheme and this rate is unchanged for 2015/16. At the end of 2014/15 there is a forecast Council Tax collection fund surplus of £2.0m.
- 3.16 As in previous years, the Government has offered a freeze grant which for 2015/16 is equivalent to a 1.0% increase in council tax which for Leeds would result in a grant of £2.9m. Clearly regard has to be given to the impact of any council tax increase on local

tax payers, but also the financial position of the Council given the significant scale of reductions it is facing. Authorities that choose not to take the freeze grant will be subject to the 2% referendum limit (i.e. if they choose to put their council tax up by 2% or more they will have to hold a binding referendum on the issue). The budget proposals assume an increase in Council Tax of 1.99%, which will generate additional income for the Council of £2.0m, and maintain a higher income base going forward given that the freeze grant is not certain beyond this year.

3.17 The Business Rates yield for 2014/15 is forecast to be less than originally estimated. Whilst the Council has seen some business growth in the city during 2014/15 this is not resulting in a net increase in business rates due to the impact of appeals, deletions from the rating list and the adverse effect of Valuation Office reviews. At the end of 2014/15, it is forecast that there will be an overall deficit on business rates of £13.1m resulting in a collection fund deficit for Leeds of £6.4m which has to be reflected in the 2015/16 budget. The overall impact of this and the Council Tax surplus referred to above is a collection fund net deficit of £4.4m.

3.18 Taking into account all of the above, the Council's Net Revenue budget for 2015/16 will be as shown in Table 5 below:

Table 5

	2014/15 £m	2015/16 £m
Revenue Support Grant	172.319	124.308
Business Rates	150.059	153.969
Council Tax	242.662	249.907
Collection Fund surplus/(deficit)	2.970	(4.400)
Net revenue budget	568.010	523.784

3.19 In determining the Council's 2015/16 budget, in addition to SFA, there are also a number of changes to specific grants to be taken account of. These include:

- There will be a further cut in the Education Support Grant (ESG) due in the main to a £200m national reduction in the grant which for Leeds results in a grant of £9.1m in 2015/16, a reduction of around £2.4m.
- Reductions in other Children's Services grants including:
 - Troubled Families Grant (£750k)
 - The cessation of the Adoption Reform Grant (£650k)
 - Special Educational Needs and Disabilities implementation and reform grants (£850k)
 - Funding for vulnerable 2 year old early education/childcare (£850k)
- Within Adult Social Care, the Independent Living Fund is to transfer from the Department for Work and Pensions from July 2015. The Council will now be

responsible for the recipients care and support and this new responsibility will come with funding of £560k.

- Specific government funding for the Local Welfare Support scheme, totalling £2.8m plus a grant for administration of the scheme of £559k has ceased in 2015/16. However, the 2015/16 SFA includes £2.6m for Local Welfare provision although no new funding was provided for this (see para 3.5).
- The Local Council Tax Support Scheme 'new burdens' funding will reduce by £184k. In addition the overall Housing Benefits Administration grant will again be reduced and this, along with the impact of the transfer of the fraud investigators, amounts to £290k.
- The 2015/16 budget for New Homes Bonus includes an additional £3m which reflects both a shortfall in the net increase in properties in 2014/15 and an additional 2,800 band D properties for 2015/16 (including empty properties brought back into use).
- From 1st April 2013 the Council took responsibility for Public Health which has transferred from the PCT. Grant funding is ring fenced to the service and amounts to £40.5m in 2015/16, unchanged from 2014/15. In addition from October 2015, funding and contract responsibility for 0-5yrs public health service (health visiting services and the Family Nurse Partnership) will transfer from NHS England to the Council. Grant funding of £4.8m will be provided to meet the cost of these services.

4. CONSULTATION

- 4.1 In 2014, due to the wealth of consultation evidence gathered in recent years on residents' budget priorities, the low level of change in those priorities over time and the significant involvement of residents and service users in ongoing service-led projects, the approach to consultation has differed compared to recent years.
- 4.2 The Initial Budget Proposals (IBP) report to Executive Board in December 2014 included evidence from earlier budget priority consultations and key service-led consultations that impact on priority setting and reducing costs/generating income. This was followed by a public consultation on spending priorities for the 2015/16 budget and this ran from 17th December 2014 to 18th January 2015. During that period 518 formal responses were received by the council including 20 from the third sector and partner organisations.
- 4.3 The consultation took the following format:
- giving information on current budget challenges, progress to date and findings from recent consultations.
 - giving information on budget proposals for 2015/16, including a dedicated web page, links to relevant reports and an animated video,
 - an online questionnaire, with paper equivalent, available through public buildings with questions linked to thematic sections of the IBP report
 - asking for views on the overall principle of increased or new charges being introduced by some services.

The information and questionnaire were widely promoted on council websites, in public buildings, press releases, social media, statutory and third sector partnership networks, free use of private sector advertising space (e.g. Trinity's 'big screen') and to specific

communities of interest through networks such as community groups and Students' Unions.

- 4.4 A full report on the findings is attached at Appendix 1.
- 4.5 The initial budget proposals were submitted to Scrutiny following their approval by Board on the 17th December 2014. A summary of their views are attached at Appendix 2.
- 4.6 The initial budget proposals were discussed with Third Sector Leeds at a meeting on the 9th December 2014. A summary of their views are attached at Appendix 3.
- 4.7 The initial budget proposals were also considered by the Leeds City College with specific reference to the Children's Services Directorate. Their response is attached at Appendix 4.
- 4.8 The Council runs a staff ideas service which allows employees to share their suggestions for ways to save money and improve services. Further details of how these have impacted on the budget can be found in Appendix 5.

5. DEVELOPING THE BUDGET PROPOSALS

- 5.1 The Council has taken a proactive response to the cuts to local government funding, through its work on the Commission for the Future of Local Government which has influenced strategic and financial planning. This means the Council becoming more enterprising, partners and business more civic and the public more engaged. Throughout this period, some important principles have guided the approach such as:
 - Councils should stimulate good economic growth, jobs and homes, so that increased council tax and business rates could offset some of the cuts in central government support and make local government more self-sufficient.
 - Councils should work to develop a new social contract between the citizen and the local state whereby public services are provided differently, and co-designed with people.
 - Councils should enable the infrastructure and utilities of the smart cities and towns of the 21st Century, such as superfast broadband, low carbon and social networks.
- 5.2 The strategy for addressing the funding reductions will see all areas of the council continuing to reduce budgets, but where possible frontline services and those for vulnerable children, young people and adults will be protected. What is clear is that whilst the Council has been successful in responding to the challenging reductions so far, the further reductions required in 2015/16 are a significant milestone. The level of reductions required will impact on front line services which the Council has worked, and continues to work, extremely hard to protect.
- 5.3 The policy of 'civic enterprise' will continue with the Council becoming smaller in size but bigger in influence, encouraging economic growth and working with business, communities and the third-sector to develop new ideas and ways of working and to deliver services in the best way possible.

5.4 Changes from the Initial Budget Proposals

5.4.1 Section 6 describes the proposed budget for 2015/16. Directorate savings proposals are largely in line with the Initial Budget Proposals (IBP) approved by Board on 17th December 2014. However, there are a number of changes now incorporated in the budget proposals which have been required, reflecting in some instances changes in funding and in others the reassessment of proposals, including taking into account the results of consultation. The most significant items are as follows:

- Changes to core funding assumptions since the IBP was published in December total £1.639m. They can be summarised as follows:
 - Business rates income has been subject to two downwards adjustments: the first to take account of reducing rates debit for 2014/15 (due mainly to successful appeals against rateable values) which has increased the deficit to be carried forward to 2015/16 by £1.7m; the second (£1.9m) to reflect the impact of lower rateable values and revised provisions for appeals against 2015/16 rates liabilities.
 - The Provisional Local Government Finance Settlement increased RSG by £758k from the IBP assumption, but this will be largely offset by a decrease in the expected returned funding for New Homes Bonus (£700k). An additional £1.2m was received in the final settlement.
 - Growth in the council tax base is now estimated to be lower than anticipated in the IBP, and increased income anticipated from a forthcoming review of Single Person Discounts has been incorporated into the overall growth assumptions. The overall pressure taking into account these two factors is £1.256m.
 - The IBP assumed that the impact of collection of council taxes in 2014/5 would be neutral. More recent analysis reveals that performance has been better than expected and an estimated surplus of £2.028m is to be carried forward to 2015/16.
- Of the additional funds received in the final settlement £601k has been used to support the Adult Social Care budget, and £250k to improve the employment prospects of the 'Not in Employment, Education or Training' (NEET) group within Children's Services. The remaining £300k has been added to the local welfare support scheme, which was approved by Executive Board after the IBP. The total value of the scheme is now £1.1m.
- The Council has secured £4.8m from the Department for Education's Innovation Programme which will be used to expand the service to families blighted by problems such as domestic violence or child protection proceedings.
- A revised assessment of the impact of the changes to Terms and Conditions has been made. The savings are £0.6m less than assumed at £2.4m, reflecting the impact on the general fund and some revisions to the original proposals.
- General efficiency savings of £2.3m were assumed in the Initial Budget Proposals and these have now been identified.

- A proposal to bring together various streams of third sector funding to be administered at a local level has not been sufficiently developed to allow for a budget reduction to be made at this stage, giving a net pressure of £0.35m.
- The opportunity for the capitalisation of spend in school revenue budgets has been reassessed and increased to £2.5m; a further saving of £1m.
- Following consultation, the proposal to cease the grant to Parish Councils to compensate them for the reduction in their tax base as a result of the introduction of the Council Tax Support scheme in 2013/14 has been revised to provide a reduced level of grant from the 2014/15 position at a cost of £92k.
- £500k has been provided in the budget to fund corporate projects undertaken by the PPP unit during the year.
- The net impact of changes since the Initial Budget Proposals is a pressure of £6.4m. However, the Council has undertaken a review of its Minimum Revenue Provision policy (see paragraph 6.12.8 below), and has generated an additional £10.5m savings from those already assumed in the Initial Budget Proposals.
- Within the Initial Budget Proposals, General Fund reserves were forecast at just £16.4m, and the report did comment that was very low and that this would put the Council at significant risk in the event of overspends arising from slippage on savings planned or unexpected costs. As well as funding the £6.4m pressure referred to above, the review of the Minimum Reserves Policy has provided the opportunity to reduce the use of general fund reserves in 2015/16, and reserves of £21.2m are now forecast as at the 31st March 2016.

6. PROPOSED BUDGET FOR 2015/16

- 6.1 The following table analyses the change in the Council's proposed budget for 2015/16. Together with the reduction in SFA, provision for business rates and council tax growth including a 1.99% increase in Council Tax, the overall cash decrease in the net revenue budget is £44.2m which represents a 7.8% decrease. Taking account of the reduction in resources and budget increases, the overall savings requirement in 2015/16 is £84.2m.

Table 6

	£m	£m	£m
Budget 2014/15	565.8		
Adjustments for Business Rates levy	2.2		
Adjusted Budget 2014/15	568.0		
Change in Grants and Reserves			
New Homes Bonus		-3.0	
Business Rates Grants		-2.2	
Increase in Business Rates Levy		0.6	
Other Grant Reductions		7.5	
Change in use of general reserves		2.1	
Change in use of earmarked reserves		-2.3	2.7
Change in Prices			
Pay		5.1	
Price		5.9	
Income		-2.3	
Full year Effects		-0.7	
Demand/Demography		16.7	
Capital Financing Costs		0.7	
Other Budget Pressures		12.0	37.3
Total Budget Increases			40.0
Best Council Objectives			
Dealing Effectively with the City's Waste		-1.6	
Building a Child Friendly City		-0.1	
Delivery of the Better Lives Programmme		-0.2	
Becoming an efficient and enterprising Council			
Assets		-2.1	
Business improvement		-2.5	
Support Services		-3.0	
Efficiencies		-15.1	
Income Generation		-7.8	
Service Changes		-20.9	
Better Care Fund, Care Act and Health Funding		-12.6	
Capitalisation/other sources of funding		-3.8	
Capital financing - MRP review		-14.7	
Total Budget Reductions			-84.2
Base Budget 2015/16			523.8
Reduction from Adjusted Budget 2014/15			-44.2
Percentage decrease from Adjusted Budget 2014/15			-7.8%

- 6.2 Attached to this report are detailed budget reports for each directorate. It is recognised that some actions contained in the proposed budget may impact on particular communities and where relevant, appropriate consultation and the consideration of mitigating actions will continue. Where directorate reports make reference to further decision making processes, then this will be in accordance with the Council's constitution. Appendix 6 summarises the key budget decisions which underpin the assumptions contained within the 2015/16 budget. Except where explicitly stated, members are not being asked to take these decisions at this time, but will be brought forward at the indicated time following appropriate consultation and in accordance with the Council's constitution.
- 6.3 Within the budget, responsibility for some functional areas has changed and are reflected for 2015/16, these are:
- The merger within Environment and Housing of Property Maintenance Trading with the Housing Leeds In-House Construction Service Team;
 - The transfer, from October 2015, of funding and contract responsibility for 0-5yrs public health service (health visiting services and the Family Nurse Partnership) from NHS England to the Council;
- 6.4 Some reviews are still taking place and budget adjustments will need to take place during the year. These include:
- Centralising all income, expenditure and management of commercial properties within the Asset Management function;
 - A separate report on this agenda seeks approval for the Learning Disability Community Support Service to transfer to a social enterprise early in 2015/16. This will require changes to the allocation of budgets for this service across expenditure and income heads to reflect the new contractual arrangements and these are not reflected in the 2015/16 budget.
 - Budget adjustments as a result of the transferring functions from Leeds and Partners to the West Yorkshire Combined Authority and the Council.
- 6.5 Some transfers between directorates took place during 2014/15 (including the transfer of ABCL to support services and transfer of the Intelligence service to Resources directorate) and such transfers will need to be taken into account when carrying out year on year comparisons.
- 6.6 The following paragraphs discuss the main features of the proposed 2015/16 budget.
- 6.7 Directorates have prepared their budgets in accordance with guidelines laid down by the Deputy Chief Executive, taking account of the following:-
- Provision has been made for the impact of nationally agreed pay awards for 2015/16 which totals £5m including the impact on employers' national insurance and superannuation.

- No provision has been made for inflation on running cost budgets, other than where there are specific contractual commitments, business rates and in the cost of utilities.
- An inflationary allowance has been applied to the level of fees and charges and this is estimated to generate an additional £2.3m. There are a number of specific proposals where it is felt that the market will bear an above inflationary increase. These are detailed in the directorate reports and summarised in paragraph 6.12.3.

6.8 Full Year Effects of previous decisions amount to a net saving of £0.7m. Of this, £2.4m relates to savings in the general fund through changes to employees' terms and conditions implemented in December 2014 in respect of pay protection and travel arrangements. Further savings have been identified in respect of the closure of Middleton Park and Gotts Park golf courses and the full year impact of providing universal free school meals. These savings are partly offset by a reduction in care ring and home care income, additional costs in respect of the deferred implementation of home to school/college transport policy changes, costs of the newly established housing growth team, a loss of car parking income around the Victoria Gate development and £1.1m for the new Local Welfare Support Scheme.

6.9 Demand/Demography

6.9.1 The national context for Adult Social Care continues to be one of demographic increases, increased life expectancy, increasing complexity of need and service user expectations, greater support for people to remain living independently in their own homes for as long as possible, a national drive to improve the quality of social care services and an increasing focus on the integration of health and social care services. Additional provision of £14.3m has been made in the 2015/16 budget for Adult Social Care.

6.9.2 Children's Services continues to face significant demand pressures including an increase of approximately 5,000 in the number of children and young people across the city since 2009 as well as a changing demographic mix. The 2015/16 budget recognises demand pressures of £1.4m in respect of home to school/college transport, £150k for additional demand in respect of Unaccompanied Asylum Seeking Children and additional investment of £0.5m (£1m by March 2017) to expand and enhance those services that work with children and young people who are at risk of child sexual exploitation and those who go missing.

In February 2015, Children's Services secured £4.8 million of funding from the Department for Education's Innovation Programme which will be used to expand the service to families blighted by problems such as domestic violence or child protection proceedings.

In addition the budget for 2015/16 includes an additional £0.25m to improve the employment prospects of the 'Not in Employment, Education or Training' (NEET) group within Children's Services. This will be achieved by establishing 'The Leeds Guarantee', where every vulnerable young person will be guaranteed a supported opportunity for employment, training or further education.

6.10 Grant Fallout and Funding reductions

- 6.10.1 As referred to in paragraph 3.19, within Children's Services provision has been made for the fallout of a number of grants totalling £5.5m. In addition, there is a further pressure of £0.5m from non recurrent Social Fund income for section 17 payments and the fall-out of £0.17m funding to support the multi-systemic therapy service.
- 6.10.2 Within Citizens and Communities the net impact of the fallout of the Local Welfare Support scheme is £0.85m and the reduction in Local Council Tax Support Scheme 'new burdens' funding, Housing Benefits Administration grant and the impact of the transfer of the fraud investigators, amounts to £0.47m.

6.11 Other Budget Pressures

- 6.11.1 Other budget pressures totalling £12.0m have been included in the budget, of which £7.5m mainly reflects ongoing pressures experienced in 2014/15. In addition, £4.5m has been included for the projected spend in 2015/16 resulting from the new Care Act duties.

