



Report of the Director of Resources

Executive Board

Date: 13th February 2009

Subject: Revenue Budget 2009/10

Electoral wards affected:

Specific implications for:

Ethnic minorities

☐

Women

☐

Disabled people

☐

Narrowing the gap

☐

Eligible for call In

☐

Not eligible for call in
(details contained in the report)

X

Executive Summary

1. This report seeks the approval of the Executive Board in recommending to Council a budget for 2009/10. The report sets out the framework for compiling the 2009/10 budget including the implications of the Local Government Finance settlement, as well as the factors that have had to be taken into consideration.
2. The 2009/10 budget presents a significant challenge, with the Council having to meet increasing cost pressures, generate efficiencies and maintain key front line services against a backdrop of the economic downturn.
3. The budget includes increased expenditure on services for vulnerable children and adults, older people and further investment in waste management, whilst addressing cost and income pressures arising from the current economic conditions.
4. The report asks Executive Board to recommend to Council a budget totalling £556.8m, which would result in the Leeds element of the Council Tax increasing by 2.9%. This excludes Police, Fire and Parish precepts which will be incorporated into the report to be submitted to Council on the 25th February 2009.
5. In addition, the report also asks Executive Board to recommend to Council an increase in Council House rents of 6.2% in line with Government guidelines.

1 INTRODUCTION

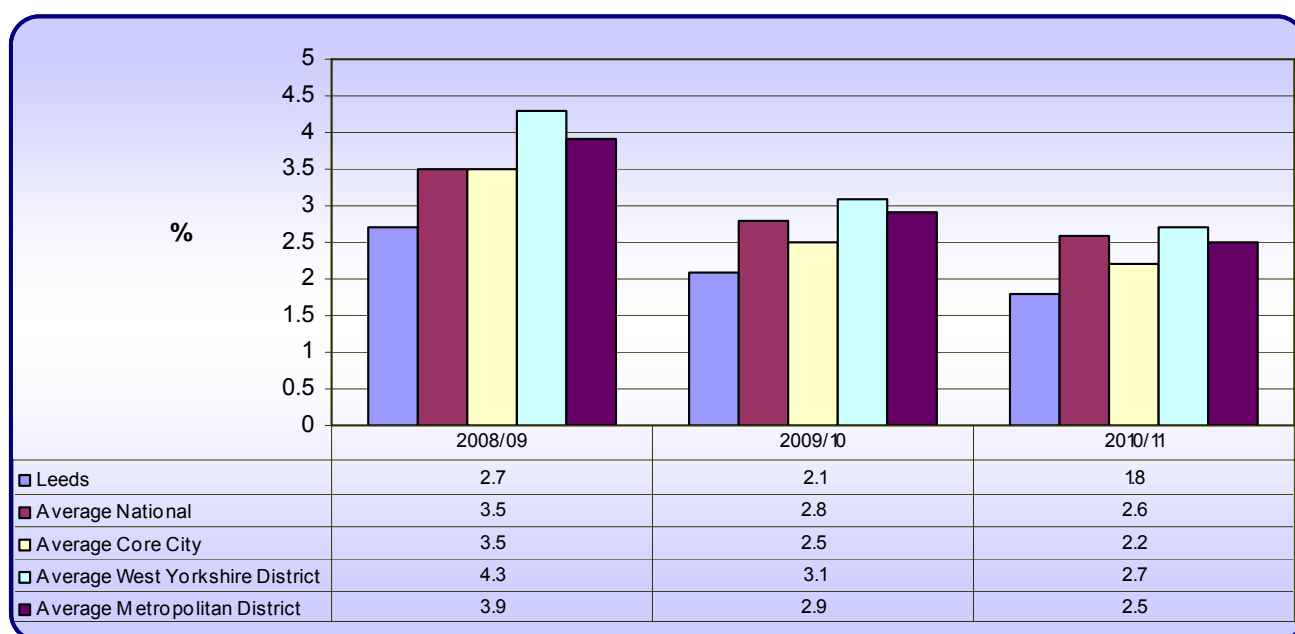
- 1.1. This report sets out the Council's budget for 2009/10. It has been prepared in the context of the Council's Financial Plan, the second year of the three year Local Government Finance settlement and the challenging economic climate.
- 1.2. This report seeks approval from the Executive Board to recommend to Council that the City Council's Revenue Budget for 2009/10 be approved at £556.8m. This results in a Band D Council Tax of £1,095.61 which represents an increase of 2.9% for the Leeds element above the Council Tax for 2008/09. For a Band D household, this increase is the equivalent of 60p per week.
- 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 2009/10 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. Copies of this document are available to members on request and via the intranet. For 2009/10, the Budget Book has been amended to reflect Chief Officer responsibilities and improve accountabilities by differentiating between those budgets under their direct control (Managed by Service) and those which are managed elsewhere (Managed Outside Service), such as Central Recharges, Capital Financing Costs and technical accounting entries. Individual Chief Officers can therefore focus on their Net Managed Budget whilst still being able to determine the Net Cost of Service by including the elements that are Managed Outside the Service.
- 1.4. Following the Council's Support Services Review, three major functions have been transferred to the Resources Directorate from service directorates reflecting the new operational arrangements of the Council for the provision of support services. These are Financial Management, Human Resources and Corporate Property Management. The 2009/10 budget fully reflects these changes which have no impact on the Council's bottom line expenditure but do affect the incidence of support services costs.
- 1.5. In accordance with the Council's Budget and Policy Framework¹, decisions as to the Council's budget and Council Tax are reserved to Council. As such, the recommendation at 11.1 which recommends the budget and Council Tax to Council, is not eligible for call in.

2 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 2.1 The Local Government Finance Settlement covering the three year period 2008/09 to 2010/11 was announced in January 2008, although the 2009/10 and 2010/11 figures remained provisional at that stage and these are detailed in the table below. The Government confirmed the increases in Revenue Support Grant for 2009/10 in November 2008.

	National	Leeds	
	%	%	£m
2008/09	3.5	2.7	7.6
2009/10	2.8	2.1	6.2
2010/11 - provisional	2.6	1.8	5.4

- 2.2 Although there are significant variations between authorities, Leeds' percentage increases are substantially below the average of the Core Cities, the West Yorkshire Districts, the Metropolitan Districts and England as a whole as can be seen below:



- 2.3 Specific Government grants continue to provide important sources of funding for many of the Council's services. These include non ring fenced Area Based Grants and ring fenced grants in respect of Education, Children's and Adults Personal Social Services, Housing and Council Tax Benefit Admin subsidy and Supporting People. Appendix 1 provides an analysis of all such grants and highlights the variations over those grants received in 2008/09.
- 2.4 As has been the case for a number of years, the vast majority of funding for schools is delivered through the ring fenced Dedicated Schools Grant (DSG). For Leeds, the annual increases in the DSG per pupil are 3.6% in 2009/10 and 4.1% in 2010/11. This compares with national increases of 3.7% & 4.3% respectively. The Minimum Funding Guarantee (MFG) per pupil for all schools will be 2.1% in each year.

- 2.5 In 2008/09 the Area Based Grant was allocated to directorates to correspond to the agreed expenditure priorities. Further guidance² has now been received which states that the Area Based Grant should be accounted for as a non ring fenced general grant and should be recorded as a single line in the authority's accounts. Therefore the grant has been removed from directorate budgets and held centrally.
- 2.6 As announced in 2008/09, Leeds does not qualify for Working Neighbourhoods Fund and will receive transitional funding of £3.59m in 2009/10, reducing to zero for 2010/11.
- 2.7 The level of Council Tax is a local decision. However, although no capping criteria has been set in advance of authorities taking such decisions, the Government has again announced that it expects the average Council Tax increase to be "substantially below 5%" for 2009/10 and that "we will not hesitate to use our capping powers as necessary to protect Council Tax payers from excessive increases".

3. THE COUNCIL'S FINANCIAL PLAN

- 3.1 The Financial Plan is an integral part of the Council's Business Plan 2008 to 2011 and covers the same three year period but with indicative assessments for the following two years up to 2012/13. The Business Plan was approved in July 2007 and provides a financial strategy to underpin the delivery of the Council's priorities and sets out a framework for the preparation of the Council's annual revenue budgets over the planning period. In this way the Council can ensure that its priorities are supported by a robust resource allocation strategy.
- 3.2 The Financial Plan recognises that the estimated level of additional resources available is likely to be less than £20m per annum over the life of the plan which presents a significant challenge to the authority to ensure that future resource allocations are more closely aligned to priorities.
- 3.3 A new approach to the allocation of revenue resources to General Fund services was therefore developed whereby greater emphasis was placed on directing resources to Council priorities and divesting from areas considered to be lower priority. The level of resources to be allocated to services were determined by three components; needs, efficiencies and local priorities. Analysis of these three areas has shaped the overall resource planning framework which not only takes into account the relative importance of services but ensures that they are deliverable within the overall level of resources available to the Council.
- 3.4 Based on the new methodology the initial allocation of resources in the Council Business Plan reflected the following:
- 2% per annum targeted savings in Support Services, rising to a cumulative 10% by 2012/13. This applied to all central and locally provided administrative and support activities, with efficiencies partly generated through investment in Information Technology and the rationalisation of office accommodation.
 - Additional capital investment over the period of the plan enabling investment in priority projects.
 - Funding for significant areas of need which included addressing base budget pressures, and directing resources to key local service priorities such as the

Integrated Waste Strategy, and increasing the number of Direct Payments in Adult Social Care.

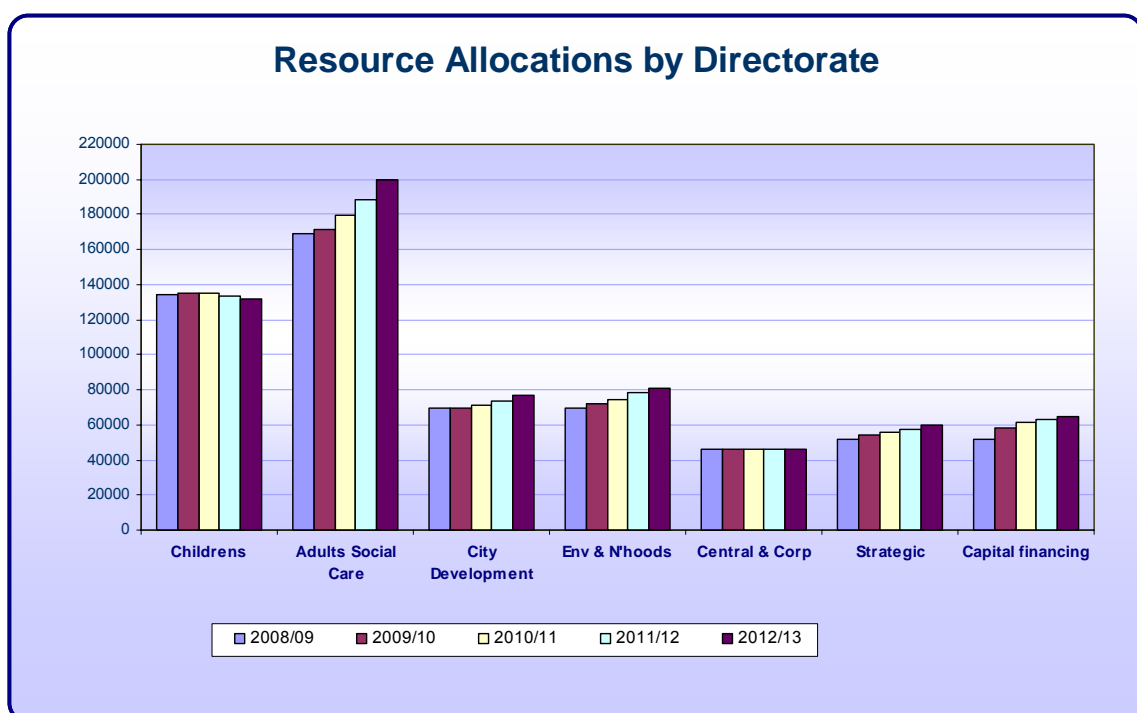
- Cash standstill over the life of the plan for Children's Services in acknowledgement of the significant scale of realignment required.
- Efficiency savings targeted at areas of the Council's services which appear relatively high compared to other authorities, primarily Children's Services including the LEA and Youth and Community. Pricing policies and service provision will be reviewed where appropriate.
- General reserves to be maintained at or above the minimum level in accordance with the risk based reserves strategy.

3.5 It was acknowledged that the delivery of the plan would require a significant review of some of the Council's services and activities and achievement of the planned shape would not be an easy task. The plan therefore assumed a phased implementation of the realignment in order to minimise the impact on services during the transitional period.

3.6 A subsequent review of the planned resource allocations over the remaining 4 year period of the Financial Plan has resulted in a re-direction of resources towards Children's Services in the early years of the planning period. For 2009/10, a 1% increase is now built into the plan, with a cash standstill in 2010/11, the aim being to give Children's Services a 20% share of the Council's budget by 2012/13.

3.7 In addition, a cash standstill for Central and Corporate functions is now planned for the life of the planning period in addition to the 2% p.a. target savings in support services outlined in paragraph 3.4.

3.8 These revised assumptions combined with an estimate of available resources over the life of the plan have enabled the shape for future budget strategies to be updated as illustrated below:



4. CONSULTATION

4.1 The consultation process for the 2009/10 budget has included:-

- Scrutiny Board (Central and Corporate) – scrutiny of the budget strategy
- Non Domestic Ratepayers – budget consultation meeting to be held in March 2009 with the Chamber of Commerce
- Consultation with young people – carried out through the Leeds Youth Council

4.2 The proposals for 2009/10 budget strategy were considered by Scrutiny on the 2nd February 2009. The Board welcomed the receipt of quarterly financial health reports dovetailed with the quarterly performance reports and there was a consensus within the Board that fiscal management of the authority's budget is excellent.

4.3 At the Leeds Youth Council on the 8th November 2008, members were given a presentation about the budget and asked for their views on

- what should the Council should spend less on
- what should the Council should spend more on

A summary of the meeting and issues raised by the Youth Council is set out in Appendix 2.

5. BUDGET CONSIDERATIONS 2009/10

5.1 The preparation of the 2009/10 budget has presented a significant challenge, with the Council having to meet increasing cost pressures, generate efficiencies and maintain key front line services against a backdrop of the economic downturn and Government support significantly below that of comparable authorities. This has required the Council to re-assess its priorities in light of the need to protect services against the impact of the recession.

5.2 The provisional increases in Revenue Support Grant for 2009/10 and 2010/11, originally announced in December 2007, were confirmed in the 2009/10 Local Government Settlement announced on 26th November 2008. For Leeds this means increases of 2.1% in 2009/10 and 1.8% in 2010/11, or £6.2m and £5.4m respectively, which confirms the funding assumptions of the Financial Plan.

5.3 Directorates have reviewed their base budgets in accordance with guidelines laid down by the Director of Resources, taking account of the following:-

- Pay Awards have been provided for at 2% per annum in line with government targets for public sector pay increases, which equates to £12.4m for 2009/10 including the increase in the employer's contribution to the West Yorkshire Pension Fund of 0.7%. The agreed teachers pay award is 2.45% from September 2009.
- All other general running costs have been reviewed and cash limited where possible taking account of specific contractual commitments. Specific provision has had to be made for a number of items including the £8 per tonne increase in Landfill Tax from 2009/10 onwards, which represents an increase of £2.1m per annum based on projected tonnages although the impact of service

developments will reduce this to £0.8m, significant increases in energy costs over the last year and a 5% increase in National Non Domestic Rates.

- Discretionary fees and charges have been reviewed in line with the fees and charges policy.

5.4 In addition to the above, and the pressures/efficiencies identified within the Financial Plan, summarised at paragraph 3.4 above, a number of other issues have had to be addressed within the 2009/10 budget. These are further detailed in the directorate budget reports attached but include:

- Economic Downturn - the economic slowdown is having a significant impact on a number of external income sources including planning and building fees, rental income, markets income, surveyor and legal fees and income from leisure activities. The slowdown in the property market has led to a decline in the number of land search requests. In total these pressures amount to around £3.0m.
- As announced in 2008/09, Leeds does not qualify for the new Working Neighbourhoods Fund (WNF) but instead will receive transitional funding. This represents a further loss of £5.37m income when compared with the amount received in 2008/09. This has required a further reassessment of schemes previously supported by NRF and a re-allocation of funds towards those areas of priority. The allocation has been topped up by £1.5m of Local Public Service Agreement (LPSA2) Performance Reward Grantⁱ.
- The total debt financing cost of the authority is forecast to increase by £5.7m. reflecting borrowing to support the capital programme which is the subject of a separate report on this agenda. This increase includes a target saving of £3.9m arising from treasury management activities.
- Other specific service pressures, including the personalisation agenda within Adults Social Care, the Waste Strategy and safeguarding of vulnerable children and adults, are fully explained in the individual directorate reports which are attached to this report.

5.5 The Comprehensive Spending Review 2007 set out the government's expectation that authorities achieve efficiency gains of 3% per annum. Efficiency savings assumed in the budget are further discussed within the directorate reports and include:

- Expenditure efficiencies on schemes funded by Area Based Grants
- Procurement - it is proposed to target off contract spend and to ensure that in areas where there is in-house provision that this is first used before services are externally procured
- Review of energy contracts subject to renewal during 2009/10
- Staffing – a range of employment related matters including improved attendance

ⁱ The LPSA2 targets were agreed as part of the LAA submission in March 2006. The achievement of LPSA2 results in the council receiving Performance Reward Grant. The latest assessment of achievement of targets indicates that the Council is likely to receive £5m of additional revenue funding payable in two equal instalments in 2009/10 and 2010/11.

5.6 In addition to specific savings and efficiencies built into budget submissions, a number of short term funding sources have been identified corporately:

- Income derived from Section 278 schemes continues to support the revenue budget although this has reduced from £6m in 2008/09 to £5.2m in 2009/10.
- The 2008/09 budget provided for costs which could be appropriately charged to capital of £3.7m. This is considered to be achievable in 2009/10 and therefore remains at the same level in the budget.
- Historically, the Council's PFI schemes have used sinking funds to equalise payments with PFI grant over the life of the schemes. Depending on the nature of the scheme, where PFI credits exceeded costs in the early years of the scheme, a sinking fund reserve would be established to be used in the later years. In 2008/09, £3m was utilised from the Street Lighting PFI reserve to support the budget. It is proposed to utilise a further £3.2m from this reserve and £2.4m from the Independent Living PFI reserve to support the 2009/10 budget. This will negate the need to use general reserves which are considered to be at their minimum level (see section 7), although it will create a budget pressure in future years which will have to be resourced.
- The introduction of a revised Local Authority Business Growth Incentive (LABGI) on a much smaller scale was announced as part of the Comprehensive Spending Review 2007. The new scheme is expected to operate on a sub-regional basis and an estimate of the Leeds' share is £0.5m.

5.7 A summary of these short term funding sources is shown below:

Short Term Funding Sources

	08/09 £000s	09/10 £000s	Variation £000s
Section 278	6,000	5,200	- 800
Capitalisation	3,700	3,700	-
LPSA Performance Reward grant		2,500	2,500
LABGI	-	500	500
Use of Earmarked Reserves	3,185	5,574	2,389
Use of Education Leeds reserves	1,090	664	- 426
Use of general reserves	5,130	-	- 5,130
Total	19,105	18,138	- 967
Percentage of Net Expenditure	3.53%	3.26%	-0.27%

5.8 Whilst the reliance on these sources may not be sustainable in the longer term, the Council has been able to reduce its reliance on these short term funding sources by £1m in 2009/10 compared with 2008/09.

6. PROPOSED BUDGET 2009/10 - SUMMARY

- 6.1 It is proposed that the Leeds element of the Council Tax increases by 2.9%, which when added to changes to the taxbase and the estimated collection fund surplus will generate a cash increase of £10.3m. Together with the increase in Revenue Support Grant of 2.1% or £6.2m, the overall increase in the net revenue budget is £16.494m, which represents a 3.1% increase. This is illustrated in the table below.

	Adjusted Budget 2008/09 £m	Increase £m	Budget 2009/10 £m
Government Grant	291.9	6.2	298.1
Council Tax	248.4	10.3	258.7
Net Revenue Budget	540.3	16.5	556.8

	£m
Adjusted Budget 2008/09	540.3
Change in Prices	
Pay	12.4
Price	12.7
Income	-3.9
Service Budget Changes:	
Other factors not affecting level of service	-1.2
Changes in service levels	11.5
Efficiency savings	-20.3
Change in contingency fund	0.1
Change in contribution to general reserves	5.1
Change in contribution to earmarked reserves	-5.6
Change in capital financing costs	5.7
	<u>16.5</u>
Base Budget 2009/10	556.8
Percentage increase	3.1%

- 6.2 The following table provides a summary of the budget by Directorate. Table 1 appended to this report provides a more detailed analysis; Table 2 shows a subjective summary of the City Budget; and Table 3 shows the projected staffing levels at 31st March 2010.

Service	2008/09	2009/10		
	Net budget £000s	Net managed budget £000s	Net budget managed outside service £000s	Net budget £000s
Adult Social Care	185,584	173,547	21,402	194,949
Children's Services	162,242	150,390	41,762	192,152
City Development	116,354	76,923	50,614	127,537
Environment and Neighbourhoods	87,661	76,313	11,499	87,812
Central and Corporate	12,790	73,002	(61,058)	11,944
Central Accounts	37,142	31,282	(40,952)	(9,670)
NET COST OF DEPARTMENTAL SPENDING	601,773	581,457	23,267	604,724
Transfers to / (from) reserves:				
FRS 17	(45,325)	0	(33,498)	(33,498)
Other	(10,809)	0	(14,418)	(14,418)
NET COST OF CITY COUNCIL SERVICES	545,639	581,457	(24,649)	556,808
Contribution to/(from) General Fund Reserves	(5,130)	0	0	0
NET REVENUE CHARGE	540,509	581,457	(24,649)	556,808

6.3 The Individual Schools Budget for 2009/10 is £369.759m which represents a 3.1% increase on the Original Estimate 2008/09 and will include provision for the Minimum Funding Guarantee increase of 2.1% per pupil. Further details are provided in the attached budget report of the Children's Services Directorate.

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

- Communities and Local Government (CLG) have introduced a fixed guideline rent increase of 6.2% for 2009/10 and in accordance with this determination, it is proposed that the average rent increase is consistent with this. To accommodate this guideline rent of 6.2%, the convergence date for rents has been extended to 2023/24; this convergence date is likely to change again in future years. It should be noted that any change of 1% point in the rent increase is equivalent to £1.6m.
- Rentals from garages (currently £5.55 per week) fall outside the rent restructuring rules and normally rise in line with average rental increases. It is proposed to increase garage rents by 6.2% to £5.89 per week.
- Overall ALMO management fees are to rise by an average of 2.0% on a comparable property basis.
- Changes to housing subsidy property allowances have seen a loss of subsidy of £3.9m. In overall terms, the level of negative subsidy payable in 2009/10 will be £49.7m.

6.5 Council Tax

The effect of a budget of £556.808m for 2009/10 will be a Council Tax increase of 2.9% which will give Council Tax figures for the Leeds City Council element only for each band as follows:

	2008/09	2009/10
	£	£
Band A	709.58	730.41
Band B	827.84	852.14
Band C	946.11	973.88
Band D	1,064.37	1,095.61
Band E	1,300.90	1,339.08
Band F	1,537.42	1,582.55
Band G	1,773.95	1,826.02
Band H	2,128.74	2,191.22

To these will be added amounts for Police, Fire and, where appropriate, Parishes. For Police, Fire and Parishes these additional amounts will be reported to Council on 25th February 2009 following the formal decisions about their respective precepts.

For 2009/10 the Government has decided to introduce Regulations³ that will require councils to include information about efficiency performance on the face of the Council Tax bill, and in the leaflets that accompany demand notices. This information will be based on forecast cumulative efficiency savings to be achieved by March 2009, which is obtained from National Indicator 179.

7. RESERVES POLICY

- 7.1 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, the Comprehensive Performance Assessment framework requires 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.
- 7.2 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.
- 7.3 The results of this exercise for 2009/10 indicate a minimum level of reserves of around £12m is required. Reserves at this level would represent 2.2% of net expenditure, excluding expenditure in the Dedicated Schools Budget. The balance carried forward at 31st March 2009 on the general reserve is forecast at £12.0m and as no general reserves are required to support the 2009/10 budget (see paragraph 5.6 above), the estimated balance carried forward into 2010/11 remains at £12.0m.
- 7.4 The policy also requires directorates to prepare budget action plans to deal with spending variations on budgets controlled by directorates during the year up to a limit of 2% of net expenditure. Any budget variations above this amount would be dealt with corporately, using, where necessary, the General Fund reserve.

- 7.5 The table below provides a summary of General Fund and Housing Revenue Account reserves:

	2008/09 £m	2009/10 £m
General Fund		
Balance brought forward	17.1	12.0
Budgeted use	(5.1)	0
Balance carried forward	12.0	12.0
Housing Revenue Account		
Balance brought forward	3.7	3.7
Generated in year	3.0	0
Use in year	(3.0)	0
Balance carried forward	3.7	3.7

8. **ROBUSTNESS OF THE BUDGET AND THE ADEQUACY OF RESERVES**

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

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

- the reasonableness of the underlying budget assumptions such as:
 - the 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 any contingency or unearmarked reserves to meet unforeseen cost pressures.
- the strength of the financial management and reporting arrangements.

- 8.3 In coming to a view as to the robustness of the 2009/10 budget, the Director of Resources has taken account of the following issues:-

- The Council has its Financial Plan which will provide an overall financial framework designed to underpin the Council's service and organisational priorities for the next 4 years.
- Detailed estimates are prepared by directorates in accordance with principles laid down by the Director of Resources 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 2008/09 have, where appropriate, been recognised in preparing the 2009/10 budget.
- Contingency provisions have been included in the General Fund and within the DSG funded services. These provisions are for items not foreseen and for items where there is a risk of variation during the year. In the case of the schools contingency, this would include adjustments required in the application of formula funding, significant increases in pupil numbers, and additional statements of Special Education Needs or exceptional in year cost increases.
- 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. All directorate budgets contain efficiencies, service reviews and savings which will require actions to deliver but in overall terms the identified risks are regarded as manageable at this time. Some of the key ones are as follows:-
 - Council wide staffing efficiencies
 - Demand led expenditure especially within Community Care and Children's Services
 - Effects of the current economic climate
 - Outside placements in Children's Social Care
 - Waste Strategy
 - Potential decline in external funding sources
 - Potential equal pay liabilities

8.4 Feedback from the external auditors following the latest Use of Resources assessment stated that "the Council identifies key risks and associated budgetary pressures in the budget setting process and has a strong track record in delivering against budget".

8.5 The Council's financial controls are set out in the Council's Financial Procedure Rules⁴. These provide a significant degree of assurance as to the strength of financial management and control arrangements throughout the Council. These governance arrangements have been enhanced through the ongoing development of procedures to support the Corporate Governance Statement, published annually. The Council has a well established framework for financial reporting at directorate and corporate levels. Each month the Director of Resources receives a report from each directorate setting out spending to date and projections to the year-end. Action plans are utilised to manage and minimise any significant variations to approved budgets. Financial Health reports are submitted to the Executive Board and Scrutiny Committee (Central and Corporate) on a quarterly basis.

8.6 A comprehensive financial training package is in place for all budget holders, with a separate package developed specifically for members which is available through the Council's Virtual Learning Environment. This aims to improve financial competencies

across the organisation and a Skills and Competency framework is being developed to underpin this process.

- 8.7 The Council's Reserves policy, as set out in Section 7, requires directorates to have in place action plans to deal with variations in directorate spending up to 2% with the potential for variations up to this level being carried forward. This policy continues to provide a sound basis for the Council to manage unexpected budget pressures in the future and the external auditors have concluded that there is "a strong risk based reserves strategy in place and this feeds into the budget setting process and the medium term financial strategy".
- 8.8 The 2009/10 budget is supported by substantial short term funding sources, although the Council has been able to reduce its reliance on these by £1m compared to 2008/09.
- 8.9 In summary, the Director of Resources considers that the proposed budget for 2009/10 is robust and that the level of reserves are adequate because:-
- the level of reserves is in line with the risk based reserves strategy.
 - budget monitoring and scrutiny arrangements are in place which include arrangements for the identification of remedial action.
 - cost pressures have been identified and resourced.
 - whilst 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.
 - 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 up to 2%.
 - the Council has a Financial Plan which sets the overall financial framework for the next four years.

9. **FINANCIAL PERFORMANCE INDICATORS**

- 9.1 The Key Performance Indicators for 2009/10 in respect of VFM/Resources approved by Council as part of the Council Business Plan are as follows:

Indicator		Target 2008/09	Target 2009/10
BP-02	Percentage of resource re-prioritisation achieved compared to that planned in the medium term Financial Plan	100%	100%
BP-03	Percentage variation from the overall council budget in year	0%	0%
BP-04	Use of Resources score	3 (2008 - Old Framework)	3 (2009 - New Framework)
BP-05	Percentage income collected by authority in year through:		
	a) Council Tax	96.65%	96.70%
	b) Non-Domestic Rates	96.60%	98.65%
	c) Housing Rents	97.00%	97.50%
	d) Sundry Debtors income collected within 30 days of invoice issued	97.00%	97.50%
NI 179	Percentage of cash releasing efficiency savings made (cumulative total over next three years)	3.00%	6.10%

- 9.2 These indicators will be monitored throughout the year and reported to the Board on a quarterly basis.

10. **IMPLICATIONS FOR COUNCIL POLICY AND GOVERNANCE**

- 10.1 In accordance with the Budget and Policy Framework Rules, the Executive Board are required to make proposals to Council regarding the extent of virement and the degree of in-year changes which may be undertaken by the Executive. These are set out in Financial Procedure Rules⁴.
- 10.2 These rules have been reviewed during the year and the limits amended as detailed in Appendix 3.
- 10.3 As outlined earlier in the report, management of the Council's budget will be a significant challenge in forthcoming years due to difficulties in maintaining income levels and cost pressures. It is imperative therefore that the Council takes appropriate action to minimise costs and avoid duplication. One area where duplication of costs can occur is the use of external consultants or suppliers for goods and services which the Council can provide itself. This includes Design Services, Print Services, Catering, Cleaning and Building Maintenance, although this list is not exhaustive. In order to ensure that costs are minimised it is therefore recommended that Directorates and Agencies carrying out Council functions will always be required to procure services from existing in-house Council suppliers except where specific dispensation is given. Applications for such dispensation will be considered by the Council's Corporate Leadership Team (CLT) and will require clear and transparent justification e.g. unavailability of skills or insufficient capacity.

11. RECOMMENDATIONS

11.1 The Executive Board is asked to recommend to the Council the adoption of the resolutions below:

- (i) That the Revenue Budget for 2009/10 totalling £556.808m, as detailed and explained in this report and accompanying papers be approved, including a 2.9% increase in the Leeds element of the Council Tax.
- (ii) In respect of the Housing Revenue Account: -
 - (a) that the budget be approved at the average rent increase figure of 6.2%;
 - (b) that the charges for garage rents be increased to £5.89 per week;
 - (c) that service charges are depooled in 2009/10 but increased in line with the average rent rises;
 - (d) that the RHO service charge to tenants in the ENE and Aire Valley ALMO areas be abolished for 2009/10 onwards;
- (iii) That the proposed revisions to the Budget and Policy framework rules as detailed in Appendix 3 be approved.

Background Documents

¹ Leeds City Council Constitution – Part 2, Article 4

² CIPFA Statement of Recommended Practice

³ Statutory Instrument 2008 No. 3264

⁴ Leeds City Council Constitution – Part 4, Rules of Procedure

Appendix 1

Specific and Special Grants 2008/09 and 2009/10

	Leeds 2008/09 £m	Leeds 2009/10 £m	variation £m
Non Ring Fenced Area Based Grants			
Neighbourhood Renewal Fund/ Working Neighbourhoods Fund	8.963	3.585	-5.378
Other Non Ringfenced ABG	41.971	42.867	0.896
Sub-Total	50.934	46.452	-4.482
Ring Fenced Grants			
Education and Children's Personal Social Services			
Dedicated Schools Grant	393.272	405.253	11.981
Ethnic Minority Achievement	2.039	2.191	0.152
Music Services	0.859	0.855	-0.004
Playing For Success	0.000	0.400	0.400
Contact Point	0.245	0.000	-0.245
School Lunch Grant	1.140	1.164	0.024
Targeted support for primary & secondary strategy	5.408	0.000	-5.408
Youth Opportunity Fund	0.496	0.496	0.000
General Sure Start Grant (now called Sure Start, Early Years, Child Care)	17.544	19.620	2.076
Early Years - increasing flexibility for 3-4 yr olds	4.395	6.126	1.731
Parenting Practitioners grant	0.050	0.050	0.000
Schools Development Grant	29.577	30.553	0.976
Short Breaks (Aiming High for Disabled Children)	0.060	0.644	0.584
Extended Schools - Sustainability	1.027	1.877	0.850
Targeted Mental Health in Schools	0.285	0.225	-0.060
Adults Personal Social Services			
Social Care Reform Grant	1.175	2.740	1.565
Learning Disability Campus Closure Programme	0.284	0.629	0.345
Stroke Strategy	0.129	0.129	0.000
EPCS			
Housing and Council Tax Benefit Admin Subsidy	6.308	6.154	-0.154
PFI	0.024	0.024	0.000
Supporting People	32.987	32.987	0.000
Homelessness	0.440	0.440	0.000
Sub-Total	497.745	512.556	14.811
GRAND TOTAL	548.679	559.008	10.329

BUDGET CONSULTATION 2009/10

Youth Council Meeting Saturday, 8th November 2008

As part of the 2009/10 budget consultation process, officers from the Resources Directorate gave a short presentation to the Youth Council on 8th November 2008.

Leeds Youth Council (LYC) is a representative body of young people aged 11-19, elected from high schools and colleges across Leeds. Elections are held annually and the members of LYC in turn elect an Executive Board and five Working Groups based on the themes of "Every Child Matters". LYC meets regularly as a full Council around every six weeks throughout the academic year to discuss matters of interest.

26 members of the Council were present at the meeting. At the end of the presentation the Council members were asked to split into groups to discuss the following questions:

Next year:

- What should Leeds City Council spend more on?
- What should Leeds City Council spend less on?

The groups were then invited to feed back with their suggestions in each category.