6.12 Savings

- 6.12.1 In order to address the budget increases, a number of savings areas have been identified supporting the best council objectives:

Best Council Objective: dealing effectively with the city's waste. In November 2015 the Recovery and Energy from Waste facility (RERF) is expected to start to receive waste for commissioning. In accordance with the signed agreement PFI grant is receivable from the Government once the facility is ready to accept waste (£1,979k). Further savings will be made from staffing within Waste Management, the roll out of alternate weekly collection of recyclable and residual waste city wide and anticipated reductions in recycling processing costs through new contracts. These savings are partly offset by increased waste disposal costs. Overall a saving of £1.6m is anticipated.

Best Council Objective: building a child friendly city. In respect of Looked After Children, 2015/16 budget continues to reflect the success of the Council's priority of safely and appropriately reducing the need for children to be in care with further proposed budget savings of £0.1m from further reducing the number of externally provided fostering and residential placements in addition to changing the mix of placement provision. Aligned to this programme the budget strategy recognises the need for additional investment to support Special Guardianship Orders, additional support for placements with extended families (kinship care) as well as further investment into in-house foster care. These budget savings recognise the forecast overspend of £5m across the looked after children budgets in the current (2014/15) financial year and represent a significant challenge given the current economic climate and demographic/demand pressures.

Best Council Objective: delivery of the Better Lives programme. The Better Lives service transformation programme aims to enhance the range, amount and quality of adult social care services available through delivering efficiencies within

existing services. These efficiencies have included a reduction in the level of directly provided services where independent sector provision is more cost effective.

Proposals are included to save £0.2m through the impact of telecare equipment on the level of home care required and the full-year effect of the closure of Mariners Resource Centre following the successful relocation of all service users to the Holt Park Active service.

Best Council Objective: becoming an efficient and enterprising council.

Support Services - between 2010/11 and 2014/15 savings in the order of £12.6m have been realised from support service budgets. Services have undergone re-design and are now in the process of implementing new and revised ways of working to reprioritise the delivery of their services in order to generate further savings of £3.0m in 2015/16.

Better Business Management - the 2014/15 budget includes assumed savings of £3.2m in respect of Better Business Management. There are four areas under review:

- Business administration
- Mail and print
- Intelligence
- Programme and project management

Each of these projects is now in progress and further savings of £2.5m are to be delivered in 2015/16.

Asset Base – a programme of asset review and rationalisation is underway which will deliver significant running cost savings across the Council's asset portfolio. Phase 1 of this work has already seen city centre office accommodation reduced from 17 to 8 buildings, with this figure due to fall further following the refurbishment and reoccupation of Merrion House in 2017. A saving of £2.1m is forecast for 2015/16.

6.12.2 Efficiencies

A range of efficiency measures totalling £15.1m have been identified. In addition to the savings from becoming an efficient and enterprising Council, directorates have identified savings through organisational redesign. This includes working more closely both within and across directorates and will result in a significant reduction in staffing including reducing the number of senior management posts.

Opportunities for joint working with the West Yorkshire Combined Authority and greater scope for greater efficiencies at City Region level have been identified.

Significant savings can be achieved through improved contract management arrangements which includes reviewing payments made under existing contracts, contract renegotiation and reducing areas of off contract spend.

6.12.3 Income Generation

Income generation proposals of £7.8m have been identified through a combination of increases in fees and charges with the council becoming more entrepreneurial by developing services in new markets. The main items are:

- Within Adult Social Care, £0.7m is included for proposed changes to customer contributions; improved income collection and sponsorship opportunities amount to £0.3m; changes to financial assessment regulations due to the Care Act £0.3m and a further £0.3m is included for the continuation of health funding for some intermediate care beds
- Within Children's Services, above inflation increases on nursery fees amount to £0.1m
- Additional income from advertising, a new temporary car park and new acquisitions within the commercial property portfolio amount to £0.7m with a further £0.6m from price increases and other initiatives are included in the City development budget.
- Additional income of £0.4m in respect of admission charges becoming exempt from VAT.
- Charges at Woodhouse Lane Multi Storey car park have increased by £1 per day and the admission price at Tropical World will increase by £1.50, generating an additional £0.48m.
- Income from the West Yorkshire Police and Crime Commissioner in respect of tackling domestic violence, anti-social behaviour, burglary and re-offending £1m
- Services provided to council tenants in multi storey flats are to be charged to the Housing Revenue Account £0.2m.
- Income of £0.6m from the City Region business rates pool in respect of economic initiatives.

6.12.4 Service Changes

Service changes amounting to £20.9m have been identified in the budget and include some of the more difficult decisions affecting levels of service.

The budget reflects the continued downsizing of the Community Support Services within Adult Social Care. In addition, a separate report on this agenda seeks approval for the Learning Disability Community Support Service to transfer to a social enterprise early in 2015/16.

Within Children's Services, the 2015/16 financial year will see a fundamental re-design of the services that support children, young people and their families which will deliver savings of £1.4m.

Early Intervention and prevention savings of £3m will be delivered by building on the current locality and cluster model by devolving and delegating targeted support services to work in localities.

£3m will be saved from services that support young people including further savings on the Youth offer as well as reductions in respect of the Youth Offer as well as

reductions in respect of funding for Targeted Information Advice and Guidance which is currently commissioned under the banner 'Connexions Leeds' and which works with priority groups of young people around the NEET (not in employment, education or training) agenda.

In response to the reduction in the Education Support Grant, the ambition is to retain a 'Leeds Learning Improvement function' through the development and implementation of a business model that would generate an additional £2.1m of income, primarily through additional income via additional trading with schools, academies and other local authorities.

Reduced spend on grants and contracts with the third sector is included within the budget including significant reductions in grants to the Arts. In addition there will be a reduction in the events budget and a reduction in opening hours of facilities, e.g. sports centres, household waste sites is proposed to ensure the most cost effective service delivery.

6.12.5 Better Care Fund, Care Act and Health Funding £12.6m

The council has worked closely with health colleagues to develop plans for the Better Care Fund, which for 2015/16 will be a pooled budget of £54.9m to reconfigure the health and social care system across Leeds and maximise the value of the "Leeds £". It is recognised across the sector that the scale of the council's financial challenges will make it difficult for the council to fund the demand and demographic pressures outlined above. It is also recognised that without adequately resourced social care, timely hospital discharges will be adversely affected and people's conditions could necessitate more emergency hospital admissions. In total funding of £27m is budgeted to come to the Council in 2015/16 through the Better Care Fund to support ongoing commitments, the majority relating to existing funding streams. Government funding has been provided for the new Care Act responsibilities, some of which will be received via the Better Care Fund. The 2015/16 budget includes provision for an additional £12.583m from the Better Care Fund and government funding, including utilising funds held in an earmarked reserve.

6.12.6 Capitalisation/other sources of funding

Savings of £2.5m have been identified from the capitalisation of spend in schools. In addition, a number of existing services have been identified which are undertaking public health related activities and can be more appropriately commissioned through the public health function which transferred from the Primary Care Trust to the Council from 1st April 2013. This will result in income of £1.25m to the general fund.

6.12.7 Capital Financing Costs -£14m

The budget includes an increase in capital financing costs of £0.7m. This assumes that all borrowing is taken short term at 0.5% interest for the remainder of 2014/15 and the first 9 months of 2015/16, rising to 0.75% for the remainder of the year and takes account of contributions from directorates towards the cost of invest to save schemes.

- 6.12.8 A review of the Council's policy on Minimum Revenue Provision (MRP) is underway. The Council is required by statute to charge a MRP to the General Fund Revenue Account each year for the repayment of debt. The MRP charge is the means by which capital expenditure which has been funded by borrowing is paid for by council tax payers.
- 6.12.9 Changes to the MRP policy, detailed within the Capital Programme report elsewhere on this agenda, and are proposed as follows:
- where a voluntary set-aside of capital receipts is made to repay debt, the value of the MRP which would otherwise have been set aside to repay borrowing, will be reduced by the amounts which have instead been repaid from capital receipts
 - For pre 2007/08 borrowing, MRP will be charged on an asset life annuity basis using an average asset life for the assets in the authority's current asset register. This approach represents a change to the council's policy.

The impact of this on the 2015/16 budget is a saving of £14.7m.

In addition, a review is taking place in relation to the way in which MRP relating to PFI schemes is accounted for and also a review of asset lives generally will be carried out during 2015/16.

6.13 Impact of proposals on employees

The Council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a reduction in the workforce of 1,900 ftes at the 31st March 2014. The Early Leavers scheme, covering the period up to and including March 2016 is continuing and in the current year all services have been requested to maximise the number of staff who can leave under the scheme by 31st December 2014.

Many of the costs and savings identified in these proposals have significant implications for staffing; some of the main areas are outlined below:

- Continued downsizing of the Community Support Service in Adults Social Care
- Within Children's Services, a fundamental re-design of services that support children, young people and their families
- Further reduction in Support Services across the Council and a fundamental review of Business Administration
- Further reduction in JNC management posts
- Transformation programmes including a number of services working closer together

The budget provides for a forecast net reduction in anticipated staff numbers of 401 ftes by 31st March 2016, as shown in Table 7 below:

Table 7

FTEs	Increases	Decreases	Net Movement
Adult Social care	17	-61	-44
Children's Services	74	-210	-137
City Development	3	-63	-60
Environment & Housing	4	-59	-55
Strategy & Resources	0	-73	-73
Civic Enterprise Leeds	24	-22	2
Citizens & Communities	0	-29	-29
Public Health		-5	-5
Total	122	-523	-401

The increase in Children's Services includes additional staffing to support the Social Care Innovation programme as described in paragraph 6.9.2 above.

6.14 Annex 1 appended to this report provides a detailed analysis at directorate level; Annex 2 shows a subjective summary of the City Budget.

6.15 **The Schools Budget 2015-16**

6.15.1 **Dedicated Schools Grant**

The Dedicated Schools Grant is expected to increase by £16.9m from £537.7m in 2014-15 to £554.6m in 2015-16 including funding to be transferred to academies. This includes £6.9m which has been added to the schools block for mainstream academies and free schools that were previously outside the recoupment process. Pupil numbers have increased by over 2000 in primary schools and reduced slightly in secondary schools.

The number of pupils taking up the 15 hours of free early education for 3 and 4 year olds is expected to increase but the funding for disadvantaged 2 year olds is changing from a cash grant allocation to participation based funding in 2015-16 and is dependent on the number of places created and taken up. The Department for Education will notify local authorities of their initial 2 year old funding allocation in June 2015 and the final allocation will be based on the January 2015 and 2016 census data. Providers will be funded at £4.85 per hour in line with the grant funding level.

Funding for pupils with special educational needs aged 0 to 25 will increase by £1.1m due to changes in place numbers and our share of the national increase to this funding block.

6.15.2 **Education Funding Agency Post 16 Grant**

Funding rates for 2015-16 have not yet been notified but no changes to the EFA's national formula are expected, although funding for transitional protection will cease from August 2015.

6.15.3 **Pupil Premium**

The Pupil Premium to be received by Leeds schools (including academies) in 2015-16 for pupils aged 5-15 is estimated to be £41.2m, a year on year increase of £1.3m. This is due to an increase in pupil numbers and the rate for primary pupils increasing from £1300 to £1320. An early years pupil premium is being introduced for 2015-16 at a rate of £0.53 per eligible child per hour which must be paid to providers. The initial allocation for Leeds is £0.9m

6.15.4 **Universal infant free school meals**

Free school meals have been provided to all pupils in Reception, Year 1 and Year 2 since September 2014. The full year effect of this has been budgeted for in 2015-16 but no announcement has been made as to whether the grant will continue beyond the 2014-15 academic year.

6.15.5 **Specific Grants**

The Primary PE Grant will be paid in both the 2014-15 and 2015-16 academic years to all primary Schools, at a rate of £8,000 plus £5 per pupil. The Year 7 catch up premium will be paid to secondary schools in the 2014-15 and 2015-16 financial years at a rate of £500 for each pupil in year 7 who did not achieve at least level 4 in reading and/or mathematics (maximum £500 per pupil) at Key Stage 2.

6.15.6 **Summary of Year on Year Change**

The funding to be received by all schools and academies in the City through the Dedicated Schools Grant, Pupil Premium and Post-16 Grant is estimated to be £625m for 2015-16, an increase of £21m. However, as funding must be allocated to schools by a formula largely based on pupil numbers, schools with falling rolls will receive reduced funding year on year.

6.16 **Housing Revenue Account**

The Housing Revenue Account (HRA) includes all expenditure and income relating to the management of the Council's housing stock and in accordance with Government legislation operates as a ring fenced account.

Details of the Housing Revenue Account budget proposals are contained in the attached Environment and Housing budget report. In summary:

As part of the June 2013 spending review the Government announced a new rent setting formula to be fixed for ten years from 2015/16. The formula of Consumer Price Index (CPI) + 1% per year is a change from RPI +0.5% previously used. Councils are free to depart from this formula but must have a balanced and sustainable HRA.

With CPI in September 2014 (the date used by the Government in calculating rent increases for the 2015/16 financial year) running at 1.2% the application of the formula CPI +1% would generate additional income of £4,896k. This increase in resources falls short of the anticipated income contained within the Council's HRA Business Plan, which forecasts the resources required to maintain and improve the stock to the standard agreed by Executive Board. In order to address this shortfall there is the option to increase rents to reflect the 2014/15 Limit Rent which is the rent at which the Government will pay the full subsidy for Housing Benefit. (If the average rent for the Council is higher than its Limit Rent then Housing Benefit

receivable is reduced proportionately). This represents an increase of 2.88% and would generate additional income in 2015/16 of £6,331k.

It is therefore proposed that rents are increased by an average of 2.88% in 2015/16 which is the lowest rent increase for over 15 years. This increase will also apply to garage rents.

Tenants in multi storey flats (MSFs) and in low/medium rise flats receive additional services such as cleaning of communal areas, staircase lighting and lifts. Since currently, tenants in MSFs only pay a notional charge towards the cost of these services, other tenants are in effect subsidising the additional services received. To reduce this subsidy and make charging arrangements more transparent, it is proposed to introduce a £1 per week charge for tenants in low/medium rise properties in receipt of additional services and apply a £1 per week increase to MSFs. This will generate additional income of £525k per year for the HRA. It is estimated that 65% of this will be met through housing benefit.

The 2015/16 budget includes £43,413k for repairs to dwellings, which is £1,768k higher than the 2014/15 budget. In addition, the budget includes £69,984k to fund the housing capital programme/investment plan. This is £13,796k (25%) higher than the amount provided in 2014/15. Of this amount £1,303k is being funded from a reduction in the reserve earmarked for Welfare Change which it is proposed to reduce in the context of delays to the implementation of Universal Credit and the Council's current position in respect of arrears.

These resources will be used to maintain and improve the housing stock, contribute towards the Council House Growth Programme and support the LLBH&H PFI project as agreed by Executive Board in July 2013 and July 2012 respectively.

6.17 Council Tax

The proposed budget of £522.632m for 2015/16 is consistent with the Leeds element of the Council Tax for 2015/16 being increased by 1.99% which will give council tax figures for the Leeds City Council element only for each band as follows:

Table 8

	2014/15 £	2015/16 £
Band A	763.93	779.20
Band B	891.25	909.07
Band C	1,018.57	1,038.93
Band D	1,145.89	1,168.80
Band E	1,400.53	1,428.53
Band F	1,655.17	1,688.27
Band G	1,909.82	1,948.00
Band H	2,291.78	2,337.60

To these sums will be added precept amounts for Police, Fire and, where appropriate, town and parish councils. These additional amounts will be reported to

Council on 25th February 2015 following the formal decisions by their respective bodies.

6.18 Council Tax Support and Parishes

- 6.18.1 For 2013/14, Council Tax Benefit was replaced by a system of Council Tax Support (CTS) under which benefit payments were replaced by discounts on council tax bills. This had the effect of decreasing the council tax bases both for billing authorities and their parishes. In 2013/14 payments totalling £123k were passed down to parish and town councils within the Leeds area to compensate them for the reduction in their tax base. For 2014/15, this amount was reduced to reflect the 11% reduction in local funding nationally and for 2015/16 a reduction is proposed to reflect the reduction in government funding for Leeds (15.8%). Following consultation this is a change from the Initial Budget Proposals. The amount to be passed down to parish and town councils is therefore £92k.
- 6.18.2 Parish and town councils were advised of the revised proposal and were provided with individual grant figures in January 2015 and to date no further concerns have been raised.
- 6.18.3 It is therefore proposed that a total of £92k should be paid to parishes as detailed in Appendix 7. It is proposed that these payments are made alongside the parish precept payments at the beginning of April.

6.19 Business Rates Discretionary Powers

- 6.19.1 The transitional relief scheme, which provided support to ratepayers facing significantly higher bills as a result of the 2010 revaluation, comes to an end on 31st March 2015. As a result, a small number of ratepayers will face an increase to their full liability from 1st April 2015. In December 2014, the Government announced that it is to extend the scheme to March 2017 for properties up to a rateable value of £50,000.
- 6.19.2 The scheme is to be implemented through local authority discretionary powers under S47 of the Local Government Finance Act and the Council will be reimbursed in full for any discounts granted. The discounts are expected to total £100k for 2015/16.
- 6.19.3 In order to implement the scheme the relief needs to be added to the Local Scheme approved by Executive Board on 14th February 2014.

7. PROSPECTS FOR 2016/17 AND BEYOND

- 7.1 The Chancellor of the Exchequer, George Osborne, delivered his Autumn Statement to the House of Commons on the 3rd December 2014. The statement sets out "*the next stage of the government's long-term economic plan*", and was accompanied by an update of the OBR's "*Economic and fiscal outlook*" which includes revised predictions for public sector borrowing and debt. The Chancellor stated that departmental budgets would not be reduced further in this parliament, but that in order to meet their target of bringing the public finances back into surplus further reductions in public expenditure would be necessary to 2019/20, an additional two years beyond the previous forecast.