A number of subjects seemed to be high on the list of priorities for additional spending:

- Support for young people through support groups, more activities and improved youth centres.
- More and improved housing
- Measures to help tackle health issues, e.g better quality cycle lanes and sport and leisure activities
- Measures to improve public transport, especially for young people
- More time spent by the police in dealing with serious crime with better targeting of their time on problem areas and people

The one theme that emerged regarding reducing spending was to spend less on buildings, "but more on people".

Roads appeared on both lists, for spending more and spending less.

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	Director of Resources
Up to £1m	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 Director of Resources 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 Director of Resources 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 Director of Resources.

- 4 The decision to vire between budget book headings is a Significant Operational Decision, and all virements must comply with the constitutional requirements for this type of decision.

The delegated limits outlined in the attached table do not operate independently from the requirements within the council's Constitution in respect of 'Key & Major' Decisions (as from time to time updated). All 'Key & Major' 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 In accordance with the council's Asset Management Plan, virements out of building maintenance budgets require the prior approval of the council's Asset Management Group.
- 7 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.
- 8 All virement and other budget adjustment schedules should be submitted to the Director of Resources for information.
- 9 The Director of Resources reserves the right to defer any virement to members where there may be policy issues.

OTHER BUDGET ADJUSTMENTS

- 1 There is a de minimis 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 Director of Resources 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	Director of Resources*	Directors**
	£	£	£	£
A) Supplementary Votes (i.e. Release of General Fund Reserves)	No specific limit	1,000,000	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	£1,250,000	£750,000	£125,000
2. Between Directorates	No specific limit	£1,250,000	£750,000	None
C) Self - Financing virements of the net managed budget (from External Funding)				
- policy change	No specific limit	None	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, and highways

Statement of 2008/09 net budget and 2009/10 budgets

Table 1

Service	2008/09	2009/10		
	Restated Net budget £000s	Net managed budget £000s	Net budget managed outside service £000s	Net budget £000s
Adult Social Care				
Partnership and Organisational Development	190	471	(189)	282
Access and Inclusion	78,715	73,907	12,525	86,432
Support & Enablement	62,984	47,893	11,927	59,820
Strategic Commissioning	991	4,325	(3,683)	642
Resources	687	7,346	(5,877)	1,469
Learning Disability Services	42,017	39,605	6,699	46,304
	185,584	173,547	21,402	194,949
Children's Services				
LEA Funded Services	65,159	49,142	27,912	77,054
Individual School Budgets	358,586	369,759	(1)	369,758
DSG Funded Services	(357,764)	(367,469)	0	(367,469)
Early Years	12,591	9,681	5,391	15,072
Integrated Youth Support Services	10,219	16,845	1,751	18,596
Children's Social Care	68,032	68,619	5,648	74,267
Youth Offending Service	3,541	2,914	893	3,807
Director of Children's Services Unit	1,878	2,102	565	2,667
Support Costs and Central Accounts	0	(1,203)	(397)	(1,600)
	162,242	150,390	41,762	192,152
City Development				
Strategy and Policy	4,457	3,265	985	4,250
Planning and Development	1,902	(274)	2,385	2,111
Economic Services	4,051	6,501	988	7,489
Asset Management	(604)	(5,440)	4,478	(962)
Highways and Transportation	43,812	26,747	16,079	42,826
Libraries, Arts and Heritage	29,324	21,928	16,240	38,168
Recreation	32,765	19,246	13,617	32,863
Support Services	647	4,876	(4,084)	792
	116,354	76,849	50,688	127,537
Environment and Neighbourhoods				
Streetscene Environmental Services	47,555	49,962	3,104	53,066
Health and Environmental Action	11,139	7,735	2,047	9,782
Car Parking Services	(5,946)	(8,286)	1,185	(7,101)
Community Safety	4,111	3,323	781	4,104
Safer Leeds Partnership	12	1,312	21	1,333
Regeneration	10,392	9,689	166	9,855
Jobs and Skills	6,752	3,127	505	3,632
Community Centres	3,126	1,656	1,471	3,127
Housing Services	8,105	4,966	2,670	7,636
General Fund Support Services	0	623	(623)	0
Housing Benefit	2,379	2,346	0	2,346
Safer Leeds Drugs Team	36	(140)	172	32
	87,661	76,313	11,499	87,812
Resources				
Financial Management	8	9,028	(9,028)	0
Business Support Centre	0	3,858	(3,858)	0
Financial Development	2	929	(929)	0
Cost of Collection	5,048	(2,255)	7,101	4,846
Revenues Services	0	5,644	(5,644)	0
Benefits Service	0	(4,566)	4,566	0
Student Support	665	454	112	566
Information Technology	3,607	14,802	(11,407)	3,395
Human Resources	(1)	7,867	(7,866)	1
Audit and Risk	665	2,481	(1,840)	641
VFM and Efficiency	0	(80)	80	0
Support Services and Directorate	0	1,066	(1,066)	0
Central Recharges Account	0	0	0	0
Corporate Property Management	(57)	20,925	(21,227)	(302)
Commercial Services General Fund	(19)	159	(456)	(297)
Commercial Services Trading	(1,636)	(5,602)	3,738	(1,864)
	8,282	54,710	(47,724)	6,986
Corporate Governance				
Legal, Licensing and Registration	1,877	64	2,265	2,329
Democratic Services	14	6,184	(6,189)	(5)
Procurement	0	1,573	(1,573)	0
	1,891	7,821	(5,497)	2,324
Planning, Policy and Improvement				
Executive Support	605	5,103	(4,506)	597
Customer Services	2,312	7,162	(4,765)	2,397
	2,917	12,265	(9,271)	2,994
Public Private Partnership Unit				
Public Private Partnership Unit	(300)	(1,794)	1,434	(360)
	(300)	(1,794)	1,434	(360)
Central Accounts	37,142	31,282	(40,952)	(9,670)
NET COST OF DEPARTMENTAL SPENDING	601,773	581,383	23,341	604,724
Transfers to / (from) reserves:				
FRS 17	(45,325)	0	(33,498)	(33,498)
Other	(10,809)	0	(14,418)	(14,418)
NET COST OF CITY COUNCIL SERVICES	545,639	581,383	(24,575)	556,808
Contribution to/(from) General Fund Reserves	(5,130)	0	0	0
NET REVENUE CHARGE	540,509	581,383	(24,575)	556,808

Table 2

Summary of budget by type of spending or income

	Net Budget 2009/10 £000	% of Total	Per Band D Property £
Expenditure			
Employees	831,019	42	3,531
Premises	112,013	6	476
Supplies and services	425,422	21	1,808
Transport	35,743	2	152
Capital costs	95,242	5	405
Transfer payments	284,355	14	1,208
Payments to external service providers	201,828	10	858
	1,985,623	100	8,438
Income			
Grants	(951,959)	69	(4,045)
Rents	(179,281)	13	(762)
Fees & charges	(250,121)	18	(1,063)
	(1,381,361)	100	(5,870)
Net budget	604,262	100	2,568
Contribution to/(from) FRS 17 reserves	(33,036)		(140)
Contribution to/(from) other earmarked reserves	(14,418)		(61)
Contribution to/(from) General Fund reserves	0		0
	(47,454)		(202)
Net revenue charge	556,808		2,366

Notes: The number of Band D equivalent properties is 235,317

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.

The subjective analysis above includes the Housing Revenue Account (HRA). Therefore the contribution to / (from) other earmarked reserves includes HRA working balances.

Staffing Requirements (Full Time Equivalents)

Table 3

Department	Total staff as at 31st March 2010
Adult Social Care	3,008
Children's Services - School based staff	11,236
Children's Services - Other	2,243
City Development	2,857
Environments & Housing	1,892
Resources	3,507
Corporate Governance	393
Planning, Policy and Improvement	454
Public Private Partnerships Unit	74
Total	25,664

These figures include teachers –

Children's Services - School based staff	5,733
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Draft Budget 2009/10

Executive Board papers – service budgets

The following pages give further background to the full budget report

- Service budget reports expand on the full report at a more detailed level
- Annual Financial Plan (AFP) pages will be published later to give an overview of the services provided and a less technical summary of their budgets
- Budget Book extracts give the full detailed figures at level at which budgets will be controlled

service budget report AFP and budget book

Adult Social Care	✓	✓
Children's Services	✓	✓
City Development	✓	✓
Environment and Neighbourhoods		
General Fund	✓	✓
Housing Revenue Account	✓	
Central and Corporate Services	✓	
Resources		✓
Corporate Governance		✓
Planning, Policy and Improvement		✓
Public Private Partnership Unit		✓
Central accounts	✓	

All budgets are prepared, balanced and approved to the nearest £10. They are shown to the nearest £1,000 to make them easier to read. Any apparent arithmetical errors are due to this automatic rounding, and budget lines of less than £500 will appear as nil.

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Adult Social Care

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LEEDS CITY COUNCIL 2009/10 BUDGET REPORT

Directorate: Adult Social Care

1 Introduction

This report has been produced in order to inform members of the main variations and factors influencing the directorate's budget for the 2009/10 Budget.

The Budget, as in previous years, has been prepared at outturn prices and as such there is no central provision for pay and prices.

Following the Council's Support Services Review, three major functions have been transferred during 2008/09 to Resources Directorate from the individual directorates reflecting the new operational arrangements of the Council. These services are Financial Management, Human Resources and Corporate Property Management. The impact of these transfers is that Net Managed Expenditure will reduce and the amount managed outside the service will increase. The 2008/09 Budget has been adjusted in the table below to reflect these changes.

2 Service Context

- 2.1 The two key themes within the 2009/10 Adult Social Care budget are improving the quality of outcomes for people and developing a sustainable model for future social care in Leeds.
- 2.2 A key element of improving the quality of outcomes is investing in personalisation and health and wellbeing, including safeguarding. Some significant improvements in performance have been delivered over the last year, but the recent inspection of older people's services has identified the need to achieve a marked improvement in safeguarding. There is a need to continue to improve performance measures and quality standards to achieve our ambitions for excellence and meet the increasing expectations of our service users.
- 2.3 A sustainable model for the future is required against a backdrop of demographic increases and increasing service user expectations. As people live longer and their expectations change, the Government has identified a potential funding gap of £6 billion for social care in 20 years time. The number of people in Leeds aged over 85 is projected to increase by 76% from 2007 to 2029. The focus on the increased personalisation of adult social care services will mean significant changes in the short and medium term in the way in which services are configured and delivered. This will require increasing the efficiency and effectiveness of services to maximise value from the resources available.
- 2.4 The focus of the 2009/10 budget is on realigning resources to allow investment in priority areas and supporting the longer term objectives for Adult Social Care in Leeds. Although the financial settlement for Leeds in 2009/10 is very difficult, Adult Social Care has been able to invest in some key service areas, particularly the learning disability pooled budget, personalisation and assessment and care management. This has been achieved by identifying efficiencies within current services and reshaping services to meet future needs, whilst maintaining and improving upon existing levels of service to service recipients and achieving performance targets. The 2009/10 budget includes the first phase of developing

and implementing some key strategic policies for home care, residential care and older people's day care services.

- 2.5 The 2009/10 budget increase for Adult Social Care provides a platform to deliver future budgets that are aligned with the strategic vision for the service within the much lower percentage increases in available resources over the remaining years of the five-year financial plan.

3 Explanation of increase between the Original Budget (Adjusted) 2008/09 and the Budget 2009/10 £3.608m (1.8%)

- 3.1 The variation can be summarised as follows:

	£000s
Net Cost of Service - Original Budget 2008/09	185,584
Adjustments	
Area Based Grant	11,083
Support costs adjustment with Children's Services	1,890
Adjusted Budget 2008/09	198,557
Movements on Budgets Managed Outside Service	- 5,593
Changes in Prices	
• Pay	2,649
• Price	4,793
• Income	- 317
	<u>7,125</u>
Service Budget Changes	
• Changes in Service Levels	4,414
• Other Factors not affecting level of service	- 4,194
• Efficiency Savings	- 5,360
	<u>- 5,140</u>
Net Cost of Service - Budget 2009/10	194,949
Net Managed Budget	173,547
Managed Outside Service	21,402
Net Cost of Service	194,949

3.2 Adjustments

- 3.2.1 In 2008/09 the Area Based Grant was allocated to directorates to correspond to the agreed expenditure priorities. Further guidance has now been received which states that the Area Based Grant should be accounted for as a non ring fenced general grant and should be recorded as a single line in the authority's accounts. Therefore the grant has been removed from directorate budgets and held centrally. For this directorate, the adjustment is £11,083K.
- 3.2.2 £1,890k represents the support services adjustments between Adults and Children's Social Care, mainly associated with the transfer of Financial Management, Human Resources and Corporate Property Management to the Resources Directorate.

3.3 Movements on budgets managed outside the service

- 3.3.1 The authority is required to comply fully with accounting standard FRS 17 – Retirement Benefits. This means that the pension costs shown in service accounts are required to be the current service cost rather than the amounts actually paid out in relation to pensions during the year. The 2008/09 FRS 17 current service cost was estimated using bond yields in autumn 2007. As the current bond yield is higher than in 2007, this gives rise to a reduction in the FRS 17 current service cost rate for 2009/10. This reduction amounts to £2,575k for the directorate. There is no impact on Council Tax levels as the effect of the FRS 17 adjustment is reversed by a contribution from the Pensions Reserve.
- 3.3.2 Support costs have reduced by £1,512k, mainly reflecting costs now charged direct to Children's Services. Capital charges have reduced by £705k principally due to the reduction in depreciation charges now that the element of asset valuations relating to land has been separately identified.

3.4 Changes in prices

- 3.4.1 Provision of £2,649k has been made for a 2% pay award from April 2009 and the full year effect of the 2008/09 award. Price increases for 2009/10 are provided for at £4,793k. Of this, £2,324k relates to community care packages and £1,066k to other contracts for care services. Inflation provision of £675k has been made for the Joint Commissioning Service for People with Learning Disabilities and the remainder relates to various running expenses, although wherever possible these have been cash-limited. Provision has been made for a 2% increase on grants to voluntary organisations. Increases in the level of fees, charges and income from other organisations are estimated to generate additional income of £317k. This includes £281k for income from other organisations, mainly in respect of health-funded expenditure.

3.5 Service Budget Changes

- 3.5.1 Net additional provision of £2,444k has been made for the Council's contribution to the learning disability pooled budget, after taking account of projected savings from planned contract reviews. This increase reflects increased numbers of service users in 2009/10 and increasingly complex social care needs. Together with the contribution to the pooled budget from the Primary Care Trust, this will enable care packages to be provided for approximately 120 additional service users compared with the start of 2008/09, depending on the complexity of their care needs.
- 3.5.2 The 2009/10 budget for the learning disability pooled budget includes income and associated expenditure of £3.6m to represent the likely amount of funding transferred from

the Primary Care Trust to the Council effective from April 2009. This reflects the national requirement to transfer the commissioning of learning disability services and associated funds from the NHS to local authorities. The monies will be transferred from the Primary Care Trust for 2009/10 and 2010/11, thereafter the funding will be received directly from central government. £629k is being provided through specific government funding for learning disability services in respect the closure of long-stay health provision and this will be invested in developing improved services.

- 3.5.3 The Independent Living Project for people with learning disabilities and mental health needs will see the first of its PFI-funded tenancies being let early in 2009/10. When completed this scheme will provide high quality homes and facilitate a more independent lifestyle for 343 service users, an increase of 37 compared with the larger units they will replace. The net additional cost in 2009/10 is £781k, some of which is included within the learning disability pooled budget.
- 3.5.4 Additional provision of £1,250k has been made for the assessment and care management function and this includes provision for agreed measures to significantly improve the quality of our response through safeguarding services. The additional provision in 2009/10 will address the initial requirements identified in the Older People's Inspection Action Plan reported to Executive Board in December with regard to both safeguarding and personalisation and further investment in future years is planned. The need for additional investment in these services is supported through benchmarking comparisons with other similar authorities and the need to improve performance levels.
- 3.5.5 In line with the government's personalisation agenda, an additional £2,435k has been provided for direct payments and also individual budgets through a pilot that will take place in 2009/10. This will enable approximately 310 more service users to benefit from greater flexibility and choice in the delivery of their services by March 2010 compared with April 2008. Performance against national performance standards has improved significantly over the last year, exceeding our local targets and this investment will enable continued improvement. By the end of 2010/11 the national expectation is that 30% of social care customers will be offered individual budgets, which for Leeds equates to approximately 3,600 service users. Not all those offered this option will choose to take it up, but by March 2010 over 1,000 service users are projected to be in receipt of direct payments or individual budgets. As service users exercise more choice and use funding more flexibly to meet their needs, this has implications for current service provision. Over time the additional spend on personalisation needs to be funded through decommissioning within those services that will not be required at the same level and/or in the same way in the future. In 2009/10, provision for the directly provided home care service has been scaled down by £900k. Within day care for older people current occupancy levels will allow the consolidation of some centres, whilst maintaining services for all current service users and preserving important friendship groups. This will release funding of £600k in 2009/10.
- 3.5.6 Community-based support to help people to remain living independently for as long as they wish to do so is a priority and additional funding of £305k has been provided for 2009/10. This will facilitate the move towards a city-wide roll-out of the successful 7-day hot meals pilot, including the option for a second meal for later in the day to be delivered at the same time. It will also provide additional funding for the Neighbourhood Networks in the city.
- 3.5.7 In accordance with the retraction plan for Supporting People, funding for learning disability services has been reducing over the last 3 years. Services for older people and people with mental health needs are a priority within the Supporting People commissioning plan and some additional funding has been achieved for these services within Adult Social Care. Additional provision of £4,200k is included in the 2009/10 budget to reflect the net reduction

in Supporting People funding. This means that there will be no further impact of the retraction plan on Adult Social Care in future years and any further budget impact would come about through reassessing the needs of individual service users.

- 3.5.8 The 2009/10 budget includes a focus on delivering efficiencies. A significant proportion of these relate to the directly provided services and are in addition to decommissioning within these services to reflect the impact of personalisation as set out in section 4.5.5 above. Efficiencies of £1,100k in the community support service and £1,000k within residential care are included, which will be delivered through a review of supervisory and management structures. Other staffing efficiencies amount to £1,270k, with a focus on reviewing management structures, the use of agency and overtime and through improving attendance at work. This includes a review of the Roseville laundry service, focusing particularly on the administrative function. Contracting and procurement efficiencies amount to £820k, with a further £300k through the ongoing transfer of some community support services from direct provision into the independent sector. Staff travel and transport efficiencies total £870k.
- 3.5.9 The community care placements budget and associated income from the Primary Care Trust reflects the full-year effects of 2008/09 trends as greater emphasis continues to be placed on supporting people in their own homes wherever possible. Revised national criteria for fully-funded NHS care became effective from October 2007 and this has further reduced placement costs as the Primary Care Trust has assumed greater financial responsibilities. These factors have led to reduced budget provision in 2009/10 of £6,320k.
- 3.5.10A review of service user contributions for community-based Adult Social Care services has been underway following a report to Executive Board in June 2008. A report elsewhere on this agenda outlines the outcomes of this review and makes recommendations for changes to service user contributions from April 2009. Additional income of £1,150k has been included in the 2009/10 budget to reflect the impact of these recommendations.

3.6 Efficiency savings

For this directorate the following savings have been identified for 2009/10.

Nature of saving	Total £000s
Staffing efficiencies, particularly through reviewing management structures and the use of agency and overtime usage and improving work attendance	1,270
Efficiencies within the directly-provided community support service, particularly through reviewing supervisory and management structures	1,100
Efficiencies within the directly-provided residential care service, particularly through reviewing management structures	1,000
Ongoing transfer of some community support services from direct provision into the independent sector	300
Contracting and procurement efficiencies	820
Staff travel efficiencies	520
Transport efficiencies	350
TOTAL	5,360

4 Eligibility for Services

- 4.1 The Council is required to review its line of eligibility for adult community care services annually in accordance with the government's "Fair Access to Care Services" guidance. Currently in Leeds the line of eligibility is set between moderate and substantial, so those with a substantial or critical risk to their independence have a statutory right to receive a service.
- 4.2.1 It is proposed that the line of eligibility remains unchanged for 2009/10 and the budget proposals set out above will ensure that the resources required are in place to support that decision.

5 Risk Assessment

- 5.1 In determining the 2009/10 Adult Social Care budget, consideration has been given to all the risks which are managed within the department's overall risk management framework. Within this framework, a register of those items considered to carry the highest risk and therefore requiring careful and regular monitoring has been prepared. The key risks in the 2009/10 budget for this directorate are set out below.
- 5.2 One of the main ongoing areas of risk relates to front-line services of a demand-led nature. Whilst the budget is based on realistic demographic information, the nature of demand for these services can be somewhat volatile. The numbers of service users and the complexity of their needs may exceed the provision made within the budget. In addition, the individual case reviews required following changes to the criteria for fully-funded NHS care are not yet completed, so the anticipated reduction in costs to Adult Social Care may not be fully realised. These variations could affect community care packages for adults, including those commissioned within the pooled budget for people with learning disabilities. The projected impact of contract reviews within the learning disability service carries a risk in delivering this within the budgeted timescales and in identifying additional service user needs through the review process that require increased payments.
- 5.2 With the increase in funding for the personalisation agenda, there is a significant risk that the associated decommissioning to provide the funding may not be achieved within the budgeted timescales. This decommissioning impacts particularly on staffing within the directly-provided services. With regard to the income review, some uncertainty remains about service users' capital levels, which could affect the projected income quite significantly. There are also risks associated with the implementation timescales as all service users need to be financially reassessed before paying their new contribution.



Main responsibilities:

To ensure the provision of social care support for vulnerable groups including older people and adults with mental health problems, learning disabilities or physical and sensory impairment

To take a lead role in the promotion of health and wellbeing within the city

Adult Social Care fulfils these responsibilities through:

Preventative Services

- Ensuring that appropriate services are available within the city for those with less intensive needs

Information and Contact Services

- Providing information to vulnerable adults and their carers about the range of social care support available within the city
- Receiving referrals for social care support

Assessment and Care Management

- Undertaking assessments of those who may have social care needs
- Supporting people to access self-directed support or co-ordinating a care package to meet their needs
- Managing and reviewing care packages

Self Directed Care

- Support for people to access direct payments
- Developing individual budgets to become operational for some service users in 2009/10

Support to Live at Home

- Providing or enabling people to access supported and other accommodation, including extra-care housing and housing support
- Providing equipment and adaptations
- Providing or commissioning home care and community meals services
- Providing or commissioning day support and care services

Residential and Nursing Care

- Providing or commissioning residential placements, including specialist provision for people with mental health needs and dementia
- Commissioning nursing placements, including specialist provision for people with dementia



Activity and Performance

- Each year the authority is required to calculate a range of performance indicators, known collectively as the Performance Assessment Framework (PAF), on the activity undertaken. From 2008/09 onwards PAF has been replaced by a new range of statutory performance indicators known as the National Indicator (NI) set, though many of the PAF indicators continue to be measured as well.
- In 2006/07 Leeds overall performance on PAF was 14th out of our 16 comparator authorities. Since then, however, we have improved significantly and in 2007/08 Leeds was 5th within our comparator group (based on 14 authorities whose data was available in mid-January 2009).

Preventative Services

- In 2008/09 Leeds funded 164 organisations to assist them in providing preventative services to around 19,500 people, of whom 11,600 were elderly and 2,600 were carers.

Information and Contact Services

- To the end of 2008/09 quarter 3, 16,950 new referrals were received. Of these approximately 70% have gone on to some further activity and 30% have been dealt with at source.
- In the first 3 quarters of 2008/09 approximately 6,600 people had a care assessment. Of the assessments completed to date, around three quarters have resulted in some form of service being offered.

Assessment and Care Management

- Leeds currently carries out 80.9% of its assessments of adults and older people within the targeted deadline, which is about the same as in 2007/08 (the definition has changed slightly so direct comparisons with previous figures cannot be made). It is not possible to compare this to other authorities as this is a new (NI) indicator, for which previous data is not available.
- To the end of 2008/09 quarter 3, 84.8% of care packages were delivered within the target 28 days, a decrease of 1.4% from our 2007/08 performance. The target for 2008/09 is 90%.

Self Directed Care

- By the end of quarter 3 2008/09 the number of people receiving direct payments had increased from 98 per 100,000 population to 132 per 100,000. Further improvement is expected by the year end.

Supporting People to Live at Home

- At the end of quarter 3 2008/09 Leeds supported an estimated 8,900 elderly people to live at home through a variety of directly provided and commissioned services, following a formal assessment.

Residential and Nursing Care

- Leeds currently provides permanent residential and nursing care for approximately 3,120 people, of whom 2,640 are elderly.
- In 2007/08 Leeds provided new nursing and residential placements to 763 elderly people and 69 people aged 18-64



Budget Highlights 2009/10:

The Adult Social Care budget for 2009/10 has increased by £3.6m compared with the adjusted 2008/09 budget. The two key themes within the budget are improving the quality of outcomes for people and developing a sustainable model for future social care in Leeds. Improving the quality of outcomes will focus particularly on personalisation and safeguarding. Improvements in performance measures and quality standards will continue to meet the increasing expectations of our service users and achieve our ambitions for excellence. A sustainable model for the future is required against a backdrop of these increasing service user expectations and some significant demographic increases. The focus on the increased personalisation of adult social care services will mean significant changes in the short and medium term in the way in which services are configured and delivered. This will require increasing the efficiency and effectiveness of services to maximise value from the resources available.

In line with the personalisation agenda, an additional £2.4m has been provided for direct payments, enabling approximately 310 more service users than in April 2008 to benefit from greater flexibility and choice in the delivery of their services. This will be funded partly through decommissioning within those services that will not be required at the same level and/or in the same way and partly through efficiency savings. The decommissioning impact of personalisation in the 2009/10 budget amounts to £1.5m within the directly provided home care and day care services. Additional provision of £1.25m has been made for the assessment and care management function to significantly improve the quality of safeguarding services. The 2009/10 budget includes £4.2m to reflect the net reduction in Supporting People funding for Adult Social Care services.

Additional provision of £2.4m has been made for the Council's contribution to the Joint Commissioning Service for People with Learning Disabilities, which will enable services to be provided to approximately 120 additional service users compared with the start of 2008/09. In addition, £3.6m has been included to represent the transfer of funding and associated expenditure from the Primary Care Trust effective from April 2009. This reflects the national requirement to transfer the commissioning of learning disability services and associated funds from the NHS to local authorities. £0.6m is being provided through specific government funding for learning disability services in respect the closure of long-stay health provision and this will be invested in developing improved services. The Independent Living Project for people with learning disabilities and mental health needs will see the first of its custom-built properties being let early in 2009/10 and this will provide tenants with a more independent lifestyle. The net additional cost in 2009/10 is £0.8m.

The community care placement budget and associated income from the Primary Care Trust has reduced by £6.3m as greater emphasis continues to be placed on supporting people in their own homes and the Primary Care Trust assumes greater financial responsibility for nursing care needs. £1.15m is included for additional service user contributions following an income review that involved extensive consultation. Efficiency savings across the department amounting to £5.4m have been identified and included within the 2009/10 budget.

Adult Social Care

Summary of budget by service (£000)

Budget manager	Service	Total 2008/09	Managed by the service		Managed outside the service	Total 2009/10
			spending	income net		
Deputy Director - Partnerships and Organisational Effectiveness	Partnerships and Organisational Development	190	1,279	-808	471	282
Chief Officer Access and Inclusion	Access and Inclusion	78,715	101,308	-27,402	73,906	86,432
Chief Officer Support and Enablement	Support and Enablement	62,984	57,406	-9,513	47,893	59,820
Chief Officer Commissioning Services	Strategic Commissioning	991	6,774	-2,448	4,325	642
Chief Officer Learning Disabilities	Learning Disabilities	42,017	69,715	-30,110	39,605	46,305
Chief Officer Resources and Strategy	Resources	687	11,484	-4,138	7,346	1,469
Net cost of service		185,584	247,966	-74,420	173,547	194,949
	Transfers to and from earmarked reserves	-4,391	-	-	-	73
Net revenue charge		181,193	247,966	-74,420	173,547	195,022

Adult Social Care

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Employees		Other costs	
Direct pay	70,490	Managed recharges from other directorates	8,907
Agency and temporary staff	128	Services provided by other organisations	83
National Insurance contributions	5,016	Contributions to partnerships	46,679
Superannuation costs	8,859	Payments to voluntary organisations	10,904
Other pension costs	922	Fees to carers	467
Other employee related costs	583	Day care	53
Training and development	1,692	Home care	9,784
	87,690	Sheltered accomodation	305
Premises		Nursing placements	38,764
Building maintenance	1	Residential placements	22,616
Grounds maintenance	78	Social care direct payments	5,222
Building security	73	Social care individual budgets	914
Cleaning and workplace refuse	1,187	Capital expenditure financing charge	6
Gas	565		144,704
Electricity	805		
Other utilities	299	Managed expenditure	247,966
Rent	67		
NNDR	291	Internal income	
Premises-related insurance	23	From other directorates	-5,865
	3,390	From capital schemes	-600
Supplies and services			-6,465
Materials and equipment	3,051	External income	
Stationery and postage	582	Government grants	-8,932
Advertising	20	Other grants	-74
IT and telecommunications	1,501	Sale of goods and services	-1,021
Insurance	94	Fees and charges	-212
Events and projects	113	Contributions	-49,600
Professional fees	231	Other income	-7,992
Grants and contributions	868	Rents	-124
Allowances	83		-67,954
Consultancy services	114		
Other hired and contracted services	1,514	Managed income	-74,420
Publicity and promotion	85		
PFI unitary charges	1,986	Net managed budget	173,547
Miscellaneous	567		
Equipment financing charge	138		
	10,949	Central recharges	
Transport		Central recharges	15,627
Vehicles and plant related expenditure	278	Corporate and democratic core	-185
Travel allowances	874		15,442
Fuel	48	Other internal adjustments	
Private hire	21	Internal reallocations	52,923
Transport-related insurance	13	Internal reallocations income	-52,923
	1,234		-

Adult Social Care

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Accounting adjustments			
FRS 17 costs	2,476		
Vehicles and plant financing charge	-106		
Capital managed outside service	3,590		
	5,960		
Managed outside the service	21,403		
Net cost of service	194,949		

Adult Social Care

Budget manager: Deputy Director - Partnerships and Organisational Effectiveness

Partnerships and Organisational Development			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	690	Managed outside the service	-189
National Insurance contributions	52		
Superannuation costs	92	Net cost of service	282
	834		
Supplies and services			
Materials and equipment	7		
IT and telecommunications	-		
Professional fees	2		
Allowances	-		
Other hired and contracted services	378		
Publicity and promotion	1		
	388		
Transport			
Travel allowances	10		
Private hire	1		
	11		
Other costs			
Services provided by other organisations	21		
Payments to voluntary organisations	24		
	46		
Managed expenditure	1,279		
Internal income			
From other directorates	-305		
	-305		
External income			
Government grants	-362		
Contributions	-141		
	-503		
Managed income	-808		
Net managed budget	471		
Other internal adjustments			
Internal reallocations	342		
Internal reallocations income	-566		
	-224		
Accounting adjustments			
FRS 17 costs	35		
	35		

Adult Social Care

Budget manager: Chief Officer Access and Inclusion

Access and Inclusion			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other costs	
Direct pay	15,805	Managed recharges from other directorates	350
Agency and temporary staff	46	Payments to voluntary organisations	4,991
National Insurance contributions	1,130	Day care	53
Superannuation costs	1,899	Home care	7,929
Other pension costs	11	Sheltered accomodation	305
Other employee related costs	25	Nursing placements	38,421
Training and development	13	Residential placements	22,292
	18,930	Social care direct payments	5,222
Premises		Social care individual budgets	914
Grounds maintenance	8		80,478
Building security	23		
Cleaning and workplace refuse	230	Managed expenditure	101,308
Gas	77		
Electricity	106	Internal income	
Other utilities	23	From other directorates	-1,749
Rent	17		-1,749
NNDR	147	External income	
Premises-related insurance	2	Government grants	-996
	632	Sale of goods and services	-13
Supplies and services		Fees and charges	-20
Materials and equipment	304	Contributions	-22,636
Stationery and postage	72	Other income	-1,988
IT and telecommunications	130		-25,653
Events and projects	1		
Professional fees	157	Managed income	-27,402
Grants and contributions	70		
Allowances	14	Net managed budget	73,906
Other hired and contracted services	70		
Miscellaneous	3	Other internal adjustments	
	821	Internal reallocations	12,049
Transport		Internal reallocations income	-434
Vehicles and plant related expenditure	16		11,615
Travel allowances	418	Accounting adjustments	
Fuel	4	FRS 17 costs	703
Private hire	9	Vehicles and plant financing charge	-6
Transport-related insurance	1	Capital managed outside service	214
	447		911
		Managed outside the service	12,525
		Net cost of service	86,432

Adult Social Care

Budget manager: Chief Officer Support and Enablement

Support and Enablement			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other costs	
Direct pay	33,585	Managed recharges from other directorates	3,452
National Insurance contributions	2,269	Contributions to partnerships	374
Superannuation costs	4,039	Payments to voluntary organisations	5,336
Other pension costs	144	Fees to carers	462
Other employee related costs	89	Capital expenditure financing charge	6
Training and development	31		9,630
	40,157		
Premises		Managed expenditure	57,406
Building maintenance	1		
Grounds maintenance	52	Internal income	
Building security	32	From other directorates	-330
Cleaning and workplace refuse	469		-330
Gas	314	External income	
Electricity	468	Government grants	-1,070
Other utilities	196	Other grants	-74
Rent	41	Sale of goods and services	-99
NNDR	110	Contributions	-7,501
Premises-related insurance	-	Other income	-316
	1,683	Rents	-123
Supplies and services			-9,183
Materials and equipment	2,270		
Stationery and postage	72	Managed income	-9,513
Advertising	8		
IT and telecommunications	825	Net managed budget	47,893
Insurance	1		
Events and projects	86	Other internal adjustments	
Professional fees	2	Internal reallocations	31,045
Grants and contributions	610	Internal reallocations income	-21,663
Allowances	33		9,382
Consultancy services	104	Accounting adjustments	
Other hired and contracted services	775	FRS 17 costs	1,386
Publicity and promotion	18	Vehicles and plant financing charge	-28
Miscellaneous	560	Capital managed outside service	1,187
Equipment financing charge	138		2,545
	5,501		
Transport		Managed outside the service	11,927
Vehicles and plant related expenditure	97		
Travel allowances	302	Net cost of service	59,820
Fuel	26		
Private hire	7		
Transport-related insurance	3		
	433		

Adult Social Care

Budget manager: Chief Officer Commissioning Services

Strategic Commissioning			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Net managed budget	4,325
Direct pay	2,690		
National Insurance contributions	210	Other internal adjustments	
Superannuation costs	344	Internal reallocations	800
Other pension costs	2	Internal reallocations income	-4,610
Other employee related costs	5		-3,810
Training and development	276	Accounting adjustments	
	3,528	FRS 17 costs	127
Supplies and services			127
Materials and equipment	23		
Stationery and postage	2	Managed outside the service	-3,683
Advertising	12		
IT and telecommunications	48	Net cost of service	642
Professional fees	52		
Grants and contributions	1		
Allowances	-		
Other hired and contracted services	-45		
Publicity and promotion	32		
	126		
Transport			
Travel allowances	30		
	30		
Other costs			
Services provided by other organisations	62		
Payments to voluntary organisations	501		
Fees to carers	5		
Home care	1,855		
Nursing placements	343		
Residential placements	323		
	3,090		
Managed expenditure	6,774		
Internal income			
From other directorates	-1,145		
	-1,145		
External income			
Government grants	-653		
Fees and charges	-6		
Contributions	-644		
	-1,303		
Managed income	-2,448		

Adult Social Care

Budget manager: Chief Officer Learning Disabilities

Learning Disabilities			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		External income	
Direct pay	13,499	Government grants	-5,755
Agency and temporary staff	82	Sale of goods and services	-162
National Insurance contributions	1,022	Contributions	-18,677
Superannuation costs	1,929	Other income	-5,516
Other employee related costs	22	Rents	-
Training and development	1		-30,110
	16,554		
Premises		Managed income	-30,110
Grounds maintenance	18		
Building security	15	Net managed budget	39,605
Cleaning and workplace refuse	383		
Gas	123	Other internal adjustments	
Electricity	149	Internal reallocations	7,616
Other utilities	69	Internal reallocations income	-2,720
Rent	8		4,896
NNDR	14	Accounting adjustments	
	779	FRS 17 costs	781
Supplies and services		Vehicles and plant financing charge	-63
Materials and equipment	385	Capital managed outside service	1,087
Stationery and postage	37		1,804
IT and telecommunications	90		
Events and projects	8	Managed outside the service	6,700
Professional fees	1		
Grants and contributions	2	Net cost of service	46,305
Allowances	33		
Other hired and contracted services	109		
PFI unitary charges	1,986		
Miscellaneous	3		
	2,654		
Transport			
Vehicles and plant related expenditure	156		
Travel allowances	50		
Fuel	18		
Private hire	-		
Transport-related insurance	9		
	234		
Other costs			
Managed recharges from other directorates	3,188		
Contributions to partnerships	46,305		
	49,493		
Managed expenditure	69,715		

Adult Social Care

Budget manager: Chief Officer Resources and Strategy

Resources			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Internal income	
Direct pay	4,222	From other directorates	-2,336
National Insurance contributions	332	From capital schemes	-600
Superannuation costs	556		-2,936
Other pension costs	764	External income	
Other employee related costs	443	Government grants	-97
Training and development	1,370	Sale of goods and services	-746
	7,687	Fees and charges	-186
Premises		Other income	-173
Grounds maintenance	1		-1,202
Building security	4		
Cleaning and workplace refuse	105	Managed income	-4,138
Gas	51		
Electricity	82	Net managed budget	7,346
Other utilities	11		
NNDR	20	Central recharges	
Premises-related insurance	22	Central recharges	15,627
	295	Corporate and democratic core	-185
Supplies and services			15,442
Materials and equipment	62	Other internal adjustments	
Stationery and postage	400	Internal reallocations	1,071
IT and telecommunications	408	Internal reallocations income	-22,929
Insurance	93		-21,858
Events and projects	17	Accounting adjustments	
Professional fees	16	FRS 17 costs	-555
Grants and contributions	186	Vehicles and plant financing charge	-9
Allowances	3	Capital managed outside service	1,102
Consultancy services	10		539
Other hired and contracted services	227		
Publicity and promotion	34	Managed outside the service	-5,877
Miscellaneous	-		
	1,458	Net cost of service	1,469
Transport			
Vehicles and plant related expenditure	9		
Travel allowances	64		
Private hire	4		
	77		
Other costs			
Managed recharges from other directorates	1,917		
Payments to voluntary organisations	51		
	1,968		
Managed expenditure	11,484		

Children's Services

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LEEDS CITY COUNCIL

2009/10 BUDGET REPORT

Directorate: Children's Services

1 Introduction

- 1.1 This report has been produced in order to inform members of the main variations and factors influencing the Children's Services budget for the 2009/10 financial year.
- 1.2 The budget, as in previous years, has been prepared at outturn prices and as such there is no central provision for pay and prices.
- 1.3 Following the Council's Support Services Review, three major functions have been transferred during 2008/09 to the Resources Directorate from the individual directorates reflecting the new operational arrangements of the Council. These services are Financial Management, Human Resources and Corporate Property Management. The impact of these transfers is that the net managed expenditure will reduce and the amount managed outside the service will increase. The 2008/09 Budget has been adjusted in the table below to reflect these changes.

2 Service Context

- 2.1 The 2009/10 financial year will be another important year for the development of children's trust arrangements in Leeds. The publication of the new Children & Young People's Plan later in 2009 will give a clear framework and updated priorities. The budget strategy for 2009/10 and the medium-term financial plan, reflects the need to align resources to the key strategic priorities proposed in the CYPP which are;
 - ⇒ Reducing the need for Children to be in Care
 - ⇒ Reducing the number of young people not in Education, Employment or Training
 - ⇒ Improving outcomes for Looked After Children
 - ⇒ Reducing Child Poverty
 - ⇒ Reducing Secondary Persistent Absence
 - ⇒ Improving early learning outcomes in deprived areas
 - ⇒ Reducing Teenage Conception Rates
 - ⇒ Places to go and things to do
- 2.2 The Government has recently reviewed children's trust arrangements nationally and is now encouraging all local authorities to review their own arrangements to ensure that they involve partners successfully, and are working effectively to improve outcomes for children & young people and strengthen safeguarding. Our response in terms of the 2009/10 budget and medium-term financial strategy is clear, with our commitment to develop integrated financial and resource strategies across the partnership, including the formal pooling of budgets, and to integrate our financial planning and commissioning strategy.
- 2.3 There are significant challenges in the budget for 2009/10, particularly in the Children and Young People's Social Care service area. A cornerstone of the 2009/10 budget strategy is to build on the financial stability achieved in 2008/9 and continue to shift resources into preventative and early intervention services as part of the 5-year financial plan.

2.4 Specifically, the financial strategy recognises the importance and national focus on safeguarding and significant additional resources have been identified and prioritised into this area. In addition, the budget also recognises the outcomes and recommendations from recent local inspections, and resources have been identified and targeted to support continuous improvement as part of the Annual Performance Assessment process.

2.5 The resource management priorities for the partnership for 2009/10 and the medium-term are;

- Invest resources into integrated process and enable Leeds to become a Common Assessment Framework (CAF)-led City.
- Invest resources to support and enable Workforce Development and Reform.
- Shift resources into prevention and early intervention
- Integrate resource & performance planning across the partnership, including aligned budgets and the development of pooled budgets.

3. Explanation of increase between the Original Budget (Adjusted) 2008/09 and the Budget 2009/10 £9.351m (5.1%)

3.1 The variation is summarised on the following page:

	£000s
Net Cost of Service - Original Budget 2008/09	162,242
Adjustments	
Area Based Grants	22,274
Transfer of support services from Adult Services	- 1,890
Transfer of support services from former Learning & Leisure	175
Adjusted Budget 2008/09	182,801
Movements on Budgets Managed Outside Service	4,815
Movements on Budgets Managed Outside Service - DSG	- 1,392
Changes in Prices	
• Pay	1,977
• Price	3,510
• Income	- 1,781
	3,706
Service Budget Changes	
• Changes in Service Levels	4,650
• Other Factors not affecting level of service	1,407
• Efficiency Savings	- 3,835
	2,222
Net Cost of Service - Budget 2009/10	192,152
Net Managed Budget	148,101
DSG Funded Expenditure	503,383
DSG Services Income	- 501,094
	2,289
Managed Outside Service	
Non DSG Funded	41,762
DSG Funded	-
	41,762
Net Cost of Service	192,152

3.2 Adjustments

Transfer of Area Based Grant – in 2008/09 the Area Based Grant was allocated to directorates to correspond to the agreed expenditure priorities. Further guidance has now been received which states that the Area Based Grant should be accounted for as a non ring fenced general grant and should be recorded as a single line in the authority's accounts. Therefore the grant has been removed from directorate budgets and held centrally. For Children's Services, this adjustment is £22.2m.

3.3 Movements on budgets managed outside the service

The authority is required to comply fully with accounting standard FRS 17 – Retirement Benefits. This means that the pension costs shown in service accounts are required to be the current service cost rather than the amounts actually paid out in relation to pensions during the year. The overall impact of this adjustment year on year is to decrease the net cost of service by £3,598k. There is no impact on Council Tax levels as the effect of the FRS 17 adjustment is reversed by a contribution from the Pensions Reserve.

Charges for capital have increased by £3,575k due to an on-going programme of asset revaluations.

The variation in the allocation of centrally managed costs is an increase of £3,438k due to the transfers of some support services.

3.4 Changes in prices

3.4.1 Provision of £1.98m has been included in the Original Estimate for 2009/10 for the cost of the pay award from April 2009 at 2.0%. Price increases for 2009/10 are provided for at £3.5m at a general level of 2%, with specific exceptions to this where applicable. Increases in the level of fees, charges and income from other organisations is estimated at £1.8m which is equivalent to 3%.

3.4.2 The national Dedicated Schools Grant (DSG) will increase by 3.7% in 2009/10 with an increase for Leeds of 3.6% per pupil. Based on the latest estimate of pupil numbers, this equates to a cash increase of 3.0%. The DSG must fund delegated school budgets, payments to early years providers for early education and all central support to schools within the schools budget.

3.4.3 The current policy for the Community use of School Facilities is to fully-subsidise use regardless of the link to strategic priorities. This policy is in fact out of line with other areas of the Council where community groups are not subsidised to the same level. The budget strategy therefore proposes a review of policy to ensure that we target any subsidy to those areas that are in line with the priorities contained within the Children & Young People's Plan, for example "Places to go, things to do".

3.5 Service Budget Changes

3.5.1 Efficiency savings

For Children's Services the following efficiency savings have been identified for 2009/10.

Nature of saving	Total £000s
Re-balancing of internal/external residential placement provision in line with the agreed strategy	642
Procurement Efficiency Target	300
Improving Attendance	320
Employee Travel Review	470
Commissioning & Contracting Support	60
Implementation of Managed Print Service	96
Integrated Processes, review of locality working, review of back-office & support functions, strengthening commissioning and contracting arrangements.	1,000
Education Leeds – staffing reductions and increased vacancy factor	612
Home to school & college transport – taxis, bus contracts and additional recreational income	273
Reduced service subsidy – additional Music & Deaf Start income	62
Total	3,835

3.5.2 Changes in Service Levels

- 3.5.2.1 The budget for 2009/10 recognises a number of financial pressures that have emerged in 2008/09, particularly within Children & Young People's Social Care (CYPSC).
- 3.5.2.2 Over recent years, there has been a rising cost trend around the need for legal support and advice and this was exacerbated in 2008/09 with the transfer of burden to local authorities in respect of Public Law Fees. An additional £0.5m has been identified within the budget to reflect these pressures.
- 3.5.2.3 The budget recognises the implementation of the residential care strategy in CYPSC and in particular the need to re-balance the fostering and residential budgets to reflect the changing mix of placement provision. This re-balancing will see an additional budget of £1.6m being injected into the externally provided residential placement budget in order to support some of the most challenging and complex placements.
- 3.5.2.4 A pressure around the statutory support to Unaccompanied Asylum Seeking Children has been factored into the budget and in particular recognises the Council's responsibility to provide support and care to this vulnerable group, especially where there is no recourse to public funds. Additional resources have also been factored into the budget to maintain and improve care standards in in-house residential homes and also to recognise the additional travel costs associated with contact requirements for looked after children.
- 3.5.2.5 A sum of £0.5m has been built into the budget to support safeguarding and specifically to increase the strategic focus on performance and transformation as well as strengthening the processes around challenge and quality assurance. The funding will also be used to invest in the skills development of the workforce and to target increased investment into individual placements to improve placement choice.

- 3.5.2.6 The budget also includes additional investment of £100k for the Independent Reviewing Team within CYPSC in order to strengthen reviewing processes and to improve the quality of placements and outcomes for looked after children. An additional £100k has also been identified in the budget to support proposals to strengthen emergency out of hours access service through the emergency duty team and corporate customer services.
- 3.5.2.7 In the Integrated Youth Support Service (IYSS), an additional £0.2m has been built into the budget to strengthen mobile youth support and provision in order to increase the proportion of young people that the service reaches. In Early Years, £0.25m has been invested through the budget to implement the requirement for an increased qualified workforce and to invest in training and development.
- 3.5.2.8 The final phase of the Children's Centre programme will be delivered in 2009/10 with a further 10 centres developed by March 2010, taking the total number of centres in Leeds to 59. These centres are located in the key areas of deprivation and provide integrated early education, childcare and wider family support, care and health services. The centres are funded through a mix of external grant income, early education funding, fee income and base budget. A key part of the Early Years financial strategy is to enable these centres to be sustainable in the long term by targeting value for money and increasing occupancy. A target of £0.8m of additional income generation is included in the 2009/10 budget. Any slippage against this target would have to be addressed by appropriate reductions in running costs.
- 3.5.2.9 In respect of Children with Disabilities, an additional £1m of funding will be received in 2009/10 with a focus to expand the number, quality and choice of short-breaks including equipment and adaptations. This funding increases further in 2010/11 to £2.8m.
- 3.5.2.10 The budget also includes £0.5m additional investment into targeted parenting and family support which is funded through a combination of external funding and re-prioritisation of base budget.
- 3.5.2.11 Within the individual schools budget the Department for Children, Schools and Families (DCSF) has included funding within the DSG targeted at ministerial priorities around personalised learning, including early intervention to prevent children from falling behind; targeted support for specific groups, including ethnic minorities, white working class children, children in care and support for children with special educational needs. The notional £2.8m for Leeds in 2009/10 will be reduced to an estimated £1.0m due to additional budget pressures of energy, pay and grading, and PFI scheme costs. Leeds already targets significant resources at these priorities and previous benchmarking has shown that current targeting is well above the national average.
- 3.5.2.12 Whilst Individual Schools Budgets are funded via the Dedicated Schools Grant (DSG), there are a number of financial pressures in 2009/10, that have to be accommodated within this additional funding. Although pay awards are expected to be less than 2.3% overall, with Teachers at 2.3% and Officers at 2.0%, the superannuation rate for staff in the West Yorkshire Fund increases by 0.8%. The introduction of a new pay and grading structure following job evaluation is expected to add over £0.8m to the costs of employees in schools, and produce increases in catering and cleaning charges of over 6%. Further PFI schools will result in increased PFI payments, with school contributions to the cost of PFI expected to increase by £1.3m year on year. Energy costs for schools are increasing with gas and electricity charges expected to increase by £1.1m year on year and due to the increase in energy costs and pay and grading, swimming charges

will increase by £0.1m. Current projections suggest that pupil numbers in schools will reduce by over 500 from January 2008 to January 2009. The reduced pupil numbers will be reflected in overall funding levels and therefore there will be a need to reduce staffing and other costs due in light of the available resources.

3.5.2.13 There are a number of pressures within the DSG funded Central Schools Budget. Provision of £0.7m has been included within the budget for pay and prices with pay awards expected to be around 2%. The costs of educating pupils with special educational needs (SEN) through outside placements are expected to increase by £0.3m and specific provision of £0.3m has been made for the training of school support staff. Provision has been made for additional school maternity costs of £0.4m; Key Stage 2 Behaviour in Oases £0.2m; changes to the Trade Union duty policy £0.08m and the expected capitalised costs of equal pay compensation payments to school employees, £0.2m. These pressures are offset by a reduction in the costs of educating pupils other than at school and undertaking alternative programmes of £0.7m and also a net reduction of £0.1m in the costs of educating pupils in other local authorities. Provision within the schools contingency has been reduced by £1.0m due to a higher than expected level of DSG balances to carry forward from 2008/09. Savings of £0.1m will arise from reduced IT development costs for the Admissions Service.

3.5.2.14 Pressures within the LEA budget include the cash limiting and 3% top slicing of allocations previously funded through Area Based grants of £0.8m; reduced interest in Education Leeds operating surplus of £0.09m and reduced traded income in the School Improvement service of £0.06m. There will be increased costs for the annual payback of borrowing for PFI development costs of £0.1m. Staffing efficiencies have been made in Education Leeds including the removal of posts and an additional 1% increase in the vacancy factor amounting to a saving of £0.7m. Savings on home to school and college transport (due to fewer transport days, reduced taxi, bus and school card trends and additional grant income) amount to £0.5m. Capitalised pension costs and annual payback of school voluntary early retirement costs have reduced by £0.2m.

3.5.3 Other Factors not affecting the level of service.

3.5.3.1 The Connexions service transferred to the Council and into the Integrated Youth Support Services (IYSS) in April 2008. The Connexions funding, which is received via the Area Based Grant, is based on a national formula which reflects a number of factors including resident population, student population and educational attainment. The impact in Leeds is a 5% reduction in the level of funding when comparing the allocation in 2009/10 to the allocation in 2008/09. This reduction has been recognised as a pressure in the budget with actions taken to mitigate the impact by prioritising the £6.6m funding which is available and enabling efficiencies through the commissioning process.

3.5.3.2 The application of strategic commissioning across the City, supported by integrated working locally, ultimately aims to provide services that are tailored to the individual needs of each child, young person or family. In addition, further integrating resource planning, back-office and support functions as well as reviewing management functions will support and enable the shift of resources into prevention and early intervention and target resources toward front-line service provision. In 2009/10, the budget recognises the continued move towards integration across the partnership and in particular the programme management review of support arrangements, infrastructure, commissioning arrangements and service provision at a locality level. A challenging target of £1.3m has been built into the budget for 2009/10.

4 Risk Assessment

4.1 In determining the 2009/10 budget, consideration has been given to all the risks which are managed within the Children's Services overall risk management framework. Within this framework, a register of those items considered to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.

4.2 The key risks in the 2009/10 budget for Children's Services are as follows;

- One of the key continuing risks within the 2009/10 budget relates to the level of demand and activity, particularly within the Children & Young People's Social Care budget. The number of looked after children and children in need placed significant pressure on resources in the 2008/09 financial year and these pressures have been recognised in the budget strategy for 2009/10. In particular, additional resources have been targeted to meet the significant cost of externally provided placements.
- The schedule of efficiencies identified at paragraph 4.5.1 will need careful and detailed monitoring and management throughout 2009/10 in order to identify any issues at an early stage and implement corrective action and/or contingency. The detailed plans will be monitored via the Children's Strategic Leadership Team, at the Social Care Commissioning and Improvement Board and also in detail through the established programme management board arrangements.
- External factors, and specifically the current economic climate, could have an adverse impact on the budget. This could be cost pressures resulting from increased demand for services and support and/or it could show as pressure on income budgets, for example achieving the budgeted income around nursery fees.

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Main responsibilities:

DCS Unit

- The Children's Services Unit supports the Director of Children's Services to provide a strategic lead in delivering the national Every Child Matters agenda in Leeds.
- The Unit is an integral part of Children Leeds, the local children's trust arrangements. These arrangements ensure that all services including health, education, early years and social care work operate in an integrated way to improve outcomes for children and young people across Leeds.
- The key strategic priorities within the 2009/14 Children & Young People's Plan are:
 - Reducing teenage conception rates
 - Reducing the need for children to be in care
 - Reducing the number of young people not in education, employment or training
 - Improving the outcome for looked after children
 - Reducing child poverty
 - Reducing secondary persistent absence
 - Improving early learning outcomes in deprived areas.
 - Places to go and things to do

Integrated Youth Support Services

- To provide, in partnership with voluntary youth organisations, a range of youth work programmes and initiatives across the city designed to contribute to young people's social inclusion, personal development and lifelong learning.
- To provide a universal range of youth work opportunities for a priority age range of 13 to 19 and to offer additional targeted provision for young people according to particular needs presented.
- To engage young people in all aspects of shaping, delivering and evaluating services.
- To provide a balanced curriculum reflecting the five outcomes of Every Child Matters.
- To play a pivotal role within the wider context of youth support services.

Early Years

- To provide high quality early education and childcare across 59 Children's Centres by March 2010. The service gives priority to children in need and to parents entering training and employment.
- The service has a statutory duty to secure sufficient childcare for working parents and those undertaking training to assist them to obtain work.
- To promote high quality, integrated services through the development of children centres in each of the wards of social disadvantage.
- To promote training, advice, support and development work on early education and childcare across all sectors as part of the statutory Early Years Outcomes Duty.



Children's Services



- A duty to provide information, advice and assistance to parents and prospective parents.
- To develop preventative services for children and young people aged 0-19 and their families through integration with Leeds Children Fund
- Through the Vine service, to provide educational programmes for young people and adults with high support needs.
- A duty to provide information, advice and training to childcare providers and prospective childcare providers.

Children and Young People Social Care

For children and their families, Children & Young People's Social Care supports the most vulnerable young people in our city – those in need, disabled, requiring protection, in trouble with the law, need to be cared for away from home, who are leaving care, or are homeless. C&YPSC has five strategic themes;

- Keeping children living in the community wherever possible.
- Improving the quality of services provided (assessment, planning, decision-making and reviewing).
- Working within effective partnerships.
- Achieving true participation of children and families.
- Providing safe, supportive and stable placements.

Education

School Based Education

- Secure health, happiness, safety, success and high achievement for all children and young people
- Raise outcomes, achievements and standards
- Improve attendance and behaviour
- Develop the potential of all staff

Other Education Services

- Ensure the highest standard of education for children in Leeds, building on school improvement strategies within an inclusive environment.
- Enhance the capacity of schools by realising the potential of innovative governance arrangements and improving the quality of governance, leadership, management, teaching and learning so that schools become self-managing and autonomous.
- Ensure that Education Leeds makes effective use of all available resources and offers support to schools through the provision or procurement of high quality services.
- Work in partnership to remove educational, social, cultural and economic barriers to learning and to inclusive communities and ensure schools become community centres of learning.



- Develop models of school organisation and provision which make effective use of resources, promote school improvement through partnership, provide access, and have innovative and collaborative learning pathways for pupils.

Budget Highlights 2009/10:

Children's Services Partnership

The 2009/10 budget has been set within the context of a particularly challenging financial environment, the need to improve outcomes for Children & Young People, reductions in external/grant income and increasing demand for services. Over the medium-term, the resourcing priorities across the Children Leeds partnership are;

- Invest resources in integrated processes and enable Leeds to become a CAF-led City.
- Workforce development and reform
- Safeguarding
- Shifting resources into prevention and early intervention
- Integrated resource and performance planning across the partnership, including aligned and pooled budgets.

The continuous realignment of resources with a focus towards priorities contained in the CYPP is a key aim across Children's Services. The budget for 2009/10 recognises this longer-term drive with efficiencies of £1.35m identified to be delivered from the development and implementation of the commissioning strategy, the integration of services at a locality level, the integration and rationalisation of back-office functions and through targeting resources to reduce the need for children to be in care. In addition, the budget includes efficiencies of £1.2m around absence management, procurement, printing and travel costs.

It should be noted that income of £22.3m from the Area Based Grant has been removed from the Directorate's budget and is accounted for separately.

Integrated Youth Support Service

The budget for 2009/10 supports the continuing development of the Integrated Youth Support Service (IYSS).

The IYSS will continue to work with young people to develop and implement proposals to utilise the Youth Opportunity Fund (£0.5m) and Youth Capital Fund (£0.4m). The budget also supports the programme of Positive Activities for Young People (PAYP) and £1.4m of funding is available to support the provision of activities across the year.

In line with the national funding model, the funding for Connexions reduced by 5% from £6.9m in 2008/09 to £6.6m in 2009/10 with this reduction mitigated in-part by commissioning efficiencies and re-prioritisation of expenditure.

The current policy for the community use of school facilities is to fully-subsidise use regardless of the link to strategic priorities. This policy is in fact out of line with other areas of the Council where community groups are not subsidised to the same level. The budget strategy therefore proposes a review of policy to ensure that we target any subsidy to those areas that are in line with the priorities contained within the CYPP, for example "Places to go, things to do".



Children's Services



Early Years

The budget strategy for 2009/10 continues the development and expansion of the Children Centre programme with a total of 59 centres scheduled to be open by March 2009 providing integrated early education, childcare and wider family support, care and health. Government grants totalling £4.4m have been allocated toward capital investments in Early Years and Childcare provision. The budget also supports 131 Early Years family workers. The ring-fenced Sure Start, Early Years & Childcare Grant allocation of £19.6m will be used to support the delivery of government targets and statutory functions in the Childcare Act 2006 and the Education and Inspections Act 2006.

In addition, the service will receive £5.5m of grant income to continue the work around increasing the nursery provision flexibility for 3 & 4 year olds and also £1.25m as part of the pilot to support extending nursery education to 2 year-olds.

Children and Young People's Social Care

The budget strategy for 2009/10 supports significant investment of resources into the services. This investment recognises the demands on the service and the need to invest in staffing, a mix of quality placement options, in-house residential provision, support to unaccompanied asylum seeking children and recognises the increased cost of legal advice. The budget supports an investment of £0.8m to support the placement strategy by re-prioritising resources across in-house and externally provided residential and fostering placements.

Specifically, the budget will support 850 children & young people under the age of 16 within the in-house fostering service and also 193 young people within the leaving care service. The budget also supports 135 assisted adoptions, 213 unaccompanied asylum seeking children (with external funding) and also 92 children across 12 in-house residential homes.

In respect of children with disabilities, the budget recognises the £644k revenue and £322k capital funding in 2009/10 to support the expansion of short-breaks.

Education

The 2009/10 Schools Budget will deliver the 2.1% per pupil minimum funding guarantee (MFG) to all schools and provide them with sufficient provision to meet the teachers' pay award and other inflationary pressures.

The Schools Budget is primarily funded by the ring-fenced Dedicated Schools Grant (DSG). It is anticipated that the Leeds allocation of DSG per pupil will grow by 3.6% in 2009/10 and 4.1% in 2010/11. This is lower than the equivalent annual, national per pupil increases of 3.7% and 4.3% respectively, mainly due to demography whereby Leeds pupil numbers are decreasing faster than the national average.

The gross Leeds DSG allocation for 2009/10 is expected to be £405m, a year on year increase of 3.0%. The Education share of this allocation is £398m, the remainder going to fund Early Years services. The anticipated 2010/11 Leeds DSG allocation of £423m represents a 4.3% annual cash increase. The LSC funding increase for post 16 education is in line with the MFG increase of 2.1%.

Whilst pay awards are expected to be less than 2.3%, the superannuation rate for staff in the West Yorkshire Fund increases by 0.8%. The introduction of a new pay and grading system following job evaluation is expected to add over £0.8m to the costs of employees in schools, and produce increases in catering and cleaning charges of over 6%. Further PFI schools will result in increased PFI payments, with an expected additional cost of £1.3m year on year. Energy costs for schools are increasing with gas and electricity charges expected to increase by £1.1m year on year and due to the increase in energy costs and pay and grading, swimming charges will increase by £0.1m. Current projections suggest that pupil numbers in schools will reduce by over 500 from January 2008 to January 2009. Given the overall increase in funding levels it is unlikely that increased funding levels will compensate for the need to reduce staffing and other costs due to the reduced pupil numbers.



Children's Services



The Department for Children, Schools and Families (DCSF) has included funding within the dedicated schools grant targeted at ministerial priorities of personalised learning, including early intervention to prevent children from falling behind; targeted support for specific groups, including ethnic minorities, white working class children, children in care and support for children with special educational needs. The notional £2.8m for Leeds in 2009/10 will be reduced to an estimated £1.0m due to additional budget pressures of energy, pay and grading, and PFI scheme costs. Leeds already targets significant resources at these priorities and previous benchmarking has shown that current targeting is well above the national average.

Within the Central Schools Budget, provision of £0.7m has been included within the budget for pay and prices with pay awards expected to be around 2%. The costs of educating pupils with special educational needs (SEN) through outside placements are expected to increase by £0.3m and specific provision of £0.3m has been made for the training of school support staff. Provision has been made for additional school maternity costs of £0.4m; Key Stage 2 Behaviour in Oases £0.2m; changes to the Trade Union duty policy £0.08m and the expected capitalised costs of phase 1 job evaluation tribunals £0.2m. These pressures are offset by a reduction in the costs of educating pupils other than at school and undertaking alternative programmes of £0.7m and also a net reduction of £0.1m in the costs of educating pupils in other local authorities. Provision within the schools contingency has been reduced by £1.0m due to a higher than expected level of DSG balances to carry forward from 2008/09. Savings of £0.1m will arise from reduced IT development costs for the Admissions Service.

A number of savings and efficiency measures have been identified to offset inflationary and funding pressures of £3m within the LEA Budget. Staffing and running costs inflation amount to £1.8m. These are compounded by funding and other pressures of £1.2m, primarily the cash limiting and the redirection of some Area Based Grant resources, £0.8m. Staffing savings and other efficiencies identified within Education Leeds have delivered savings of £0.7m. Further savings of £0.5m have been found within School Transport, partly attributable to a reduction in the number of transport days due to the timing of the school calendar.