- 7.2 Whilst the statement did not show spending impacts at departmental level the Departmental Expenditure Limit (DEL) totals included in the statement indicate a reduction of 10% between 2015/16 and 2019/20 (a 3.9% annual reduction). It is likely, as in earlier years, that some government departments financed from DEL are protected and therefore the impact on local government is likely to be higher than this average cut. Some commentators are predicting that the reductions over the next five years for unprotected services will be at least as much as in the last five years.
- 7.3 Further reductions in government grant of the scale suggested by the Autumn Statement will fundamentally challenge the services provided by the Council. It is clear that if the Council is to meet this challenge, recognising that it will be considerable smaller than it is now, the Council needs to quickly move forward in shaping what it will look like by 2019/20, developing the Council Plan, its workforce planning as well as its financial plans. This work is a critical priority over the next 12 months. In order for balanced and robust budgets to be delivered it is essential that the Council continues its service review programme and works closely with its partners to ensure the best use of resources available in the city. It is clear that further savings proposals will need to be identified and it is inevitable that these will impact on front line services.

8. **RESERVES POLICY**

- 8.1 Under the 2003 Local Government Act, the Council's Statutory Financial Officer is required to make a statement to Council on the adequacy of reserves. In addition, it is good practice for the authority to have a policy on the level and nature of its reserves and ensure these are monitored and maintained within the range determined by its agreed policy. The purpose of a reserves policy is:
- to maintain reserves at a level appropriate to help ensure longer term financial stability, and
 - to identify any future events or developments which may cause financial difficulty, allowing time to mitigate for these.
- 8.2 The established policy encompasses an assessment of financial risks included in the budget based on directorate budget risk registers. The risk registers identify areas of the budget which may be uncertain and the at risk element of each budget area has been quantified. This represents the scale of any likely overspend/shortfall in income and does not necessarily represent the whole of a particular budget heading. Each risk area has been scored in terms of the probability and impact on the budget.
- 8.3 In the current year, the budgeted use of General Fund Reserves is £3.5m. In addition, a further £2m has been transferred to the Early Leavers Initiative reserve. The budget therefore assumed that reserves at the end of March 2015 would stand at £21.9m which represents 3.9% of net expenditure. However, based on current year projections, it has been assumed that there will be an underspend of £0.7m, increasing reserves at 31st March 2015 to £22.6m.
- 8.4 In order to support the 2015/16 budget it is proposed to use £1.4m of general reserves which is £2.1m less than in 2014/15. This would leave the level of general fund reserves at 31 March 2016 at £21.2m, or 4.1% of net expenditure and this is

considered to be a prudent level given the level of risk contained within the 2015/16 budget.

8.5 The policy also requires directorates to prepare budget action plans to deal with spending variations on budgets controlled by directorates during the year.

8.6 The table below provides a summary of general reserves.

Table 9

General Fund Reserves	2014/15 £m	2015/16 £m
Opening Balance 1st April	26.0	22.6
Budgeted usage	-3.5	-1.4
Projected in year saving	0.7	
Superannuation saving	1.4	
Transfer to ELI reserve	-2.0	
Closing Balance 31st March	22.6	21.2

Housing Revenue Account	2014/15 £m	2015/16 £m
Opening Balance 1 April	7.0	9.3
Contribution to General Reserve	2.3	0.0
Usage in year	0.0	0.0
Estimated Reserves 31 March	9.3	9.3

9 ROBUSTNESS OF THE BUDGET AND THE ADEQUACY OF RESERVES

9.1 The Local Government Act (Part II) 2003 placed a requirement upon the Council's statutory finance officer (The Deputy Chief Executive) to report to members on the robustness of the budget estimates and the adequacy of the proposed financial reserves.

9.2 In considering the robustness of any estimates, the following criteria need to be considered:-

- the reasonableness of the underlying budget assumptions such as the:
 - the reasonableness of provisions for inflationary pressures;
 - the extent to which known trends and pressures have been provided for;
 - the achievability of changes built into the budget;
 - the realism of income targets;
 - the alignment of resources with the Council service and organisational priorities.

- a review of the major risks associated with the budget.
- the availability of un-earmarked reserves to meet unforeseen cost pressures.
- the strength of the financial management and reporting arrangements.

9.3 In coming to a view as to the robustness of the 2015/16 budget, the Deputy Chief Executive has taken account of the following issues:-

- Detailed estimates are prepared by directorates in accordance with principles laid down by the Deputy Chief Executive based upon the current agreed level of service. Service changes are separately identified and plans are in place for them to be managed.
- Estimate submissions have been subject to rigorous review throughout the budget process both in terms of reasonableness and adequacy. This process takes account of previous and current spending patterns in terms of base spending plans and the reasonableness and achievability of additional spending to meet increasing or new service pressures. This is a thorough process involving both financial and non-financial senior managers throughout the Council.
- Significant financial pressures experienced in 2014/15 have, where appropriate, been recognised in preparing the 2015/16 budget, or are subject to further actions to enable them to be delivered.
- Since the Initial Budget Proposals were approved in December 2014, work has been undertaken to reduce some of the risks in the budget and to place less reliance on the use of general reserves. The proposals set out in paragraph 6.12.8 relating to MRP policy will enable the Council's to improve its reserves position thereby making the Council's financial position more resilient.
- As part of the budget process, directorates have undertaken a risk assessment of their key budgets, documented this assessment in the form of a formal Risk Register, and provided a summary of major risks within the directorate budget documents, many of which are significant. All directorate budgets contain efficiencies, income generation and service reviews which will require actions to deliver, and any delay in taking decisions may have significant financial implications. The overall level of risk within the 2015/16 budgets of directorates is considered to remain relatively high. Whilst this level of risk can be considered manageable, it must be on the understanding that key decisions are taken and that where identified savings are not delivered alternative savings options will be needed. This is all the more important given that the Council will face further financial challenges over the years beyond 2015/16.
- In addition to specific directorate risks, the collection of Council Tax and generation of Business rates yields are two key risks which need to be closely monitored.
 - The introduction from April 2013 of a scheme of council tax discounts does raise additional risks as to collection. Overall, the assumed collection rate for Council Tax has been reduced from 99.2% to 99% to reflect this additional risk. It is still too early to make a proper assessment of the deliverability of collection at this level and there is still the potential for further losses. However, it should

be noted that should there be a higher level of loss than assumed, that this would materialise within the collection fund, and as such would not impact upon the current year's budget.

- Under the new business rates retention scheme, the Council's local share of business rates is exposed to risks from both collection and reductions in rateable values. During 2014/15 two trends have become clear; firstly that gradual economic recovery is not resulting in significant volumes of new-builds in Leeds and secondly that growth that does occur is being largely offset by the effect of successful appeals and other reductions to the rating list; either through closure or Valuation Office reviews. Business rates income is therefore still a significant risk, however, as in the case of Council Tax, any losses greater than those assumed in setting the budget will materialise through a collection fund and will not impact in the current year.

9.4 The Council's financial controls are set out in the Council's Financial Regulations. These provide a significant degree of assurance as to the strength of financial management and control arrangements throughout the Council. The Council has a well-established framework for financial reporting at directorate and corporate levels. Every month Executive Board receives a report from each directorate and Action Plans are utilised to manage and minimise any significant variations to approved budgets. Given the scale of the budget challenges and the number of actions that need to be implemented to ensure the budget is on track, a change to the focus of monthly reporting to Executive Board is proposed to highlight any variations at an early stage and this is set out in section 12.

9.5 The Council's Reserves policy, as set out in Section 8, requires directorates to prepare budget action plans to deal with spending variations on budgets controlled by directorates during the year.

9.6 In the context of the above, the Deputy Chief Executive considers the proposed budget for 2015/16 as robust and that the level of reserves are adequate given a clear understanding of the following:-

- the level of reserves is in line with the risk based reserves strategy but their enhancement will be a prime consideration for the use of any fortuitous in year saving.
- budget monitoring and scrutiny arrangements are in place which include arrangements for the identification of remedial action, and reporting arrangements to members will be enhanced.
- the budget contains a number of challenging targets and other actions, these are clearly identified, and will be subject to specific monitoring by the Council's Corporate Leadership Team, and as such, are at this time considered reasonable and achievable.
- monthly budget reporting to members will continue.
- risks are identified, recorded in the budget risk register and will be subject to control and management.

- as part of the Council's reserves policy directorates are required to have in place a budget action plan which sets out how they will deal with variations during the year.
- risks associated with council tax and business rates, although potentially significant, will not impact on the current year's budget.
- there is a clear understanding of the duties of the Council's statutory Financial Officer and that the service implications of them being exercised are fully understood by members and senior management alike.

10 EQUALITY IMPACT ASSESSMENT OF THE BUDGET

- 10.1 The Equality Act 2010 requires the Council to have 'due regard' to the need to eliminate unlawful discrimination and promote equality of opportunity. The law requires that the duty to pay 'due regard' be demonstrated in the decision-making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show 'due regard'. Equality impact assessments also ensure that we make well informed decisions based on robust evidence.
- 10.2 The Council is fully committed to assessing and understanding the impact of its decisions on equality and diversity issues. In order to achieve this, the Council has an agreed process in place and has particularly promoted the importance of the process when taking forward key policy or budgetary changes.
- 10.3 A specific equality impact assessment of the budget at a strategic level has been carried out and this is attached as Appendix 8 along with a note outlining the Council's overall approach to equality impact assessments.
- 10.4 A view from colleagues in Legal Services has been sought on the process adopted for equality impact assessing the budget and associated decisions. Their considered view is that from the work undertaken to date, the process developed is robust and evidences that 'due regard' is being given to equality related issues.

11 CORPORATE CONSIDERATIONS

11.1 Consultation and Engagement

- 11.1.1 As explained at section 4 above the initial budget proposals were subject to extensive consultation with key stakeholders prior to finalisation of the 2015/16 budget.

11.2. Equality and Diversity / Cohesion and Integration

- 11.2.1 This issue is fully explained in section 10 above.

11.3 Council Policies and City Priorities

- 11.3.1 This budget seeks to ensure that the policies and priorities of the Council are supported by directing financial resources towards the Council's policies and priorities.

11.4 Resources and Value for Money

11.4.1 This is a revenue budget financial report and as such all financial implications are detailed in the main body of the report.

11.5 Legal Implications, Access to Information and Call In

11.5.1 In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget and Council Tax are reserved to Council. As such, the recommendation at 13.1 which recommends the budget to Council is not eligible for call in.

11.5.2 The budget will have significant implications for Council policy and governance and these are explained within the report. The budget is a key element of the Council's Budget and Policy framework, but many of the proposals will also be subject to separate consultation and decision making processes, which will operate within their own defined timetables and managed by individual directorates.

11.6 Risks

11.6.1 A full assessment of budget risks both at directorate level and corporately has been made and is explained at paragraph 8.2.

11.6.2 A full risk register of all budget risks in accordance with current practice will be maintained and will be subject to quarterly review. Any significant and new risks are contained in the budget monitoring reports submitted to each meeting of the Executive Board, together with any slippage on savings.

12 IMPLICATIONS FOR COUNCIL POLICY AND GOVERNANCE

12.1 There are no proposed changes to Financial Regulations. However, a review is taking place of the financial reporting arrangements and some changes are proposed for 2015/16.

12.2 Currently every month Executive Board receives a detailed report from each directorate setting out spending to date and a projection to the year-end. At the same time as the Council's financial management function is to face continuing reductions in its staffing levels, it is clear that there are a significant number of actions that need to be implemented to ensure that the 2015/16 budget is kept on track. It is proposed therefore that the current detailed monthly report to Executive Board is produced quarterly in future and in the intervening months a more focussed and summarised report is produced which:

- reports progress against key budget actions highlighting any remedial actions that are required,
- reports any demographic variations which are impacting on the budget and any other significant budget variations
- provides an overall forecast of the projected outturn at directorate level.

12.3 Further work is taking place on the development of these proposals and will be reported to Executive Board in March as part of the monthly financial health report.

13. RECOMMENDATIONS

13.1 Council are asked to adopt the following resolutions:

- i. that the Revenue Budget for 2015/16 totalling £523.784m, as detailed and explained in this report and accompanying papers be approved, with a 1.99% increase in the Leeds' element of the Council Tax for 2015/16.
- ii. Grants totalling £92k be allocated to Parishes as detailed in paragraph 6.18.3
- iii. In respect of the Housing Revenue Account: -
 - (a) that the budget be approved with an average rent increase figure of 2.88%
 - (b) that the charge for garage rents be increased to £7.39 per week (based on 52 rent weeks)
 - (c) that service charges of £1 per week are introduced for low/medium rise properties in receipt of additional services
 - (d) that service charges for multi-storey flats are increased by £1 per week to £1.86p
 - (e) that the earmarked reserve for Welfare Change is reduced by £1,303k

14. Background Documents¹

14.1 None

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.

Statement of 2014/15 and 2015/16 budgets

Annex 1

Service	2014/15			2015/16		
	Net managed budget £000s	Net budget managed outside service £000s	Net budget £000s	Net managed budget £000s	Net budget managed outside service £000s	Net budget £000s
Adult Social Care						
Health Partnerships	52	23	75	60	16	76
Access and Care	150,210	8,490	158,700	159,462	10,015	169,477
Care Reform	1,911	(1,911)	0	1,562	(1,560)	2
Strategic Commissioning	(806)	(1,935)	(2,741)	(7,641)	(3,735)	(11,376)
Resources & Strategy	7,261	(6,029)	1,232	6,040	(4,962)	1,078
Care Delivery	36,442	8,022	44,464	33,266	6,295	39,561
Pensions adjustment	0	(3,298)	(3,298)	0	(1,456)	(1,456)
	195,070	3,362	198,432	192,749	4,613	197,362
Children's Services						
Partnership Development and Business Support	15,502	25,184	40,686	17,050	25,562	42,612
Learning, Skills and Universal Services	12,600	2,719	15,319	13,224	2,039	15,263
Safeguarding, Targeted and Specialist Services	94,191	4,470	98,661	93,541	2,601	96,142
Strategy, Performance and Commissioning	(572)	38	(534)	0	0	0
Central overheads	5,961	1,294	7,255	(3,081)	(4,503)	(7,584)
Pensions adjustment	0	(7,600)	(7,600)	0	813	813
	127,682	26,105	153,787	120,734	26,512	147,246
City Development						
Planning and Sustainable Development	3,932	259	4,191	3,539	72	3,611
Economic Development	1,468	332	1,800	1,075	288	1,363
Asset Management	3,228	1,205	4,433	1,332	1,756	3,088
Employment and Skills	2,889	(82)	2,807	2,724	(150)	2,574
Highways and Transportation	20,651	28,931	49,582	20,522	35,730	56,252
Libraries, Arts and Heritage	19,589	4,506	24,095	17,314	4,955	22,269
Sport and Active Recreation	6,766	16,253	23,019	6,250	6,947	13,197
Resources and Strategy	1,537	(1,469)	68	1,839	(1,839)	0
Pensions adjustment	0	(2,231)	(2,231)	0	(701)	(701)
	60,060	47,704	107,764	54,595	47,058	101,653
Environment and Housing						
Car Parking Services	(6,639)	982	(5,657)	(7,011)	921	(6,090)
Community Safety	3,210	562	3,772	1,959	483	2,442
Strategic Housing Support	1,404	12,308	13,712	1,076	7,279	8,355
General Fund Support Services	842	(449)	393	252	(414)	(162)
Waste Management	40,812	535	41,347	39,542	1,163	40,705
Parks & Countryside	9,184	2,754	11,938	8,366	2,820	11,186
Property Maintenance Leeds	(3,495)	191	(3,304)	(4,920)	1,731	(3,189)
Strategic Housing Partnership	1,336	103	1,439	1,264	50	1,314
Special Contracts & Seccc	9,608	27	9,635	7,738	(342)	7,396
Environmental Action - West	2,773	118	2,891	2,825	154	2,979
Environmental Action - East	2,101	85	2,186	2,440	146	2,586
Environmental Action - South	2,362	110	2,472	2,511	168	2,679
Environmental Action - City Wide	2,041	194	2,235	1,211	107	1,318
Environmental Action - City Centre	1,297	93	1,390	1,350	70	1,420
Non Delegated Street Cleansing	378	2,037	2,415	377	2,044	2,421
Environmental Health	2,742	55	2,797	2,452	(56)	2,396
Pensions adjustment	0	(3,117)	(3,117)	0	(2,234)	(2,234)
	69,956	16,588	86,544	61,432	14,090	75,522
Strategy and Resources						
Strategy and Improvement	5,473	(4,340)	1,133	5,925	(1,686)	4,239
Finance	9,993	(513)	9,480	9,367	(1,252)	8,115
Human Resources	6,519	401	6,920	6,300	51	6,351
Technology	15,030	7,214	22,244	14,266	7,282	21,548
Public Private Partnership Unit	302	620	922	(23)	191	168
Regional Policy	116	84	200	0	0	0
Legal Services	(1,408)	360	(1,048)	(1,562)	44	(1,518)
Democratic Services	5,303	(6,597)	(1,294)	4,983	(4,983)	0
Pensions adjustment	0	(3,078)	(3,078)	0	(1,373)	(1,373)
	41,328	(5,849)	35,479	39,256	(1,726)	37,530
Citizens and Communities						
Communities	5,888	1,413	7,301	5,780	799	6,579
Customer Access	11,361	661	12,022	11,528	332	11,860
Licensing and Registration	640	277	917	595	67	662
Benefits, Welfare and Poverty	1,547	544	2,091	3,092	194	3,286
Pensions adjustment	0	(1,491)	(1,491)	0	(747)	(747)
	19,436	1,404	20,840	20,995	645	21,640
Civic Enterprise Leads						
Business Support Centre	3,902	290	4,192	3,727	(52)	3,675
Commercial Services	(1,165)	590	(575)	782	810	1,592
Facilities Management	7,465	2,380	9,845	7,133	2,414	9,547
Corporate Property Management	6,289	445	6,734	6,251	527	6,778
Pensions adjustment	0	(675)	(675)	0	(825)	(825)
	16,491	3,030	19,521	17,893	2,874	20,767
Public Health						
Public Health	0	109	109	0	(76)	(76)
Supporting People	562	76	638	299	2	301
Drugs Commissioning Service	(68)	(1)	(69)	(68)	1	(67)
Pensions adjustment	0	(184)	(184)	0	(122)	(122)
	494	0	494	231	(195)	36
Strategic and Central accounts	38,760	(45,108)	(6,348)	17,299	(41,135)	(23,836)
Pensions adjustment	0	(47,236)	(47,236)	0	(52,736)	(52,736)
Strategic and Central Accounts	38,760	(92,344)	(53,584)	17,299	(93,871)	(76,572)
NET COST OF CITY COUNCIL SERVICES	569,277	0	569,277	525,184	0	525,184
Contribution to/(from) General Fund Reserves	(3,500)	0	(3,500)	(1,400)	0	(1,400)
NET REVENUE CHARGE	565,777	0	565,777	523,784	0	523,784