Children's Services

Summary of budget by service (£000)

Budget manager	Service	Total 2008/09	Managed by the service			Managed outside the service	Total 2009/10
			spending	income	net		
Deputy Director Commissioning	LEA Funded Services	65,159	98,666	-49,524	49,143	27,912	77,054
	Individual Schools Budget	358,586	426,248	-56,489	369,759	-	369,759
	Central School Budget (Direct Schools Grant)	-357,764	75,392	-442,862	-367,469	-	-367,469
Chief Officer Early Years and Youth	Early Years	12,591	52,614	-42,934	9,681	5,391	15,072
	Integrated Youth Support Service	10,219	20,174	-3,329	16,846	1,751	18,596
	Youth Offending Service	3,541	5,982	-3,069	2,914	893	3,807
Chief Officer Children and Young People's Social Care	Children's Social Care	68,032	79,396	-10,777	68,619	5,648	74,267
Strategic Leader Resources and Assets	Director of Children's Services Unit and Strategic Accounts	1,878	2,680	-578	2,102	565	2,667
	Support Costs and Central Accounts	-	-853	-350	-1,203	-398	-1,600
Net cost of service		162,242	760,300	-609,910	150,391	41,762	192,152
	Transfers to and from earmarked reserves	-3,685	-	-	-	-2,918	-2,918
Net revenue charge		158,557	760,300	-609,910	150,391	38,844	189,235

Children's Services

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Employees		Transport	
Direct pay	58,405	Vehicles and plant related expenditure	201
Agency and temporary staff	47	Travel allowances	1,058
National Insurance contributions	4,286	Fuel	31
Superannuation costs	7,377	Private hire	133
Other pension costs	7,674	Transport-related insurance	4
Other employee related costs	254		1,427
Training and development	2,693	Other costs	
	80,735	Managed recharges from other directorates	17,601
Premises		Reallocated grants	103,990
Building maintenance	12	Services provided by other organisations	8,143
Grounds maintenance	48	Payments to voluntary organisations	1,929
Building security	81	Fees to carers	20,617
Cleaning and workplace refuse	1,004	Transfers to and from earmarked reserves	170
Gas	243	Education awards	54
Electricity	281	School clothing vouchers	614
Other utilities	135	School budget share	369,759
Rent	689	Allowances for children	119
NNDR	432	Social care direct payments	416
Accommodation charges	293	Child Trust Fund top-up payments	27
Premises-related insurance	88	Young people's activities and rewards	375
	3,305	Capital expenditure financing charge	532
Supplies and services		Transfer of surplus	155
Materials and equipment	2,432	Schools contingency	2,027
Stationery and postage	385		526,527
Advertising	56		
IT and telecommunications	1,291	Managed expenditure	760,300
Insurance	275		
Events and projects	70	Internal income	
Professional fees	11,280	From other directorates	-15,346
Grants and contributions	15,678	Reallocated grants	-2,642
Services from Education Leeds	868		-17,988
Allowances	164	External income	
Consultancy services	36	Government grants	-573,316
External audit fees	30	Other grants	-838
Security services	20	Sale of goods and services	-369
Other hired and contracted services	55,579	Fees and charges	-11,369
Publicity and promotion	65	Education Leeds income	-545
Education Leeds contract charge	58,902	Contributions	-3,408
Miscellaneous	1,174	Other income	-1,059
	148,305	Rents	-971
		Interest and dividends	-46
			-591,922

Children's Services

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Managed income	-609,910		
Net managed budget	150,391		
Central recharges			
Central recharges	10,665		
Corporate and democratic core	-158		
	10,507		
Other internal adjustments			
Internal reallocations	13,417		
Internal reallocations income	-13,417		
	-		
Accounting adjustments			
FRS 17 costs	-534		
PFI costs	76		
Vehicles and plant financing charge	-26		
Capital managed outside service	31,738		
	31,255		
Managed outside the service	41,762		
Net cost of service	192,152		

Children's Services

Budget manager: Deputy Director Commissioning

LEA Funded Services			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		External income	
Other pension costs	7,209	Government grants	-33,366
Other employee related costs	10	Sale of goods and services	-361
	7,219	Fees and charges	-167
Premises		Contributions	-623
Building maintenance	11	Other income	-19
Grounds maintenance	3	Rents	-914
Building security	11	Interest and dividends	-46
Gas	2		-35,496
Electricity	3		
Other utilities	1	Managed income	-49,524
NNDR	5		
Premises-related insurance	13	Net managed budget	49,143
	49		
Supplies and services		Central recharges	
Materials and equipment	60	Central recharges	258
Stationery and postage	-		258
IT and telecommunications	286	Other internal adjustments	
Grants and contributions	338	Internal reallocations	189
Services from Education Leeds	50		189
External audit fees	10	Accounting adjustments	
Other hired and contracted services	45,232	FRS 17 costs	-2,842
Education Leeds contract charge	37,521	Capital managed outside service	30,306
	83,496		27,465
Other costs			
Managed recharges from other directorates	3,255	Managed outside the service	27,912
Reallocated grants	3,824	Net cost of service	77,054
Education awards	54		
School clothing vouchers	614		
Transfer of surplus	155		
	7,901		
Managed expenditure	98,666		
Internal income			
From other directorates	-14,028		
	-14,028		

Children's Services

Budget manager: Deputy Director Commissioning

Individual Schools Budget			
£000	Budget 2009/10	£000	Budget 2009/10
Supplies and services			
IT and telecommunications	1		
Services from Education Leeds	401		
Other hired and contracted services	219		
	621		
Transport			
Fuel	17		
	17		
Other costs			
Reallocated grants	55,852		
School budget share	369,759		
	425,611		
Managed expenditure	426,248		
Internal income			
From other directorates	-25		
	-25		
External income			
Government grants	-56,253		
Fees and charges	-212		
	-56,465		
Managed income	-56,489		
Net managed budget	369,759		
Net cost of service	369,759		

Children's Services

Budget manager: Deputy Director Commissioning

Central School Budget (Direct Schools Grant)			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Net managed budget	-367,469
Direct pay	1,710		
National Insurance contributions	184	Net cost of service	-367,469
Superannuation costs	264		
Training and development	2,315		
	4,474		
Premises			
Rent	21		
	21		
Supplies and services			
Materials and equipment	131		
Professional fees	165		
Services from Education Leeds	416		
Allowances	2		
Other hired and contracted services	1,064		
Publicity and promotion	3		
Education Leeds contract charge	21,381		
	23,163		
Transport			
Travel allowances	1		
	1		
Other costs			
Managed recharges from other directorates	2,380		
Reallocated grants	41,965		
Services provided by other organisations	659		
Transfers to and from earmarked reserves	170		
Capital expenditure financing charge	532		
Schools contingency	2,027		
	47,733		
Managed expenditure	75,392		
Internal income			
From other directorates	-365		
	-365		
External income			
Government grants	-441,385		
Contributions	-1,110		
Other income	-2		
	-442,496		
Managed income	-442,862		

Children's Services

Budget manager: Chief Officer Early Years and Youth

Early Years			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	18,888	Managed expenditure	52,614
Agency and temporary staff	4		
National Insurance contributions	1,217	Internal income	
Superannuation costs	2,487	From other directorates	-696
Other pension costs	61	Reallocated grants	-2,249
Other employee related costs	81		-2,945
Training and development	118	External income	
	22,856	Government grants	-34,717
Premises		Sale of goods and services	-3
Grounds maintenance	17	Fees and charges	-5,029
Building security	51	Education Leeds income	-14
Cleaning and workplace refuse	684	Other income	-194
Gas	176	Rents	-33
Electricity	150		-39,989
Other utilities	57		
Rent	474	Managed income	-42,934
NNDR	220		
Premises-related insurance	12	Net managed budget	9,681
	1,842		
Supplies and services		Central recharges	
Materials and equipment	1,077	Central recharges	1,065
Stationery and postage	207		1,065
Advertising	21	Other internal adjustments	
IT and telecommunications	314	Internal reallocations	7,245
Insurance	9	Internal reallocations income	-4,281
Events and projects	13		2,964
Professional fees	10,825	Accounting adjustments	
Grants and contributions	6,407	FRS 17 costs	857
Allowances	10	Capital managed outside service	504
External audit fees	9		1,362
Security services	20		
Other hired and contracted services	5,259	Managed outside the service	5,391
Publicity and promotion	25		
Miscellaneous	1,166	Net cost of service	15,072
	25,362		
Transport			
Travel allowances	108		
Private hire	128		
	236		
Other costs			
Managed recharges from other directorates	90		
Reallocated grants	2,229		
	2,320		

Children's Services

Budget manager: Chief Officer Early Years and Youth

Integrated Youth Support Service			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other costs	
Direct pay	6,205	Managed recharges from other directorates	818
Agency and temporary staff	30	Reallocated grants	121
National Insurance contributions	417	Services provided by other organisations	499
Superannuation costs	694	Young people's activities and rewards	375
Other pension costs	302		1,814
Other employee related costs	38		
Training and development	87		
	7,773	Managed expenditure	20,174
Premises			
Grounds maintenance	14	Internal income	
Building security	14	From other directorates	-40
Cleaning and workplace refuse	11	Reallocated grants	-393
Gas	48		-432
Electricity	45	External income	
Other utilities	33	Government grants	-1,596
Rent	99	Other grants	-838
NNDR	86	Sale of goods and services	-5
Accommodation charges	293	Fees and charges	-69
Premises-related insurance	2	Education Leeds income	-165
	647	Contributions	-192
Supplies and services		Other income	-8
Materials and equipment	217	Rents	-24
Stationery and postage	35		-2,896
Advertising	5		
IT and telecommunications	153	Managed income	-3,329
Insurance	2		
Events and projects	10	Net managed budget	16,846
Professional fees	127		
Grants and contributions	8,872	Central recharges	
Allowances	-	Central recharges	70
Consultancy services	9		70
Other hired and contracted services	285	Other internal adjustments	
Publicity and promotion	36	Internal reallocations	1,260
Miscellaneous	-	Internal reallocations income	-28
	9,750		1,233
Transport		Accounting adjustments	
Vehicles and plant related expenditure	107	FRS 17 costs	107
Travel allowances	71	Vehicles and plant financing charge	-13
Fuel	10	Capital managed outside service	354
Transport-related insurance	3		448
	191		
		Managed outside the service	1,751

Children's Services

Budget manager: Chief Officer Early Years and Youth

Integrated Youth Support Service			
£000	Budget 2009/10	£000	Budget 2009/10
Net cost of service	18,596		

Children's Services

Budget manager: Chief Officer Early Years and Youth

Youth Offending Service			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		External income	
Direct pay	3,985	Government grants	-2,451
National Insurance contributions	292	Contributions	-27
Superannuation costs	371	Other income	-490
Other employee related costs	14		-2,968
Training and development	42		
	4,704	Managed income	-3,069
Premises			
Building security	3	Net managed budget	2,914
Cleaning and workplace refuse	40		
Electricity	5	Central recharges	
Other utilities	1	Central recharges	57
Rent	74		57
NNDR	48	Other internal adjustments	
	171	Internal reallocations	693
Supplies and services			693
Materials and equipment	80	Accounting adjustments	
Stationery and postage	41	FRS 17 costs	139
Advertising	10	Capital managed outside service	4
IT and telecommunications	44		143
Events and projects	1		
Professional fees	13	Managed outside the service	893
Allowances	5		
Consultancy services	1	Net cost of service	3,807
External audit fees	10		
Other hired and contracted services	320		
Publicity and promotion	1		
	527		
Transport			
Vehicles and plant related expenditure	15		
Travel allowances	231		
Fuel	-		
Private hire	6		
	252		
Other costs			
Managed recharges from other directorates	329		
Education awards	-		
	329		
Managed expenditure	5,982		
Internal income			
From other directorates	-101		
	-101		

Children's Services

Budget manager: Chief Officer Children and Young People's Social Care

Children's Social Care			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other costs	
Direct pay	27,490	Managed recharges from other directorates	10,677
Agency and temporary staff	12	Services provided by other organisations	6,985
National Insurance contributions	2,057	Payments to voluntary organisations	1,929
Superannuation costs	3,388	Fees to carers	20,617
Other pension costs	76	Education awards	-
Other employee related costs	109	Allowances for children	119
Training and development	48	Social care direct payments	416
	33,181	Child Trust Fund top-up payments	27
Premises			40,770
Grounds maintenance	14		
Building security	2	Managed expenditure	79,396
Cleaning and workplace refuse	269		
Gas	48	Internal income	
Electricity	95	From other directorates	-93
Other utilities	42		-93
Rent	21	External income	
NNDR	73	Government grants	-2,972
Premises-related insurance	61	Fees and charges	-5,893
	624	Education Leeds income	-366
Supplies and services		Contributions	-1,107
Materials and equipment	906	Other income	-347
Stationery and postage	26	Rents	-
Advertising	20		-10,684
IT and telecommunications	274		
Insurance	264	Managed income	-10,777
Events and projects	28		
Professional fees	83	Net managed budget	68,619
Grants and contributions	61		
Allowances	146	Central recharges	
Consultancy services	27	Central recharges	89
External audit fees	1		89
Other hired and contracted services	2,265	Other internal adjustments	
Miscellaneous	5	Internal reallocations	3,838
	4,106		3,838
Transport		Accounting adjustments	
Vehicles and plant related expenditure	78	FRS 17 costs	1,165
Travel allowances	632	Vehicles and plant financing charge	-12
Fuel	4	Capital managed outside service	569
Transport-related insurance	2		1,721
	715		
		Managed outside the service	5,648

Children's Services

Budget manager: Chief Officer Children and Young People's Social Care

Children's Social Care			
£000	Budget 2009/10	£000	Budget 2009/10
Net cost of service	74,267		

Children's Services

Budget manager: Strategic Leader Resources and Assets

Director of Children's Services Unit and Strategic Accounts			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Accounting adjustments	
Direct pay	1,633	FRS 17 costs	30
National Insurance contributions	104	PFI costs	76
Superannuation costs	148		106
Other pension costs	26		
Training and development	10	Managed outside the service	565
	1,921		
Premises		Net cost of service	2,667
Building maintenance	1		
	1		
Supplies and services			
Materials and equipment	5		
Stationery and postage	10		
IT and telecommunications	41		
Events and projects	18		
Professional fees	66		
Other hired and contracted services	586		
Miscellaneous	3		
	729		
Transport			
Travel allowances	12		
	12		
Other costs			
Managed recharges from other directorates	17		
	17		
Managed expenditure	2,680		
External income			
Government grants	-578		
	-578		
Managed income	-578		
Net managed budget	2,102		
Central recharges			
Central recharges	267		
	267		
Other internal adjustments			
Internal reallocations	191		
	191		

Children's Services

Budget manager: Strategic Leader Resources and Assets

Support Costs and Central Accounts			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	-1,507	Managed outside the service	-398
National Insurance contributions	15		
Superannuation costs	25	Net cost of service	-1,600
Other employee related costs	3		
Training and development	72		
	-1,393		
Premises			
Gas	-32		
Electricity	-17		
	-49		
Supplies and services			
Materials and equipment	-43		
Stationery and postage	66		
IT and telecommunications	179		
Other hired and contracted services	350		
	552		
Transport			
Travel allowances	3		
	3		
Other costs			
Managed recharges from other directorates	34		
	34		
Managed expenditure	-853		
External income			
Contributions	-350		
	-350		
Managed income	-350		
Net managed budget	-1,203		
Central recharges			
Central recharges	8,858		
Corporate and democratic core	-158		
	8,701		
Other internal adjustments			
Internal reallocations income	-9,108		
	-9,108		
Accounting adjustments			
FRS 17 costs	9		
	9		

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City Development

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LEEDS CITY COUNCIL 2009/10 BUDGET REPORT

Directorate: City Development

1 Introduction

This report has been produced in order to inform members of the main variations and factors influencing the directorate's budget for the 2009/10 Budget.

The Budget, as in previous years, has been prepared at outturn prices and as such there is no central provision for pay and prices.

Following the Council's Support Services Review, three major functions have been transferred during 2008/09 to Resources Directorate from the individual directorates reflecting the new operational arrangements of the Council. These services are Financial Management, Human Resources and Corporate Property Management. The impact of these transfers is that Net Managed Expenditure will reduce and the amount managed outside the service will increase. The 2008/09 Budget has been adjusted in the table below to reflect these changes.

2 Service Context

The City Development budget for 2009/10 has been influenced by three key factors. These are the need to continue to realign resources to priorities, the need to review income targets in view of the current economic position and the need to review staffing levels in the light of projected income and workloads.

City Development has a number of service areas whose budgets are significantly supported by external income. In 2008/09 there has been a general downward trend in external income both against the 2008/09 budget and in terms of previous years' levels. Across the directorate for 2008/09 it is projected that there will be a shortfall against external income of over £3m. This trend is expected to continue in 2009/10.

The budget strategy for the directorate has therefore been to set realistic income targets given the current economic position. As a result of the reduced income the directorate has also reviewed staffing levels in the services affected. The Early Leaver Initiative has been rolled out across the directorate and in some services revised structure proposals are also being developed. The 2009/10 budget reflects this position and provides for a reduction of approximately 135 FTEs (Full Time Equivalent) posts across the directorate.

In addition to a reduced income base, the budget strategy has also addressed a number of expenditure pressures, mainly as a result of contract price increases for utilities. The directorate has also sought to continue to realign resources to service priorities and the 2009/10 budget includes a number of service reviews and efficiency proposals to facilitate this realignment.

3 Explanation of increase between the Original Budget (Adjusted) 2008/09 and the Budget 2009/10 - £3.441m (2.8%)

3.1 The variation can be summarised as follows:

	£000s
Net Cost of Service - Original Budget 2008/09	116,354
Adjustments	7,742
Adjusted Budget 2008/09	124,096
Movements on Budgets Managed Outside Service	2,249
Changes in Prices	
• Pay	2,576
• Price	1,090
• Income	- 1,247
Service Budget Changes	2,419
• Changes in Service Levels	75
• Other Factors not affecting level of service	1,198
• Efficiency Savings	- 2,500
	- 1,227
Net Cost of Service - Budget 2009/10	127,537
Net Managed Budget	76,923
Managed Outside Service	50,614
Net Cost of Service	127,537

3.2 Adjustments

In 2008/09 the Area Based Grant was allocated to directorates to correspond to the agreed expenditure priorities. Further guidance has now been received which states that the Area Based Grant should be accounted for as a non ring fenced general grant and should be recorded as a single line in the authority's accounts. Therefore the grant has been removed from directorate budgets and held centrally. For this directorate, the adjustment is an increase of £8,111k. This includes the grant for the Local Enterprise and Growth Initiative (LEGI) Scheme £3.7m and the Road Safety Grant £3.0m.

Other adjustments total a net reduction of £369k.

3.3 Movements on Budgets Managed Outside the Service

The authority is required to comply fully with accounting standard FRS 17 – Retirement Benefits. This means that the pension costs shown in service accounts are required to be the current service cost rather than the amounts actually paid out in relation to pensions during the year. The overall impact of this adjustment year on year is to reduce the net cost

of service by £2,085k. There is no impact on Council Tax levels as the effect of the FRS 17 adjustment is reversed by a contribution from the Pensions Reserve.

Variations in charges for capital is an increase of £3,738k. This reflects a net increase in the value of capital expenditure incurred in the year and written back to revenue in accordance with accounting practice. This relates to capital schemes managed by the Council but relating third party assets.

The variation in the allocation of centrally managed costs includes a net increase of £122k for central recharges.

3.4 Changes in prices

Provision of £2,578k has been made for 2009/10 pay awards at 2% and for the full year effect of the award in 2008/09, which is still to be finalised. Allowance of £390k has been made for the increased cost of gas and electricity contracts which mainly have an impact in Sport and Libraries, Arts and Heritage. Additional provision has been made in central contingency which would be available for release if the increases in utility costs is higher than anticipated. An increase of £700k has been provided in Highways Services for the anticipated additional cost of the Street Lighting electricity contract.

The ability to raise prices next year has been carefully considered across the directorate and the decision to increase prices has been a balance between taking account of the impact of the economic situation and also acknowledging the increasing cost base in some service areas. A total of £907k in additional income is anticipated to be generated from increased prices at an average of a 3% increase. In addition to this a further £340k is anticipated from increases above 3% for some Sport activities and some services in Cemeteries and Crematoria.

General running cost budgets have not been increased for inflation and in line with this no provision has been made for an increase in grants to organisations.

3.5 Service Budget Changes

3.5.1 Efficiency savings

For this directorate the following savings have been identified for 2009/10.

Nature of saving	Total £000s
Various savings from corporate and directorate initiatives to reduce costs in procurement, travel, managed print service and mobile phones	720
Review of Sport facilities	500
Reduction in insurance costs for Highway Services	400
Reduction in sickness	220
Expansion of RFID in libraries and review of facilities	150
Street lighting energy efficiency	100
Review of legal costs	100
Rationalisation of office accommodation	85
Other efficiencies	225
Total	2500

3.5.2 Changes in Service Levels

Income targets have been reviewed across the directorate and external income has been reduced by a total of £3,245k. This includes a reduction in planning and building fees of £875k and a reduction in income in Asset Management of £990k including reductions in markets income and surveyor and legal fees from disposals. Other income reductions include Sport £300k and Museums £300k. The scope to raise additional income is expected to be limited in 2009/10 but £350k has been included for increased fees and charges in Highways and Transportation, for a review of estate pricing and discounts in Parks and Countryside and Libraries Arts and Heritage. An additional £100k in grant income is anticipated in Planning Services from the Housing and Planning Delivery Grant, reflecting the amount of grant received in 2008/09. Engineering Services has been successful in obtaining grant of £50k from Defra (Department for Environment, Food and Rural Affairs). Some £37k of this will be spent in 2009/10 and will be used to produce a surface water management plan. An additional £175k has been included in the Parks and Countryside budget to replace the loss of Heritage Lottery Funding.

To offset the reduced income targets, staffing levels have been reviewed across the directorate and the budget includes a reduction in staffing of £2.6m. This is being achieved through a combination of the Early Leavers Initiative, restructures in Planning Services, Asset Management, Highways and Transportation, Libraries and Parks and Countryside and by continuing to manage recruitment and vacancy levels.

Running costs have also been reviewed, partly as a result of income reductions, and savings of £325k have been identified. A number of service reviews are being progressed and savings of £450k are expected to be realised across the directorate.

The directorate has continued to realign resources to meet service priorities and pressures. Additional expenditure of £220k has been included in the budget for non illuminated signs, £90k for security in Parks and Sport, £75k to enable additional hand held equipment to be purchased in Parks and Countryside and £40k to enable additional Town and District car parking studies to be completed.

The budget provides for the cost of the implementation of free swimming for under 16's and over 60's, estimated at £30k.

3.5.3 Other Factors not affecting the level of service

The 2008/09 budget included provision for a number of items of a one off nature such as the World Corporate Games. The removal of such budgets has produced a saving of £165k in 2009/10.

There has been a change in the way that the Street Lighting PFI Contract is accounted for, the result is an increase in £1,424k in the budget for the contract. Additional capitalisation of staff time in Highways Services and an anticipated surplus from the Highways DLO have resulted in an additional £200k in income. An increase of £300k has been included on staffing budgets to reflect the Pay and Grading review for this Directorate. Other minor variations total a net reduction in costs of £161k.

4 Risk Assessment

In determining the 2009/10 budget, consideration has been given to all the risks which are managed within the department's overall risk management framework. Within this

framework, a register of those items considered to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.

The directorate has a significant income base to achieve, with external income amounting to over £48m and charges to other directorates and capital schemes of £40m. Income trends have been assessed and income budgets in 2009/10 have been set at realistic levels given the economic outlook. However, there is a risk that income levels could reduce further. A larger than expected deterioration in economic conditions would have a detrimental impact on external income, especially in fees and charges for planning and leisure activities which can be particularly susceptible to such changes. Income budgets are monitored regularly and appropriate action taken should reductions in income occur. Provision has also been made in central contingency which could be released to help partly fund income shortfalls.

The budget also includes over £2.5m of efficiencies and service reviews and £2.6m of savings in staffing. Whilst plans are in place and actions identified to achieve these savings there is a risk that savings will be less than that assumed in the budget. Progress with reviews and actions will be closely monitored during 2009/09 by City Development Directorate.



Main responsibilities:

Economic Services' key objective is to attract people and investment to the city. The work is about improving Leeds as a place, encouraging enterprise and about raising the profile of the city. Key themes for the service are:

- Urban renaissance and regeneration
- Investment and development
- Competitiveness – of Leeds as a place, and of Leeds' businesses
- Encouraging enterprise, particularly within disadvantaged communities

Perhaps more than most services, we can only achieve results by working with others. Indeed, staff are committed to working in partnership to provide quality services that meet the needs of the customers and stakeholders.

Economic Services comprises 4 service areas:

- Business and Enterprise – inward investment and marketing, support and attracting funding, Local Enterprise Growth Initiative.
- Tourism, including Conference Leeds, the West Yorkshire Conference Desk
- City Centre Management
- Renaissance Unit (including Civic Architect's Unit) - Urban Renaissance, Major Developments, Area Regeneration and support for Neighbourhood Renewal

The services will help deliver the Vision for Leeds and the council's Corporate Plan.

Budget highlights 2009/10:

- The Tourism section continues to work in partnership with other West Yorkshire authorities to encourage business tourism to develop in the region.
- The Local Enterprise Growth Initiative (LEGI) project is now in its 3rd year. The budget for 2009/10 comprises £3.7m revenue and £1.3m capital.
- The Renaissance Unit leads the Leeds Renaissance Partnership and Holbeck Urban Village, and provides a project management and coordination role for various schemes, including regeneration projects within the RIM (e.g. Eastgate and Harewood development and Beeston Hill and Holbeck grant scheme) and assisting with PFI projects.
- The City Centre Management function will be working on enhancing Leeds City Centre in 2009/10 including the Leeds City Centre Vision, the Legibility Study (improving directional signage and mapping for the City Centre) and Public Realm schemes (eg Central Square and Lands Lane pedestrianisation).



Main responsibilities:

Highways Services

Highways Services currently maintain 3,000km of roads and adjacent footways in Leeds. Main responsibilities include:-

- Delivering a large programme of reactive and planned work to improve the condition of the network, reduce the risk of accidents occurring on the highway and minimise the financial risk of claims.
- A 24 hours a day, 365 days a year emergency response and Winter Maintenance Services.
- The Leeds Street Lighting Private Finance Initiative which is delivering the largest refurbishment and maintenance programme for street lighting in the country. The scheme will see 80,000 lighting columns replaced by July 2011.
- Network Management duties include the monitoring, coordination and control of the activities of utility companies and developers working on the highways to help minimise potential inconvenience, congestion and disruption to road users.
- Traffic Engineering are responsible for the implementation of traffic management and signing schemes to improve the information to road users and allow them to travel in maximum safety. This includes delivery of traffic regulation orders, new traffic signs, speed restrictions and pedestrian crossings.

Transport Policy

- Transport Strategy (including Local Transport Plan), Environmental Studies, Road Casualty Reduction and Transport Policy Monitoring.

New Generation Transport (NGT)

- Development of proposals for NGT including Major Scheme Business Case in partnership with Metro

Urban Traffic Management Control

- Managing the signal control system for the benefit of all road users.

Engineering Services

Engineering Services is a consultancy service covering design and construction of highways, bridges, and watercourses, helping to create a high quality built environment for the city. Main responsibilities include:

- Design and delivery of major and minor highway schemes, transportation projects and major council sponsored prestige projects.
- Bridge assessment and strengthening, together with the management of the authority's structures in accordance with national programmes and standards.
- Provision of a geotechnical and site surveying consultancy service including topographical and soil surveys.
- Undertaking all the statutory responsibilities of the council as the land drainage authority for the Leeds Metropolitan District. Full riparian responsibilities for Leeds City Council properties. Management of watercourses and fountains.



Budget highlights 2009/10:

A restructuring of the new Highways and Transportation Service will be completed in 2009/2010 and formalise the arrangements within the 3 service units.

Highways Services

- The budget provides for increased expenditure on horticultural maintenance within the highways infrastructure (£95k). The increase in resources will allow for the increased price of the grass cutting contract.
- An increase in provision is made for the maintenance of non-illuminated traffic signs (£200k).
- An increase in electricity charges provision (£682k) is due to the price increase resulting from the energy contract finishing November 2008.
- A reduction in insurance provision (£361k) which reflects the on going highway maintenance works improvements, and the improved systems of monitoring and inspection.
- The transfer of the Public Rights of Way works budget to Parks and Countryside is now completed.

Transport Policy

- New structure approved for Transport Strategy to meet service pressures relating to the Transport Innovation Fund; City Centre vision and transport strategy; major scheme development.
- An increase in budget provision for Town and District parking provision studies (£40k).

Engineering Services

- With the exception of the land drainage and general maintenance (structures revenue) functions, the service is fully rechargeable with a large proportion of its income being generated by fees from the capital programme.
- For 2009/10 major engineering projects include: the A65 Quality Bus Initiative, Dewsbury Road Quality Bus Initiative, Lands Lane, Central Square and the continuation of the private street works programme.
- Bridges section has several major engineering projects included in their 2009/10 work programme and a sample includes: Lovell Park Road Bridge, Woodhouse Tunnel, and A58 Mill Green Bridge.



Main responsibilities:

The Libraries, Arts and Heritage Service aims to support the corporate and departmental objectives by –

- Taking a key role in regeneration and inclusion
 - make Leeds a great place to live and visit by encouraging active participation for all in the cultural and creative life of the city
 - help people explore and communicate their history, sense of place, their roots and their sense of community
- Taking a key role in Lifelong Learning
 - support citizenship, equality and democracy
- Promote lifelong learning to encourage individuality, expression self development, achievement and to foster new creative talent
- Pursuing Excellence
 - ensure the customer is at the heart of everything we do
- Rigorously managing priorities, processes and performance (including training, improving communication, ICT and marketing) to exceed expectation.

Budget highlights 2009/10:

- The 2009/10 budget includes a £300k reduction in income to the Heritage service, reflecting the economic downturn that has occurred towards the second half of 2008/9. The budget also includes £70k for to cover the cost of enhanced weekend and evening working and to enable implementation of an enhanced visitor assistant scheme in order to improve levels of customer care, standards of training and to formalise the range of duties performed.
- The service has received capital funding of £1.2 million to implement RFID (Radio Frequency Identification technology) within libraries and a significant portion of this money will be spent in 2009/10. The RFID programme will deliver improved service delivery for customers whilst helping to reduce costs.



Main responsibilities:

Planning Services

- Planning applications and appeals, putting strategies and policies into practice to help Leeds become an internationally competitive city with a high quality of life for everyone.

Highways Development Services

- Addressing the highways implications of development and working to deliver the Local Transport Plan.

Building Standards

- Providing building regulation and public safety services.

Compliance Services

- Monitoring compliance with the council's planning and building regulation decisions and dealing positively with breaches of control.

Development Enquiry Centre

- Providing customer focused one-stop services for the whole of the Development Directorate, face to face, by phone and, increasingly, by e-mail and the internet.

Budget highlights 2009/10:

- Due to the current economic climate the budgeted income on planning fees and building fees has been reduced by £525k and £350k respectively. To offset some of this shortfall, services have undertaken restructure programmes and introduced Early Leaver Initiatives. There is also a comprehensive efficiency programme built into the 2009/10 budget. Similarly, the income target for local land searches has been reduced by £70k to reflect the downturn in the property market.
- Housing Planning Delivery Grant was introduced in 2008/09 and this is set to continue in 2009/10. The level of grant exceeded budget in 2008/09 and therefore the budget has increased by £100k to £775k in 2009/10.
- Planning appeal costs have increased over a number of years so the budget in 2009/10 has increased by £40k to recognise this.



Main responsibilities:

The Recreation services of Parks and Countryside and Sport and Active Recreation support council objectives by:

- Providing directly and supporting the development of recreation and sporting opportunities for all people to enjoy
- Ensuring an enjoyable and sustainable environment for all through the creation, management and enhancement of parks and greenspaces.
- Encouraging people to be more healthy through greater involvement in physical activity.
- Providing opportunities for self development and learning through involvement in sporting and environmental activity.
- Taking the strategic lead in the development of recreational and sporting opportunities in Leeds.
- Helping to support the city's growing reputation as a great place to live, work and play.
- Delivering targeted programmes to ensure those individuals at greatest risk are afforded the chances to be involved in recreation and sporting activities.
- Setting clear priorities, supporting the development of staff and managing performance effectively.
- To provide a sympathetic and caring burial and cremation service for bereaved throughout Leeds.
- To ensure the service adopts a strategic approach towards the future development of the service, to meet the changing needs of the service and ensure its sustainability through provision of burial land.

Budget highlights 2009/10:

- Given the context of the present economic climate coupled with the fact that the service has an income budget of around £29m, 2009/10 will present a number of challenges which will be monitored carefully throughout the year. This will ensure that the service achieves its budget within the set parameters. However, the budget does allow for some of the challenges expected in 2009/10. These include an additional £190k within Parks and Countryside to cover the fallout of the Heritage Lottery Fund grant for Roundhay Park and Kirkstall Abbey. An additional £75k has been provided for the leasing costs of Hand Arm Vibration equipment which will need replacing during 2009/10.
- In order to reflect current economic trends, the income target for Sport and Active Recreation has been reduced by £400k. The budget also includes an additional £40k for the increased NNDR costs of the Aquatics Centre and £70k for net loss of income during the closure of Morley and Armley sports centres whilst the new PFI funded centres are built. Finally, the service will receive a grant of £419k from Government to implement its free swimming initiative and the council will supplement this with £30k to fully cover the net costs.



City Development Strategic Asset Management



Main responsibilities:

The aim is to provide a seamless asset management service, which drives continuous improvement in the council's property portfolio.

The service assists client departments to deliver corporate objectives by –

- Ensuring that council property is fit for purpose and well located
- Assisting with development of large capital schemes.
- Providing professional property advice and handling the disposal of property.
- Assisting in the implementation of specific asset management based projects.
- Working in partnership with the private sector to create a Strategic Design Alliance which provides a full range of architectural professional design services to support, design and deliver the capital programme.

In addition to the above, the markets division provides and manages retail markets in the city centre and at various town centres across the Leeds district.

As the council is a major land and property owner in the city, the asset management service plays a key role in helping to shape the physical development of Leeds along with other services of the authority.

Budget highlights 2009/10:

- Currently there is a review of the structure within Asset Management and Property Services which is aimed to help meet pressures identified in relation to the current economic climate.
- Allowances have been made on income targets to help make the budget for 2009/10 a more realistic/achievable target.
- Legal Services charges have been investigated and through thorough analysis there is better accountability and reduced charges to Asset Management.
- Project management work is commencing on the Arena site, a major development for Leeds which is aimed to be operational as a concert venue in 2012.
- The Strategic Design Alliance is a fully rechargeable service with a large proportion of the income being generated by fees from the capital programme.
- Major Architectural projects include; the remodelling and refurbishment of the City Varieties Theatre, Bankside Primary School, Northern Ballet & Phoenix Dance Centre and Merlyn Rees HUB.



Main responsibilities:

Sustainable Development

- Environmental management, policy and awareness, design, landscape and conservation area and listed building advice, tree protection, minerals, waste and contaminated land.

Planning and Economic Policy

- Unitary Development Plan, Local Development Framework (Core Strategy, Area Action Plans, Natural Resources & Waste DPD, Supplementary Planning Documents, Sustainability Appraisals, monitoring and the development of the LDF evidence base), contributing to the preparation of the Regional Spatial Strategy & City Region development, seeking to influence and assessing the implications of national planning policy advice & guidance, planning frameworks/briefs and project implementation (including PFI & Regeneration work).

Graphics and Communications

- Providing graphic design and mapping services to support departmental and corporate activity and developing internet and intranet communications.

Budget highlights 2009/10:

- As a consequence of departmental re-structures, the Transportation function will be transferred to the Highways portfolio.
- Due to the current economic climate, some services have undertaken restructure programmes and introduced Early Leaver Initiatives. There is also a comprehensive efficiency programme built into the 2009/10 budget.
- Funding has been granted from a number of Area Committees to allow the service to produce further Conservation Area Reviews in this financial year.
- Resources have been realigned into Sustainable Development to permit the service to focus on the Climate Change Agenda.



City Development Resources and Strategy



Main responsibilities:

The Resources and Strategy Service aims to support the other services within City Development by providing the following:

- Directorate Support
- An administration service including coordination of complaints, Freedom of Information requests, advice on data protection and other general administration functions
- A comprehensive performance management service through the Policy and Improvement section
- Marketing and Leeds Card services providing support principally to Recreation Services and Libraries, Arts and Heritage Services
- To ensure that adequate support arrangements are in place for the HR, Finance and ICT functions

Budget highlights 2009/10:

- Following the establishment of the City Development Directorate, the various teams that form the Resources and Strategy Service have been brought together and the structure of each of the teams is being reviewed with a view to generating savings to contribute to the overall City Development budget strategy.
- The teams are involved in supporting a number of cross cutting projects including the City Card.

City Development

Summary of budget by service (£000)

Budget manager	Service	Total 2008/09	Managed by the service			Managed outside the service	Total 2009/10
			spending	income	net		
Chief Officer Strategy and Policy	Strategy and Policy	4,457	3,926	-661	3,265	984	4,250
Chief Planning Officer	Planning and Development	1,902	7,117	-7,390	-274	2,384	2,111
Chief Economic Services Officer	Economic Services	4,051	7,051	-549	6,501	988	7,489
Chief Libraries, Arts and Heritage Officer	Libraries, Arts and Heritage	29,324	29,477	-7,549	21,928	16,240	38,168
Chief Recreation Officer	Recreation	32,765	46,733	-27,487	19,246	13,617	32,863
Chief Officer Highways and Transportation	Highways and Transportation	43,812	63,081	-36,334	26,747	16,079	42,826
Chief Asset Management Officer	Asset Management	-604	10,966	-16,406	-5,440	4,478	-962
Chief Officer Resources and Strategy	Support Services	647	5,135	-259	4,876	-4,084	792
Net cost of service		116,354	173,486	-96,636	76,850	50,687	127,537
	Transfers to and from earmarked reserves	101	-	-	-	-241	-241
Net revenue charge		116,455	173,486	-96,636	76,850	50,446	127,296

City Development

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Employees		Transport	
Direct pay	67,219	Vehicles and plant related expenditure	5,265
Agency and temporary staff	1,117	Travel allowances	567
National Insurance contributions	4,734	Fuel	624
Superannuation costs	7,874	Transport-related insurance	175
Other pension costs	1,830		6,631
Other employee related costs	566	Other costs	
Training and development	423	Managed recharges from other directorates	2,655
	83,763	Services provided by other organisations	2,024
Premises		Capital expenditure financing charge	1,697
Building maintenance	932	Revenue contribution to capital	300
Grounds maintenance	4,095		6,676
Building security	776		
Cleaning and workplace refuse	1,651	Managed expenditure	173,486
Gas	2,040		
Electricity	6,373	Internal income	
Other utilities	533	From other directorates	-19,296
Rent	1,243	From capital schemes	-12,148
NNDR	2,999	Reallocated grants	-3,441
Highways maintenance	9,508		-34,885
Accommodation charges	356	External income	
Premises-related insurance	359	Government grants	-9,454
	30,866	Other grants	-1,145
Supplies and services		Sale of goods and services	-6,478
Materials and equipment	11,061	Fees and charges	-29,770
Stationery and postage	885	Education Leeds income	-286
Advertising	439	Contributions	-1,194
IT and telecommunications	2,199	Other income	-3,381
Insurance	3,086	Rents	-7,733
Events and projects	251	ALMOs income	-2,308
Professional fees	817	Interest and dividends	-
Grants and contributions	4,142		-61,751
Waste disposal and landfill tax	99		
Allowances	34	Managed income	-96,636
Consultancy services	599		
External audit fees	4	Net managed budget	76,850
Security services	432		
Other hired and contracted services	19,115	Central recharges	
Publicity and promotion	1,116	Central recharges	18,702
Miscellaneous	165	Corporate and democratic core	-726
Equipment financing charge	1,105		17,976
	45,550	Other internal adjustments	
		Internal reallocations	30,890
		Internal reallocations income	-30,890
			-

City Development

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Accounting adjustments			
FRS 17 costs	1,333		
Equipment financing charge	-18		
Vehicles and plant financing charge	-1,091		
Capital managed outside service	32,488		
	32,711		
Managed outside the service	50,687		
Net cost of service	127,537		

City Development

Budget manager: Chief Officer Strategy and Policy

Strategy and Policy			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	2,591	Managed income	-661
Agency and temporary staff	50		
National Insurance contributions	213	Net managed budget	3,265
Superannuation costs	387		
	3,241	Central recharges	
Premises		Central recharges	148
Rent	20		148
	20	Other internal adjustments	
Supplies and services		Internal reallocations	1,300
Materials and equipment	38	Internal reallocations income	-609
Stationery and postage	11		691
Advertising	53	Accounting adjustments	
IT and telecommunications	37	FRS 17 costs	145
Insurance	13		145
Professional fees	35		
Grants and contributions	13	Managed outside the service	984
Allowances	3		
Consultancy services	26	Net cost of service	4,250
Other hired and contracted services	352		
	581		
Transport			
Vehicles and plant related expenditure	4		
Travel allowances	28		
	32		
Other costs			
Managed recharges from other directorates	51		
	51		
Managed expenditure	3,926		
Internal income			
From other directorates	-484		
	-484		
External income			
Government grants	-69		
Other grants	-35		
Sale of goods and services	-18		
Fees and charges	-10		
Education Leeds income	-2		
Other income	-42		
	-176		

City Development

Budget manager: Chief Planning Officer

Planning and Development			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Net managed budget	-274
Direct pay	5,092		
Agency and temporary staff	22	Central recharges	
National Insurance contributions	387	Central recharges	430
Superannuation costs	706		430
Training and development	3	Other internal adjustments	
	6,210	Internal reallocations	2,324
Premises		Internal reallocations income	-635
Building maintenance	70		1,689
	70	Accounting adjustments	
Supplies and services		FRS 17 costs	266
Materials and equipment	23		266
Stationery and postage	-		
Advertising	39	Managed outside the service	2,384
IT and telecommunications	93		
Insurance	147	Net cost of service	2,111
Professional fees	1		
Allowances	1		
Other hired and contracted services	127		
	430		
Transport			
Vehicles and plant related expenditure	2		
Travel allowances	104		
	106		
Other costs			
Managed recharges from other directorates	301		
	301		
Managed expenditure	7,117		
Internal income			
From other directorates	-503		
	-503		
External income			
Government grants	-775		
Sale of goods and services	-165		
Fees and charges	-5,757		
Education Leeds income	-85		
Other income	-106		
	-6,887		
Managed income	-7,390		

City Development

Budget manager: Chief Economic Services Officer

Economic Services			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		External income	
Direct pay	1,929	Sale of goods and services	-48
National Insurance contributions	165	Fees and charges	-195
Superannuation costs	284	Contributions	-25
	2,378	Other income	-235
Premises			-503
Building security	-		
Cleaning and workplace refuse	6	Managed income	-549
Electricity	4		
Other utilities	-	Net managed budget	6,501
Rent	120		
NNDR	11	Central recharges	
Premises-related insurance	7	Central recharges	82
	148		82
Supplies and services		Other internal adjustments	
Materials and equipment	54	Internal reallocations	1,005
Stationery and postage	36	Internal reallocations income	-206
Advertising	80		799
IT and telecommunications	13	Accounting adjustments	
Insurance	5	FRS 17 costs	107
Professional fees	56	Capital managed outside service	-
Grants and contributions	111		107
Allowances	1		
Consultancy services	145	Managed outside the service	988
Other hired and contracted services	3,046		
Publicity and promotion	395	Net cost of service	7,489
Miscellaneous	147		
	4,089		
Transport			
Vehicles and plant related expenditure	4		
Travel allowances	19		
	23		
Other costs			
Managed recharges from other directorates	412		
	412		
Managed expenditure	7,051		
Internal income			
From other directorates	-47		
	-47		

City Development

Budget manager: Chief Libraries, Arts and Heritage Officer

Libraries, Arts and Heritage			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Transport	
Direct pay	12,530	Vehicles and plant related expenditure	179
Agency and temporary staff	217	Travel allowances	59
National Insurance contributions	860	Fuel	23
Superannuation costs	1,577	Transport-related insurance	9
Other pension costs	139		270
Other employee related costs	37	Other costs	
Training and development	1	Managed recharges from other directorates	51
	15,360	Capital expenditure financing charge	191
Premises			242
Grounds maintenance	11		
Building security	226	Managed expenditure	29,477
Cleaning and workplace refuse	596		
Gas	349	Internal income	
Electricity	566	From other directorates	-1,626
Other utilities	73		-1,626
Rent	124	External income	
NNDR	921	Government grants	-604
Accommodation charges	356	Other grants	-1,110
Premises-related insurance	161	Sale of goods and services	-894
	3,383	Fees and charges	-2,828
Supplies and services		Education Leeds income	-30
Materials and equipment	2,411	Contributions	-82
Stationery and postage	194	Other income	-253
Advertising	23	Rents	-122
IT and telecommunications	686		-5,923
Insurance	72		
Events and projects	47	Managed income	-7,549
Professional fees	127		
Grants and contributions	3,431	Net managed budget	21,928
Waste disposal and landfill tax	16		
Allowances	15	Central recharges	
Consultancy services	184	Central recharges	554
External audit fees	1		554
Security services	194	Other internal adjustments	
Other hired and contracted services	2,305	Internal reallocations	4,439
Publicity and promotion	408	Internal reallocations income	-550
Miscellaneous	12		3,889
Equipment financing charge	97	Accounting adjustments	
	10,222	FRS 17 costs	444
		Vehicles and plant financing charge	-53
		Capital managed outside service	11,405
			11,797

City Development

Budget manager: Chief Libraries, Arts and Heritage Officer

Libraries, Arts and Heritage			
£000	Budget 2009/10	£000	Budget 2009/10
Managed outside the service	16,240		
Net cost of service	38,168		

City Development

Budget manager: Chief Recreation Officer

Recreation			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Transport	
Direct pay	24,750	Vehicles and plant related expenditure	1,346
Agency and temporary staff	127	Travel allowances	58
National Insurance contributions	1,625	Fuel	293
Superannuation costs	2,299	Transport-related insurance	68
Other pension costs	154		1,765
Other employee related costs	283	Other costs	
Training and development	27	Managed recharges from other directorates	539
	29,266	Capital expenditure financing charge	125
Premises			664
Building maintenance	181		
Grounds maintenance	1,026	Managed expenditure	46,733
Building security	468		
Cleaning and workplace refuse	620	Internal income	
Gas	1,655	From other directorates	-325
Electricity	1,153	From capital schemes	-150
Other utilities	363	Reallocated grants	-3,441
Rent	32		-3,916
NNDR	1,570	External income	
Premises-related insurance	95	Government grants	-234
	7,164	Sale of goods and services	-2,947
Supplies and services		Fees and charges	-17,330
Materials and equipment	3,562	Education Leeds income	-157
Stationery and postage	108	Contributions	-338
Advertising	10	Other income	-1,576
IT and telecommunications	336	Rents	-414
Insurance	416	ALMOs income	-576
Events and projects	195	Interest and dividends	-
Professional fees	316		-23,571
Grants and contributions	384		
Waste disposal and landfill tax	25	Managed income	-27,487
Allowances	2		
Consultancy services	133	Net managed budget	19,246
External audit fees	1		
Security services	50	Central recharges	
Other hired and contracted services	1,261	Central recharges	-
Publicity and promotion	101		-
Miscellaneous	3	Other internal adjustments	
Equipment financing charge	970	Internal reallocations	7,803
	7,874	Internal reallocations income	-1,378
			6,425

City Development

Budget manager: Chief Recreation Officer

Recreation			
£000	Budget 2009/10	£000	Budget 2009/10
Accounting adjustments			
FRS 17 costs	715		
Equipment financing charge	-18		
Vehicles and plant financing charge	-356		
Capital managed outside service	6,852		
	7,192		
Managed outside the service	13,617		
Net cost of service	32,863		

City Development

Budget manager: Chief Officer Highways and Transportation

Highways and Transportation			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other costs	
Direct pay	14,027	Managed recharges from other directorates	342
Agency and temporary staff	238	Services provided by other organisations	2,024
National Insurance contributions	985	Capital expenditure financing charge	1,368
Superannuation costs	1,731	Revenue contribution to capital	300
Other pension costs	178		4,034
Other employee related costs	152		
Training and development	88		
	17,399	Managed expenditure	63,081
Premises			
Building maintenance	459	Internal income	
Grounds maintenance	3,059	From other directorates	-14,354
Building security	25	From capital schemes	-8,665
Cleaning and workplace refuse	43		-23,019
Gas	19	External income	
Electricity	4,474	Government grants	-7,773
Other utilities	31	Sale of goods and services	-2,277
NNDR	95	Fees and charges	-330
Highways maintenance	9,508	Education Leeds income	-13
Premises-related insurance	2	Contributions	-749
	17,715	Other income	-422
Supplies and services		Rents	-19
Materials and equipment	4,834	ALMOs income	-1,732
Stationery and postage	71		-13,315
Advertising	94		
IT and telecommunications	236	Managed income	-36,334
Insurance	2,404		
Events and projects	5	Net managed budget	26,747
Professional fees	103		
Grants and contributions	202	Central recharges	
Waste disposal and landfill tax	58	Central recharges	615
Allowances	10		615
Consultancy services	18	Other internal adjustments	
External audit fees	3	Internal reallocations	9,411
Other hired and contracted services	11,512	Internal reallocations income	-6,302
Publicity and promotion	53		3,109
	19,605	Accounting adjustments	
Transport		FRS 17 costs	473
Vehicles and plant related expenditure	3,722	Vehicles and plant financing charge	-679
Travel allowances	202	Capital managed outside service	12,561
Fuel	307		12,355
Transport-related insurance	97		
	4,328	Managed outside the service	16,079

City Development

Budget manager: Chief Officer Highways and Transportation

Highways and Transportation			
£000	Budget 2009/10	£000	Budget 2009/10
Net cost of service	42,826		

City Development

Budget manager: Chief Asset Management Officer

Asset Management			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	5,155	Managed expenditure	10,966
Agency and temporary staff	459		
National Insurance contributions	406	Internal income	
Superannuation costs	724	From other directorates	-1,957
Other pension costs	75	From capital schemes	-3,333
	6,819		-5,290
Premises		External income	
Building maintenance	222	Sale of goods and services	-80
Building security	57	Fees and charges	-3,113
Cleaning and workplace refuse	386	Other income	-746
Gas	17	Rents	-7,178
Electricity	176		-11,117
Other utilities	65		
Rent	946	Managed income	-16,406
NNDR	401		
Premises-related insurance	94	Net managed budget	-5,440
	2,365		
Supplies and services		Central recharges	
Materials and equipment	40	Central recharges	123
Stationery and postage	49		123
Advertising	75	Other internal adjustments	
IT and telecommunications	81	Internal reallocations	3,972
Insurance	26	Internal reallocations income	-1,446
Professional fees	165		2,526
Allowances	1	Accounting adjustments	
Consultancy services	92	FRS 17 costs	198
Security services	189	Vehicles and plant financing charge	-1
Other hired and contracted services	295	Capital managed outside service	1,634
Publicity and promotion	34		1,830
Miscellaneous	3		
	1,050	Managed outside the service	4,478
Transport			
Vehicles and plant related expenditure	6	Net cost of service	-962
Travel allowances	85		
Fuel	1		
Transport-related insurance	1		
	92		
Other costs			
Managed recharges from other directorates	628		
Capital expenditure financing charge	13		
	641		

City Development

Budget manager: Chief Officer Resources and Strategy

Support Services			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		External income	
Direct pay	1,144	Sale of goods and services	-50
Agency and temporary staff	5	Fees and charges	-207
National Insurance contributions	92	Contributions	-
Superannuation costs	166	Other income	-1
Other pension costs	1,284		-259
Other employee related costs	94		
Training and development	304	Managed income	-259
	3,090		
Premises		Net managed budget	4,876
Cleaning and workplace refuse	-		
NNDR	1	Central recharges	
Premises-related insurance	-	Central recharges	16,751
	1	Corporate and democratic core	-726
			16,025
Supplies and services		Other internal adjustments	
Materials and equipment	99	Internal reallocations	637
Stationery and postage	416	Internal reallocations income	-19,764
Advertising	65		-19,128
IT and telecommunications	717	Accounting adjustments	
Insurance	5	FRS 17 costs	-1,015
Events and projects	4	Vehicles and plant financing charge	-2
Professional fees	15	Capital managed outside service	36
Allowances	-		-981
Other hired and contracted services	216		
Publicity and promotion	125		
Equipment financing charge	38	Managed outside the service	-4,084
	1,699		
Transport		Net cost of service	792
Vehicles and plant related expenditure	3		
Travel allowances	12		
Transport-related insurance	-		
	14		
Other costs			
Managed recharges from other directorates	331		
	331		
Managed expenditure	5,135		
Internal income			
From other directorates	-1		
	-1		

Environment and Neighbourhoods

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LEEDS CITY COUNCIL

2009/10 BUDGET REPORT

Directorate: Environment & Neighbourhoods

General Fund

1 Introduction

- 1.1 This report has been produced in order to inform members of the main variations and factors influencing the directorate's general fund budget for the 2009/10 Budget.
- 1.2 The Budget, as in previous years, has been prepared at outturn prices and as such there is no central provision for pay and prices.
- 1.3 Following the Council's Support Services Review, three major functions have been transferred during 2008/09 to Resources Directorate from the individual directorates reflecting the new operational arrangements of the Council. These services are Financial Management, Human Resources and Corporate Property Management. The impact of these transfers is that Net Managed Expenditure will reduce and the amount managed outside the service will increase. The 2008/09 Budget has been adjusted in the table below to reflect these changes.

2 Service Context

When comparing the 2009/10 budget to 2008/2009 budget there has been a significant reduction in income. Some of this is due to a reduction in the demand for a service or product such as doors from Roseville Enterprises as the Council's Decent Homes programme comes to a conclusion, whilst more significantly there have been substantial reductions in specific government grants which have impacted upon the Environment & Neighbourhoods Directorate.

NRF and SSCF income has reduced significantly in 2009/2010, and will do so again in 2010/11. Since these resources are largely funding the delivery of front line services such as Cleaner Greener Leeds, Anti Social Behaviour Teams and CCTV, the determination of the 2009/2010 budget has been focused upon ensuring that the outcomes delivered by these services across the City continues.

Given the current economic climate, and Council's priorities around worklessness reductions in current grants to the Jobs and Skills Service are to be offset by additional resources for the Skills for Jobs programme from the LSC. This will run from December 2008 to May 2010 targeted at low skilled adults aged 19 years plus living in disadvantaged communities.

A business case is also being developed for an additional £3m of funding from Yorkshire Forward to support joint working with the developers and employers including the city centre retail developments to maximise job opportunities for local people. Also funding allocations to support activity delivered by Voluntary and Community organisations through existing external funding streams have been maintained.

In order to meet targeted reductions in the amount of waste sent to landfill, and to support the delivery of the Council's recycling targets, additional resources are required to continue

the implementation of collection service developments across the City. The Directorate will also continue to support the PFI process associated with the building a preferred waste treatment plant.

Given the context of the Directorate's budget strategy, and the requirement to continue to align resources to service priorities, there has been a requirement for all services to identify efficiencies where appropriate.

3 Explanation of decrease between the Original Budget (Adjusted) 2008/09 and the Budget 2009/10 - £6.732m (-7.0%)

3.1 The variation can be summarised as follows:

	£000s
Net Cost of Service - Original Budget 2008/09	87,661
Adjustments	6,883
Adjusted Budget 2008/09	94,544
Movements on Budgets Managed Outside Service	- 9,502
Changes in Prices	
• Pay	1,556
• Price	2,068
• Income	- 475
	3,149
Service Budget Changes	
• Changes in Service Levels	976
• Other Factors not affecting level of service	1,956
• Efficiency Savings	- 3,311
	- 379
Net Cost of Service - Budget 2009/10	87,812
Net Managed Budget	76,312
Managed Outside Service	11,500
Net Cost of Service	87,812

3.2 Adjustments

Transfer of Area Based Grant – In 2008/09 the Area Based Grant was allocated to directorates to correspond to the agreed expenditure priorities. Further guidance has now been received which states that the Area Based Grant should be accounted for as a non ring fenced general grant and should be recorded as a single line in the authority's accounts. Therefore the grant has been removed from directorate budgets and held centrally. For this directorate, the adjustment is £6,883k.

3.3 Movements on budgets managed outside the service (£9,502k Cr)

The authority is required to comply fully with accounting standard FRS 17 – Retirement Benefits. This means that the pension costs shown in service accounts are required to be

the current service cost rather than the amounts actually paid out in relation to pensions during the year. The overall impact of this adjustment year on year is to decrease the net cost of service by £1,245k. There is no impact on Council Tax levels as the effect of the FRS 17 adjustment is reversed by a contribution from the Pensions Reserve.

Capital charges have reduced by £3,969k and this is due to a reduction in depreciation of £200k occasioned by the requirement to split land valuations out of the buildings valuations, £344k for deferred grants which are now posted directly to service revenue accounts in the budget and a reduction in deferred charges of £3,383k which is principally related to the fall out of a number of LCC funded schemes on third party assets.

Centrally managed costs have reduced by £4,287k which is due to a combination of the transfer of support and maintenance budgets to other Directorates and a reduction in charges from Human Resources, Information Technology and Corporate Property Management.

3.4 Changes in prices (£3,149k Dr)

The impact of the budgeted pay award together with an increase in the employer's superannuation contribution will result in an increase of £1,556k. Other price variations of £1,233k largely reflect known energy increases and the increased cost of disposing of recycled materials. A further £8 per tonne increase in Landfill Tax based on projected tonnages will cost £2,158k although the impact of service developments will reduce this to £835k.

Provision has been made for a 2% increase on grants to voluntary organisations.

In total increases in income of £475k reflect a 3% price increase and in respect of car parking (£337k), this increase will be implemented following a review of price and tariff bandings for both on street and off street parking.

3.5 Service Budget Changes

3.5.1 Efficiency savings (£3,311k Cr)

For this directorate the following savings have been identified for 2009/10.

Nature of saving	Total £000s
A review of all areas of expenditure within Community Centres will be undertaken to deliver targeted efficiencies.	100
Based on previous year's activity, it is anticipated that a review of the CCTV maintenance programme will deliver anticipated efficiencies.	100
Implementation of a new mobile phone contract will generate efficiency savings.	26
Targeted actions will deliver energy savings across the whole of Environment & Neighbourhoods property portfolio.	69
A reduction of 3% in Area Based Grant still reflects the requirement to deliver the agreed targeted outcomes but through a more efficient use of resources available.	78
A fundamental review will be undertaken for all items of expenditure, particularly those areas where no framework contract is in place, to identify procurement savings.	650
A corporate review of travel allowances and other entitlements will deliver efficiency savings	190
Particular focus will be given to targeting sickness hot spot areas and this will result in savings deriving from an increase in vacancy factors and a requirement to use utilise less overtime/Agency staff.	230
Following a successful pilot, printers and photocopiers across the Directorate will be reduced and managed in a manner that will deliver budgeted efficiency savings.	179
There is an anticipated reduction in the number of senior management posts across the Directorate.	200
A cross cutting review will focus upon the identification of back office activities, and taking account of the location and incidence of these, seek to reduce costs on these activities.	450
In accordance with the pay and grading outcomes, all newly recruited Refuse Collection operatives are being employed at the new rates of pay.	136
More informed utilisation of bulky collection resources will require fewer resources to be deployed to provide this service.	100
Based on the current targeting of improved recycling the 2009/2010 target can be achieved with fewer resources.	50
A new contract to deliver the Temporary and Emergency Accommodation service has generated efficiency savings.	42
A review of all items of expenditure with Health and Environmental Services (HEAS) has identified efficiency savings	164
A restructure of the Housing Advise and Prevention (HAP) will require fewer resources to deliver the function.	200
The reduction in NRF has required a review of Neighbourhood Wardens. The service will be integrated with Environmental Enforcement to maximise effectiveness.	197
A strategic review of Household Waste Sites has been undertaken which has identified opportunities for the rationalisation of the current provision.	150
Total	3311

3.5.2 Changes in Service Levels (£976 Dr)

In order to resource the unsupported borrowing costs associated with the digital upgrade of CCTV across the City, £138k has been included in the budget.

The Jobs and Skills service has continued to reposition itself to meet the Council's priorities in relation to worklessness, and combined with reductions in external funding there have been consequential impacts in respect of expenditure on staff (£1,319k). However additional resources (£167k) ensure that a continuation of the Construction Skills programme will be delivered by the College of Building.

As a result of a significant fall in the demand for its products as the Council's decency programme comes to a conclusion, it is forecast that for 2009/2010 there are only sufficient orders for Roseville to keep the staff gainfully employed for no more than three months. Given this context, Roseville Enterprises (Doors) is no longer a viable supported workshop and will cease to operate during 2009/2010. Profiling will be undertaken of disabled employees and appropriate supported placements identified, and care packages developed, prior to closure.

Additional resources (£103k) have been provided to improve Street Cleansing activity on major arterial routes throughout the City.

Additional enforcement activity around bus lanes in the City Centre, and the implementation of the requirements of the Traffic Management Act 2008, will increase enforcement income by £155k.

A review of car parking provision in the City Centre has identified additional capacity and net additional income of £608k is projected. In respect of Sundays, it is intended that a nominal fee will be charged for the first four hours with a higher rate beyond this in order to encourage better parking for shoppers.

Additional payments (£248k) to the external contractor, who has responsibility for the delivery of the domestic pest control service, reflects an enhanced and more responsive service that is now being delivered.

Due to significant number of break ins at the Gamblethorpe Household Waste Site, it has been necessary to enhance the level of security provision to protect the site (£49k).

In line with the Waste Strategy additional resources (£1,521k) have been provided to enhance the current collection service. In addition to the 11 kerbside garden collection and one fortnightly kerbside SORT routes that were implemented during 2008/2009, it is intended that a further 8 garden routes will be added in 2009/2010. This would mean that in total 190,000 or 58% of properties will be in receipt of a Garden collection service in 2009/2010. The service will be further enhanced by the implementation of weekly food collection pilot for one route in the City. The service developments are designed to increase the combined recycling and composting rate to 35.9% by the year end.

Other additional costs relating to the Waste Strategy (£922k) largely relate to a combination of the fall out of income receivable from the Landfill Allowance Trading Scheme and PFI procurement costs.

3.5.3 Other Factors not affecting the level of service (£1,956k Dr)

In 2009/2010 NRF and SSCF support has reduced by £3,702k. This pressure has been managed out by a combination of West Yorkshire Police mainstreaming their Intensive Neighbourhood Operations, the utilisation of LPSA reward grant, a reduction in non essential spend on Cleaner Greener Leeds, the identification of efficiencies within Neighbourhoods Wardens and the identification of replacement grant for NRF/SSCF falling out. In addition by reviewing the case load of both the ASBU and Noise Pollution Teams, an appropriate recharge to the Housing Revenue Account is required to be made for the provision of these services.

As a result of addressing the reduction in NRF and SSCF in the aforementioned manner, the improvement in service delivery that had been resourced from these grants has been protected. Further work is still required to identify long term funding solutions to sustain these improvements.

The Community Centres budget (£241k) has been adjusted to reflect the correct level of required expenditure.

Additional costs, largely relating to other clients vacating these properties, are being incurred in respect of the occupation of Leeming and Evolution House (£177k).

Within CCTV and Streetscene Services there has been an income reduction of £171k as a result of a reduction in contributions from clients, whilst within Jobs and Skills income from Government agencies have reduced by £598k.

A proportion of the funding for the Sheltered Warden service is derived from tenants who are eligible for Supporting People subsidy or HRA transitional funding. Tenants who are not eligible for support from these sources are funded by the General Fund. As a result of a reduction in the number of tenants eligible for HRA transitional funding, the cost to the General Fund has increased by £200k.

The contribution to the Swarcliffe PFI sinking fund has been varied by £445k to reflect the current level of surplus on the sinking fund when compared to the forecast level of payments to the contractor.

The budget submission now reflects the inclusion of £235k for an additional black bin collection route for Refuse collection. This sum, which previously had been held in the Authority's Central Contingency, recognises the pressure on the service resulting from the Housing growth across Leeds in previous years.

Income which is receivable from electricity generation at the closed Gamblethorpe landfill site is projected to reduce by £178k. This is due to a reduction in the amount of electricity being generated from the site being offset by an increase in the price received from its sale.

The impact of pay and grading has resulted in additional overtime payments to Streetscene operatives (£182k).

Within the Streetscene Services the cost of replacements bins is projected to cost an additional £48k, whilst an additional £72k is required for the cost of vehicle maintenance.

In order to meet new statutory obligations all drivers are required to attend appropriate training courses in order that they can achieve a Certificate of Professional Competence (£32k).

A revised assessment of Woodhouse Lane Car Park has resulted in an increased NNDR recharge of £86k.

Increased demand for the use of Care Ring service (£105k) can be partially offset by an additional charge to Adult Social Care for Telecare (£70k).

Additional expenditure of £35k is required to recalibrate noise monitoring equipment operated by Health and Environmental Action Services.

Within Housing Benefits the overpayments income budget is projected to reduce, although this is offset by savings associated with running the service (£33k).

4 Risk Assessment

4.1 In determining the 2009/10 budget, consideration has been given to all the risks which are managed within the department's overall risk management framework. Within this framework, a register of those items considered to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.

4.2 The key risks in the 2009/10 budget for this department are as follows

Assumptions in respect of income receivable from Car Parking Fixed Penalty Notices (FPNs) and car parking fee income have been incorporated into the budget. Any reduction in the number of FPNs issued and/or a reduction in usage of the Authority's car parks will have an impact upon the level of income anticipated in the budget. Any reduction in the number of FPNs issued and/or a reduction in usage of the Authority's car parks will have an impact upon the level of income anticipated in the budget.

As outlined in Paragraph 4.5.1, the Directorate's budget incorporates various savings proposals. Whilst progress against these will be subject to individual budget action plans and progress monitored by the Directorate's Strategic Leadership Team (SLT), there is a risk that identified efficiency savings are delayed or deliver lower cost savings than assumed.

Each service staffing budget within the Directorate contains assumptions in respect of vacancy factors and the number of days lost to sickness. Failure to deliver in respect of these budgeted assumptions will require the Directorate to identify additional income and/or savings to be made elsewhere within Environment and Neighbourhoods.

There are number of operational risks contained within the Environment and Neighbourhoods budget submission that could impact upon the delivery of a balanced budget. Such risks include delays to operational changes required in the Jobs and Skills service and assumptions about the level of tonnage for recycling and the amount of Household Waste generated.

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LEEDS CITY COUNCIL

2009/10 BUDGET REPORT

Directorate: Environment and Neighbourhoods

Housing Revenue Account

1 Introduction

- 1.1 This report has been produced in order to inform members of the main variations and factors influencing the Housing Revenue Account for the 2009/10 Budget.
- 1.2 The 2009/10 Original Estimate has been prepared at outturn prices which means that allowances for inflation have been included in the budget submission.
- 1.3 This report includes the ongoing financial arrangements in respect of the Arms Length Management Organisations (ALMOs) which took responsibility for managing the Council's stock of housing from February 2003. Following an ALMO review, including a city wide ballot of tenants, the management function has been delivered by three new ALMOs from 1st April 2007.
- 1.4 In accordance with the Council's Policy and Budget Framework, decisions as to the Council's budget and Housing Rent increases are reserved to Council. As such the purpose of this report is to propose a budget to Council, and thus the budget and rent decisions recommended by this report are not eligible for call in.

2 Main Issues

- 2.1 Annex 1 shows the Housing Revenue Account Summary for the 2008/09 Original Estimate and the 2009/10 Original Estimate.
- 2.2 The budget for 2009/10 has been constructed on the achievement of working balances of £3.7m at 31 March 2010, which represents around 2.5% of the non-ALMO costs including negative subsidy. This is considered to be an acceptable minimum level of balances following the transfer of services and responsibilities to the ALMOs. The transfer of services also includes an element of transfer of risk and the ALMOs are able to retain their own working balances.
- 2.3 The reasons for the movement from 2008/09 to 2009/10 are:
 - a) The negative subsidy the Council is required to pay back to the Government has increased significantly following the housing subsidy settlement. The Council revenue contribution per property in negative subsidy has increased from £1,154 per property to £1,236 which is a £3.9m increase. Additionally increasing interest rates and reduced premiums and discounts have generated a saving of £0.6m, although this is offset by increases in actual capital charges.
 - b) There is a proposed increase in the management fee to ALMOs of £1.5m or 2% on a like for like basis.

- c) During the year, CLG confirmed the SCA allowances payable through the Housing Subsidy grant to the ALMOs. This allowance of £32.811m will be passed on in full to the ALMOs.
- d) Employees – the reduction of £4.4m is a result of the transfer of HR and Finance staff to the Resources directorate (£2.4m) and the reduction in Property Management staff numbers (£2m) due to the loss of ALMO SLAs as the decency programme nears completion. For the staff still directly employed within the Housing Revenue Account, a pay award of 2.0% has been provided.
- e) The reduction in premises and transport costs of £0.3m and £0.1m respectively, is a direct result of the transfer of HR and Finance staff to the Resources directorate, the reduction in the Property Management service due to the loss of ALMO SLAs, and savings in building maintenance costs for the Commercial Asset Management service.
- f) Increases in rental & service charges, along with significantly lower RTB numbers, are expected to generate an additional £9.7m, details of which are given below in section 4.
- g) The number of claims for disrepair has been steadily falling throughout the year with the average number of cases per month now under 9. Accordingly it has been possible to further reduce the provision required to meet these claims by £0.04m.
- h) Internal recharges - In order to secure both the continued improvements to service delivery, and to continue to realise these benefits, an appropriate charge of £1.6m is being made to the HRA for ASBO and noise pollution teams. Furthermore, as HR and Finance staff are all now located within the Resources directorate, the costs of their service will be recovered by an internal recharge of £1.6m. There are also reductions in customer services charges, ICT and PC support charges offset by increases in development, legal and corporate charges.
- i) Internal income has also been adjusted to reflect the move of HR and Finance staff to the Resources directorate.
- j) After an increase in the unitary charge for Swarcliffe (£0.356m), a budgeted contribution of £0.3m (£0.5m 2008/09 OE) will be made to the sinking fund which represents the net surplus made in the year.
- k) Capital charges have increased due to a combination of the repayment of unsupported borrowing, interest rate increases, and reductions in the premium and discounts and deferred purchases charges.

3 Rentals

- 3.1 The level of Council House rents are controlled through the application of the Government's Rent Restructuring programme.
- 3.2 The Government's Rent Restructuring Policy is based upon the following principles:
 - social rent should remain affordable and well below those in the private sector;
 - social rent should be fairer and less confusing for tenants;
 - there should be a closer link between rent and the qualities which tenants value in properties; and,
 - differences between the rent set by local authorities and Registered Social Landlords (RSL) should be removed.

3.3 Rent Restructuring

- 3.3.1 The intention of the rent restructuring policy is that tenants across the country should be paying comparable social rents, allowing for variations in type of property and 'economic' circumstances. A formula has been devised to enable rents across the country to move to 'convergence' by an agreed date, originally 2011/12.
- 3.3.2 For 2009/10, in order to create some certainty in the level of rent increases over the next two years and sustain a subsidy settlement 'covering' a two year period instead of the previous annual cycle, CLG has predetermined some of the variables; it is envisaged that this two year settlement will be an interim measure until the outcome of the current Housing Finance Review (report expected Spring 2009) is implemented. In effect, CLG have removed the link between the guideline rent and the September level of inflation by using fixed average percentage guideline rent increases in both the 2009/10 determination and the proposed 2010/11 determination. The average guideline rent has been fixed at 6.2% for 2009/10 and a proposed 6.1% for 2010/11. In order to 'generate' these 'fixed' rent increases within the framework of the rent restructuring policy, the convergence date in the 2009/10 determination has been 'moved' back to 2023/24 to accommodate the RPI for September 2008 at 5%.
- 3.3.3 For Leeds, feeding this 'new' convergence date of 2023/24 and RPI of 5% into the rent convergence formula produces an average rent increase for 2009/10 of either 8.25% (based upon the 2008/09 actual rent increase of 5.8%), 6.6% if Leeds had followed the rent restructuring increase of 7.76% in 2008/09, or a guideline rent increase of 6.27%.
- 3.3.4 Whilst CLG acknowledges that some authorities may increase their 2009/10 rents by more than the 'fixed' 6.2% guideline rent, they are further proposing a limit on actual rent increases above 7%. By their calculations, only 3 authorities will be affected by this 7% cap and 'qualify' for compensation. In their calculations for Leeds, CLG have assumed that Leeds increased its rents in 2008/09 by the rent convergence increase of 7.76% and therefore, on this basis, the rent convergence increase for 2009/10 should be 6.6%. Subsequently, CLG have indicated that they do not envisage paying any compensation to Leeds for setting the 2009/10 average rent increase below 7%.
- 3.3.5 Subsequently, Government policy for 2009/10 implies a rent increase that should be in line with the average guideline increase of 6.2% but certainly no higher than the 6.6% implied from their calculation under rent restructuring.
- 3.3.6 In accordance with the Government's guideline rent assumptions, it is proposed that Leeds increases its rents in 2009/10 by an average of 6.2% in order to avoid further loss of resources, which could result in budgetary cuts to services.