Summary of 2015/16 budget by type of spending and income

Annex 2

	General Fund excluding Schools £000	Per Band D Property £	Schools £000	HRA £000	Total Budget £000	% of total
Expenditure						
Employees	496,438	2,322	366,879	27,324	890,641	43
Premises	51,441	241	40,041	51,306	142,788	7
Supplies and services	30,507	143	85,546	111,354	227,407	11
Transport	42,936	201	1,956	647	45,539	2
Capital costs	47,053	220	0	61,892	108,945	5
Transfer payments	311,359	1,456	0	0	311,359	15
Payments to external service providers	341,484	1,597	0	176	341,660	17
	1,321,218	6,179	494,421	252,699	2,068,338	100
Income						
Grants	(504,105)	(2,358)	(450,351)	(21,385)	(975,841)	66
Rents	(10,152)	(47)	0	(221,776)	(231,928)	16
Fees, charges & other income	(213,083)	(997)	(41,970)	(7,462)	(262,515)	18
	(727,340)	(3,402)	(492,321)	(250,623)	(1,470,284)	100
Net budget	593,878	2,778	2,100	2,076	598,054	100
Contribution to/(from) IAS19 Pensions reserve	(59,382)	(278)		(748)	(60,130)	
Contribution to/(from) other earmarked reserves	(9,312)	(44)	(2,100)	(1,328)	(12,740)	
Contribution to/(from) General reserves	(1,400)	(7)		0	(1,400)	
	(70,094)	(328)	(2,100)	(2,076)	(74,270)	
Net revenue charge	523,784	2,450	0	0	523,784	

Notes: The number of Band D equivalent properties is

213,815

The total Individual Schools Budget (ISB) has been analysed at a subjective level in the above table. This provisional spend is based on previous expenditure and income patterns but will be subject to final determination by individual schools.

Report on the consultation to inform the 2015/16 Leeds City Council Budget

1 Background

The approach to the 2014 consultation differed compared to recent years due to: the wealth of consultation evidence gathered in recent years on residents' budget priorities; the low level of change in those priorities over time; and the significant involvement of residents and service users in ongoing service-led change projects, as the council commits further to working with communities.

The Initial Budget Proposal (IBP) report to Executive Board (December 2014) included evidence from recent budget priority consultations, and key service-led consultations that have significant impact on priority setting and reducing costs / generating income. A summary of this information is presented in Sections 2 and 3 below.

This was followed by public consultation on spending priorities for the council's 2015/16 Budget, running from 17 December 2014 to 18 January 2015. In that period 518 formal responses were received by the council, including 20 from third sector and partner organisations. Findings are summarised in Section 4 below.

The consultation took the following format:

- Information was provided to the public about current budget challenges, progress to date in meeting these challenges, findings from relevant recent consultations (see below), and our proposals for 2015/16. This took place on a dedicated leeds.gov.uk webpage, and included links to: the full IBP report; other financial information including the Medium Term Financial Plan; an animated video explaining the challenges we face.
- An online questionnaire, with paper equivalent available through public buildings. The questions linked to thematic sections of the IBP report and asked for comments on each section. A further question asked for views on the overall principle of increased or new fees and charges being introduced by some services
- The information and questionnaire were widely promoted on council websites, in public buildings, press releases, social media, statutory and third sector partnership networks, free use of private sector advertising space (e.g. Trinity's 'big screen') and to specific communities of interest through networks such as community groups and Students' Unions. The Leeds Citizens' Panel was directly informed of the consultation. Promotion took place at a number of points throughout the consultation period, both before and after the Christmas holidays.

2 Evidence from past consultations of the public's priorities

In 2012 the 'YouChoose' engagement campaign set residents the challenge of 'balancing' a significantly reduced council budget. 2,747 responses were received and a number of independent discussions took place on social media sites.

The results have provided a useful barometer of public opinion as to council spending priorities for a number of years. This was confirmed a year later in the 2013 budget consultation, when, with a few differences, 946 residents took part and broadly agreed that the ten service areas the public most commonly chose to 'protected' from spending cuts in YouChoose were still top priorities for the 2014/15 budget:

Service Area	Rank 2013	Rank 2012
Children's social care services	1	1
Special education needs and disability services for children	2	2
Services for adults (under 65) with mental health needs	3	3
Services for adults (under 65) with a physical disability	4	6
Services for adults (under 65) with a learning disability	5	10
Collecting and disposing of waste	6	9
Housing	7	8
Children's Centres and family support services	8	5
Services for young people and 'skills for life' services	9	7
Community safety services	10	4

Respondents understood that we can't fund all our services at current levels and are generally in favour of us exploring new ways to bring in money from charges. We have also listened to thousands of young voices to find out what's important to children and young people in Leeds which has led to the top 12 'wishes' they feel will make Leeds a child friendly city.

3 How people's views shape specific budget proposals

When we make decisions about the future of council services, we take into account evidence from a wide range of sources. Financial information, the law, changes in demand all play a part, as does the views and ideas of people who use local services. We listen to residents and service users both through formal consultations and throughout the year in conversations between staff, councillors and local people.

Key recent consultations include:

Shaping adult care for the future

Residents have told us it's important we protect social services for adults, especially vulnerable adults, as much as we can. Adult social services make up a large part of our budget, so are under pressure as our funding is reduced, and as more people live longer in Leeds. We've listened carefully to hundreds of people who use residential, day care and other services, and their families and carers too.

As a result we've changed some of the plans to close centres and are exploring new options. We've also worked with local people to design new, fair charges for support services. Again, what nearly 4000 people told us changed our plans, significantly in some cases.

Smarter use of our libraries

We reviewed the library service in 2011, and some sites did close. We still need to save money but we know shutting more libraries will affect local communities. So over 7200 people helped us design new reduced opening times for local libraries. The result saves money and keeps the communities library service open when it's most needed.

Finding new uses for underused facilities

We want to help people live healthy active lives, but some of our facilities are being used by fewer people each year – that means more subsidies to keep them going. We invited residents to explore new ways to use two council-run golf courses, and most people who took part were in favour of setting up new parkland, including 73% of those who play

golf. This keeps open space available for local people and saves money at the same time.

Building school capacity for the future

Even when there's limited budget, we have to plan ahead for things like having enough school places. We've consulted on 70 schemes to expand schools in the last four years of the Basic Needs programme, delivering over 1200 reception places. We can also point to 6 schemes that did not progress due to feedback from consultations.

Supporting vulnerable young people

Some children and young people need extra support to take part in education, including specialist school transport. We're working with hundreds of families to understand what impact any changes to these services might have, being honest that we have to save money too. We know the best way to do this is to work together with families to find the best solutions.

4 Respondents comments on the Initial Budget Proposals for 2015/16

The IBP report is structured around budget proposals for each council directorate. The consultation questionnaire invited the public to give comments on each set of directorate proposals.

These questions were 'open 'response' format, meaning respondents were able to leave comments freely, rather than choosing from pre-set responses. Our researchers analysed the varied responses and grouped them into themes. The themes against each set of budget proposals have been ranked in order of the volume of comments received, and these findings are set out below.

A final question asked for the public's views on the overall principle of increased or new fees and charges being introduced by some services, and this question did use a 'tick box' format.

Comments on budget proposals for Adult Social Care

A significant proportion of respondents felt this service area should be protected from cuts, or even receive more funding. There was support for the principles of the council's proposals, but concerns around overstretched staff, quality, the use of private sector provision and some support for more use of third sector provision.

Theme of comments	% of comments made
Generally opposed to cuts in this area	32
This is a high priority area	11
Supportive of our proposals	10
More use of Third Sector / volunteers	7
Expect users to pay / pay more	6
Keep services not for profit	6
Focus resources on elderly	6
Ensure all alternative funding/savings are explored first	4
Ensure quality is maintained	4
Focus resources on mental health/disability	4
Need better information / not easy to comment	3
Other comments	7

Comments on budget proposals for Children's Services

As with Adult services, respondents wish to see this service area protected from cuts as far as possible. Respondents often gave general opposition to cuts to these services, and Connexions in particular, feeling there will be negative long-term impacts that outweigh any savings made.

Theme of comments	% of comments made
Opposed to cuts in Connexions and youth services	23
This is a high priority area	20
Generally opposed to cuts in this area	14
Supportive of our proposals	7
Understand that cuts must be made	2
Integrate services/ teams and join up services & partners better	5
Encourage and support families/ parents to take more responsibility & do more themselves	3
Expect users to pay/ pay more	4
Need better information / not easy to comment	2
Ensure quality / safety is maintained	3
Other comments	15

Comments on budget proposals for City Development

Respondents commonly felt that this set of services is of lower priority than care-related services. There was some endorsement of the council's proposals but also a split between those seeing culture and leisure services as low-priority and those that feel investment here will have long term benefits. Transport and road quality was also frequently mentioned as a priority.

Theme of comments	% of comments made
This is a lower priority overall / culture and leisure spend is lower priority	18
Supportive of our proposals	13
Ensure all alternative funding/savings are explored first (e.g. management costs, asset sales)	10
Avoid reducing infrastructure investment e.g. roads, transport	9
Investing in culture and leisure is important	9
Increase or create charges for services (public and businesses)	8
Council should just do the 'basics' in this area	6
Invest in job creation and development	6
Scrap the trolley bus scheme	4
Other comments	18

Comments on budget proposals for Environment and Housing

The council's proposals in this area found support from respondents, but also a view that the council can go further with specific comments on the need to increase the supply of affordable homes, and the way the city tackles waste and recycling also common.

Theme of comments	% of comments made
Create more affordable homes (rental and owned)	17
This is a high priority area	12
Supportive of our proposals	7
Reduce landfill costs/recycle more	7
Chase arrears, enforce tenancy agreements, tackle fraud	6
Reduce management and running costs	6

Reduce frequency of bin collections	6
Focus on cleanliness and enforcement	6
Charge and fine more for waste disposal	4
Manage social housing better (stock, repairs, tenants)	4
Use voluntary sector more to provide services	3
Increase social housing rents	3
Supportive of household waste site permits	2
Do not build social housing	2
Other comments	17

Comments on budget proposals for Strategy and Resources

This area received relatively few comments, but many were supportive of the proposals. There is a view that 'back office' services are a lower priority than the front line, and that the council can do more to innovate and work efficiently, including exploring shared services.

Theme of comments	% of comments made
Generally supportive of our proposals	21
Understand that cuts must be made	18
This is a lower priority	15
Become more innovative/ efficient	11
Share back office with other councils	9
Outsource this area to private sector	9
General anti-cuts comment - 'blame central gov'	6
Cut bureaucracy / managers	4
Don't outsource	3
More use of online/automated telephone for contact	3
Other comments	17

Comments on budget proposals for Civic Enterprise Leeds

Although receiving relatively few comments, many were supportive of the council's ambition to increase income through trading. However a significant minority felt strongly that the council should outsource these services and not compete with the private sector.

Theme of comments	% of comments made
Supportive of our proposals	31
Outsource this area to private sector / not council role	18
This is a lower priority / opposed to our proposals	7
Protect/improve Leeds Markets (incl. Kirkgate)	6
Share back office with other councils	4
Other comments	34

Comments on budget proposals for Citizens and Communities

Comments showed that many respondents welcome the council's focus on tackling poverty, and were supportive of proposals in this area. The themes of helping people take positive responsibility in their lives, and collaboration with local communities and the third sector were welcomed, although a minority of respondents felt that the council focusses on people who are in some way 'undeserving'. There was a strong minority view that cuts to CAB services will be counterproductive.

Theme of comments	% of comments made
This is a high priority / supportive of our proposals esp. anti-poverty	23
Work more with local people and Third Sector	14
Help people take more responsibility	10
Protect local advisory services	8
Improve customer contact / do more online	7
Ensure all alternative funding/savings are explored first	6
Stop support for specific groups seen to be 'undeserving' (incl. translation)	6
This is a lower priority / opposed to our proposals	5
Make sure support is targeted to most need	4
Other comments	18

Comments on budget proposals for Public Health

While a minority wanted greater clarity on the different roles of Public Health and NHS partners, many were supportive of proposals in this area and see investment in preventative services as important. A minority felt that this should be left to the NHS, while others felt that Public Health should be even more integrated with key council services. A minority proposed charging people to use services such as A&E, if drunk or behaving anti-socially.

Theme of comments	% of comments made
This is a high priority area	13
Invest in education and prevention	11
Put in charges e.g. if drunk in A&E	9
Generally supportive of our proposals	8
This is a lower priority / opposed to our proposals / should be NHS-funded	9
Confusion over PH/NHS roles and responsibilities	9
Share services / more integration with other council services	8
Help people take more responsibility	7
Improve GP access	5
Ensure all alternative funding/savings are explored first	3
Other comments	19

Other comments on overall budget proposals

Throughout the responses, people are concerned that the council explores every alternative before cutting services. However, overall, respondents commonly showed support for the Initial Budget Proposals, as a sound response to a situation created elsewhere.

There is a perception in a minority of responses that senior staff salaries and Members' expenses are disproportionately high, and that there are too many managerial posts. There is also a minority view that the council should go further in charging those that can afford to pay /pay more for services.

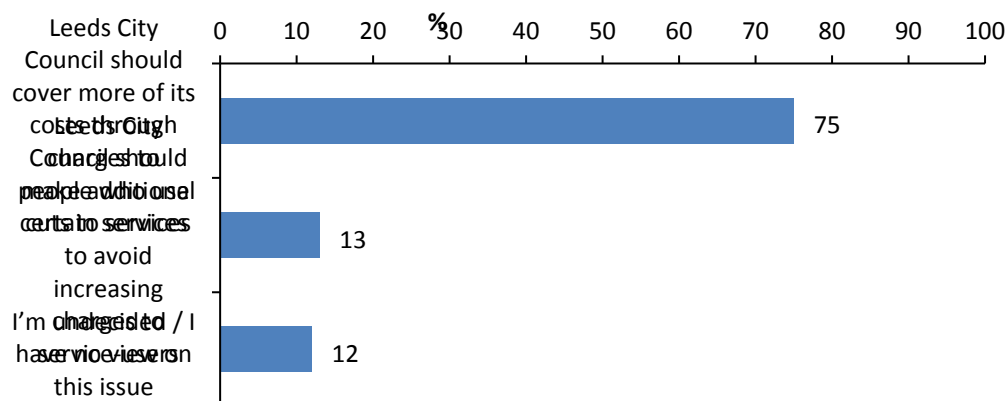
Theme of comments	% of comments made
Generally supportive of overall proposals	18
General anti-cuts comment – 'blame central govt.'	9
Comment on specific service / issue	8
Reduce senior officer levels / Cllr numbers	7
Council should just do the 'basics'	7

Charge more (to those that can pay more)	6
Encourage volunteering/social responsibility	4
Cap senior pay/pay freeze	4
Better use of facilities/resources	4
Protect the frontline	4
Need better information / not easy to comment	3
Limit use of external provision esp. consultants	3
Other comments	24

5 Increasing fees and charges

Although the vast majority of our funding comes from government grants, business rates and council tax, many of our services already ask people to pay charges to cover some of our costs. Rather than cutting funding for services even further, increasing the money we get from charges is another way to help balance the books.

The consultation asked the public to tell us, in principle, how they feel about this approach. Three-quarters of respondents are supportive:



6 Conclusions

- 6.1 The council has taken a pragmatic approach to the consultation to inform the 2015/16 budget. The public has been invited to comment on all aspects of the Initial Budget proposals, and supporting information shows how these proposals have been informed by previous, extensive, budget consultation exercises, and recent consultations on specific service changes and policy developments
- 6.2 There has been a clear focus on explaining the challenges we face, the difficult decisions to be made and presentation of Initial Budget proposals. The consultation has been promoted widely through PR, social media, partner's networks and council websites and public buildings.
- 6.3 Many respondents feel that the council is managing well in a very difficult situation, with a number of comments that the situation has been created elsewhere in the political system.
- 6.4 However, respondents expect the council to explore a wide range of efficiencies and new practices before making cuts to frontline services.
- 6.5 Respondents are most likely to want to protect services that support vulnerable adults, children and young people and are also supportive of our focus on anti-poverty work.

There are concerns that reductions in these areas will impact on the most vulnerable in society, with long-term consequences. The council's budget proposals have a proportionately smaller impact on these areas in line with the preferences of local people.

- 6.6 In comparison to previous years, Public Health and anti-poverty work emerged as well-supported areas, both being seen as preventative and worthy of investment where possible. The idea that the council should trade to gain income also found some support.
- 6.7 There is a strong level of support for introducing or increasing charges to a range of services, as long as those least able to pay are somehow protected. The council budget proposals include approximately £20m income from increased fees and charges, in line with the views of local people.
- 6.8 Responses show an emerging understanding that the public, and other sectors, will need to act and think differently in future, and take more responsibility for their actions and neighbourhoods.
- 6.9 Proposed changes to a small number of specific services have generated strong opposition from a minority of respondents who are concerned about negative long-term outcomes. To manage expectations and develop new solutions, the council needs to ensure that there is meaningful engagement with all stakeholders during design and implementation of changes.
- 6.10 There is an opportunity to further improve how we engage people in our budget planning, and to show how and where we are already making efficiencies in how we work.

7 Profile of survey respondents

Respondents were invited to record equality monitoring information to help us understand the profile of respondents. In total 518 responses were received. The following table sets out the profile of the respondents. Note that not all respondents completed all parts of the equality monitoring.

Gender	
Male	53%
Female	44%
Prefer not to say	3%

Age	
Under 18	1%
19-25	3%
26-35	13%
36-45	17%
46-55	23%
56-59	10%
60 +	32%
Prefer not to say	3%

Ethnicity	
White British	89%
White Irish, BME, other ethnicities	11%

Self-declared disability	
Yes	11%
No	85%
Prefer not to say	4%

Religion	
Buddhist	1%
Hindu	>1%
Muslim	2%
Christian	43%
Jewish	2%
Sikh	1%
No religion	23%
No belief	18%
Other	1%
Prefer not to say	10%

Sexual orientation	
Heterosexual/Straight	79%
Lesbian/Gay woman	2%
Gay man	4%
Bisexual	2%
Prefer not to say	13%

Postcode	Number of respondents
BD11	4
BD3	1
LS1	4
LS10	11
LS11	7
LS12	19
LS13	11
LS14	17
LS15	24
LS16	16
LS17	26
LS18	16
LS19	9
LS2	1
LS20	8

LS21	7
LS22	8
LS23	5
Ls25	17
LS26	9
LS27	13
LS28	17
LS29	2
LS3	1
LS4	4
LS5	10
LS6	16
LS7	22
LS8	19
LS9	6
WF10	2
WF15	1
WF2	1
WF3	6

INITIAL 2015/16 BUDGET PROPOSALS – COMMENTS FROM SCRUTINY

In accordance with the Council's Budget and Policy Framework the Council's Scrutiny Boards received the Executive's initial budget proposals in their December and January meeting cycles. All Boards undertook thorough examination of the budget proposals, inviting, where appropriate, Executive Board Members and Directors. All Board's recognised the significant budget pressures facing the Council and the difficult decisions that are required to be made and the need to work in smarter ways. Scrutiny Board (Health and well-being and Adult Social Care) particularly, commented In terms of Public Health that this is exacerbated by the underfunded position against target of around £6M. Nonetheless, the Scrutiny Board acknowledged and welcomed the collaborative approach taken by Public Health in supporting budget pressures in other areas in order to help deliver the Council's wider objectives and ambitions, i.e. supporting the budgets for Neighbourhood Networks and Children's Centres. The Scrutiny Board also recognised the continued partnership approach and joint work being undertaken between the Council and health partners across the City in developing the concept of 'the Leeds pound (£)'. The Scrutiny Board would encourage the continuation of this work to help deliver the overall ambitions of the City.

Also arising from the budget discussions, the Sustainable Economy and Culture Board decided to carry out pre-decision scrutiny on the Arts@Leeds scheme and the Housing and Regeneration Scrutiny Board agreed to undertake pre-decision scrutiny on the Housing Investment Plan. Children and Families Board will be continuing to maintain a watching brief on the impact of the managed budget reduction in Children's Services and the 'turning of the curve' to safely reduce the number of looked after children through early intervention and therefore reduce the need for high cost care.

There are no other specific recommendations to put before the Executive Board.

INITIAL 2015/16 BUDGET PROPOSALS – COMMENTS FROM THE THIRD SECTOR

The Council has a strong and valuable relationship with the Third Sector and has long recognised the critical role that the sector plays in the life of the City. The Council and the sector continue to be committed to working together to ensure the best possible outcomes for communities in Leeds.

In recent discussions between the Council and the Sector, it has been made clear that in the current challenging financial circumstances the expectations of the sector are greater than ever. The Council is committed to work through the Third Sector Partnership and with Third Sector Leeds to explore every opportunity for the sector to play a more significant role in the city and bring innovative and creative solutions to meet the needs of the most vulnerable communities and contribute to the delivery of the city priorities.

The Council's dialogue with the sector about the budget proposals is now an established part of the annual cycle.

Third Sector organisations have of course been encouraged to engage with the general public consultation on future budget priorities, but much other dialogue has taken place or is underway.

Directorate's dialogue with their third sector partners about budget pressures has been on-going. Initial strategic discussions with the sector took place at the beginning of November when Alan Gay and James Rogers met with Third Sector Leeds members to set out the current and projected financial challenges. They invited the third sector to help identify solutions and propose any new ways of working that could reduce costs, improve reach and deliver the necessary outcomes for the City.

Third Sector Leeds has prepared a response to the initial budget proposals. They have indicated the sectors willingness to support the Council in delivering the aim of balancing the ambition to ensure that the most vulnerable are supported whilst delivering a universal service to the whole population. They have welcomed a growing willingness by the Council to be more open in discussions about challenges and new ways of working. They have already agreed to work with Council colleagues to maximise success in drawing external funds into the City. They are willing to broker discussions within the sector and with the council to explore new ways of working, but they are keen to see the sector being given the opportunity to lead on some initiatives and innovation. They would also like to explore with the Council ways that the sector can be engaged at the earliest stages when priorities for the budgets are being developed.

In order to progress ambitions around new ways of working a programme of dialogue has begun within the sector and with the Council, including:

Third Sector Leeds Goes Local events are planned through February. The events will support engagement between Leeds City Council and the Third Sector in the localities on key priorities and pressures.

A series of thematic discussions are already underway, led by third sector networks (Young Lives Leeds, PSI Network etc.) aimed at ensuring Third Sector organisations have an understanding of the particular pressures in the area they work in, so that they can begin to frame ideas and proposals regarding how to respond.

There is a Third Sector Leeds Assembly meeting, hosted and co-produced with the Council on the 2nd March. This will bring together all of the above, alongside Third Sector Leaders and Council officers. This will provide an opportunity for senior Council officers to set out the financial pressures, the key challenges and invite the wider third sector to engage in thematic discussions and begin identifying solutions and new ways of working, with an opportunity to share ideas and scope proposals

A third sector themed Corporate Leadership Team discussion will be scheduled for early spring to further explore with third sector colleagues how the new ways of working with the sector can be progressed.

Third Sector Partnership continues to maintain a focus and broker further necessary discussions on the budget pressures and new ways of working.



Leeds City College

19 January 2015

Nigel Richardson
Director of Children's Services
Leeds City Council

Dear Nigel

POTENTIAL IMPLICATIONS FOR LEEDS CITY COLLEGE OF THE PROPOSED REDUCTIONS IN FUNDING TO LEEDS CITY COUNCIL'S CHILDREN'S SERVICES DIRECTORATE

Please find below the considerations of Leeds City College regarding the consultation on budget reductions, with specific reference to the Children's Services Directorate. I would be grateful if you could forward this response to appropriate colleagues and elected members within the Council who are involved in the consultation.

At the outset, it is important to state that the College is all too aware of the significant budget pressures faced by the Council and the very difficult decisions that need to be taken. The College will continue to value its partnership with the Council and to work with colleagues to minimise the effect that the reductions in funding will inevitably have on the services to young people. Our main points are set out below.

1. Feedback on proposed reductions to IAG:

It is our view that a lack of targeted IAG will disproportionately affect the most vulnerable young people in Leeds. This includes those young people who are NEET; Looked After Children; young parents/carers; those for whom English is not their first language; and those from families and communities in the most deprived wards of the City.

On the advice we have received it would appear that the Connexions Service is likely to be drastically curtailed and there will be reductions in services provided by Breeze, Leeds Pathways and the Education Business Partnership. If young people are not made impartially aware of the various options and opportunities open to them then there is a danger of them either dropping out of education or making the wrong choice. I am only too aware of the need for young people to obtain the relevant skills and qualifications which make them suitable for employment and to enable them to grow into economically active adults who will make a positive contribution to communities across the City. This aim must be preserved and for the "Youth Offer" not to be reduced or limited.

The current service makes a significant and positive impact in encouraging participation in learning for young people and we must think carefully about how this IAG would be delivered in the future. Of course we would be happy to be involved in such discussions.

The IAG proposals suggest a new delivery model centred around school based clusters, but as Leeds City College draws its 14-19 population from across the City, it will not be possible to work with each cluster to the extent that may be required. Too many relationships will need to be maintained which is unrealistic. Additionally, the move to decentralise the service may lead to a loss of expertise and a move towards fewer generic support works if due consideration is not given to the effective and efficient use of staff under such a model.

Our final point concerns how the proposals may affect the progression of post-16 students across the City. As you will be aware there has been strong resistance in the school sector to offer impartial IAG and great care must be taken in the new world in which we all will be operating, for such practice to become even more constrained. The FE and Apprenticeship route are reputable pathways for all young people and not simply those for whom the schools deem unsuitable for A Levels.

The staff responsible for Student & Learner Services at the College have looked at the proposals in some detail and their itemised list of potential consequences is attached at Appendix A. Again, we would be more than happy to articulate these concerns and be involved in developing alternative solutions to the challenges should you feel it appropriate. For example, the need to develop technology enhanced careers advice across the City is something we would be delighted to engage in.

2. Feedback on the proposed reduction in home to college transport - expansion of independent travel training:

The College is generally in support of an expansion of independent travel training. Nonetheless, this has to be embedded into transition planning and begun at an earlier stage in SILC or school, as part of EHCP. Without such earlier preparation there is a risk that students will not be travel trained at enrolment.

Transport for students who will not be able to travel independently needs to be planned with regard to student timetables and appropriate supervision in college. Again, early dialogue is essential for this to be effective.

Thank you for the opportunity to respond to the consultation. I would like to close by repeating an earlier comment that the College fully understands and empathises with the situation faced by the Council. We are all facing challenging times. As such, the College is more than willing to play its part working in partnership with the Directorate of Children's Services to mitigate against the potential loss of service caused by the regrettable cuts in funding.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Roberts', with a horizontal line underneath it.

Peter Roberts
Principal & Chief Executive

Copy to: Cllr Judith Blake, Executive Member for Children's Services

Issues of concern and potential consequences of the proposals:

- Loss of the single point of contact creating the need for post 16 providers to work with 25 cluster organisations, with implications for coherent and timely interventions.
- Loss of specialist PAs (including their knowledge of and relationships with the College enabling them to identify the most suitable learning opportunities for young people on caseload).
- Connexions advisers work closely with the College's Stay Safe team for young people with safeguarding concerns, young parents and young people living independently. How will this gap be filled?
- Loss of the recognisable Connexions brand, which is known to young people, parents, stakeholders and teachers, may create confusion about support available and referral arrangements.
- Loss of the support service to current FE students, particularly the vulnerable 16-18s living independently, could lead to increased drop out from college.
- FE student finance teams work closely with Connexions to ensure financial support is in place for students eligible for the Guaranteed Bursary and Care to Learn funds. How will this be delivered in the future?
- Loss of transition support for Year 11 students at risk of not progressing into college or training will mean no preventative interventions and a risk of increased numbers of young people NEET for the following year.
- Loss of guidance and referral to mainstream and flexible start provision reducing uptake of 16-18 places.
- Loss of single data sharing agreement with Connexions will prevent information sharing regarding application and participation status. Maintaining these relationships would not be feasible across 25 clusters.
- Similarly, there will be a risk around information sharing and data collection for tracking and destination monitoring and reporting at city level.
- Loss of a city wide monitoring role around NEET data will make it more difficult for post 16 providers to plan and deliver bespoke provision responsive to the profile of young people.
- Loss of coordination of outreach provision which re-engages young people and makes links with communities will limit the College's reach into communities with a culture of non-participation.
- Loss of centrally organised events to target NEET cohort.

- Loss of a centralised location in the city centre which is a single referral point for young people at risk of dropping out of learning.
- Loss of targeted impartial advice and guidance and information about the full range of post 16 options for vulnerable young people who do not want to stay on at school.
- The potential that delivery of IAG in local communities will limit aspirations of young people, leading to local participation in re-engagement programmes that lack structured progression into higher level vocational and technical courses.

The Council runs a staff ideas service which allows employees to share their suggestions for ways to save money and improve services. The scheme also acts to drive forward a culture of spending money wisely across the authority, through sharing good practice and encouraging staff to implement their own ideas where appropriate.

The ideas service was re-launched in July 2014, and since this date 163 submissions have been received, all of which have been reviewed and prioritised for further work. Not all of these ideas can be taken forward, as some would not lead to savings or service improvements. In addition there are other submissions which, while being useful as feedback on current practices, do not contain concrete ideas for improvements that could be implemented. Regardless of the outcome, all submissions are acknowledged and updates on progress are shared online with staff and through a network of champions across the Council. The research carried out on the ideas received has identified that a number are already happening across the Council and leading to savings, and where this has been the case the details have been shared with staff online in the form of a blog and short videos.

The ideas received have been reviewed to identify any that may provide significant enough savings to be included within budget proposals for 2015/16. One such idea was identified, which relates to paper payment remittances that are sent out to foster carers on a weekly basis. The idea received was that an electronic format could be used instead, similar to that now used for staff payslips. The initial calculations estimate that the current cost of the paper based system is approximately £22k per year, and that savings may be possible depending on the cost associated with transferring this to an electronic based system. Further savings may also be possible within Adult Social Care for similar payments made to clients. The details have been passed to Children's Services who will be reviewing the feasibility of this idea in more depth during 2015 as part of other developments to the Children's Social Care system, Framework-1.

Appendix 6

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
Adult Social Care - reduction in voluntary sector spend	Seeking more cost effective delivery of services and ensuring a focus on Adult Social Care priorities	Staffing reductions required in some voluntary organisations	Some reductions have been identified and agreed with organisations Initial discussions are taking place with other organisations re options for reduced funding	Not yet undertaken	During 2015/16 on a contract by contract basis	£1.2m	Director, in consultation with Executive Member

<p>Adult Social Care – charging for preventative services</p>	<p>Nominal charges for preventative services provided by the third sector</p>	<p>That customers cease using services with a loss of income and potential for increased cost later if their condition deteriorates</p>	<p>Some initial scoping has taken place to identify where it may be appropriate to charge</p>	<p>Not yet undertaken</p>	<p>During 2015/16 on a contract by contract basis</p>	<p>£0.3m</p>	<p>Director, in consultation with Executive Member</p>
<p>Adult Social Care – removing maximum weekly charge for non-residential services</p>	<p>Removing the £215 per week maximum weekly charge which applies currently for those financially assessed as being able to contribute more than this amount</p>	<p>That customers cease using services with a loss of income and potential for increased cost later if their condition deteriorates</p>	<p>To be undertaken February to April 2015</p>	<p>Not yet undertaken</p>	<p>Late May 2015</p>	<p>£0.4m</p>	<p>Director, in consultation with Executive Member</p>
<p>Adult Social Care – continued downsizing of the Community Support Service</p>	<p>Seeking more cost effective delivery of services. Savings may be delivered through continued natural turnover and Early Leavers, but a more formal decision on the future of the service may be required.</p>	<p>Insufficient capacity in the independent sector</p>	<p>Further review to be undertaken with Trades Unions prior to any consultation process being approved</p>	<p>Not yet undertaken</p>	<p>Summer 2015</p>	<p>£0.86m</p>	<p>Executive Board</p>

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
Efficiencies							
<p>Children's Services – Becoming an efficient and enterprising Council - Organisational Development and Business Management Review. Restructure of back-office across the Directorate.</p>	<p>Review 'back-office' functions including administrative support, information management and other support functions.</p>	<p>Ownership and engagement. Clear communication of the programme across the Directorate. Key deliverables and timescales require changes in staffing that may not be realised in the requisite timescales. Implementation of new processes, procedures and partnership working including ICT solutions.</p>	<p>Chief Officer briefings</p>	<p>Ongoing</p>	<p>By June 2015</p>	<p>£0.42m (saving)</p>	<p>Director of Children's Services Lead: Sue Rumbold</p>
<p>Children's Services – Restructure of the Leadership & Management function, additional staff leaving via the Early Leaver Initiative, reductions in Workforce Development, fostering, family placement & adoption support teams and the integrated safeguarding unit.</p>	<p>Prioritisation of reducing financial resources. Opportunities to identify efficiencies and to merge existing teams</p>	<p>Ownership & engagement. That the implementation timescales will not achieve the savings assumed in the budget strategy.</p>	<p>To be done</p>	<p>To be done</p>	<p>By April 2015</p>	<p>£1.05m (saving)</p>	<p>Director of Children's Services Lead: Sue Rumbold/ Steve Walker</p>
Children's Services – Fundamental Transformation and Re-design							