3.4 Rent Compensation

- 3.4.1 As announced last year, compensation is no longer paid in the year in which the rental loss is incurred but a year in arrears, based upon the lost rent incurred through capping rent increases by inflation + a half % (5.5%) + £2.00 per week. This compensation ('Caps and Limits Adjustment') is recognised through the following year's subsidy determination, and for 2008/09 has been incorporated into the 2009/10 subsidy determination amounting to £4.9m.
- 3.4.2 For 2009/10, any compensation award will again not be paid until the following year and will be confirmed in the 2010/11 determination.

3.5 Overall changes in rents

- 3.5.1 Following the application of the eighth year of the Government's rent restructuring policy, the basis of which is partly determined by the value of properties & the number of bedrooms in each property, would mean that average rents would rise by 8.25%, representing an average rent increase of £4.76 over 48 weeks. Individual tenants are protected from large increases in rent in that the formula only allows rents to rise by inflation + a half % (5.5%) + £2.00 per week.
- 3.5.2 However, it is proposed that a lower average rent 'cap' of 6.2% is applied, representing a lower average rent increase of £3.58 over 48 weeks; although the effects on individual tenants will vary according to the restructuring formulae.
- 3.5.3 Consequently, rental income from housing stock is now budgeted to increase by £11.3m offset by a net reduction of £1.6m through changes in property numbers.
- 3.5.4 The comparative figures are:

	<u>2008/09</u>	<u>2009/10</u>		
Actual Rent (average)	£57.70	£61.28	+6.2%	+£3.58

- 3.5.5 Rentals from garages (currently £5.55 per week) fall outside the rent restructuring rules and normally rise in line with average rental increases. It is proposed to increase garage rents by 6.2% to £5.89 per week.

3.6 Service Charges

- 3.6.1 It is the intention of the Government's rent restructuring policy that service charges will be disaggregated by the end of the ten year implementation programme (2010/2011) and that rental income will reflect purely management & maintenance of properties. This forms part of the Government's policy of separating out general management and maintenance on all properties from the costs of providing services to specific groups of tenants. In fact, the Government already calculates the annual subsidy determination on the assumption that service charges have been disaggregated and excludes these costs when calculating the financial resources required by an authority to manage and maintain its properties.
- 3.6.2 Furthermore, the depooling of service charges is regarded by the Audit Commission as 'good practice', benefiting tenants through 'transparency' in their charges i.e. the service charges should reflect the true cost and nature of the service received, and the minimising of any cross subsidy from one group of tenants to another i.e. those not in receipt of the service shouldn't be contributing towards the cost of the service. In carrying out the recent inspections of the three ALMOs, the pooling of service charges has been highlighted as a weakness in the assessments.
- 3.6.3 Consequently, on the above grounds it is proposed that Leeds 'depools' service charges from 2009/10 onwards i.e. separates out the income from the service charges and aligns them to their relevant costs. However, for the first year of depooling (2009/10), it is recommended that service charges continue to increase in line with rents (6.2%) before any decision to move towards a cost recovery policy is implemented.
- 3.6.4 During the year, it has come to light that the RHO (Residential Housing Officer) service is no longer directly provided by two of the ALMOs (ENE and Aire Valley), but that elements of this service have been subsumed into some of the other services they provide. Whilst the

basis for charging for these other services will need to be reviewed for 2010/11 in the light of the changes to these services, it is proposed that the existing RHO service charge for tenants in the ENE and Aire Valley areas should be abolished with effect from 2009/10. Whilst this will result in an estimated loss of £110k service charge income in 2009/10, the depooling of service charges will allow the other service charges to be more closely aligned to their current service provision and costs, leading to the recovery of this £110k from 2010/11 onwards.

4 Housing Subsidy

4.1 Housing subsidy is a notional calculation based on what the Government estimates we ought to spend on housing management and maintenance plus capital financing costs, offset by our guideline rental income & assumed mortgage interest receivable. Where this is negative we have to pay money to CLG. Leeds is a negative subsidy authority.

4.2 Allowances by property compared with the current year are:

<u>Housing Subsidy</u>	<u>2008/09</u> £	<u>2009/10</u> £	<u>change</u> £	<u>change</u> %
Guideline rent	(2,799.03)	(2,983.86)	(184.83)	6.6
Caps & Limits Adjustment (CALA)	0.00	84.76	84.76	-
Management allowance	564.86	577.29	12.43	2.2
Maintenance allowance	1,080.49	1085.37	4.88	0.5
Management & maintenance	1,645.35	1,662.66	17.31	1.1
Negative subsidy per property	(1,153.68)	(1,236.44)	(82.76)	7.2
Major Repairs Allowance (MRA)	636.10	637.81	1.71	0.3
Total allowances	(517.58)	(598.63)	(81.05)	15.7

4.3 The overall impact on subsidy, after allowing for changes in property numbers and unit allowances is shown in Annex 1:

	Final Determination 2008/09 £K	Final Determination 2009/10 £K	Change £K	%
Management & maintenance	98,810	98,516	(294)	(0.3)
Guideline rent & CALA	(164,754)	(168,365)	(3,611)	2.2
	(65,944)	(69,849)	(3,905)	5.9
Capital allowances	19,558	20,124	565	2.9
Negative subsidy	(46,386)	(49,725)	(3,339)	7.2
ALMO allowances	32,811	32,811	0	0.0
PFI	6,097	6,097	0	0.0
	(7,478)	(10,817)	(3,339)	44.7
MRA	37,294	36,895	(399)	(1.1)
	29,816	26,078	(3,738)	(12.5)

5 ALMO Management Fees

- 5.1 The Management Fees to the ALMOs are divided into three elements: one for repairs; one for management costs; and a third category for grounds maintenance was introduced in 2005/2006. The principles for allocating repairs & management budgets to the ALMOs was established in 2003/2004, broadly based on the national housing subsidy model, and the allocation of grounds maintenance is based on land area.
- 5.2 The total repairs budget for the ALMOs takes account of the percentage increase given by the Government for repairs, adjusted for the reduction in stock. The ALMOs management costs are allocated in accordance with a formula, which follows the same factors which the Government use to allocate resources to Local Authorities and thus, in effect, treats each ALMO as if it were a mini HRA. The formula allocates resources to each area based on the numbers of properties, factors which acknowledge the additional costs associated with flats, and the extent of crime and social deprivation in an area.
- 5.3 It is proposed to increase the 2009/10 ALMO management fee by 2%. The impact on the HRA budget is shown at Appendix 1.
- 5.4 Performance Incentives
- 5.4.1 A number of performance incentives have been put in place to reward ALMO performance, especially in relation to contributions to a successful CPA assessment. Additional Performance Incentives are in place for arrears & voids management.

6 Risks

- 6.1 The following section sets out the significant risks which, should they materialise would affect the budget. The HRA maintains a level of reserves in order to meet the impacts of such risks should they crystallise.
- 6.2 These risks are reviewed throughout the year as to likelihood and action taken to mitigate any impact wherever possible.
- In year changes to subsidy regulations.
 - ALMOs are not able to fully validate the base data used in the subsidy claim.
 - ALMOs may incur additional costs that require additional financial support from the HRA.
 - Property numbers during the year may vary significantly from estimates due to fluctuations in the RTB numbers and developments such as the PFI schemes.
 - The level of additional support required by the ALMOs may not be sustainable in the long term future.

Housing Revenue Account
Draft Budget - 2009/2010

Summary Budget

	<u>2008/09 OE</u> <u>£000s</u>	<u>2009/10 OE</u> <u>£000s</u>
Employees	9,401	4,934
Premises	1,798	1,475
Supplies & Services	12,960	13,526
Transport	230	96
Internal charges	10,383	13,825
Provisions	2,325	2,285
Capital	18,735	20,140
	<hr/>	<hr/>
	55,832	56,281
internal income	(1,216)	(359)
rents	(159,854)	(169,507)
recharges to ALMOs	(6,602)	(3,307)
other income (inc. service charges)	(7,129)	(7,379)
	<hr/>	<hr/>
	(118,968)	(124,271)
Housing Subsidy	46,386	49,725
ALMO Allowances	(30,581)	(32,811)
PFI allowance	(6,097)	(6,097)
	<hr/>	<hr/>
	(109,260)	(113,454)
contribution to pensions Reserve	(113)	462
contribution to PFI Reserve	508	284
	<hr/>	<hr/>
	(108,865)	(112,708)
 <u>Payments to the ALMOs</u>		
Management fees	76,963	78,502
Performance incentives	1,321	1,395
SCA Allowances	30,581	32,811
	<hr/>	<hr/>
Budgeted Deficit/(Surplus)	0	0
	<hr/>	<hr/>



Main responsibilities:

- To tackle crime, drugs, and disorder and address the fear of crime and drug misuse in Leeds, through a number of specific programmes delivered as part of the Safer Leeds delivery Plan and through supporting the Safer Leeds Partnership in its work.

Anti-Social Behaviour Unit

- The Anti-Social Behaviour Unit will continue to work with partners, to develop a problem-solving and early intervention approach to anti-social behaviour, including taking enforcement action when required. The unit has consolidated its operational base to one location at Evolution House.

Police Community Support Officers (PCSOs)

- The council continues to match-fund 170 P.C.S.O.s with West Yorkshire Police, having agreed to continue funding for a further three years from April 2008. PCSOs are an integral part of the Neighbourhood Policing Teams and provide a high-visibility patrolling service in each ward.

Leeds Watch (CCTV operations)

- It is expected that an upgrade to digital monitoring will be completed during the year, resulting in the need for a revenue contribution of £188k towards the cost of unsupported borrowing. This is expected to significantly improve the quality of information gathered and will assist in reducing crime, the fear of crime and will provide reassurance to the public. Data captured by CCTV provides vital evidence to law enforcement agencies in both apprehending and prosecuting offenders and also plays a key role in the prevention and detection of crime committed in public areas. Two mobile CCTV vans work within communities, supporting the targeted multi-agency operations using Automated Number Plate Recognition Systems (ANPR).

Burglary Reduction Unit

- The Burglary Reduction Unit commissions target hardening services to improve the security of domestic properties, particularly of repeat victims in order to reduce burglary and repeat victimisation. Other crime reduction activities include the use of property marking (Smartwater), promotion of crime reduction advice and work with partners, such as ALMOs, to improve security to properties. 'Alley-gating' (a ginnel gating programme) will continue in targeted locations to assist in reducing offending.

Leeds Inter Agency Project (Women and Violence)

- The primary aim of the Leeds Inter-Agency Project is to improve services to women and children by supporting agencies to deliver the Leeds Domestic Violence Strategy. Training has been delivered to a range of service providers and Break the Silence resource packs have been distributed to schools. Work continues to improve the effectiveness of the Criminal Justice System, particularly the Domestic Violence Court.

Safer Leeds Drugs Team

- The Safer Leeds Drugs Team leads on the strategic development of substance misuse delivery and its related activities, to meet performance targets set nationally, regionally and locally. Key areas of focus include the Drug Intervention Programme focusing on drug misusing offenders, community treatment programmes, helping young people resist drug and alcohol use, protect communities from drug and alcohol related anti-social and criminal behaviour and providing treatment to enable those with drug and alcohol problems to overcome them. This delivery has substantial funding streams, those the Pooled Treatment Budget (Department of Health), Drug Interventions Programme grants (Home Office) and mainstream contributions from major partnership stakeholders.



Environment and Neighbourhoods Community Safety



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- In addition, the Safer Leeds Commissioning Team has responsibility for the commissioning and performance management of all services delivered through Community Safety, including crime reduction services, drug treatment and all other grant funded services.

Safer Leeds Partnership Support Team

- The Safer Leeds Partnership Support Team services and supports the Safer Leeds Partnership. It is responsible for ensuring the links between city-wide and locally based work are managed and leads on communications with the public and the media on behalf of Safer Leeds. It co-ordinates service planning and performance management for both the Council and the Partnership and coordinates and monitors the community safety and hate crime priority action plans and strategies. The team provides support for Strategic Leads, Division Partnerships and co-ordinates both city-wide and local programmes and projects.

Budget highlights 2009/10:

- In order to resource the unsupported borrowing costs associated with the digital upgrade of CCTV across the City, £138k has been included in the budget.
- In 2009/10 NRF and SSCF grant has reduced by £2,274k when compared to 2008/09. These reductions have been managed out by a combination of West Yorkshire Police mainstreaming their expenditure, by a more efficient use of resources, through the utilisation of LPSA reward grant and appropriate recharges to the Housing Revenue Account. As a result of addressing the reduction in NRF and SSCF in the aforementioned manner, the improvement in service delivery that had been resourced from these grants has been protected. Further work is still required to identify long term funding solutions to sustain these improvements.



Main responsibilities:

Streetscene Services

Streetscene services delivers key services aimed at narrowing the gap between disadvantaged and more affluent communities and works towards ensuring all neighbourhoods are clean, green, attractive and well maintained. The creation of integrated Streetscene services is critical to the achievement of these government targets and corporate priorities to improve the cleanliness of the street environment. These key services are comprised of refuse collection, street cleansing and ancillary services.

Refuse collection services provide for:

- The collection of general and recyclable household municipal waste for 330,000 properties across the city, which house a population of over 750,000 people.
- Collection of dry, recyclable material from 306,000 domestic properties
- Collection of garden waste from 125,000 domestic properties, with a further 70,000 new households to receive the service during 2009/10.
- Collection of medical waste from domestic and commercial premises across the Leeds metropolitan area

Street cleansing and ancillary services include:

- Provision of street sweeping services, both manual and mechanical, to 11,500 roads
- Emptying over 250,000 gullies city wide
- Prevention and removal of fly tipping, fly posting, needles and graffiti
- Cleaning of public conveniences

Waste Strategy

Recycling and Waste section is charged with delivering a waste strategy and waste solution for the city. The service is committed to developing alternative ways of dealing with waste generated in Leeds which will be critical to meeting government targets for increasing recycling and reducing the amount of waste going to landfill. Leeds has set an ambitious target of recycling over 50% of its waste by 2020 and plans are in place to deliver this. Responsibilities of the team include:

- The delivery of the Waste Strategy for Leeds which sets out the long term vision for the city in terms of waste; that is to reduce, re-use, recycle and recover value from all waste. The commitment to dealing with waste generated in Leeds is critical to meeting a recycling target of 50% by 2020 and also reducing the amount of waste going to landfill.
- The provision of a recycling and waste disposal service, receiving household and municipal waste from the public and from council departments.
- The operation of a transfer loading station (although a further site will be re-developed) and 11 household waste sorting sites across the city.



Environment and Neighbourhoods Environmental Services



- The management of over 450 drop-off sites across Leeds where materials such as paper, cans and glass can be deposited for recycling.
- The management of 11 closed landfill sites at which emissions of leachate and methane are monitored.

Environmental Services is committed to working in partnership with other sections and partners to deliver the best possible services for the residents in Leeds and seeks to deliver this aim through a strong commitment to staff training and development.

Key Data

- Landfilled waste to reduce by approx 19,000 tonnes (-9%) from the 2008/09 budgeted levels. By the end of 2009/10 landfilled waste is expected to be 32,000 tonnes lower than 2007/08.
- Recycling and composted waste to rise by 18,000 tonnes (+18 %).
- Recycling and composting target to rise from 30% in 2008/09 to nearly 36% in 2009/10.
- Total Household waste in 2009/10 is projected to be lower than in 2005/06.
- Collection of over 22m bins per annum.

Budget highlights 2009/10:

- In line with the Waste Strategy additional resources have been provided to enhance the current recycling collection services. An additional £1.5m is being invested in Recycling Collection services. Specifically, the roll out of the garden waste collection service will continue and a further 70,000 households will receive the service, bringing the total households with access to the service to approximately 190,000.
- A weekly collection of food waste will be piloted in one area of the City.
- The continuation of the SORT fortnightly pilot which started in October 2008.
- Together these service developments are designed to increase the combined recycling and composting rate to nearly 36% in 2009/10. As a result the Council will save over £1m in landfill payments.
- An additional sum of £280k has been provided to support the implementation of the authority's Waste Strategy and for progressing the procurement of the authority's chosen final waste solution.
- Transitional funding of approximately £1m for services previously supported by the Working Neighbourhoods Fund has been agreed at a level which enables Streetscene services to support a wide variety of environmental initiatives, including the Intensive Neighbourhood Management programme in each area of the city and the continuation of the graffiti removal service.
- An additional £103k has been provided within the Street Cleansing service to improve the cleansing of gulleys.



Main responsibilities:

Environmental Action Teams (EAT's) and Specialist Team

In 2008/09, the Enforcement division joined with Environmental Health to form Health and Environmental Action Services in the Environment and Neighbourhoods Directorate. The services joined together to deliver a more localised service with the teams being split over three geographical areas and providing a specialist support.

This service, with around 80 staff in total across the city, is responsible for a range of neighbourhood related enforcement activities including noise nuisance, dangerous, stray or roaming dogs, dog fouling, waste in gardens, overgrown vegetation, littering, placards, A-boards, graffiti, flyering, waste from domestic and commercial bins, street litter control notices, flytipping, abandoned and untaxed vehicles, abandoned trolleys, mud on highways, drainage and pest control and other miscellaneous environmental issues. The teams carry out enforcement and preventative work.

The three Environmental Action Teams (EATs) mirror the same geographical boundaries as Area Management (there is an EAT in West North West, East North East and South). The EATs provide a fast and functional response to enquiries and have established good communications with ward members and the local community. The Specialist Team provide a city-wide response to dog related activities, abandoned vehicles, graffiti, flytipping and other activities where specialist advice is needed.

The service also supports agencies addressing graffiti and waste minimisation. The service is at the forefront of the council's zero tolerance approach to environmental crime. By contributing to the Environmental Enforcement Working Group, the service will continue to take a prominent lead in co-ordinating enforcement policies and practices across the authority.

The service supports good food safety standards in the city by the inspection of food businesses, and a wide range of interventions including the reporting of good hygiene practice through the "scores on the doors" website. It promotes and supports Health, Safety and Welfare at work, through inspections, investigation of accidents and education in the service sector.

It not only regulates premises likely to pollute the atmosphere, monitors air quality and investigates complaints about nuisance and pollution but it also provides a pest control services in homes and businesses.

It enforces animal health legislation in respect of welfare of livestock at markets and during transportation.

The function assists landlords, private tenants and owner-occupiers with housing issues, giving priority to meeting the needs of disabled, elderly and vulnerable people, and improving housing decency.

It also provides advice and information on environmental and nuisance problems such as noise, air pollution, rubbish, and housing disrepair.

It works to improve the council's performance on reducing fuel poverty and the energy efficiency of the housing stock in Leeds. It also provides specialist environmental health advice and acts as consultees to a range of agencies and licensing authorities, and administers a number of licensing schemes directly on behalf of the council.



Car Parking

The service manages, develops and maintains most of the council's on-street and off-street parking, including Woodhouse Lane car park, paid surface car parks in the city centre and over 40 unpaid district car parks. Parking tickets are issued for offences, and the service administers the fine collection and appeal process. Car parks are maintained and the division administers all of the residential permits required for permit zones.

Parking services embrace public/private partnerships for parking enforcement; use state of the art ICT to issue and track the enforcement process; identify and implement new parking areas and review parking prices. These reviews not only consider the actual cost of parking, but also the policies related to specific parking sectors, e.g. evening parking, districts, etc.

Work is generated both reactively and proactively; through intelligence led initiatives and educative approaches. A high profile approach is taken including the use of notices, fixed penalty notices and prosecutions. The police, trading-standards, and the Environment Agency are close partners with the service.

Budget highlights 2009/10:

- In order to manage budget pressures, the service has identified a number of efficiencies that it will be targeting in 2009/10.
- Additional enforcement activity around bus lanes in the City Centre, and the implementation of the requirements of the Traffic Management Act 2008, will increase enforcement income by £155k.
- A review of car parking provision in the City Centre has identified additional capacity and combined with an intention to implement charging arrangements in the City Centre on a Sunday, net additional income of £608k is projected. In respect of Sunday charging it is intended that a nominal fee will be charged for the first four hours with a higher rate beyond this in order to encourage better parking for shoppers.
- Additional payments (£248k) to the external contractor, who has responsibility for the delivery of the domestic pest control service, reflects an enhanced and more responsive service that is now being delivered.
- Additional expenditure of £35k is required to recalibrate noise monitoring equipment operated by Health and Environmental Action Services.



Main responsibilities:

To improve the quality and variety of the housing offer to the people of Leeds by:

- Increasing the supply of homes (all tenures) meeting the decency standard
- Increasing the number of affordable homes
- Increasing levels of reoccupation of long term empty homes
- Expansion of accreditation in the private rented sector
- Reduction in the number of homeless households
- Redressing the mix of housing tenure as appropriate within neighbourhoods
- Increasing opportunities to access housing options across all tenures
- Ensuring the use of housing land and assets supports the wider regeneration of neighbourhoods
- Creating pathways for neighbourhoods to influence decisions at neighbourhood level
- Support integration and cohesion at a neighbourhood level

The primary aims of the Roseville Enterprises (Doors) include:

- To act as both a responsible sub-contractor and an ethical partner in ensuring the safe, effective and cost efficient methods of delivering a range of safe, secure and fire resistant quality composite door and door sets.
- To ensure that we meet all our production targets and through that assist our partners in delivering their required contracts, on time, defect free, and within prescribed budgets.
- To always act in a manner to the workforce and customers that befits a caring, ethically and moral employer.
- Ensure we continuously provide a safe and fulfilling environment in which the workforce can benefit through learning experiences and thrive in a safe manufacturing environment.
- Through this our people will enhance their life skills through learning, sharing and developing new and transferable skills, thereby creating opportunities for progression into supported mainstream working.



Budget highlights 2009/10:

- In order to manage budget pressures, the service has identified a number of efficiencies that it will be targeting in 2009/2010.
- As a result of a significant fall in the demand for its products as the Council's decency programme comes to a conclusion, it is forecast that for 2009/10 there are only sufficient orders for Roseville to keep the staff gainfully employed for one month. Given this context, it is appropriate that Roseville Enterprises (Doors) ceases to operate during 2009/10, and that appropriate care packages will be required to be identified for individual members of staff where appropriate (£90k).
- Increased demand for the use of Care Ring service (£105k) can be partially offset by charges to Adult Social Care for Telecare (£70k).
- The Temporary Emergency Accommodation (TEAs) & Resettlement Service has now transferred to new external provider; this has generated savings of £42k.
- In respect of homelessness accommodation and the Sheltered Warden service, it is intended to review the process to increase the recovery level of eligible income (£150k).



Main responsibilities:

Area Management and Area Regeneration Teams

- To deliver the Area Committees' priorities stated in the Area Delivery Plans. To provide an area management service which focuses on local priorities, improving services, engaging communities, promoting community cohesion and co-ordinating local partnership working to deliver Leeds Strategic Plan outcomes.
- To effectively respond to local priorities through the delivery of the city's Wellbeing Programme.

Regeneration Projects and Programmes

- To develop and implement major projects and programmes which improve the physical fabric and infrastructure of the city and contribute to its economic well-being and the longer-term transformation and sustainability of deprived neighbourhoods.

Regeneration Policy and Resources

- To identify, manage and target resources to meet the Leeds Strategic Plan service improvement priorities and the delivery of the city's regeneration programme.
- To work with partner agencies to commission and align resource to achieve the Leeds Local Area Agreement outcomes.
- To take a lead role on policy, strategies and action to support the voluntary, community and faith sector, to contribute to the delivery of the Leeds Strategic Plan.
- To develop and review strategy and policy to inform the service priorities and delivery plans of the Regeneration Service including community centres, neighbourhood services and community cohesion and engagement activities.

Jobs and Skills

- To assist local people to find and retain employment supported by the provision of high quality learning and skills targeted at the council's priority groups, including those in receipt of work-related, incapacity and lone parent benefits. This will make a major contribution to the Narrowing the Gap agenda.

Budget highlights 2009/10:

Well Being

- The Area Committees have responsibility for revenue and capital Wellbeing monies of £2m and £1m respectively to support activity in local communities.

Community Centres

- The service currently manages a portfolio of 73 community centres with a budget of over £3m.

Neighbourhood Management

- Work has begun to identify new approaches within priority neighbourhoods across the city, to sustain activity undertaken through the intensive neighbourhood management projects, as external funding comes to an end. Currently this area of work receives £751k of external grant funding.



Environment and Neighbourhoods Regeneration



Major Programmes

- Delivery of the East and South East Regeneration Initiative (EASEL) has commenced securing initial 5yr investment in housing of £70m and establishing a long term Joint Venture vehicle in partnership with Bellway PLC
- Working to secure up to £189m of Housing PFI schemes in Little London and Beeston Hill and Holbeck.
- A comprehensive Strategic Delivery & Investment Plan for the West Leeds Gateway will be produced in 2009/10 setting out the Council's priorities for this part of the city over the next 5 years.
- As part of the Leeds/Bradford Corridor programme the development of the £10m Northern Challenge Housing scheme will result in 364 new homes, 50 permanent jobs and 50 training places.
- Delivery of the £11.6m Town & District Centre scheme is nearing maturity with improvement works to most of the 17 targeted district centres completed, commenced or in the tender phase.
- The £2m Heritage Lottery Funded (HLF) Townscape Heritage Initiative (THI) schemes in Armley and Chapeltown will commence on site in 2009/10 as part of a 4 year programme of work.

Jobs and Skills

- Expansion of the Job Shop network offering a visible, accessible presence for Leeds City Council within the heart of communities.
- Move away from direct delivery towards commissioning, leading to the creation of diverse and effective partnership arrangements and targeted work with employers, including the Easel and Aire Valley initiatives.
- Facilitation of a council-wide apprenticeship programme for up to 250 learners.



Main responsibilities:

- Providing housing services to over 58,000 tenancies through the Arms Length Management Organisations (ALMOs).
- Administering enquiries and applications by tenants under the Right to Buy legislation.
- Managing services to leaseholders.
- Consulting with and involving tenants in all aspects of departmental services.
- Overall management and strategy of council housing in the city, including research and development.

Budget highlights 2009/10:

- The budget includes the allocation to the Arms Length Management Organisations, which took responsibility for managing the council's stock of housing from February 2003. The overall management fee has been increased by 2% over the 2008/09 level.
- Rents have increased by 6.2 % on average, and this equates to an average £3.58 per week over a 48-week period. Individual rents will increase by varying amounts, which is due to the authority implementing the government's 15-year rent restructuring policy, of which 2009/08 is the eighth year. Under this policy individual tenants are protected from large increases in rent by the government's requirement that rents will not increase by more than 'inflation + 0.5% + £2' per week.

Environment and Neighbourhoods

Summary of budget by service (£000)

Budget manager	Service	Total 2008/09	Managed by the service			Managed outside the service	Total 2009/10
			spending	income	net		
Chief Environmental Services Officer	Streetscene Environmental Services	47,555	53,102	-3,141	49,962	3,105	53,067
	Health and Environmental Action	11,139	10,916	-3,181	7,734	2,048	9,782
	Car Parking	-5,946	5,396	-13,682	-8,286	1,185	-7,101
	Community Safety	4,111	5,287	-1,964	3,323	781	4,104
Chief Community Safety Officer	Safer Leeds Drugs Team	36	9,360	-9,500	-140	172	32
	Safer Leeds Partnership	12	1,951	-639	1,312	21	1,333
	Regeneration	10,391	15,082	-5,393	9,689	166	9,855
Chief Regeneration Officer	Jobs and Skills	6,752	8,251	-5,123	3,128	504	3,632
	Community Centres	3,126	2,241	-585	1,656	1,471	3,127
	Housing Services	8,105	15,960	-10,994	4,966	2,670	7,636
Chief Housing Services Officer	General Fund Support Services	-	623	-	623	-623	-
	Housing Benefit	2,379	221,410	-219,063	2,346	-	2,346
Net cost of service		87,660	349,577	-273,265	76,312	11,500	87,813
	Transfers to and from earmarked reserves	518	-	-	-	1,440	1,440
Net revenue charge		88,178	349,577	-273,265	76,312	12,941	89,253

Environment and Neighbourhoods

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Employees		Transport	
Direct pay	41,775	Vehicles and plant related expenditure	7,080
Agency and temporary staff	1,807	Travel allowances	344
National Insurance contributions	2,986	Fuel	2,322
Superannuation costs	5,287	Transport-related insurance	188
Other pension costs	1,351		9,934
Other employee related costs	352	Other costs	
Training and development	270	Managed recharges from other directorates	5,676
	53,829	Charges between the General Fund and the HRA	1,020
Premises		Services provided by other organisations	223
Building maintenance	158	Sheltered accommodation	2,510
Grounds maintenance	36	Housing Benefit payments	218,675
Building security	302	Capital expenditure financing charge	1,097
Cleaning and workplace refuse	249	Transfers to and from other accounts	8,783
Gas	251		237,985
Electricity	526		
Other utilities	164		
Rent	3,040		
NNDR	1,510	Managed expenditure	349,577
Accommodation charges	1,674		
Premises-related insurance	59	Internal income	
	7,969	From other directorates	-4,594
Supplies and services		From capital schemes	-309
Materials and equipment	2,062	Charges between the General Fund and the HRA	-2,930
Stationery and postage	354	Reallocated grants	-212
Advertising	40		-8,045
IT and telecommunications	939	External income	
Insurance	83	Government grants	-225,200
Events and projects	60	Other grants	-250
Professional fees	3,861	Sale of goods and services	-930
Grants and contributions	8,583	Fees and charges	-18,930
Recycling and reuse	2,346	Education Leeds income	-120
Waste disposal and landfill tax	11,867	Contributions	-9,164
Allowances	683	Other income	-9,283
Consultancy services	688	Rents	-1,097
Security services	280	ALMOs income	-222
Other hired and contracted services	7,151	Interest and dividends	-24
Publicity and promotion	615		-265,219
Miscellaneous	45		
Equipment financing charge	204		
	39,860	Managed income	-273,265
		Net managed budget	76,312

Environment and Neighbourhoods

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Central recharges			
Central recharges	9,229		
Corporate and democratic core	-1,154		
	8,075		
Other internal adjustments			
Internal reallocations	23,658		
Internal reallocations income	-23,719		
	-60		
Accounting adjustments			
FRS 17 costs	638		
Vehicles and plant financing charge	-2,144		
Capital managed outside service	4,992		
	3,486		
Managed outside the service	11,500		
Net cost of service	87,813		

Environment and Neighbourhoods

Budget manager: Chief Environmental Services Officer

Streetscene Environmental Services			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other costs	
Direct pay	16,955	Managed recharges from other directorates	845
Agency and temporary staff	1,246	Charges between the General Fund and the HRA	46
National Insurance contributions	1,185	Capital expenditure financing charge	783
Superannuation costs	1,955		1,674
Other pension costs	391		
Other employee related costs	198		
Training and development	159	Managed expenditure	53,102
	22,089		
Premises		Internal income	
Building maintenance	76	From other directorates	-2,146
Grounds maintenance	9	Reallocated grants	-212
Building security	84		-2,357
Cleaning and workplace refuse	27	External income	
Gas	7	Sale of goods and services	-363
Electricity	118	Fees and charges	-256
Other utilities	50	Other income	-33
Rent	8	ALMOs income	-132
NNDR	218		-783
Premises-related insurance	5		
	601	Managed income	-3,141
Supplies and services			
Materials and equipment	872	Net managed budget	49,962
Stationery and postage	59		
Advertising	12	Central recharges	
IT and telecommunications	92	Central recharges	48
Insurance	34		48
Events and projects	57	Other internal adjustments	
Professional fees	11	Internal reallocations	8,545
Recycling and reuse	2,346	Internal reallocations income	-6,160
Waste disposal and landfill tax	11,867		2,385
Allowances	6	Accounting adjustments	
Consultancy services	574	FRS 17 costs	344
Security services	280	Vehicles and plant financing charge	-2,089
Other hired and contracted services	2,619	Capital managed outside service	2,416
Publicity and promotion	459		671
Miscellaneous	2		
Equipment financing charge	204	Managed outside the service	3,105
	19,494		
Transport		Net cost of service	53,067
Vehicles and plant related expenditure	6,787		
Travel allowances	24		
Fuel	2,254		
Transport-related insurance	180		
	9,244		

Environment and Neighbourhoods

Budget manager: Chief Environmental Services Officer

Health and Environmental Action			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	6,997	Managed expenditure	10,916
Agency and temporary staff	152		
National Insurance contributions	495	Internal income	
Superannuation costs	953	From other directorates	-495
Other pension costs	118	Charges between the General Fund and the HRA	-190
Other employee related costs	28		-685
Training and development	31		
	8,774	External income	
Premises		Sale of goods and services	-308
Building security	37	Fees and charges	-1,202
Cleaning and workplace refuse	33	Other income	-933
Gas	4	Rents	-2
Electricity	16	ALMOs income	-51
Other utilities	2		-2,496
Rent	48		
NNDR	36	Managed income	-3,181
Premises-related insurance	-		
	176	Net managed budget	7,734
Supplies and services			
Materials and equipment	142	Central recharges	
Stationery and postage	123	Central recharges	314
Advertising	12		314
IT and telecommunications	224	Other internal adjustments	
Insurance	3	Internal reallocations	1,493
Professional fees	48	Internal reallocations income	-128
Grants and contributions	9		1,365
Allowances	7	Accounting adjustments	
Consultancy services	22	FRS 17 costs	241
Other hired and contracted services	714	Vehicles and plant financing charge	-40
Publicity and promotion	70	Capital managed outside service	169
Miscellaneous	15		369
	1,389		
Transport		Managed outside the service	2,048
Vehicles and plant related expenditure	120		
Travel allowances	129	Net cost of service	9,782
Fuel	36		
Transport-related insurance	5		
	291		
Other costs			
Managed recharges from other directorates	233		
Charges between the General Fund and the HRA	53		
	286		

Environment and Neighbourhoods

Budget manager: Chief Environmental Services Officer

Car Parking			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		External income	
Direct pay	2,518	Fees and charges	-12,997
National Insurance contributions	172	Other income	-48
Superannuation costs	334	Rents	-8
Other pension costs	11		-13,054
Other employee related costs	12		
Training and development	21	Managed income	-13,682
	3,067		
Premises		Net managed budget	-8,286
Grounds maintenance	25		
Building security	66	Central recharges	
Cleaning and workplace refuse	2	Central recharges	16
Electricity	113		16
Other utilities	7	Other internal adjustments	
Rent	5	Internal reallocations	4,588
NNDR	663	Internal reallocations income	-4,283
	882		306
Supplies and services		Accounting adjustments	
Materials and equipment	336	FRS 17 costs	115
Stationery and postage	71	Vehicles and plant financing charge	-2
Advertising	9	Capital managed outside service	751
IT and telecommunications	164		864
Insurance	27		
Professional fees	27	Managed outside the service	1,185
Other hired and contracted services	678		
Publicity and promotion	1	Net cost of service	-7,101
	1,314		
Transport			
Vehicles and plant related expenditure	73		
Travel allowances	2		
Fuel	17		
Transport-related insurance	-		
	92		
Other costs			
Managed recharges from other directorates	26		
Charges between the General Fund and the HRA	15		
	41		
Managed expenditure	5,396		
Internal income			
From other directorates	-628		
	-628		

Environment and Neighbourhoods

Budget manager: Chief Community Safety Officer

Community Safety			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		External income	
Direct pay	2,311	Contributions	-141
National Insurance contributions	168	Other income	-311
Superannuation costs	295		-452
Other pension costs	26		
Other employee related costs	4	Managed income	-1,964
	2,804		
Premises		Net managed budget	3,323
Building maintenance	1		
Building security	-	Central recharges	
Cleaning and workplace refuse	13	Central recharges	336
Electricity	32		336
Rent	1	Other internal adjustments	
NNDR	43	Internal reallocations	855
Premises-related insurance	7	Internal reallocations income	-538
	98		317
Supplies and services		Accounting adjustments	
Materials and equipment	7	FRS 17 costs	85
Stationery and postage	3	Capital managed outside service	44
IT and telecommunications	132		129
Insurance	3		
Events and projects	-	Managed outside the service	781
Professional fees	3		
Grants and contributions	188	Net cost of service	4,104
Allowances	1		
Other hired and contracted services	1,566		
	1,903		
Transport			
Vehicles and plant related expenditure	4		
Travel allowances	15		
Fuel	9		
	28		
Other costs			
Managed recharges from other directorates	277		
Charges between the General Fund and the HRA	39		
Capital expenditure financing charge	138		
	454		
Managed expenditure	5,287		
Internal income			
Charges between the General Fund and the HRA	-1,513		
	-1,513		

Environment and Neighbourhoods

Budget manager: Chief Community Safety Officer

Safer Leeds Drugs Team			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	467		
National Insurance contributions	33		
Superannuation costs	62		
	562		
Premises			
Rent	3		
	3		
Other costs			
Charges between the General Fund and the HRA	11		
Transfers to and from other accounts	8,783		
	8,795		
Managed expenditure	9,360		
External income			
Government grants	-2,767		
Contributions	-6,732		
	-9,500		
Managed income	-9,500		
Net managed budget	-140		
Central recharges			
Central recharges	9		
	9		
Other internal adjustments			
Internal reallocations	140		
	140		
Accounting adjustments			
FRS 17 costs	23		
	23		
Managed outside the service	172		
Net cost of service	32		

Environment and Neighbourhoods

Budget manager: Chief Community Safety Officer

Safer Leeds Partnership			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	412		
National Insurance contributions	30		
Superannuation costs	55		
	496		
Premises			
Rent	57		
	57		
Supplies and services			
Grants and contributions	1,109		
Other hired and contracted services	202		
	1,311		
Other costs			
Managed recharges from other directorates	86		
	86		
Managed expenditure	1,951		
Internal income			
Charges between the General Fund and the HRA	-77		
	-77		
External income			
Government grants	-562		
	-562		
Managed income	-639		
Net managed budget	1,312		
Accounting adjustments			
FRS 17 costs	21		
	21		
Managed outside the service	21		
Net cost of service	1,333		

Environment and Neighbourhoods

Budget manager: Chief Regeneration Officer

Regeneration			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Internal income	
Direct pay	4,394	From other directorates	-592
Agency and temporary staff	349	From capital schemes	-187
National Insurance contributions	340	Charges between the General Fund and the HRA	-670
Superannuation costs	585		-1,448
Other pension costs	180	External income	
Training and development	10	Government grants	-1,028
	5,858	Contributions	-1,650
Premises		Other income	-1,265
Cleaning and workplace refuse	2	Rents	-2
Gas	3		-3,945
Electricity	5		
Other utilities	1	Managed income	-5,393
Rent	22		
NNDR	35		
	69	Net managed budget	9,689
Supplies and services			
Materials and equipment	78	Central recharges	
Stationery and postage	36	Central recharges	285
Advertising	7		285
IT and telecommunications	101	Other internal adjustments	
Professional fees	193	Internal reallocations	1,617
Grants and contributions	6,601	Internal reallocations income	-1,758
Allowances	5		-141
Consultancy services	75	Accounting adjustments	
Other hired and contracted services	782	FRS 17 costs	41
Publicity and promotion	45	Capital managed outside service	-19
Miscellaneous	5		22
	7,929		
Transport		Managed outside the service	166
Travel allowances	72		
	72	Net cost of service	9,855
Other costs			
Managed recharges from other directorates	1,067		
Charges between the General Fund and the HRA	69		
Services provided by other organisations	17		
	1,153		
Managed expenditure	15,082		

Environment and Neighbourhoods

Budget manager: Chief Regeneration Officer

Jobs and Skills			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	2,269	Managed expenditure	8,251
Agency and temporary staff	19		
National Insurance contributions	157	Internal income	
Superannuation costs	300	From other directorates	-379
Other pension costs	546		-379
Other employee related costs	3	External income	
Training and development	17	Government grants	-3,486
	3,311	Other grants	-250
Premises		Sale of goods and services	-86
Grounds maintenance	2	Fees and charges	-77
Building security	11	Education Leeds income	-120
Cleaning and workplace refuse	78	Contributions	-541
Gas	32	Rents	-185
Electricity	52		-4,744
Other utilities	14		
Rent	77	Managed income	-5,123
NNDR	113		
Accommodation charges	-222	Net managed budget	3,128
Premises-related insurance	13		
	170	Central recharges	
Supplies and services		Central recharges	93
Materials and equipment	76		93
Stationery and postage	29	Other internal adjustments	
IT and telecommunications	-5	Internal reallocations	2,633
Insurance	8	Internal reallocations income	-1,847
Events and projects	-		786
Professional fees	3,062	Accounting adjustments	
Grants and contributions	355	FRS 17 costs	-433
Allowances	538	Capital managed outside service	58
Other hired and contracted services	520		-375
Publicity and promotion	5		
	4,588	Managed outside the service	504
Transport			
Vehicles and plant related expenditure	40	Net cost of service	3,632
Travel allowances	24		
Transport-related insurance	1		
	65		
Other costs			
Managed recharges from other directorates	94		
Charges between the General Fund and the HRA	24		
	117		

Environment and Neighbourhoods

Budget manager: Chief Regeneration Officer

Community Centres			
£000	Budget 2009/10	£000	Budget 2009/10
Premises		Net cost of service	3,127
NNDR	198		
Accommodation charges	1,897		
Premises-related insurance	26		
	2,121		
Supplies and services			
IT and telecommunications	10		
Events and projects	-		
Professional fees	4		
Other hired and contracted services	27		
	41		
Other costs			
Managed recharges from other directorates	73		
Charges between the General Fund and the HRA	6		
	79		
Managed expenditure	2,241		
Internal income			
From other directorates	-243		
	-243		
External income			
Fees and charges	-241		
Contributions	-100		
	-341		
Managed income	-585		
Net managed budget	1,656		
Central recharges			
Central recharges	323		
	323		
Other internal adjustments			
Internal reallocations	66		
	66		
Accounting adjustments			
Capital managed outside service	1,082		
	1,082		
Managed outside the service	1,471		

Environment and Neighbourhoods

Budget manager: Chief Housing Services Officer

Housing Services			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other costs	
Direct pay	5,068	Managed recharges from other directorates	200
Agency and temporary staff	40	Charges between the General Fund and the HRA	757
National Insurance contributions	371	Services provided by other organisations	206
Superannuation costs	699	Sheltered accomodation	2,510
Other pension costs	68	Capital expenditure financing charge	176
Other employee related costs	103		
Training and development	32		
	6,381		3,849
Premises			
Building maintenance	81	Managed expenditure	15,960
Building security	103		
Cleaning and workplace refuse	94	Internal income	
Gas	207	From other directorates	-111
Electricity	191	From capital schemes	-122
Other utilities	90	Charges between the General Fund and the HRA	-481
Rent	2,818		
NNDR	204		-714
Accommodation charges	-1	External income	
Premises-related insurance	4	Government grants	-2,440
	3,791	Sale of goods and services	-173
Supplies and services		Fees and charges	-4,157
Materials and equipment	545	Other income	-2,547
Stationery and postage	20	Rents	-900
IT and telecommunications	201	ALMOs income	-39
Insurance	7	Interest and dividends	-24
Events and projects	2		-10,280
Professional fees	509		
Grants and contributions	320	Managed income	-10,994
Allowances	126		
Consultancy services	17	Net managed budget	4,966
Other hired and contracted services	42		
Publicity and promotion	-	Central recharges	
Miscellaneous	9	Central recharges	731
	1,800		731
Transport		Other internal adjustments	
Vehicles and plant related expenditure	56	Internal reallocations	2,567
Travel allowances	75	Internal reallocations income	-1,301
Fuel	6		1,266
Transport-related insurance	2	Accounting adjustments	
	139	FRS 17 costs	195
		Vehicles and plant financing charge	-13
		Capital managed outside service	491
			673

Environment and Neighbourhoods

Budget manager: Chief Housing Services Officer

Housing Services			
£000	Budget 2009/10	£000	Budget 2009/10
Managed outside the service	2,670		
Net cost of service	7,636		

Environment and Neighbourhoods

Budget manager: Chief Officer Resources and Strategy

General Fund Support Services			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	384	Managed outside the service	-623
National Insurance contributions	36		
Superannuation costs	49	Net cost of service	-
Other pension costs	12		
Other employee related costs	4		
Training and development	1		
	486		
Premises			
Premises-related insurance	3		
	3		
Supplies and services			
Materials and equipment	5		
Stationery and postage	13		
IT and telecommunications	19		
Insurance	-		
Professional fees	4		
Other hired and contracted services	2		
Publicity and promotion	34		
Miscellaneous	14		
	91		
Transport			
Vehicles and plant related expenditure	-		
Travel allowances	2		
	2		
Other costs			
Managed recharges from other directorates	40		
	40		
Managed expenditure	623		
Net managed budget	623		
Central recharges			
Central recharges	7,075		
Corporate and democratic core	-1,154		
	5,921		
Other internal adjustments			
Internal reallocations	1,154		
Internal reallocations income	-7,704		
	-6,550		
Accounting adjustments			
FRS 17 costs	7		
	7		

Environment and Neighbourhoods

Budget manager: Chief Officer Resources and Strategy

Housing Benefit			
£000	Budget 2009/10	£000	Budget 2009/10
Other costs			
Managed recharges from other directorates	2,734		
Housing Benefit payments	218,675		
	221,410		
Managed expenditure	221,410		
External income			
Government grants	-214,917		
Other income	-4,146		
	-219,063		
Managed income	-219,063		
Net managed budget	2,346		
Net cost of service	2,346		

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Central and Corporate Services

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LEEDS CITY COUNCIL

2009/10 BUDGET REPORT

Directorate: Central and Corporate Functions

1 Introduction

- 1.1 This report has been produced in order to inform members of the main variations and factors influencing the directorate's budget for the 2009/10 Budget.
- 1.2 The Budget, as in previous years, has been prepared at outturn prices and as such there is no central provision for pay and prices.
- 1.3 Following the Council's Support Services Review, three major functions have been transferred during 2008/09 to Resources Directorate from the individual directorates reflecting the new operational arrangements of the Council. These services are Financial Management, Human Resources and Corporate Property Management. The impact of these transfers is that Net Managed Expenditure will increase.

2 Service Context

- 2.1 Central and Corporate functions covers the services provided by Resources and Chief Executive's comprising both direct services for the citizens of Leeds, such as Housing Benefits and Customer Services, plus all the key support and trading services that provide the infrastructure for the whole Council.
- 2.2 The key priorities for 2009/10 and beyond centre on supporting the Council's front line services in areas such as resource management, ICT and value for money. Aligned with this is the wide ranging 'business transformation' agenda which will equip the Council to use information and technology much more effectively and will also produce significant efficiency savings.
- 2.3 The Central and Corporate budget has been contained within the constraints of cash standstill in 2009/10.

3 Explanation of decrease between the Original Budget (Adjusted) 2008/09 and the Budget 2009/10 £0.651m (5.27%)

- 3.1 The variation can be summarised as follows:

	£000s
Net Cost of Service - Original Budget 2008/09	12,790
Adjustments	- 195
Adjusted Budget 2008/09	12,595
Movements on Budgets Managed Outside Service	- 20,895
Changes in Prices	
• Pay	3,603
• Price	-
• Income	- 33
Service Budget Changes	
• Changes in Service Levels	20,100
• Other factors not affecting level of service	1,372
• Efficiency Savings	- 4,798
	20,244
Net Cost of Service - Budget 2009/10	11,944
Net Managed Budget	73,002
Managed Outside Service	- 61,058
Net Cost of Service	11,944

3.2 Adjustments

Due to the transfer of student support functions to the Student Loan Company, RSG has been reduced by £195k.

3.3 Movements on budgets managed outside the service

Capital charges have reduced by £459k. The main reasons are a reduction in charges in respect of previous ICT developments of £770k largely offset by an increase relating to the transfer of building into Corporate Property Management.

Other changes, mainly the impact of reallocating the centrally controlled support costs back to directorate accounts amounts to -£19,654k.

3.4 Changes in prices

3.4.1 Provision of £3,603k has been made for pay awards (at 2%) and pension costs changes.

3.4.2 No provision has been made for inflation on running cost budgets apart from unavoidable contract increases. The effect of this cash limit is £1,325k.

3.4.3 Court cost fees have been increased by 2% (£33k).

3.5 Service Budget Changes

3.5.1 Efficiency savings

For this directorate the following savings have been identified for 2009/10:

Nature of saving	Total £000s
Staffing savings:	
- Services to the public	665
- Support Services	2,471
Procurement savings	463
Corporate sickness savings target	434
Mobile phones savings (new contract)	57
Travel review	130
Introduction of the 'managed print' service	82
ICT collaboration project (replacement of Lotus Notes)	225
Revenues and Benefits integration work	50
Reduction in audit fee	20
Energy efficiency initiatives	100
Accommodation savings	82
Other – various	19
TOTAL	4,798

3.5.2 Changes in Service Levels

As described in para 1.3 above the most significant change in budgets concerns the transfer of Finance, HR and Corporate Property Management budgets from individual directorates into Resources. The increase in 'managed budget' is £18.7m from the OE 2008/09. This change reflects the change in organisation and management of these support service functions aimed at maintaining and improving the quality of service provision but also achieving savings and efficiencies. An example of the change being introduced is the launch of the new Occupational Health Service from February 2009.

Corporate ICT are implementing and will be responsible for the management of a new Council wide 'managed print' solution which has been trialled in Merriion House and realised significant financial and non-financial benefits. The new service will cost approximately 1.3m in 2009/10 against previous spend of £1.8m, thus generating savings of £0.5m across the Council.

Following a successful pilot scheme in 2008/09, the Community Meals service, which provides a seven day hot meals service, will expand the pilot city wide. Some significant

economies have been realised in the utilisation of vehicles and the city wide service has been developed from close partnership working with Adult Social Care.

3.5.3 Other Factors not affecting the level of service

In order to maintain existing service levels a number of unavoidable contract increases have been reflected in the budget: ICT contract increases (£200k), energy increases (£177k) and rent increases on civic buildings (£101k).

Following a reduction of £798k in 2007/08, a further £224k in 2008/09, Government Grant towards the cost of Housing Benefits administration has reduced by a further £106k in 2009/10. In response, staffing savings of £171k and other savings from better integration with the Revenues Services of £50k have been reflected in the budget.

New government regulations came into force on 23rd December 2008 that require the fee levels applied to local authority property searches to only cover the cost of providing the services. As a 'surplus' of £593k was previously budgeted for, this has now become a cost pressure to the Council. This however represents good news for those moving house and taking advantage of a full local authority search, the cost of which has reduced from £120 to £65.

3.5.4 Trading Services

A number of functions within Resources operate on a trading basis meaning that they must win work within a competitive environment. The following table shows the movement in budgeted surpluses between 2008/09 and 2009/10:

<i>Function</i>	<i>OE 2008/09 (surplus)</i>	<i>OE 2009/10 (surplus)</i>
Property Maintenance	(1,027)	(1,211)
Catering and Cleaning	(140)	(251)
Transport	(173)	(401)
Services (Print, reprographics, sign shop)	(19)	(221)
TOTAL	(1,359)	(2,084)

The increase in surplus of £725k is due to a number of factors. Cost pressures, over and above the pay award, amount to £542k. This has been offset by efficiencies of £746k in areas such as a reduction in sickness and procurement savings in key supply contracts. In addition, a target of £521k for income growth and acquisition of new business has been incorporated.

4 Risk Assessment

- 4.1 In determining the 2009/10 budget, consideration has been given to all the risks which are managed within the department's overall risk management framework. Within this framework, a register of those items considered to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.
- 4.2 The key risks in the 2009/10 budget for this department are as follows:
 - 4.2.1 The budget includes staffing savings of £3,136k. For many service areas this presents a significant challenge to achieve as well as maintain key services. Careful resource planning complemented by in year monitoring will be required to realise the savings.

- 4.2.2 A savings target of £434k for reduction in sickness has been reflected in service budgets, partly reflecting the impact of the new occupational health service. Careful monitoring of actual sickness levels as well as the impact on key budgets will be required.
- 4.2.3 The projection in 2008/09 in respect of overpaid Housing Benefits and the associated grant impact is a net cost of £350k to the Council. Whilst it may be reasonable to assume that this trend will continue into 2009/10, a modest amount of £129k has been incorporated into the budget on the assumption that the situation will improve.
- 4.2.4 An amount of £230k for procurement savings has been budgeted for. Practical actions will need to take place in order to achieve the savings such as setting up framework contracts that realise savings compared to previous practices in service areas.
- 4.2.5 Implementation of the new managed print service on time is necessary to deliver the savings of £500k. Slippage will result in overspend within Directorates.
- 4.2.6 The loss of a major contract within Commercial Services would compromise the forecast surpluses of the Division and impact on the ability to recover overheads as well as reduce the competitiveness of services provided.

Briefing note prepared by: Charles Oxtoby
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Main responsibilities:

Audit and Risk

- Provide an independent and objective assurance on the control environment established to help the council achieve its objectives.
- Develop, promote and implement good practice in risk management and project management to help the council achieve its objectives.
- Develop integrated plans with all directorates/partner agencies and co-ordinate the council's response to an emergency.
- Develop, promote and implement good practice in business continuity planning.

Financial Development and Financial Management

- Provide overall strategic financial management of the council's finances.
- Maximise the council's financial resources within levels of acceptable risk.
- Promote efficient and effective stewardship of assets and resources.
- Ensure compliance with statutory financial obligations.
- Providing senior managers, budget holders and staff with financial information, guidance and advice to enable them to take responsibility to effectively manage their revenue and capital budgets and to align available resources to priorities.

Benefits and Student Support

- Provide an integrated and inclusive benefits service that is prompt, accurate, secure and sensitive to the needs of the citizens of Leeds and other stakeholders.
- Provide accurate and timely assessments in respect of council's Fairer Charging Scheme.
- Determine the appropriate level of financial support for all higher education students in Leeds.
- Working with key partners, to promote and improve access and take-up of financially assessed services.

Leeds Revenues Services

- Maximise the collection of local taxation and other income from residents and businesses in Leeds.
- Ensure proper banking arrangements are in place.
- Provide a range of modern payment options for citizens to use.

Corporate Information and Communication Technology (ICT) Services

- Key stakeholder and contributor in the formulation and delivery of the council's strategic plans.
- To maintain and develop the council's ICT infrastructure and software application portfolio to support changing business needs which enable all users to have access to the required information and systems in order to provide excellent services to the citizens of Leeds and beyond.



Central and Corporate Resources



- Support, develop and implement technical solutions which underpin all council services.
- Support 20,000 telephones, 530 council sites, over 14,000 pcs, all schools and children in Leeds and remote connections to partners, crossing council boundaries.

Value for Money / Efficiency

- Developing and monitoring corporate value for money (VFM) frameworks to ensure that the council meets its medium and long term financial goals and can evidence the Use of Resources scores for the Comprehensive Area Assessment (CAA)
- Leading the Support Service Review to ensure that support services are efficient and effective and provide value for money
- Leading, developing the vision, strategy and implementation of our Corporate Social Responsibility programme, (Leeds by Example) in the council, and with our key partners in the city
- Providing business process re-engineering services to directorates, bringing together finance, people, process and technology to enable council services to meet service change, and service improvement targets

Human Resources

- Ensure our workforce meets current and future needs of services and reflect the Leeds community.
- Improve levels of safety and wellbeing in the workplace to ensure employees achieve and sustain high levels of performance and attendance. Help managers to properly manage attendance and significantly reduce absence.
- Develop a culture of high performance and systematic learning in which employees have the right knowledge and skills.
- Introduce a fair, flexible and competitive pay and reward structure that encourages employees to perform well.
- Maintain effective relationships with trade unions to provide a modern working environment with excellent communication and involvement for all employees.
- Support the organisation by developing a culture that recognises the role of people in promoting the values of the council.

Business Support Centre

The Business Support Centre operates through a shared services approach providing a range of support services to the council and a number of external parties. Services provided are:

- Payroll Services providing a fully comprehensive end-to-end payroll service for all employees of the council and a number of external bodies. Ensures the council meets all contractual and statutory obligations for payroll.
- Pensions Service is responsible for pension administration for both the local government scheme and the teachers' pension scheme. Also provides interpretation and advice on pension regulations, advice to staff on pension options and on retirement options.



Central and Corporate Resources



- Central Payments Service is responsible for payment of all of the council's bills ensuring that bills are paid at the optimum time, balancing the requirement to pay promptly with managing cash flow to the council's advantage.
- HR Administration Service is responsible for maintaining the records of all employees of the council. Also responsible for administration of the council's recruitment function and developing and advising on good recruitment processes.

Corporate Property Management

- Corporate Property Management is a new service to look after the council's buildings and deliver the full range of property and facilities management services to support the council's activities.
- Management of facilities related services (City Print, Reprographics and City Signs)
- Assist services and Asset Management in the development and implementation of the corporate and service asset management plans

Commercial Services:

Property Maintenance Services

- Building and specialist services to the council's Arms Length Management Organisations (ALMOs) and to council departments in relation to responsive and other property repairs.
- Service and installation function in specialist works and trades, including mechanical and engineering, lifts, asbestos, gas, flooring and major contracts. The division also provides routine internal building cleaning services for client departments and some external clients.
- Security services for client departments covering 24 hour central monitoring, 24 hour patrol and alarm response wardens, static guarding and alarm and CCTV installation.

Transport Services

- Key front line duties providing transport services for elderly day care centres, adult training centres, children in the care of the Adult Services and Children's Services directorates, and children with statements of special education needs on behalf of Education Leeds.
- The School Crossing Patrol service provides 180 crossing sites within the Leeds boundary to ensure that pedestrians cross safely. Crossing Patrols are now legally empowered to stop traffic and to assist any pedestrians to cross, not just children.
- Vehicle Management and Maintenance services manage the provision of vehicles and plant required by the council's operational departments. This service is also responsible for the regulatory safety inspection of the fleet, together with the routine service and repair of over 1,000 vehicles. In addition, the team operates a fuel management service which provides fuelling facilities for all council departments from various sites across the city.

Catering

- In Education, the service currently provides meals to 205 primary and special schools, 15 high schools and 28 early years centres.



- In 2009/10 the Community Meals service, which provides a seven day hot meals service, will expand the pilot city wide.

Cleaning

- Comprehensive internal building cleaning services are also provided to education establishments across the city.

Budget Highlights 2009/10

- The Resources budget has been contained within cash standstill in 2009/10. In order to maintain a good standard of services, significant efficiencies and savings have had to be agreed. The main area of savings is staffing and a reduction of £2,191k has been built into the budget equating to 84 fte's.
- Other significant areas of savings and efficiencies include:
 - £225k savings from the 'ICT Collaboration' project moving away from Lotus Notes to new contract with Microsoft.
 - Energy efficiency initiatives of £100k
 - Increase internal LCC use of the Print Unit rather than using outside suppliers (£200k)
- Within Commercial Services savings of £233k are expected through improvements in supplier chain management. An increase in external income along with other efficiencies of £250k has also been budgeted for.

Resources

Summary of budget by service (£000)

Budget manager	Service	Total 2008/09	Managed by the service			Managed outside the service	Total 2009/10
			spending	income	net		
Chief Officer Financial Management	Financial Management Business Support Centre	8	9,551	-523	9,028	-9,028	-
		-	5,821	-1,962	3,858	-3,858	-
Chief Officer Financial Development	Financial Development	2	1,597	-669	929	-929	-
Chief Officer Revenues and Benefits	Cost of Collection	5,048	49,926	-52,181	-2,255	7,102	4,846
	Revenue Services	-	5,768	-123	5,644	-5,644	-
	Benefits Service	-	6,428	-10,994	-4,566	4,566	-
	Student Support	665	454	-	454	112	566
Chief ICT Officer	Information Technology	3,607	25,887	-11,085	14,802	-11,407	3,395
Chief Officer Human Resources	Human Resources	-1	8,319	-452	7,867	-7,867	-
Chief Officer Audit and Risk	Audit and Risk	665	2,862	-381	2,481	-1,840	641
Chief Officer Resources and Strategy	Support Services and Directorate Central Recharges Account	-	1,067	-1	1,066	-1,066	-
		-	-	-	-	-	-
Deputy Director of Resources	Value for Money (VFM) and Efficiency	-	474	-554	-80	80	-
Chief Officer Corporate Property Management	Corporate Property Management	-57	30,629	-9,704	20,925	-21,226	-302
Chief Commercial Services Officer	Commercial Services Commercial Services - Trading	-19 -1,636	17,766 57,689	-17,607 -63,291	159 -5,602	-457 3,738	-297 -1,864
Net cost of service		8,283	224,236	-169,526	54,710	-47,725	6,985
	Transfers to and from earmarked reserves	1,328	-	-	-	-919	-919
Net revenue charge		9,611	224,236	-169,526	54,710	-48,645	6,066

Resources

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Employees		Transport	
Direct pay	77,444	Vehicles and plant related expenditure	7,766
Agency and temporary staff	1,787	Travel allowances	433
National Insurance contributions	4,972	Fuel	5,204
Superannuation costs	8,326	Private hire	6,275
Other pension costs	1,733	Transport-related insurance	218
Other employee related costs	425		19,896
Training and development	1,029	Other costs	
	95,717	Managed recharges from other directorates	2,121
Premises		Charges between the General Fund and the HRA	1,367
Building maintenance	7,556	Reallocated grants	2
Grounds maintenance	117	Compensation payments	1
Building security	764	Council Tax Benefit payments	48,615
Cleaning and workplace refuse	1,830	Discretionary business rate rebates	139
Gas	673	Capital expenditure financing charge	1,505
Electricity	1,279		53,749
Other utilities	279		
Rent	5,514	Managed expenditure	224,236
NNDR	2,506	Internal income	
Accommodation charges	14	From other directorates	-90,340
Premises-related insurance	171	From capital schemes	-482
	20,702	Charges between the General Fund and the HRA	-1,367
Supplies and services		Corporate property management income from the HRA	-44
Materials and equipment	9,443	Reallocated grants	-80
Stationery and postage	2,438		-92,313
Advertising	9	External income	
IT and telecommunications	9,463	Government grants	-55,656
Insurance	80	Sale of goods and services	-1,291
Events and projects	15	Fees and charges	-776
Professional fees	1,293	Education Leeds income	-9,675
Recycling and reuse	4	Contributions	-86
Allowances	28	Other income	-4,282
Consultancy services	84	Rents	-
External audit fees	588	ALMOs income	-5,446
Security services	1		-77,213
Other hired and contracted services	4,949		
Publicity and promotion	82	Managed income	-169,526
Miscellaneous	2,886		
Equipment financing charge	2,810	Net managed budget	54,710
	34,173		

Resources

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Central recharges			
Central recharges	33,572		
Central recharges income	-94,002		
Corporate and democratic core	-2,823		
	-63,252		
Other internal adjustments			
Internal reallocations	139,117		
Internal reallocations income	-136,053		
	3,063		
Accounting adjustments			
FRS 17 costs	1,103		
Vehicles and plant financing charge	-1,528		
Capital managed outside service	12,889		
	12,464		
Managed outside the service	-47,725		
Net cost of service	6,985		

Resources

Budget manager: Chief Officer Financial Management

Financial Management			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Net managed budget	9,028
Direct pay	7,609		
National Insurance contributions	558	Central recharges	
Superannuation costs	930	Central recharges income	733
Other pension costs	126	Corporate and democratic core	-143
Other employee related costs	11		590
Training and development	105	Other internal adjustments	
	9,338	Internal reallocations	1,819
Premises		Internal reallocations income	-11,670
Cleaning and workplace refuse	-		-9,851
	-	Accounting adjustments	
Supplies and services		FRS 17 costs	227
Materials and equipment	6	Capital managed outside service	7
Stationery and postage	20		233
Advertising	1		
IT and telecommunications	99	Managed outside the service	-9,028
Insurance	1		
Professional fees	13	Net cost of service	-
Allowances	-		
Other hired and contracted services	16		
Equipment financing charge	7		
	164		
Transport			
Travel allowances	31		
	31		
Other costs			
Managed recharges from other directorates	19		
	19		
Managed expenditure	9,551		
Internal income			
From other directorates	-262		
	-262		
External income			
Sale of goods and services	-2		
Education Leeds income	-49		
Contributions	-36		
Other income	-30		
ALMOs income	-145		
	-261		
Managed income	-523		

Resources

Budget manager: Chief Officer Financial Management

Business Support Centre			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	4,379	Managed income	-1,962
Agency and temporary staff	3		
National Insurance contributions	292	Net managed budget	3,858
Superannuation costs	499		
Other pension costs	117	Central recharges	
Other employee related costs	1	Central recharges income	186
Training and development	21		186
	5,312	Other internal adjustments	
Premises		Internal reallocations	4,600
Cleaning and workplace refuse	1	Internal reallocations income	-9,097
Rent	8		-4,497
	9	Accounting adjustments	
Supplies and services		FRS 17 costs	71
Materials and equipment	12	Capital managed outside service	382
Stationery and postage	164		453
IT and telecommunications	241		
Insurance	1	Managed outside the service	-3,858
Professional fees	6		
Allowances	-	Net cost of service	-
Other hired and contracted services	56		
Miscellaneous	-		
	480		
Transport			
Travel allowances	10		
	10		
Other costs			
Managed recharges from other directorates	10		
	10		
Managed expenditure	5,821		
Internal income			
From other directorates	-1,301		
	-1,301		
External income			
Sale of goods and services	-62		
Fees and charges	-8		
Education Leeds income	-331		
Other income	-31		
Rents	-		
ALMOs income	-230		
	-662		

Resources

Budget manager: Chief Officer Financial Development

Financial Development			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Central recharges	
Direct pay	1,042	Central recharges income	-51
National Insurance contributions	84	Corporate and democratic core	-497
Superannuation costs	137		-548
Other pension costs	34	Other internal adjustments	
Other employee related costs	1	Internal reallocations	307
Training and development	4	Internal reallocations income	-800
	1,301		-493
Supplies and services		Accounting adjustments	
Materials and equipment	8	FRS 17 costs	18
Stationery and postage	9	Capital managed outside service	94
IT and telecommunications	44		112
Insurance	12		
Professional fees	7	Managed outside the service	-929
Allowances	-		
External audit fees	1	Net cost of service	-
Equipment financing charge	2		
	83		
Transport			
Travel allowances	3		
	3		
Other costs			
Managed recharges from other directorates	209		
	209		
Managed expenditure	1,597		
Internal income			
From other directorates	-218		
From capital schemes	-326		
	-544		
External income			
Sale of goods and services	-33		
Education Leeds income	-10		
Other income	-		
ALMOs income	-82		
	-125		
Managed income	-669		
Net managed budget	929		

Resources

Budget manager: Chief Officer Revenues and Benefits

Cost of Collection			
£000	Budget 2009/10	£000	Budget 2009/10
Supplies and services			
External audit fees	4		
Other hired and contracted services	123		
	126		
Other costs			
Managed recharges from other directorates	1,045		
Council Tax Benefit payments	48,615		
Discretionary business rate rebates	139		
	49,799		
Managed expenditure	49,926		
External income			
Government grants	-49,169		
Other income	-3,012		
	-52,181		
Managed income	-52,181		
Net managed budget	-2,255		
Other internal adjustments			
Internal reallocations	7,102		
	7,102		
Managed outside the service	7,102		
Net cost of service	4,846		

Resources

Budget manager: Chief Officer Revenues and Benefits

Revenue Services			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Central recharges	
Direct pay	3,582	Central recharges income	-1
National Insurance contributions	261	Corporate and democratic core	-397
Superannuation costs	443		-398
Other pension costs	84	Other internal adjustments	
Other employee related costs	2	Internal reallocations	8,432
Training and development	10	Internal reallocations income	-13,783
	4,382		-5,351
Premises		Accounting adjustments	
NNDR	3	FRS 17 costs	83
	3	Capital managed outside service	22
Supplies and services			105
Materials and equipment	23		
Stationery and postage	450	Managed outside the service	-5,644
Advertising	-		
IT and telecommunications	221	Net cost of service	-
Insurance	2		
Professional fees	401		
Allowances	-		
Other hired and contracted services	62		
	1,159		
Transport			
Vehicles and plant related expenditure	-		
Travel allowances	16		
	16		
Other costs			
Managed recharges from other directorates	207		
	207		
Managed expenditure	5,768		
External income			
Fees and charges	-51		
Education Leeds income	-65		
Other income	-1		
ALMOs income	-6		
	-123		
Managed income	-123		
Net managed budget	5,644		