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
<p>Children's Services – Fundamental restructure and re-design of the Directorate to support the next phase of locality working.</p>	<p>Significant financial challenges in 2015/16 and subsequent years will mean that the current service model is not financially sustainable.</p>	<p>Ownership & Engagement across the Directorate and wider partners agencies.</p> <p>That the implementation timescales will not achieve the savings assumed in the budget strategy.</p> <p>Reduction in the support available to support vulnerable children and families.</p>	<p>To be done</p>	<p>To be done</p>	<p>June 2015</p>	<p>£1.4m (saving)</p>	<p>Director of Children's Services</p> <p>Lead: Nigel Richardson</p>
<p>Early Intervention & Prevention – Re-model the partnership approach to early intervention and prevention built on the work already undertaken with clusters of schools and other partners. Includes the creation of multi-agency/multi-disciplinary teams at a locality level.</p>							
<p>Children's Services – Restructure the current services to create of multi-agency/multi-disciplinary teams operating at a locality level in partnership with clusters and schools, including deployment of social work resources into schools.</p>	<p>Prioritisation of reducing financial resources.</p> <p>Building on the existing strategy to maintain and enhance early intervention and preventative services.</p> <p>Maximise the effectiveness of resources across agencies.</p>	<p>Ownership & engagement with partner agencies including clusters and schools, health, etc.</p> <p>That the timescale for the implementation of the changes may not realise the savings expected in the budget strategy</p>	<p>Ongoing –Pilot to be progressed in specific clusters/ localities</p>	<p>Tbc</p>	<p>By April 2015</p>	<p>£1m (saving)</p>	<p>Director of Children's Services</p> <p>Lead: Sue Rumbold/ Steve Walker</p>
<p>Children's Services – Reduce the Council budget to support Children's Centres</p>	<p>Prioritisation of reducing financial resources</p>	<p>Reduced support for vulnerable families.</p> <p>Ownership and</p>	<p>Ongoing discussions across the service and</p>	<p>To be done</p>	<p>By April 2015</p>	<p>£1.58m (saving)</p>	<p>Director of Children's Services</p> <p>Lead: Paul</p>

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
through a range of proposals including closer working with partners, restructuring management, additional income from 2-year old places, reducing the contribution to school-based children's centres.		engagement. That the timescale for the implementation of the changes may not realise the savings expected in the budget strategy	partner organisations.				Brennan
Children's Services – Reduction in contracts in respect of Early Help Commissioned Services.	Prioritisation of reducing financial resource.	Reduced support for vulnerable families.	Ongoing discussions with commissioned services.	To be done	By April 2015	£0.2m (saving)	Director of Children's Services Lead: Paul Brennan
Children's Services – Restructure and reduce targeted Services leadership and management.	Prioritisation of reducing financial resource.	Reduced support for vulnerable families. Ownership and engagement. That the timescale for the implementation of the changes may not realise the savings expected in the budget strategy.	Ongoing discussions across the services.	To be done	By April 2015	£0.3m (saving)	Director of Children's Services Lead: Steve Walker
Review and re-configure Targeted Family Support Services							
Children's Services – Take out the budget for	Prioritisation of reducing financial resource.	Reduced family support services.	Ongoing	To be done	By April 2015	£0.38m (saving)	Director of Children's

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
the Family Support & Parenting Team.	Potential to amalgamate the functions into other teams.						Services Lead: Paul Brennan
Young People & Skills – implement a different approach to the provision of targeted support for young people.							
<p>Children's Services – Develop new integrated support services to provide targeted support to vulnerable young people.</p> <p>The scope of the new services to include targeted services youth work, services that operate under the 'Connexions Leeds banner, Youth Offending Service, etc.</p>	<p>Prioritisation of reducing resources.</p> <p>Opportunity to explore a fundamental change across the Council and partners in the city as to how we respond to young people at risk of becoming NEET.</p> <p>Current provision far exceeds statutory levels. Significant funding across partner organisations to support targeted work with this group.</p>	<p>Reduced targeted support for vulnerable young people.</p> <p>Potential increase in the number of young people who are NEET.</p>	Discussions with provider organisations.	To be done	By April 2015	£3.05m (saving)	Director of Children's Services Lead: Paul Brennan
Income							

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
Children's Services – Reduce the LCC subsidy for childcare at Children's Centres by increasing the Nursery Fees by £2/day (equivalent to a rise of 5.1%)	LCC would still continue to provide a subsidised childcare service – fees would still be below the market rate.	The increase in fees could lead to a reduction in demand.	Letter sent out to Parents/Carers.	Done	February 2015	£0.3m (saving)	Director of Children's Services Lead: Paul Brennan
Narrowing the Gap & Learning Improvement – Recognising the significant impact of the reduction in the Education Support Grant and other funding. Re-negotiating the role of the Local Authority and Learning Sector with an increased emphasis on trading and cost recovery.							
Children's Services – Review and restructure services to mitigate the reduction in the Education Services Grant through additional trading, cost reductions or a combination of both.	The proposal recognises the reduction in the level of Education Support grant funding from April 2015.	That the level of learning improvement support available across the city is reduced. Deterioration in the relationships with schools. Reduction in attendance at schools.	Ongoing	To be done	By June 2015	£1.7m (saving)	Director of Children's Services Lead: Paul Brennan
Children's Services – Restructure of the Closing the Gap Team and reduce the service to match the level of funding available through the Dedicated Schools Grant.	Prioritisation of reducing financial resource. Explore opportunities to work in greater partnership with other agencies/Directorates	That the targeted support to these vulnerable groups is reduced.	Ongoing	To be done	By April 2015	£0.12m (saving)	Director of Children's Services Lead: Paul Brennan
Other Changes							
Children's Services – Addition investment to	Need to increase support to vulnerable	That the additional investment is not sufficient	To be done	To be done	By June 2015	£0.25m (investm)	Director of Children's

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
support the 'Leeds Guarantee' working with vulnerable groups to secure employment opportunities.	groups to support the City's growth strategy.	to meet the need for support for young people.				ent)	Services Lead: Paul Brennan
Children's – Investment programme following the successful bid to the DfE Social Innovation Fund for £4.8m	Significant programme working with partners to transform children's social care system across the system.	That the funding is not spent by March 2016. That the outcomes from the transformation programme do not meet expectations.	Ongoing	Ongoing	By April 2015	£4.8m (funded investment)	Director of Children's Services Lead: Steve Walker
Children's Services – Additional investment into services to support children and young people who are at risk of child sexual exploitation.	Need to review the efficacy of current service provision and to increase the support available to vulnerable children and young people.	That the additional investment is not sufficient to meet the demand for services and support for young people.	Ongoing	To be done	By June 2015	£0.5m (investment)	Director of Children's Services Lead: Steve Walker
Children's Services – Review of in-house residential provision including the provision for children with disabilities. Potential to close 2 current in-house residential units.	The current provision is relatively expensive and the feedback from young people is that it does not sufficiently meet their needs in a 'home' environment.	Despite reductions in recent years, the Looked after children numbers in Leeds continue to be relatively high compared with other local authorities. That the timescale for the implementation of the changes may not realise the savings expected in the budget strategy.	On-going as part of the strategic residential review.	To be done	By April 2015	£0.6m (saving)	Director of Children's Services Lead: Steve Walker.

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
<p>Children's Services – Leaving Care Services. Review and restructure the role of the Personal Advisors.</p>	<p>Changing guidance and expectations from Government around the need for dedicated Personal advisors to support young people.</p>	<p>Reduced support to Care Leavers.</p>	<p>Ongoing discussions</p>	<p>To be done</p>		<p>(£0.2m (saving))</p>	<p>Director of Children's Services Lead: Steve Walker</p>

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
City Development – new commercial property acquisitions	Acquisition of one new car park already approved by Executive Board and purchase completed. Further acquisitions will be reported to Executive Board.	Further acquisitions not progressed	Will be undertaken on a case by case basis	Will be undertaken on a case by case basis	TBD	Net income of £0.2m	Executive Board
City Development – reduction to the Arts Grants budget	New 3 year agreements to be approved with a proposed reduction of £0.5m to the current Arts Grants budget.	Needs to take account of the impact of changes to other external funding sources	Yes	In progress	February 2014	Savings of £0.5m	Chief Officer Culture and Sport
City Development – agree annual increase for Sport and other Services	Review opportunities for further income generation and charges across the Leisure Services to reduce subsidies e.g. Sport and other Service areas.	Increasing charges may deter users of our facilities	Appropriate consultation on a case by case basis	Will be undertaken on a case by case basis	April 2014	Income of £0.3m	Chief Officer Culture and Sport (may be Executive Board depending on final proposals) and other Chief Officers as appropriate
City Development - Projects and programmes reduction	Review of delivery model for targeted employability services	Proposed savings not fully realised/impact on the quality of service	Consultation undertaken with appropriate organisations and staff	To be completed as part of the DDN	February/March 2015	Saving of £0.1m	Chief Officer Employment and Skills

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
City Development - Reduction to events budget	Options to reduce the net cost of events including establish an innovation fund to help co-produce new events	Savings not realised	In progress	TBD	TBD	Savings of £0.15m	Executive Board
City Development - Consider Community Asset Transfer (CAT) for Yeadon Tarn Sailing Centre/Pudsey Civic	Options to reduce the net cost of the two establishments	Lack of community interest or capacity to progress to a CAT	TBD	TBD	TBD	Savings of £0.12m	Executive Board
City Development - Reduction in Breeze events	Options considered to reduce the cost of Breeze. Proposal is to reduce the number of events.	The saving may not be fully realised	TBD	TBD	TBD	Savings of £0.12m	Chief Officer Culture and Sport
City Development - Reduced operating hours in sport centres	Options to reduce the net cost of the Sport Service. Reduced opening hours in certain sport centres to be considered.	The planned saving might not be realised	TBD	TBD	TBD	Savings of £0.12m	Chief Officer Culture and Sport
City Development - Further roll out of street lighting switch off/dimming	Expand the current pilot scheme	Planned savings not realised, impact on safety needs to be considered carefully.	In progress	In progress	TBD	Saving of £0.3m	Executive Board

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
Environment and Housing – implementation of price increases	Price increases will be implemented in Parks & Countryside and Environmental Health and reflect increased contributions from users of services, since CPI is currently lower than 3%, although the Council still subsidises the cost of many of the services concerned.	Leads to a reduction in demand	None yet	Initial screening still to be undertaken	February and March 2015	0.07	Chief Officer for Parks and the Chief Officer for Environmental Action
Environment and Housing – Increased bereavement charges	A price increase of 4% will help contribute towards reducing the public subsidy for this service.	Leads to a reduction in demand	None yet	Initial screening still to be undertaken	February 2015	0.2	Chief Officer Parks and Countryside
Environment and Housing – Re-commissioning and re-tendering of Supporting People contracts	Re-commissioning of Supporting people contracts with external providers will realise economies and <i>demonstrate</i> VFM.	That the re-tendering of contracts does not deliver contract savings	None yet	Equality Impact Assessment will be required when the decisions are taken.	Various during 2015/16	0.8	Director of E&H

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
Environment and Housing – introduction of Permits at Household Waste Sites	Introduction of the permit scheme for Leeds residents only will lead to a reduction in waste with a corresponding reduction in disposal costs. This proposal mirrors what surrounding Local Authorities have already implemented.	That the anticipated reduction in waste is not realised.	None yet	Equality Impact Assessment will be required at the time of the decision	February 2015	0.09	Chief Officer for Waste Management
Environment and Housing – strategic review of the operation of Household Waste Sites	Different options will be considered as a part of the review/	That the outcome of the review does not realise efficiency savings.	None yet	Equality Impact Assessment will be required at the time of the decision.	June	0.3	Chief Officer for Waste Management
Environment and Housing – Reduction in grants payable to the Third Sector by the Parks and Countryside service.	At a time when the Council is experiencing a considerable reduction in its level of resources, it is considered appropriate that some of this reduction is passed onto organisations that receive grants from the Council.	That third sector organisations cannot deliver the same outcomes	Meetings to take place with the respective organisations.	Equality Impact Assessment will be required at the time of the decision.	February 2015	0.08	Chief Officer for Parks and Countryside.

Proposal	Options Considered And Justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected Decision Date	2015/16 Budget Amount £m	Decision Maker
Citizens and Communities – reduction in wellbeing budget	It is proposed to reduce the general well-being budget by £150k	None identified, although will obviously impact on funding of local projects and initiatives	None yet	Not yet undertaken	February 2015	£0.15m	Assistant Chief Executive (Citizens and Communities)
Citizens and Communities – reduce Advice Agency grant by 10%	A 10% reduction is proposed	The reduction will be applied to the amount paid to Advice Leeds Consortium. This will impact on the funding of the organisations the contract covers.	Proposal developed working closely with Advice Leeds Consortium to understand impact of reduction.	Not yet undertaken	February 2015	£0.13m	Assistant Chief Executive (Citizens and Communities)
Citizens and Communities – reduce Third sector Transition Fund by 25%	A 25% reduction is proposed	Could impact on the ability of the third sector to contribute to the achievement of Council priorities	Proposal discussed with key representatives of the Third Sector	Not yet undertaken	February 2015	£0.05m	Assistant Chief Executive (Citizens and Communities)

**PROPOSED COUNCIL TAX SUPPORT
PAYMENTS FOR PARISH/TOWN COUNCILS**

Parish	Proposed 2015/16 Payment £
Aberford and District	478
Allerton Bywater	2,866
Alwoodley	1,109
Arthington	51
Bardsey cum Rigton	899
Barwick in Elmet and Scholes	1,790
Boston Spa	2,057
Bramham cum Oglethorpe	864
Bramhope and Carlton	1,122
Clifford	783
Collingham with Linton	1,060
Drighlington	1,586
East Keswick	402
Gildersome	1,927
Great and Little Preston	803
Harewood	27
Horsforth	6,524
Kippax	3,699
Ledsham	131
Ledston	177
Micklefield	4,965
Morley	17,739
Otley	21,611
Pool in Wharfedale	1,112
Rawdon	2,115
Scarcroft	199
Shadwell	452
Swillington	2,869
Thorner	1,119
Thorp Arch	322
Walton	108
Wetherby	11,199
TOTAL	92,166

**Equality Impact Assessment
Budget
2015-2016**

Introduction

This paper outlines the equality analysis and strategic equality assessment of the Budget and Council Tax 2015-2016 (as detailed in Executive Board Report dated 11th February 2015). The lead person for this equality impact assessment was Alan Gay, Deputy Chief Executive. Members of the Assessment Team were:

Maureen Taylor	Chief Officer, Corporate Financial Management
Helen Mylan	Head of Finance – Resources
Michael Everitt	Principal Financial Manager
Anne McMaster	Executive Officer (Partnerships)
Pauline Ellis	Senior Policy and Performance Officer
Catherine Marchant	Head of HR - Resources

Overview

The Budget Proposals for 2015-2016 have been developed within the context of the Medium Term Financial Strategy for the period 2014-2015 and 2015-2016 which was designed to deliver the council's best council ambition, but recognising that there will be further significant reductions in the level of funding available to the authority.

To date the council has been successful in responding to the challenging reductions to its funding from government since 2010 which has been in the region of £129m over the past 4 years. This reduction in funding is in addition to the need to meet the cost of inflation and continuing spending demands across a range of services.

Overall the council has achieved savings of £250m over the past 4 years and it is very likely that the next few years will bring further challenges, it is therefore important that there is a very clear direction to inform decision making. The Council is now a smaller organisation employing fewer staff and there will be a need to continue to review many of the services that are currently provided and consider how they will be provided in future.

The budget proposals for next year include significant reductions across a broad range of services totalling around £84m and include an overall reduction in anticipated staff numbers of 401 ftes by 31st March 2016.

Local government is operating in a very different environment to that which it has operated previously, and it is clear that councils will need to change, to become much more enterprising, entrepreneurial and responsive to their local communities, whilst retaining their role as major employers, service providers and democratically-mandated leaders. It will also require businesses to play a more active role as corporate citizens and the third sector to act as a catalyst for connecting with local people.

Scope

The Equality Act 2010 requires public bodies to give 'due regard' to equality. The council is committed to ending unlawful discrimination, harassment and victimisation and to advancing equal opportunities and fostering good relations.

In order to achieve this we need to ensure that equality and diversity are given proper consideration when we develop policies and make decisions. The council has an agreed process in place to do this through the use of equality impact assessments.

The Best Council Plan 2013-2017 has an objective and performance measure as part of our ambition of becoming an efficient and enterprising council that 100% of important decisions can demonstrate 'due regard' to equality.

The council has so far responded successfully to the funding challenges since 2010 by reducing a number of areas of expenditure, most significantly on employees and through better procurement and demand management, and by increasing income outlined in the Medium Term Financial Strategy.

In order to address the identified £84m budget gap, a number of savings areas have been identified in accordance with the Best Council Objectives highlighted in the Medium Term Financial Plan:

- **Best Council Objective: dealing effectively with the city's waste.** In November 2015 the Recovery and Energy from Waste facility (RERF) is expected to start to receive waste for commissioning. In accordance with the signed agreement PFI grant is receivable from the Government once the facility is ready to accept waste (£1,979k). Further savings will be made from staffing within Waste Management, the roll out of alternate weekly collection of recyclable and residual waste city wide and anticipated reductions in recycling processing costs through new contracts. These savings are partly offset by increased waste disposal costs. Overall a saving of £1.6m is anticipated.
- **Best Council Objective: building a child friendly city.** In respect of Looked After Children, 2015/16 budget continues to reflect the success of the Council's priority of safely and appropriately reducing the need for children to be in care with further proposed budget savings of £0.1m from further reducing the number of externally provided fostering and residential placements in addition to changing the mix of placement provision. Aligned to this programme the budget strategy recognises the need for additional investment to support Special Guardianship Orders, additional support for placements with extended families (kinship care) as well as further investment into in-house foster care. These budget savings recognise the forecast overspend of £5m across the looked after children budgets in the current (2014/15) financial year and represent a significant challenge given the current economic climate and demographic/demand pressures.
- **Best Council Objective: delivery of the Better Lives programme.** The Better Lives service transformation programme aims to enhance the range, amount and quality of adult social care services available through delivering efficiencies within existing services. These efficiencies have included a reduction in the level of directly provided services where independent sector provision is more cost effective.

Proposals are included to save £0.2m through the impact of telecare equipment on the level of home care required and the full-year effect of the closure of Mariners Resource Centre following the successful relocation of all service users to the Holt Park Active service.

- **Best Council Objective: becoming an efficient and enterprising council. Support Services** - between 2010/11 and 2014/15 savings in the order of £12.6m have been realised from support service budgets. Services have undergone re-design and are now in the process of implementing new and revised ways of working to reprioritise the delivery of their services in order to generate further savings of £3.0m in 2015/16.
- **Better Business Management** - the 2014/15 budget includes assumed savings of £3.2m in respect of Better Business Management. There are four areas under review:
 - Business administration
 - Mail and print
 - Intelligence
 - Programme and project management

Each of these projects is now in progress and further savings of £2.5m are to be delivered in 2015/16.

- **Asset Base** – a programme of asset review and rationalisation is underway which will deliver significant running cost savings across the Council's asset portfolio. Phase 1 of this work has already seen city centre office accommodation reduced from 17 to 8 buildings, with this figure due to fall further following the refurbishment and reoccupation of Merrion House in 2017. A saving of £2.1m is forecast for 2015/16.

The scope of this equality impact assessment is set within the context of savings in the above areas and seeks to understand the strategic analysis and assessment of the equality implications of the revenue budget 2015-2016 budget impact on all protected characteristics/equality groups.

Where relevance to equality has been determined, further work on each individual proposal will be undertaken within the normal decision - making process, which gives 'due regard' to equality through use of screening and equality impact assessments.

Fact finding – what do we already know

Demographics

A Changing Population

- The population of Leeds grew by just over 36,000 between 2001 and 2011, an increase of 5.0% (less than the 7.1% increase for England and Wales, and the 6.4% increase for Yorkshire and the Humber);
- The age structure for Leeds is broadly similar to that for England and Wales with the notable exception of the 20-29 age band which in Leeds accounts for 17.5% of the population compared to 13.6% in England & Wales;
- Children (aged 0-15) account for 18.3% of the city's population, while people aged 65+ account for 14.6%;
- Leeds is becoming increasingly diverse with the Black and Minority Ethnic (BME) population now accounting for 18.9% of the resident population (10.8% in 2001);
- The number of Leeds residents that were born outside of the UK has increased from 47,636 (6.7% of the population) in 2001 to 86,144 (11.5%) in 2011, with just over 20,300 people being born in the EU (12,026 born in EU accession countries) and just over 61,000 born elsewhere;
- Of the 86,144 people born outside the UK, more than half arrived in the last 10 years, 67% were between the ages of 16 and 44 when they arrived in the UK, and 29.5% were aged 15 or younger;
- There is no direct count of disability, but the census collects information in relation to 'long term health problems or disability'. In Leeds 83.4% of people say that their day to day activities are not limited by long term health problems or disability, 7.7% say they are limited a lot and 8.9% say that they are limited a little;
- The proportion of people who say they are Christian is lower in Leeds (55.9%) than across the whole of England and Wales (59.3%), while the proportion of people who say they have no religion is higher (28.2% and 25.1% respectively); and
- Compared to England and Wales, Leeds has higher than average proportions of people stating their religion as Jewish (0.9% compared to 0.5%), as Muslim (5.4% compared to 4.8%) and as Sikh (1.2% compared to 0.8%).

As a growing city Leeds is seeing significant changes to the makeup of the population which has an impact in particular:

- We have an ageing population, as the baby-boomer generation grows older there will be implications not only in terms of public services, ensuring that older people get excellent care and support when they need it and are enabled to live independently, but also in terms of the labour market as we make the most of the skills and talents that everyone has to offer.
- In the last decade the BME population in the city has increased from 11% to 19%, and the number of residents born outside of the UK has almost doubled. There have been very localised impacts across the city - with complex, related issues such as 'national identity', language proficiency, transient populations and variations in birth rates that in turn influence service provision and the wider interface between communities.
- In part linked to demographic change, in part linked to wider social change, patterns of faith have also changed across the city - different ethnic and religious groups have very

different age profiles and understanding these differences is key to helping plan and deliver the appropriate services.

- Economic and social deprivation remains concentrated in specific localities, with long-term challenges such as access to employment, poor housing, language and literacy, skills, health and care responsibilities, being compounded by the recent welfare changes. According to the Index of Multiple Deprivation over 150,000 people in Leeds live in areas that are ranked amongst the most deprived 10% nationally, 20% of the city's population. Child poverty in some localities is over 40%.

Poverty and Inequality

The Best Council Plan 2013-2017 identifies three outcomes that need to be achieved if we are to achieve the best council ambition. These cover the need to improve the quality of life for residents, particularly those who are vulnerable or in poverty.

There are clear links between poverty and inequality of outcome in relation to education, employment, health and life expectancy. Significant welfare changes were introduced in April 2013 and these continue into 2015/16. The main changes for 2015/16 include:

- Loss of Government funding for local welfare support schemes;
- Reduction in funding for Discretionary Housing Payments schemes; and
- the accelerated roll out of Universal Credit in 2015 for single jobseekers.

The impact of welfare reforms on protected characteristics/equality groups as national research indicates that:

- women are more likely to be adversely affected by welfare reforms
- non-working lone parents, of which around 90% are female, are one of the groups that will see the largest income losses.
- there will be significant impacts on disabled people, as a result of Universal Credit, changes to benefit and tax credit indexation, Disability Living Allowance, Incapacity Benefit, Employment and Support Allowance and Housing Benefit.
- Carers of disabled people may lose their entitlement to Carer's Allowance as a result of the move from Disability Living Allowance to the Personal Independence Payment. In addition, under Universal Credit a carer will only be entitled to either a carer or a disability element, not both. This will mean that some carers with health problems will be worse off.
- Some of the welfare reforms, such as the household benefit cap, are likely to have a disproportionate impact on some Black and ethnic minority claimants because of the characteristics of some of these households, such as the tendency for family size to be larger.

Consultation

The approach to the 2014 consultation took account of the wealth of consultation evidence gathered in recent years on residents' budget priorities; the low level of change in those priorities over time; and the significant involvement of residents and service users in ongoing service-led change projects, as the council commits further to working with communities.

Decisions about the future of council services take into account evidence from a wide range of sources. Financial information, the law, changes in demand all play a part, as do the views and ideas of people who use local services. Information is gained from listening to residents and service users both through formal consultations and throughout the year in conversations between staff, councillors and local people.

Key recent consultations include:

- Shaping adult care for the future
- Smarter use of our libraries
- Finding new uses for underused facilities
- Building school capacity for the future
- Supporting vulnerable young people

The Initial Budget Proposal (IBP) report to Executive Board (December 2014) included evidence from recent budget priority consultations, and key service-led consultations that have significant impact on priority setting and reducing costs / generating income.

This was followed by public consultation on spending priorities for the council's 2015/16 Budget, which ran from 17 December 2014 to 18 January 2015. In that period 518 formal responses were received by the council. Highlight information is included in this report and the full details, of both the methodology used and of the conclusions, are set out in the consultation report to inform the 2015/16 initial budget proposals.

Respondents were asked to complete equality monitoring information and the following table sets out the profile of the respondents to this consultation. Note that not all respondents completed all parts of the equality monitoring. Whilst there is a broad range of respondents across the key demographics of Leeds, some areas e.g. ethnicity and younger age groups are less representative. However, previous consultations (which have informed the budget planning process) have included significant numbers of young people and people from different BME communities

Gender			
Male	53%	Prefer not to say	3%
Female	44%		

Age			
Under 18	1%	46-55	23%
19-25	3%	56-59	10%
26-35	13%	60 +	32%
36-45	17%	Prefer not to say	3%

Ethnicity	
White British	89%
White Irish, BME, other ethnicities	11%

Self-declared disability	
Yes	11%
No	85%
Prefer not to say	4%

Religion			
Buddhist	1%	Sikh	1%
Hindu	>1%	No religion	23%
Muslim	2%	No belief	18%
Christian	43%	Other	1%
Jewish	2%	Prefer not to say	10%

Sexual orientation			
Heterosexual/Straight	79%	Bisexual	2%
Lesbian/Gay woman	2%	Prefer not to say	13%
Gay man	4%		

The consultation provided significant insight into the views of the citizens of Leeds, and this, combined with previous insights indicates that:

- Respondents are most likely to want to protect adult social care and children's services budgets. There are concerns that reductions in these areas will impact most on the most vulnerable in society, with long-term consequences.
- In comparison to previous years, Public Health and anti-poverty work emerged as well-supported areas, both being seen as preventative and worthy of investment where possible. The idea that the council should trade to gain income also found some support.
- Comments showed that many respondents welcome the council's focus on tackling poverty,
- There is a strong level of support for introducing or increasing charges to a range of services, as long as those least able to pay are somehow protected.
- While there are opposing views from a small minority, many respondents showed concern that cuts will impact on already-vulnerable communities, and that the council has a role in mitigating this as far as possible.

Third Sector

The Council has a strong and valuable relationship with the Third Sector and has long recognised the critical role that the sector plays in the life of the City. The Council and the sector continue to be committed to working together to ensure the best possible outcomes for communities in Leeds.

In recent discussions between the Council and the Sector, it has been made clear that in the current challenging financial circumstances the expectations of the sector are greater than ever. The Council is committed to work through the Third Sector Partnership and with Third Sector Leeds to explore every opportunity for the sector to play a more significant

role in the city and bring innovative and creative solutions to meet the needs of the most vulnerable communities and contribute to the delivery of the city priorities.

The Council's dialogue with the sector about the budget proposals is now an established part of the annual cycle.

Third Sector organisations have of course been encouraged to engage with the general public consultation on future budget priorities, but much other dialogue has taken place or is underway.

Directorate's dialogue with their third sector partners about budget pressures has been on-going. Initial strategic discussions with the sector took place at the beginning of November when Alan Gay and James Rogers met with Third Sector Leeds members to set out the current and projected financial challenges. They invited the third sector to help identify solutions and propose any new ways of working that could reduce costs, improve reach and deliver the necessary outcomes for the City.

Third Sector Leeds has prepared a response to the initial budget proposals. They have indicated the sectors willingness to support the Council in delivering the aim of balancing the ambition to ensure that the most vulnerable are supported whilst delivering a universal service to the whole population. They have welcomed a growing willingness by the Council to be more open in discussions about challenges and new ways of working. They have already agreed to work with Council colleagues to maximise success in drawing external funds into the City. They are willing to broker discussions within the sector and with the council to explore new ways of working, but they are keen to see the sector being given the opportunity to lead on some initiatives and innovation. They would also like to explore with the Council ways that the sector can be engaged at the earliest stages when priorities for the budgets are being developed.

In order to progress ambitions around new ways of working a programme of dialogue has begun within the sector and with the Council, including:

- Third Sector Leeds Goes Local events are planned through February. The events will support engagement between Leeds City Council and the Third Sector in the localities on key priorities and pressures.
- A series of thematic discussions are already underway, led by third sector networks (Young Lives Leeds, PSI Network etc.) aimed at ensuring Third Sector organisations have an understanding of the particular pressures in the area they work in, so that they can begin to frame ideas and proposals regarding how to respond.
- There is a Third Sector Leeds Assembly meeting, hosted and co-produced with the Council on the 2nd March. This will bring together all of the above, alongside Third Sector Leaders and Council officers. This will provide an opportunity for senior Council officers to set out the financial pressures, the key challenges and invite the wider third sector to engage in thematic discussions and begin identifying solutions and new ways of working, with an opportunity to share ideas and scope proposals
- A third sector themed Corporate Leadership Team discussion will be scheduled for early spring to further explore with third sector colleagues how the new ways of working with the sector can be progressed.

Third Sector Partnership continues to maintain a focus and broker further necessary discussions on the budget pressures and new ways of working.

Workforce Profile

At December 2013 there were 16169 (13706 full time equivalent (fte) employed in the Council (excluding schools and casual staff). In December 2014 this figure was 16096 (12919 full time equivalents). The equality profile of the workforce at October 2014 was:

Gender	Number	%
Male	6076	37.75%
Female	10020	62.25%
Total	16096	100.00%

Disability	Number	%
Not disabled	13735	85.33%
Disabled	943	5.86%
Not specified	1418	8.81%
Total	16096	100%

Ethnic Origin	Number	%
Non BME	12597	78.26%
BME	2094	13.01%
Not specified	1405	8.73%
Total	16096	100.00%

Sexual Orientation	Number	%
Heterosexual	7403	45.99%
Lesbian, gay or bisexual	263	1.65%
Not specified	8430	52.36%
Total	16096	100.00%

Religion or belief	Number	%
Christian	5286	32.84%
Other religion	962	5.98%
No religion	2857	17.75%
Not specified	6991	43.43%
Total	16096	100.00%

Age	Number	%
16 –25	933	5.80%
26 - 64	14908	92.62%
65 +	255	1.58%
Total	16096	100.00%

In response to the financial challenges, the council recognised that it would be necessary to significantly reduce its workforce with the council becoming smaller in size but bigger in influence. In 2010-2011 the council launched a voluntary retirement and severance scheme. This scheme has continued throughout 2011-2012 and 2012-2013 with 220 people leaving the organisation under the scheme in 2013-14

The budget for 2014-2015 assumed that the equivalent of 177 FTE by 31st March 2015 (excluding increases for posts directly funded from external sources and within Civic Enterprise Leeds reflecting increased trading opportunities)

The scheme currently in place takes the council up to March 2016 and employees have been asked to express an interest up to that date, However, the take up of the scheme has slowed and it is becoming more difficult to release people. In September 2014 the scheme was incentivised with a further 4 weeks' severance being paid to employees who

brought forward their leaving date and were prepared to leave before December 2014 or March 2015. This resulted in 855 more expressions of interest and 388 people left between 1 April 2014 and 1 January 2015, with a further 200 approved to go by March 2015.

355 employees have reaffirmed their wish to leave in 2015/16

In addition Vacancy management controls were put in place to limit the numbers of vacant posts advertised externally.

To date the number of people leaving through turnover and ELI is not adversely affecting the workforce equality profile, however the reducing workforce coupled with reduced external recruitment is affecting our ability to improve the workforce profile to reflect the City Population. There is an increase in the number of young people employed in the organisation.

An Equality impact Assessment was carried out on the Early Leavers Initiative and 'due regard' given at all stages of the process. Whilst there has been no significant impact on the workforce profile for most protected characteristics, due to the nature of the Early Leaver initiative Scheme there has been most impact on the age profile. 'Due regard' continues to be given to all key and major decisions which may impact on the workforce profile as the council's workforce reduces.

It is expected that many of the cost savings and reductions in budget expenditure will have staffing implications and services will continue to look to reduce staffing levels. The council continues to promote flexibility and has recently agreed a Managing Staff Reductions Policy and Flexibility Protocol in order to offer employment opportunities and retraining and redeploying staff into job opportunities which exist across the council, where there is a clear business need and which need to be filled.

The council promotes equality and diversity and wants a workforce which reflects the people of Leeds. Just as the census helps us to understand the Leeds community it serves, the council needs to understand the diversity of the workforce. This information helps the council to spot trends; remove barriers to employment and ensure our policies better reflect all employees.

The Council needs to work hard to improve the workforce profile with closer working with the community and partners

All Equality Training has been reviewed to ensure it is fit for purpose and offers Value for Money.

Overview of Fact Finding

This is a high level overarching equality impact assessment and, whilst recognising the need to improve staffing data collection and analysis, it has not identified any specific gaps in the equality and diversity information used to carry it out. When undertaking Equality Impact Assessments on specific budget proposals the evidence used and any gaps in information highlighted will be included in the assessment.

Equality Considerations

The tables below highlight the range of protected characteristics/equality groups, stakeholders and other potential barriers that could be impacted on by the budget proposals:-

Protected characteristics		
<input checked="" type="checkbox"/> Age	<input checked="" type="checkbox"/> Carers	<input checked="" type="checkbox"/> Disability
<input checked="" type="checkbox"/> Gender reassignment	<input checked="" type="checkbox"/> Race	<input checked="" type="checkbox"/> Religion Or Belief
<input checked="" type="checkbox"/> Sex (male or female)	<input checked="" type="checkbox"/> Sexual orientation	
<input checked="" type="checkbox"/> Other	This includes marriage and civil partnership, pregnancy and maternity, and those areas that impact on or relate to equality: tackling poverty and improving health and well-being)	
Stakeholders		
<input checked="" type="checkbox"/> Services users	<input checked="" type="checkbox"/> Employees	<input checked="" type="checkbox"/> Trade Unions
<input checked="" type="checkbox"/> Partners	<input checked="" type="checkbox"/> Members	<input checked="" type="checkbox"/> Suppliers
Potential barriers		
<input checked="" type="checkbox"/> Built environment	<input checked="" type="checkbox"/> Location of premises and Services	<input checked="" type="checkbox"/> Information and communication
<input checked="" type="checkbox"/> Customer Care	<input checked="" type="checkbox"/> Timing	<input checked="" type="checkbox"/> Stereotypes and assumptions
<input checked="" type="checkbox"/> Cost	<input checked="" type="checkbox"/> Consultation and Involvement	<input checked="" type="checkbox"/> Financial exclusion
<input checked="" type="checkbox"/> Employment and training		

Equality Impacts Identified

This longer term approach to financial planning that the council has agreed continues to be underpinned by the need to ensure that budget cuts are managed sensitively and the potential negative impact on groups and protected characteristics is understood and action identified to mitigate against these. The revenue budget will impact on all communities but those who have been identified at being at the greatest potential risk of negative impact include:

- Disabled people;
- BME communities;
- Women;
- Older and younger people; and

- Low socio-economic groups (there is over representation within this group by disabled people and BME communities).

Work carried out on the State of the City 2013 has highlighted further detail emerging key issues and challenges which will impact on communities and people from equality groups. It also highlights the challenges the City will have to address to tackle inequality and help people out of poverty over the next 12 months.

Best City for Business – Creating a prosperous and sustainable economy is critical to the future success of our city.

- After a decline of 20,000 jobs between 2006 and 2011 Leeds has recovered and is expected to return to 2006 levels by early 2015. Over the next decade (2013 – 2023) Leeds is forecast to generate 32% of the Yorkshire and Humber regional employment growth equating to 44,000 extra jobs.
- Those people with higher level skills (NVQ4+) in the city is above the national average, however it is a less positive picture in relation to lower level skills although the gap is closing.
- The lowest qualified people are centred in those localities in the city that have long-standing challenges of disadvantage and deprivation. Many of them face a complex and inter-related set of barriers to labour market entry – such as poor housing, language and literacy skills, ill-health and care responsibilities.
- Unemployment in Leeds was 40,000 in June 2014, and over the past year until Feb 2014, the number of people claiming out of work benefits has remained stable at around 11.8% of the city's total working age population. The number of young people (aged 16 - 24) who are currently out of work and claiming JSA is a key concern nationally with Leeds comparing well - dropping from 7,370 in 2012 to 4,205 in 2014. However the Leeds NEET numbers have increased from 1589 to 1675 from 2013 to 2014.

Best City to Live – More decent, affordable and appropriate housing is needed to meet the current and longer term needs of people in Leeds. Perhaps the biggest housing challenge of all for Leeds is to provide enough quality and accessible homes to meet the city's growing population, whilst protecting the quality of the environment and respecting community identity. Some of the key challenges include:

- Meeting the needs of an increasing older population by providing enough quality and accessible housing to ensure people can live independently in their own homes.
- Meeting the needs of an increasing BME population with the need of larger properties (such as houses with 4+ bedrooms).
- A significant proportion of households in Leeds earn less than £20,000 per year. This, alongside tight mortgage lending and unemployment, has made many parts of the city unaffordable to a large number of its residents. It has also increased the demand for non-market housing, either in the form of public or social-rented accommodation, or subsidised owner-occupied homes. Meeting this need within the current economic environment will require partners across the city to build on work so far, using new and innovative ways of increasing the supply and diversity of affordable homes.

Best City for Communities – The best city for people to live. We want all communities in the city to be safe, clean and welcoming to all.

There are communities in Leeds where multiple concerns occur in the same location. Poverty, family breakdown, unemployment, truancy, substance misuse and mental health related issues can compound crime and anti-social behaviour, reduce respect for the neighbourhood and potentially limit benefits of community involvement and support activities.

Progress has been made in recent years in tackling crime and disorder and this progress is based on improved partnership working and being more focused on joint delivery against a clear plan. The challenge is to continue to address underlying factors of crime and disorder through practical sustainable partnership working.

In the year to June 2013 reported crimes in Leeds fell by 8% with victim based crime accounting for 90% of police recorded crime.

- Burglary Dwelling fell by 13 % in the Year to October 2013, however the rate of decrease has declined.
- Anti-Social Behaviour is a reflection of a range of personal, community, and environmental issues. The greatest volumes reported frequently occur in areas of deprivation, or concern individuals with unmet, or partially met, support needs. Leeds City Council ASB caseload most frequently involves noise, rowdy behaviour, verbal abuse, threats, actual violence, or misuse of public space. These can be a product of a range of factors including population density, property construction, conflicting lifestyles, or deliberate activity.
- Hate crime - Across hate crime types, under-reporting of incidents and acceptance of abuse by victims remain issues of concern. The most commonly reported hate crimes continue to relate to racial incidents; however, engagement work with other communities appears to be resulting in better reporting of sexual orientation and disability related offending.
- Sexual exploitation, especially concerning children, continues to be identified in Leeds. On-street grooming, the 'Boyfriend' model and the 'Party Lifestyle' model have all been identified as methods of drawing vulnerable children into CSE.
- Domestic Abuse - Although there are recognised under-reporting issues, the rates of reported domestic abuse in Leeds appear to be relatively stable. Children were present at over a third of West Yorkshire Police recorded domestic abuse incidents. The majority of victims recorded were female. There also appear to be variations in ethnicity compared to overall Leeds demographics, which may indicate under-reporting from some minority groups.

Best City for Children and Young People – Our vision is for Leeds to be a child friendly city, with the ambition that by 2030 Leeds is the best city in the UK for children, building a child friendly city where young people enjoy growing up and achieve their potential.

- Birth rates have increased in Leeds from 7,500 live births in 2001 to a high point of 10,350 in 2012. The council has responded with significant resources to deliver new primary school places to meet this demand since around 2008. Up to September 2014 a total of 1,168 additional places had been approved for delivery. For the last four years the continuing increase in births has abated, so after 2016 the focus will switch to

secondary school places. Good learning places will be integral to the success of evolving neighbourhoods, both existing ones and for areas of housing growth, it is essential that our plans include the investment needed to provide these. Population growth is an issue for all services with more children and in future years more young people. The ethnic make-up is also changing; there is now greater diversity in the younger cohorts of children in Leeds, compared to older age groups.

- In 2010, 23 per cent of children were living in poverty, in primary schools 21% of pupils are eligible for free school meals, 19% of pupils in secondary schools
- 31 per cent of pupils in primary schools are from a BME background, with the figure at 25 per cent in secondary schools. Whilst Pakistani remains the largest minority ethnic group in Leeds schools, the greatest growth has been seen for White Other, Black African, and mixed heritage groups. The Gypsy Roma population in Leeds schools has more than doubled since 2010
- In March 2014, there were 1,339 children looked after, 34 fewer (2.5 per cent lower) than the 31 March 2013 figure of 1,373. By September, the number had reduced to 1,297. Leeds rate of children looked after is reducing in the context of national increase: there has been a 6.8 per cent rise in looked after numbers nationally since 2010 and a 5.3 per cent decrease in Leeds. Whilst this is good, rates remain comparatively high, although they are at their lowest since 2006. The focus must be on both safely reducing the need to be in care and ensuring those who enter care are supported into safe and suitable permanent arrangements. While reducing, Leeds has a comparatively high proportion of babies and young children entering care when compared to other pages.
- Despite improvements in outcomes in Leeds, challenges remain. These include improving overall levels of educational achievement across the city, particularly literacy and numeracy; improving readiness for learning and ensuring a best start in life for pre-school children. Narrowing the gaps in learning outcomes evident from early years to 19 is a particular focus for those children and young people vulnerable to poor outcomes. This includes those from poorer families, those with special educational needs or disability, some ethnic minority groups and those living in particular areas of the city.
- While school attendance has improved we need to tackle remaining significant pockets of unauthorised and persistent absence, especially in secondary schools; The overrepresentation of specific cohorts of pupils in absence is also a key issue e.g. Free school meal eligible pupils, some ethnic groups such as Gypsy/Roma/Traveller, and Children in Need cohorts.
- Learning is an entitlement and supporting children and families is everyone's responsibility. In many cases chaotic family lives are an important issue in determining outcomes. Our approach, reflecting the Children and Young People's Plan, is to tackle the impact of parental behaviour on outcomes for children, young people and their families; particularly where domestic violence, substance misuse, poor mental health and learning disability are issues for children and/or parents and families.

Best City for Health and Wellbeing – The vision for health and wellbeing in Leeds is to be a healthy and caring city for all ages, where people who are the poorest will improve their health the fastest.

- We are making progress as new medications, techniques and ways of working are developed, but gaps in health outcomes persist. A fresh perspective and new solutions are needed. Overall life expectancy in Leeds remains stubbornly static. The gap between those living in deprived and affluent areas has decreased slightly but remains around four and a half years. When comparing the most deprived localities with the most affluent, that gap widens to 12 years. 2011 Census shows us that over 125,000 people (16.8% of the population) feel they have a long-term illness, and of these 59,000 feel that their day to day activities are limited “a lot”. There are 71,000 people in Leeds are providers of unpaid care. In the next 5 years the numbers of people aged over 65 will increase by 12%. In 2014 it is estimated that there are 8,700 people with dementia in Leeds and this is likely to increase to 12,000 in 15 years’ time.
- There has also been a year on year increase in the number of people with learning disabilities in Leeds needing support from adult services. The biggest demographic challenge however is the increase in acuity of need, with improvements in health care meaning that more children survive into adulthood with complex physical needs and/or challenging behaviours.
- In regard to people with a mental health need, more recently providers in the city have seen an increase in demand for their services. Services are mostly relating this to the austere financial climate and welfare reforms leading to more people being diagnosed with depression.
- At the end of March 2014, Adult Social Care was supporting a total of 9,524 people who were assessed as having eligible needs (including people placed in residential care). When this figure is compared to the 59,000 people who stated in the last Census that they had a long term illness that limited their day to day activities a lot, it would suggest that there are large numbers of people who are self-funding their own care, or receiving informal support through unpaid carers.

Next Steps

During 2015-2016 more detailed and specific work will continue to take place to ensure that where any negative or disproportionate impacts on protected characteristics have been identified appropriate and relevant action to mitigate these will be considered and implemented.

Improving the quality of life for our residents, particularly for those who are vulnerable or in poverty is a key priority. The council recognises that it cannot solve the challenges facing our communities alone. The council, working with its partners, is giving renewed focus to helping people experiencing poverty and deprivation. Whilst this agenda has been an important priority for many years it has escalated in importance in recent times due to the current economic climate; recent changes to welfare and benefits policies; and, the growth of indebtedness, compounded by the rise of payday lenders.

The council has identified a number of challenges that need to be addressed in order to make a step change in tackling poverty and deprivation, including the growing problem of high cost lenders in the city. The key challenges identified were around the need to:

- create truly integrated and accessible services;
- develop wrap around packages of support for people in poverty and those facing deprivation;

- provide a focus on supporting people into work; and,
- develop an effective campaign in response to the problems created by high cost lenders in the city.

The Citizens@Leeds Programme was developed to ensure a focus on inclusive, locally provided citizen-based services delivered through a community hub approach, which address an individual's and their family's wider needs in a more integrated and focussed way. Underpinning the new approach is the recognition of different outcomes for different people. The focus is on eradicating poverty and there is well documented evidence that people with the protected characteristics/equality groups are over represented in this group.

More generally, there are many initiatives currently taking place that are aimed at tackling poverty in the city which include:

- Community Hubs have an important role to play in providing the right level of support to people. Following the launch of 3 Community Hub pilots in 2014/15, it is intended to roll out further Community Hubs across the city in 15/16
- A revised Council Tax Support scheme has been developed for 15/16 that will see jobseekers provided with more personal support with the intention of improving employment prospects and helping people into work.
- Children's Services continue leading initiatives such as the poverty outcomes group and the family's first agenda. The Child Poverty Outcomes Group oversees the delivery of the Child Poverty Strategy which is based around 6 priority outcomes. These include, amongst other things, providing clear routes into sustainable work, meeting families' housing needs quickly and effectively and maximising income for families in poverty and on low incomes.
- The Health and Well-being Board hosted an event on health poverty issues in December 2013. The conference initiated a number of pieces of work, most prominently the HALP project (supported discharge from acute care for people with housing issues and the homeless), and the board now funds this through our Better Care Fund. In addition the Board continues to support a number of Public Health and Health service initiatives that try to mitigate the health effects of poverty, and have regular updates on progress, e.g.
 - Cancer Early diagnosis scheme targeted at vulnerable groups
 - NHS Healthchecks
 - Leeds Infant Mortality programme
 - Suicide Prevention work
- The Board is currently considering the recent Due North report findings about the scale of the North/South, rich /poor divide, and the report recommends:
 - Tackle poverty and economic inequality within the North and between the North and the rest of England.
 - Promote healthy development in early childhood.
 - Share power over resources and increase the influence that the public has on how resources are used to improve the determinants of health.
 - Strengthen the role of the health sector in promoting health equity.
- The Poverty Truth Challenge is a partnership-led initiative aimed at fully understanding the issue of poverty on the city's residents and identifying positive action to respond to such issues. The Poverty Truth Challenge is focusing on specific poverty-related

themes through a series of working groups. The groups are looking at: stigma and perception, disability and poverty and achieving potential. The work will culminate in a report that sets out actions and approaches to tackle poverty in Leeds.

In addition the fourth proposition of Citizens@Leeds is work around being responsive to the needs of local communities. This will build on our existing locality working arrangements, underpinned by the locality working design principles previously agreed. The new Community Committees will provide an even greater emphasis on getting more people involved in their local neighbourhoods and in helping decision-makers to design and deliver services that better meet people's needs. A number of actions will be taken to deliver an even more locally focussed agenda to act as a focus for elected members, communities and partners to provide local leadership, influence and action. One of the ways we are seeking to achieve this is through the delegation of services, budgets and the role of community champions.

Equality Impact Assessment Action Plan

Action	Responsibility
Completion of all equality impact assessments in the Budget where relevance to equality has been identified	Directors
Continue quality assurance and review of equality impact assessment and actions from budget decisions	Communities Team

FINANCIAL PROCEDURE RULE 3.6**SUPPLEMENTARY VOTES**

Supplementary Votes will only be considered in exceptional circumstances. The following approvals are required:

Up to £100,000	Deputy Chief Executive
Up to £5m	Executive Board
No specific limit	Council

DELEGATED VIREMENTS

- 1 Virement between budget book service heads, within the appropriate budget document approved annually by council, will only be permitted in accordance with the following rules and value limits, summarised in Table 1. The virement limits and rules are set annually by Council as part of the budget approval process.

The value limits apply to individual virements and are not cumulative.

- 2 Proposals to vary budgets arising as a result of the need to address a potential overspend (including shortfalls in income), recycling of efficiency gains and changed spending plans will all be required to satisfy the following criteria prior to approval by the decision taker as outlined within the attached table.

In considering proposals to vary budgets, the decision taker will take account of:

- The reason for the request for virement
- The impact on the council as a whole, including employment, legal and financial implications
- The impact on the efficiency of the service as a whole
- The sustainability of the proposals i.e. long term effects
- Whether the proposals are consistent with the council's priorities outlined within the Corporate Plan
- Whether the proposals are consistent with the Budget & Policy Framework
- The cumulative impact of previous virements

In addition, where a virement request exceeds £125k in value the decision taker must seek the advice of the Deputy Chief Executive as to the council's overall financial position prior to approval of the request.

- 3 Where *fortuitous savings* have arisen in any budget head, these should be notified to the Deputy Chief Executive immediately they are known. Fortuitous savings are defined as those savings where their achievement has not been actively managed

and may include, for example, savings in NNDR or lower than anticipated pay awards. Any fortuitous saving in excess of £100k will not be available for use as a source of virement without the prior approval of the Deputy Chief Executive.

- 4 Any decision to vire must comply with the constitutional requirements for decision making.

The delegated limits outlined in the attached table do not operate independently from the requirements within the council's Constitution in respect of Key Decisions (as from time to time updated). All Key Decisions which result in the need to operate these delegated limits must first comply with the constitutional requirements, in respect of such decisions, prior to being put forward for virement.

- 5 Where wholly self-financing virements are sought to inject both income and expenditure in respect of approved external funding bids, there is no specific limit to the amount which can be approved by Directors where it is clear that this would not represent a change to existing council Policy, or form a new policy where one does not already exist. In all other cases, approval must be sought from council in accordance with the requirements of the council's Constitution
- 6 All virements requiring approval shall be submitted in a standard format. Sufficient details shall be given to allow the decision to be made and recorded within the Council's Financial records.
- 7 All virement and other budget adjustment schedules should be submitted to the Deputy Chief Executive for information.
- 8 The Deputy Chief Executive reserves the right to defer any virement to members where there may be policy issues.

OTHER BUDGET ADJUSTMENTS

- 1 There is a de minimus level for virements of £10k, below which any variations to net managed budgets will be deemed other budget adjustments. Budget movements that are not between budget headings within the net managed budget will also be other budget adjustments.
- 2 The Deputy Chief Executive may also approve budget adjustments of unlimited value where these are purely technical in nature. Technical adjustments to budgets are defined as those which have no impact upon the service provided or on income generated.

Table 1**MAXIMUM DELEGATED LIMITS FOR REVENUE VIREMENT**

Approval Type	Full Council	Executive Board	Deputy Chief Executive*	Directors**
	£	£	£	£
A) Supplementary Votes (i.e. Release of General Fund Reserves)	No specific limit	5,000,000	100,000	None
B) Virements of the net managed budget into or out of budget book service headings:				
1. Within a Directorate	No specific limit	5,000,000	750,000	125,000
2. Between Directorates	No specific limit	5,000,000	750,000	None
C) Self - Financing virements of the net managed budget (from External Funding)				
- policy change	No specific limit	5,000,000	None	None
- within current policy	No specific limit	No specific limit	No specific limit	No specific limit

* With the support of Directors

** Any reference to a Director within the constitution shall be deemed to include reference to all officers listed, except where the context requires otherwise: the assistant chief executives and the chief officers for early years & youth service, children & families, environmental services, housing services, regeneration, highways, libraries arts and heritage, recreation, planning and customer services.