Resources

Budget manager: Chief Officer Revenues and Benefits

Benefits Service			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	4,448	Managed income	-10,994
Agency and temporary staff	32		
National Insurance contributions	293	Net managed budget	-4,566
Superannuation costs	556		
Other pension costs	102	Other internal adjustments	
Other employee related costs	2	Internal reallocations	4,472
Training and development	20	Internal reallocations income	-15
	5,454		4,457
Premises		Accounting adjustments	
NNDR	3	FRS 17 costs	107
	3	Capital managed outside service	2
Supplies and services			109
Materials and equipment	40		
Stationery and postage	154	Managed outside the service	4,566
IT and telecommunications	375		
Insurance	2	Net cost of service	-
Professional fees	71		
Allowances	3		
External audit fees	42		
Other hired and contracted services	60		
Publicity and promotion	18		
Miscellaneous	80		
	845		
Transport			
Travel allowances	47		
	47		
Other costs			
Managed recharges from other directorates	78		
Compensation payments	1		
	79		
Managed expenditure	6,428		
Internal income			
From other directorates	-4,100		
	-4,100		
External income			
Government grants	-6,487		
Fees and charges	-25		
Education Leeds income	-271		
Other income	-111		
	-6,894		

Resources

Budget manager: Chief Officer Revenues and Benefits

Student Support			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	332		
Agency and temporary staff	16		
National Insurance contributions	20		
Superannuation costs	38		
Other pension costs	17		
Other employee related costs	1		
	425		
Supplies and services			
Materials and equipment	2		
Stationery and postage	16		
IT and telecommunications	4		
Insurance	-		
Professional fees	1		
Allowances	-		
Other hired and contracted services	2		
Publicity and promotion	2		
	27		
Transport			
Travel allowances	1		
	1		
Other costs			
Managed recharges from other directorates	1		
	1		
Managed expenditure	454		
Net managed budget	454		
Other internal adjustments			
Internal reallocations	114		
	114		
Accounting adjustments			
FRS 17 costs	-2		
	-2		
Managed outside the service	112		
Net cost of service	566		

Resources

Budget manager: Chief ICT Officer

Information Technology			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		External income	
Direct pay	10,429	Sale of goods and services	-87
Agency and temporary staff	31	Education Leeds income	-1,136
National Insurance contributions	800	ALMOs income	-1,620
Superannuation costs	1,231		-2,844
Other pension costs	157		
Other employee related costs	18	Managed income	-11,085
Training and development	214		
	12,880	Net managed budget	14,802
Premises			
Building maintenance	2	Central recharges	
Cleaning and workplace refuse	2	Central recharges income	-357
Gas	4		-357
Rent	43	Other internal adjustments	
Accommodation charges	14	Internal reallocations	6,635
	64	Internal reallocations income	-27,373
Supplies and services			-20,738
Materials and equipment	24	Accounting adjustments	
Stationery and postage	53	FRS 17 costs	305
Advertising	2	Capital managed outside service	9,382
IT and telecommunications	7,830		9,687
Insurance	4		
Professional fees	738	Managed outside the service	-11,407
Allowances	7		
Consultancy services	50	Net cost of service	3,395
Other hired and contracted services	123		
Publicity and promotion	25		
Equipment financing charge	2,624		
	11,479		
Transport			
Vehicles and plant related expenditure	17		
Travel allowances	48		
Fuel	4		
	69		
Other costs			
Managed recharges from other directorates	31		
Capital expenditure financing charge	1,365		
	1,396		
Managed expenditure	25,887		
Internal income			
From other directorates	-8,241		
	-8,241		

Resources

Budget manager: Chief Officer Human Resources

Human Resources			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		External income	
Direct pay	5,752	Education Leeds income	-381
Agency and temporary staff	19	Contributions	-50
National Insurance contributions	434	Other income	-1
Superannuation costs	727	ALMOs income	-10
Other pension costs	311		-442
Other employee related costs	15		
Training and development	431	Managed income	-452
	7,690		
Premises		Net managed budget	7,867
Cleaning and workplace refuse	-		
Rent	152	Central recharges	
	152	Central recharges income	256
Supplies and services			256
Materials and equipment	41	Other internal adjustments	
Stationery and postage	73	Internal reallocations	952
Advertising	1	Internal reallocations income	-9,130
IT and telecommunications	41		-8,178
Insurance	1	Accounting adjustments	
Events and projects	6	FRS 17 costs	-40
Professional fees	16	Capital managed outside service	95
Allowances	9		55
Other hired and contracted services	100		
Miscellaneous	4	Managed outside the service	-7,867
	293		
Transport		Net cost of service	-
Vehicles and plant related expenditure	1		
Travel allowances	72		
Private hire	-		
	73		
Other costs			
Managed recharges from other directorates	111		
	111		
Managed expenditure	8,319		
Internal income			
From other directorates	-10		
	-10		

Resources

Budget manager: Chief Officer Audit and Risk

Audit and Risk			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Net managed budget	2,481
Direct pay	1,719		
National Insurance contributions	132	Central recharges	
Superannuation costs	226	Central recharges income	-31
Other employee related costs	4	Corporate and democratic core	-540
Training and development	20		-572
	2,100	Other internal adjustments	
Premises		Internal reallocations	1,923
Cleaning and workplace refuse	1	Internal reallocations income	-3,275
Rent	60		-1,352
	60	Accounting adjustments	
Supplies and services		FRS 17 costs	85
Materials and equipment	45	Vehicles and plant financing charge	-8
Stationery and postage	9	Capital managed outside service	6
IT and telecommunications	25		83
Insurance	1		
Professional fees	10	Managed outside the service	-1,840
Allowances	3		
External audit fees	541	Net cost of service	641
Other hired and contracted services	31		
	665		
Transport			
Vehicles and plant related expenditure	15		
Travel allowances	10		
	24		
Other costs			
Managed recharges from other directorates	11		
Reallocated grants	2		
	12		
Managed expenditure	2,862		
Internal income			
From capital schemes	-156		
	-156		
External income			
Sale of goods and services	-165		
Education Leeds income	-20		
Other income	-40		
	-225		
Managed income	-381		

Resources

Budget manager: Chief Officer Resources and Strategy

Support Services and Directorate			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Central recharges	
Direct pay	665	Corporate and democratic core	-39
Agency and temporary staff	1		-39
National Insurance contributions	51	Other internal adjustments	
Superannuation costs	86	Internal reallocations	349
Other pension costs	105	Internal reallocations income	-1,304
Other employee related costs	1		-954
Training and development	6	Accounting adjustments	
	916	FRS 17 costs	-73
Premises			-73
Cleaning and workplace refuse	-		
	-	Managed outside the service	-1,066
Supplies and services			
Materials and equipment	11	Net cost of service	-
Stationery and postage	60		
IT and telecommunications	17		
Insurance	4		
Events and projects	-		
Professional fees	5		
Allowances	1		
Other hired and contracted services	21		
Publicity and promotion	1		
Miscellaneous	9		
	130		
Transport			
Travel allowances	8		
Transport-related insurance	3		
	11		
Other costs			
Managed recharges from other directorates	10		
	10		
Managed expenditure	1,067		
External income			
Other income	-1		
	-1		
Managed income	-1		
Net managed budget	1,066		

Resources

Budget manager: Chief Officer Resources and Strategy

Central Recharges Account			
£000	Budget 2009/10	£000	Budget 2009/10
Central recharges			
Central recharges	33,572		
Central recharges income	-81,103		
Corporate and democratic core	-1,206		
	-48,737		
Other internal adjustments			
Internal reallocations	82,309		
Internal reallocations income	-33,572		
	48,737		
Managed outside the service	-		
Net cost of service	-		

Resources

Budget manager: Deputy Director of Resources

Value for Money (VFM) and Efficiency			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	390		
National Insurance contributions	31		
Superannuation costs	52		
	474		
Managed expenditure	474		
Internal income			
From other directorates	-554		
	-554		
Managed income	-554		
Net managed budget	-80		
Other internal adjustments			
Internal reallocations	60		
	60		
Accounting adjustments			
FRS 17 costs	20		
	20		
Managed outside the service	80		
Net cost of service	-		

Resources

Budget manager: Chief Officer Corporate Property Management

Corporate Property Management			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other costs	
Direct pay	6,528	Managed recharges from other directorates	58
Agency and temporary staff	45	Charges between the General Fund and the HRA	154
National Insurance contributions	406		212
Superannuation costs	707		
Other pension costs	131	Managed expenditure	30,629
Other employee related costs	31		
Training and development	11		
	7,859	Internal income	
Premises		From other directorates	-7,955
Building maintenance	7,452	Charges between the General Fund and the HRA	-154
Grounds maintenance	116	Corporate property management income from the HRA	-44
Building security	671		-8,153
Cleaning and workplace refuse	1,583	External income	
Gas	579	Sale of goods and services	-149
Electricity	1,174	Fees and charges	-452
Other utilities	255	Education Leeds income	-694
Rent	5,230	Other income	-37
NNDR	2,320	ALMOs income	-218
Premises-related insurance	167		-1,551
	19,546	Managed income	-9,704
Supplies and services		Net managed budget	20,925
Materials and equipment	810	Central recharges	
Stationery and postage	1,304	Central recharges income	-13,634
Advertising	1		-13,634
IT and telecommunications	55	Other internal adjustments	
Insurance	15	Internal reallocations	12,363
Events and projects	1	Internal reallocations income	-22,292
Professional fees	2		-9,929
Allowances	-	Accounting adjustments	
Consultancy services	31	FRS 17 costs	116
Security services	1	Vehicles and plant financing charge	-53
Other hired and contracted services	559	Capital managed outside service	2,273
Publicity and promotion	-		2,336
Miscellaneous	43	Managed outside the service	-21,226
Equipment financing charge	74		
	2,896	Net cost of service	-302
Transport			
Vehicles and plant related expenditure	57		
Travel allowances	31		
Fuel	21		
Transport-related insurance	6		
	115		

Resources

Budget manager: Chief Commercial Services Officer

Commercial Services			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other costs	
Direct pay	6,003	Managed recharges from other directorates	203
Agency and temporary staff	18	Charges between the General Fund and the HRA	1,113
National Insurance contributions	305	Capital expenditure financing charge	32
Superannuation costs	545		1,348
Other pension costs	17		
Other employee related costs	37		
Training and development	50	Managed expenditure	17,766
	6,975		
Premises		Internal income	
Building maintenance	1	From other directorates	-9,316
Grounds maintenance	1	Charges between the General Fund and the HRA	-1,113
Building security	9		-10,430
Cleaning and workplace refuse	24	External income	
Gas	7	Sale of goods and services	-12
Electricity	12	Education Leeds income	-6,714
Other utilities	3	Other income	-451
NNDR	41		-7,177
Premises-related insurance	1		
	99		
Supplies and services		Managed income	-17,607
Materials and equipment	42		
Stationery and postage	22	Net managed budget	159
Advertising	1		
IT and telecommunications	252	Other internal adjustments	
Insurance	3	Internal reallocations	744
Professional fees	4	Internal reallocations income	-364
Allowances	1		380
Consultancy services	1	Accounting adjustments	
Other hired and contracted services	85	FRS 17 costs	188
Publicity and promotion	2	Vehicles and plant financing charge	-1,070
Miscellaneous	1	Capital managed outside service	45
	414		-837
Transport			
Vehicles and plant related expenditure	2,023	Managed outside the service	-457
Travel allowances	55		
Fuel	496	Net cost of service	-297
Private hire	6,275		
Transport-related insurance	80		
	8,930		

Resources

Budget manager: Chief Commercial Services Officer

Commercial Services - Trading			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other costs	
Direct pay	24,567	Managed recharges from other directorates	128
Agency and temporary staff	1,622	Charges between the General Fund and the HRA	100
National Insurance contributions	1,305	Capital expenditure financing charge	108
Superannuation costs	2,148		336
Other pension costs	532		
Other employee related costs	300		
Training and development	138	Managed expenditure	57,689
	30,612		
Premises		Internal income	
Building maintenance	101	From other directorates	-58,383
Building security	84	Charges between the General Fund and the HRA	-100
Cleaning and workplace refuse	219	Reallocated grants	-80
Gas	83		-58,564
Electricity	93	External income	
Other utilities	21	Sale of goods and services	-780
Rent	22	Fees and charges	-241
NNDR	139	Education Leeds income	-4
Premises-related insurance	4	Other income	-567
	765	ALMOs income	-3,135
			-4,727
Supplies and services		Managed income	-63,291
Materials and equipment	8,379		
Stationery and postage	103	Net managed budget	-5,602
Advertising	2		
IT and telecommunications	260	Other internal adjustments	
Insurance	34	Internal reallocations	6,934
Events and projects	8	Internal reallocations income	-3,379
Professional fees	19		3,555
Recycling and reuse	4	Accounting adjustments	
Allowances	3	Vehicles and plant financing charge	-397
Consultancy services	3	Capital managed outside service	581
Security services	-		183
Other hired and contracted services	3,712		
Publicity and promotion	33	Managed outside the service	3,738
Miscellaneous	2,748		
Equipment financing charge	103		
	15,412		
Transport		Net cost of service	-1,864
Vehicles and plant related expenditure	5,653		
Travel allowances	101		
Fuel	4,683		
Transport-related insurance	128		
	10,565		



Main responsibilities:

- The provision of a comprehensive research, coordination, and administration support service to all members of the Council. Supporting the joint leadership and the mayoralty, and coordinating major civic events.
- The facilitation and management of the formal decision making and scrutiny processes of the Council. The servicing of Council meetings, Executive Board and other committees and regulatory panels of the Council.
- The organisation of elections.
- The development, management of, and provision of advice on all matters of corporate and ethical governance.
- The maintenance, review and monitoring of the Constitution.
- The Monitoring Officer role.
- The registration of births, deaths and marriages.
- Maintenance of the Council's Local Land Charges register and co-ordination of the responses to search enquiries concerning the discharge of the Council's functions in relation to land.
- Overseeing the authority's procurement and purchasing procedures and ensuring that departments are empowered to procure works, supplies and services in the most efficient manner and in compliance with the Council's Contract Procedure Rules and with European Procurement Directives.
- Provision and the procurement of a comprehensive range of legal services to the Council, its decision-making bodies and departments. Data protection, human rights, freedom of information and the regulation of surveillance activities.
- Administration and enforcement activities associated with public entertainment, liquor, gambling and vehicle licences.

Budget Highlights 2009/10

- In response to regulations brought in by the government in December 2008, the fees charged to the public for property searches have been amended. In line with the requirement to only charge the public the 'real' cost of the function, the main change is that the cost of a standard search has now been reduced from £120 to £65.
- In line with the Council's financial strategy, all support service areas have identified efficiencies (amounting to £337k, the equivalent of 13 fte's) in order to stay within a cash standstill budget.

Corporate Governance

Summary of budget by service (£000)

Budget manager	Service	Total 2008/09	Managed by the service		Managed outside the service	Total 2009/10
			spending	income net		
Chief Democratic Services Officer	Democratic Services	14	6,202	-18	-6,188	-5
Chief Legal Services Officer	Legal, Licensing and Registration	1,877	11,334	-11,270	2,264	2,329
Chief Officer Procurement	Procurement	-	1,847	-274	-1,573	-
Net cost of service		1,891	19,383	-11,562	-5,497	2,324
Net revenue charge		1,891	19,383	-11,562	-5,497	2,324

Corporate Governance

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Employees		Other costs	
Direct pay	12,760	Managed recharges from other directorates	1,397
Agency and temporary staff	20	Civic allowances	72
National Insurance contributions	950	Capital expenditure financing charge	73
Superannuation costs	1,565	Revenue contribution to capital	8
Other pension costs	118		1,550
Other employee related costs	65		
Training and development	117		
	15,595	Managed expenditure	19,383
Premises		Internal income	
Grounds maintenance	20	From other directorates	-6,357
Building security	2	Corporate and democratic core income from the HRA	-75
Cleaning and workplace refuse	7		-6,432
Gas	6	External income	
Electricity	3	Government grants	-125
Other utilities	2	Sale of goods and services	-120
Rent	4	Fees and charges	-3,927
NNDR	20	Education Leeds income	-270
Accommodation charges	423	Other income	-268
Premises-related insurance	-	ALMOs income	-419
	487		-5,129
Supplies and services			
Materials and equipment	313		
Stationery and postage	535	Managed income	-11,562
Advertising	18		
IT and telecommunications	555	Net managed budget	7,821
Insurance	22		
Events and projects	2	Central recharges	
Professional fees	67	Central recharges income	38
Allowances	12	Corporate and democratic core	-7,902
Consultancy services	21		-7,864
Other hired and contracted services	204	Other internal adjustments	
Publicity and promotion	25	Internal reallocations	11,422
Miscellaneous	-202	Internal reallocations income	-9,566
Equipment financing charge	14		1,857
	1,585	Accounting adjustments	
Transport		FRS 17 costs	470
Vehicles and plant related expenditure	17	Vehicles and plant financing charge	-5
Travel allowances	141	Capital managed outside service	44
Fuel	6		510
Transport-related insurance	1		
	165	Managed outside the service	-5,497
		Net cost of service	2,324

Corporate Governance

Budget manager: Chief Democratic Services Officer

Democratic Services			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	4,649	Managed income	-18
Agency and temporary staff	20		
National Insurance contributions	351	Net managed budget	6,184
Superannuation costs	476		
Other pension costs	27	Central recharges	
Other employee related costs	3	Corporate and democratic core	-7,902
Training and development	38		-7,902
	5,564	Other internal adjustments	
Premises		Internal reallocations	1,534
Grounds maintenance	10		1,534
Cleaning and workplace refuse	-	Accounting adjustments	
	10	FRS 17 costs	152
Supplies and services		Vehicles and plant financing charge	-5
Materials and equipment	55	Capital managed outside service	33
Stationery and postage	177		180
Advertising	4		
IT and telecommunications	248	Managed outside the service	-6,188
Events and projects	1		
Professional fees	21	Net cost of service	-5
Allowances	5		
Consultancy services	20		
Other hired and contracted services	95		
Publicity and promotion	25		
Miscellaneous	-203		
Equipment financing charge	14		
	461		
Transport			
Vehicles and plant related expenditure	12		
Travel allowances	69		
Fuel	5		
Transport-related insurance	1		
	87		
Other costs			
Managed recharges from other directorates	7		
Civic allowances	72		
	79		
Managed expenditure	6,202		
External income			
Sale of goods and services	-5		
Other income	-13		
	-18		

Corporate Governance

Budget manager: Chief Legal Services Officer

Legal, Licensing and Registration			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Direct pay	6,738	Managed expenditure	11,334
National Insurance contributions	493		
Superannuation costs	902	Internal income	
Other pension costs	19	From other directorates	-6,357
Other employee related costs	61	Corporate and democratic core income from the HRA	-75
Training and development	67		-6,432
	8,279		
Premises		External income	
Grounds maintenance	10	Sale of goods and services	-115
Building security	2	Fees and charges	-3,927
Cleaning and workplace refuse	7	Education Leeds income	-270
Gas	6	Other income	-203
Electricity	3	ALMOs income	-322
Other utilities	2		-4,837
Rent	4		
NNDR	20	Managed income	-11,270
Accommodation charges	423		
Premises-related insurance	-	Net managed budget	64
	477		
Supplies and services		Other internal adjustments	
Materials and equipment	247	Internal reallocations	9,573
Stationery and postage	333	Internal reallocations income	-7,640
Advertising	4		1,933
IT and telecommunications	289	Accounting adjustments	
Insurance	22	FRS 17 costs	320
Events and projects	1	Capital managed outside service	11
Professional fees	43		331
Allowances	2		
Consultancy services	-	Managed outside the service	2,264
Other hired and contracted services	98		
Miscellaneous	1	Net cost of service	2,329
	1,038		
Transport			
Vehicles and plant related expenditure	4		
Travel allowances	63		
Fuel	1		
	68		
Other costs			
Managed recharges from other directorates	1,390		
Capital expenditure financing charge	73		
Revenue contribution to capital	8		
	1,471		

Corporate Governance

Budget manager: Chief Officer Procurement

Procurement			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Accounting adjustments	
Direct pay	1,373	FRS 17 costs	-1
National Insurance contributions	106		-1
Superannuation costs	187		
Other pension costs	72	Managed outside the service	-1,573
Other employee related costs	2		
Training and development	12	Net cost of service	-
	1,751		
Premises			
Cleaning and workplace refuse	-		
	-		
Supplies and services			
Materials and equipment	11		
Stationery and postage	25		
Advertising	11		
IT and telecommunications	19		
Professional fees	3		
Allowances	5		
Consultancy services	1		
Other hired and contracted services	11		
	86		
Transport			
Vehicles and plant related expenditure	1		
Travel allowances	10		
	10		
Managed expenditure	1,847		
External income			
Government grants	-125		
Other income	-52		
ALMOs income	-97		
	-274		
Managed income	-274		
Net managed budget	1,573		
Central recharges			
Central recharges income	38		
	38		
Other internal adjustments			
Internal reallocations	316		
Internal reallocations income	-1,926		
	-1,610		



Central and Corporate Planning, Policy and Improvement



Main responsibilities:

Policy and Partnerships

- Provide procedural, strategic and policy advice to elected members and chief officers on the development and management of the council's corporate agenda, embodied in the council's key strategic planning documents.
- Create a culture of excellence in our partnerships, corporate planning and policy development activities.
- Support departments, elected members and local partnership agencies to deliver strategies that promote and enhance equality of opportunity in service delivery and community engagement.
- To influence national, regional and sub-regional policies and co-ordinate the city's international relations activity to support Leeds' ambition of 'going up a league' and to reinforce Leeds' role as the regional capital.
- To deliver an effective performance management system for the council and its partners and ensure service planning is embedded across the council.

Business Transformation

- Create a culture of excellence and continuous improvement in the way the Council functions and provides services, bringing together people, process and technology developments and change.
- Provide leadership to the council's business transformation aspirations around key priorities within the Council Business Plan ensuring activity is properly prioritised, planned, resourced and governed.
- Champion cultural change and undertake business efficiency and review work across the council.
- Provide the lead responsibility for the council's information governance framework and related activities.

Communications

- Create a culture of excellence in communications activities across the council, working in partnership with others to ensure effective communications with residents, staff, elected members, partners and the media.
- Provide a corporate communications service to the council, elected members and departments covering the wide breadth of communications activity – PR, marketing, branding, publications, internet, intranet etc.
- Provide a corporate media and press relations service for the council and related partners.
- Produce key corporate publications for residents ('About Leeds') and city council employees.
- Help raise the profile of the council by enhancing its reputation and corporate identity and to strengthen and manage the council's brand and image.
- Contribute to the strategic marketing of the city in partnership with other stakeholders and agencies to promote Leeds to a local, regional, national and international audience.



Central and Corporate Planning, Policy and Improvement



Customer Services

- Lead the front line services provided through the council's One Stop Centres.
- Provision of the council's front-line services at the Corporate Contact Centre and the further migration and development of services in the centre.
- Develop new ways for customers to access services - for example, by developing new joint service centres in partnership with healthcare providers, and creating public access points in libraries.
- Provision of a Welfare Rights service.
- Provision of a Central Interpretation and Translation service.

Budget Highlights 2009/10

- A standstill budget has been agreed for 2009/10, which will necessitate the need for major efficiencies in order to meet cost pressures (inflation, pay awards and service enhancements) across the full range of planning, policy and improvement functions, including the front-facing service of Customer Services.

Specific proposals include:

- Continuing the process of driving out efficiencies within Customer Services - a number of new initiatives are planned in order to meet the cash standstill budget position. Efficiencies will be found from a reduction in chase ups at the contact centre, which is anticipated to deliver £150k in 2009/10 and the introduction, where appropriate, of interactive voice recognition (£120k) for some services.
- A review and realignment of policy and partnership functions will release further efficiencies, in particular the integration of the Leeds Initiative support office into the Policy and Partnerships team to deliver £200k.
- A reduction of approximately 33% in our International Relations activities will release a saving of £125k.

Planning, Policy and Improvement

Summary of budget by service (£000)

Budget manager	Service	Total 2008/09	Managed by the service			Managed outside the service	Total 2009/10
			spending	income	net		
Assistant Chief Executive - Planning, Policy and Improvement Chief Officer Customer Services	Executive Support	604	5,871	-768	5,103	-4,506	597
	Customer Services	2,312	12,409	-5,247	7,162	-4,765	2,397
Net cost of service		2,917	18,280	-6,015	12,265	-9,271	2,994
Net revenue charge		2,917	18,280	-6,015	12,265	-9,271	2,994

Planning, Policy and Improvement

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Employees		Internal income	
Direct pay	12,257	From other directorates	-2,313
National Insurance contributions	904		-2,313
Superannuation costs	1,485	External income	
Other pension costs	249	Sale of goods and services	-238
Other employee related costs	85	Fees and charges	-108
Training and development	67	Education Leeds income	-8
	15,046	Contributions	-45
Premises		Other income	-488
Building maintenance	10	ALMOs income	-2,814
Grounds maintenance	1		-3,702
Cleaning and workplace refuse	7		
Gas	1	Managed income	-6,015
Electricity	1		
Other utilities	-	Net managed budget	12,265
Rent	1		
NNDR	4	Central recharges	
Accommodation charges	7	Central recharges income	-340
Premises-related insurance	26	Corporate and democratic core	-4,451
	58		-4,792
Supplies and services		Other internal adjustments	
Materials and equipment	94	Internal reallocations	4,796
Stationery and postage	352	Internal reallocations income	-10,140
Advertising	11		-5,344
IT and telecommunications	432	Accounting adjustments	
Insurance	4	FRS 17 costs	309
Events and projects	2	Capital managed outside service	555
Professional fees	303		865
Grants and contributions	442		
Allowances	4	Managed outside the service	-9,271
Consultancy services	35		
External audit fees	3	Net cost of service	2,994
Other hired and contracted services	948		
Publicity and promotion	84		
Miscellaneous	5		
	2,720		
Transport			
Travel allowances	69		
	69		
Other costs			
Managed recharges from other directorates	386		
	386		
Managed expenditure	18,280		

Planning, Policy and Improvement

Budget manager: Assistant Chief Executive - Planning, Policy and Improvement

Executive Support			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Net managed budget	5,103
Direct pay	3,412		
National Insurance contributions	298	Central recharges	
Superannuation costs	469	Central recharges income	47
Other pension costs	136	Corporate and democratic core	-4,451
Other employee related costs	4		-4,404
Training and development	25	Other internal adjustments	
	4,344	Internal reallocations	980
Premises		Internal reallocations income	-1,196
Grounds maintenance	-		-216
Cleaning and workplace refuse	-	Accounting adjustments	
	1	FRS 17 costs	40
Supplies and services		Capital managed outside service	74
Materials and equipment	32		114
Stationery and postage	287		
Advertising	1	Managed outside the service	-4,506
IT and telecommunications	90		
Insurance	1	Net cost of service	597
Professional fees	295		
Grants and contributions	442		
Allowances	3		
Other hired and contracted services	239		
Publicity and promotion	84		
Miscellaneous	5		
	1,478		
Transport			
Travel allowances	31		
	31		
Other costs			
Managed recharges from other directorates	18		
	18		
Managed expenditure	5,871		
Internal income			
From other directorates	-386		
	-386		
External income			
Other income	-382		
	-382		
Managed income	-768		

Planning, Policy and Improvement

Budget manager: Chief Officer Customer Services

Customer Services			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Internal income	
Direct pay	8,845	From other directorates	-1,927
National Insurance contributions	605		-1,927
Superannuation costs	1,016	External income	
Other pension costs	113	Sale of goods and services	-238
Other employee related costs	81	Fees and charges	-108
Training and development	42	Education Leeds income	-8
	10,702	Contributions	-45
Premises		Other income	-106
Building maintenance	10	ALMOs income	-2,814
Grounds maintenance	1		-3,320
Cleaning and workplace refuse	6		
Gas	1	Managed income	-5,247
Electricity	1		
Other utilities	-	Net managed budget	7,162
Rent	1		
NNDR	4	Central recharges	
Accommodation charges	7	Central recharges income	-387
Premises-related insurance	26		-387
	57	Other internal adjustments	
Supplies and services		Internal reallocations	3,816
Materials and equipment	62	Internal reallocations income	-8,944
Stationery and postage	66		-5,128
Advertising	10	Accounting adjustments	
IT and telecommunications	342	FRS 17 costs	269
Insurance	3	Capital managed outside service	482
Events and projects	2		751
Professional fees	8		
Allowances	2	Managed outside the service	-4,765
Consultancy services	35		
External audit fees	3	Net cost of service	2,397
Other hired and contracted services	710		
	1,243		
Transport			
Travel allowances	39		
	39		
Other costs			
Managed recharges from other directorates	369		
	369		
Managed expenditure	12,409		



Central and Corporate Public Private Partnership Unit



Main responsibilities:

- The unit offers advice, guidance, support, scrutiny and a corporate overview to the Executive Board, Corporate Management Team and the Council's PPP Co-ordination Board. The unit assists client departments to secure inward investment primarily through the government's Private Finance Initiative (PFI), to deliver long term solutions to agreed council priorities (with contracts of up to 30 years duration).
- To provide advice, assistance and independent scrutiny to client departments and their managers on the methods required for the preparation of initial proposals, feasibility studies (including option appraisal) and the submission of formal business cases to sponsoring government departments. The unit manages the use of external legal, financial and technical advisors through framework contracts to assist in the delivery of its PFI portfolio of projects.
- To provide advice, support and independent scrutiny to client departments from project inception, through procurement, and beyond the start of service commencement or delivery. The unit also provides advice on contract monitoring, project re-financing, benchmarking and market testing, which are critical long-term aspect of such projects.

Budget Highlights 2009/10

- Having been set the challenge of reducing costs whilst delivering a major programme of complex project delivery the Public Private Partnership Unit has been able to close 5 schemes in 2008/09, with a capital value of over £100m, and deliver a £300k surplus back to the council. The unit has, at the same time, introduced a significant diversification and reallocation of existing staffing resources across multiple workstreams to enable a more efficient delivery of projects without increasing costs. This will allow the number and scale of projects to be delivered in 2009/10 to increase, whilst the unit has been able to maintain hourly rates at 2008/09 levels, accommodate increased expenditure and costs, and still propose to deliver a significant surplus back to the council in 2009/10.

Public and Private Partnerships Unit

Summary of budget by service (£000)

Budget manager	Service	Total 2008/09	Managed by the service			Managed outside the service	Total 2009/10
			spending	income	net		
Chief Officer Public and Private Partnerships	Public and Private Partnerships	-300	3,983	-5,777	-1,794	1,434	-360
Net cost of service		-300	3,983	-5,777	-1,794	1,434	-360
Net revenue charge		-300	3,983	-5,777	-1,794	1,434	-360

Public and Private Partnerships Unit

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Employees		Other internal adjustments	
Direct pay	2,989	Internal reallocations	1,356
National Insurance contributions	256	Internal reallocations income	-4
Superannuation costs	384		1,352
Other pension costs	62	Accounting adjustments	
Other employee related costs	26	FRS 17 costs	82
Training and development	50		82
	3,767		
Premises		Managed outside the service	1,434
Grounds maintenance	2		
Cleaning and workplace refuse	17	Net cost of service	-360
NNDR	31		
Premises-related insurance	3		
	53		
Supplies and services			
Materials and equipment	13		
Stationery and postage	26		
IT and telecommunications	74		
Insurance	-		
Professional fees	10		
Other hired and contracted services	10		
	133		
Transport			
Travel allowances	26		
	26		
Other costs			
Managed recharges from other directorates	4		
	4		
Managed expenditure	3,983		
Internal income			
From other directorates	-5,657		
	-5,657		
External income			
Other income	-120		
	-120		
Managed income	-5,777		
Net managed budget	-1,794		

Public and Private Partnerships Unit

Budget manager: Chief Officer Public and Private Partnerships

Public and Private Partnerships			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Other internal adjustments	
Direct pay	2,989	Internal reallocations	1,356
National Insurance contributions	256	Internal reallocations income	-4
Superannuation costs	384		1,352
Other pension costs	62	Accounting adjustments	
Other employee related costs	26	FRS 17 costs	82
Training and development	50		82
	3,767		
Premises		Managed outside the service	1,434
Grounds maintenance	2		
Cleaning and workplace refuse	17	Net cost of service	-360
NNDR	31		
Premises-related insurance	3		
	53		
Supplies and services			
Materials and equipment	13		
Stationery and postage	26		
IT and telecommunications	74		
Insurance	-		
Professional fees	10		
Other hired and contracted services	10		
	133		
Transport			
Travel allowances	26		
	26		
Other costs			
Managed recharges from other directorates	4		
	4		
Managed expenditure	3,983		
Internal income			
From other directorates	-5,657		
	-5,657		
External income			
Other income	-120		
	-120		
Managed income	-5,777		
Net managed budget	-1,794		

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Central accounts

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LEEDS CITY COUNCIL

2009/10 BUDGET REPORT

Directorate: Central Accounts

1 Introduction

This report has been produced in order to inform members of the main variations and factors influencing the Central Accounts budget for the 2009/10 Budget.

The Budget, as in previous years, has been prepared at outturn prices and as such there is no central provision for pay and prices.

2 Service Context

Central accounts hold a variety of budgets which for a number of reasons are not appropriate or possible to be included within the budgets of Directorates. These include the Council's capital financing costs and associated entries relating to the complexities of the capital accounting requirements. In addition, in accordance with accounting requirements, this budget includes the attributed costs defined as Corporate and Democratic Core. The budget also includes a number of other budgets held centrally as well as entries which largely for timing purposes have not been allocated to individual services. Generally, these budgets will be allocated to services in year.

The Council's contribution to a number of Joint Committees and Other Bodies is also included in this budget.

3 Explanation of decrease between the Original Budget 2008/09 and the Budget 2009/10 £3.683m

3.1 The variation is summarised on the following page:

Net Cost of Service - Original Budget 2008/09	37,142
Adjustments	- 50,495
Adjusted Budget 2008/09	- 13,353
Movements on Budgets Managed Outside Service	- 2,174
Changes in Prices	
• Pay	-
• Price	1,236
• Income	-
Service Budget Changes	
• Changes in Service Levels	-
• Other Factors not affecting level of service	5,121
• Efficiency Savings	- 500
	5,857
Net Cost of Service - Budget 2009/10	- 9,670
Net Managed Budget	31,282
Managed Outside Service	- 40,952
Net Cost of Service	- 9,670

3.2 Adjustments

Transfer of Area Based Grant – In 2008/09 the Area Based Grant was allocated to directorates to correspond to the agreed expenditure priorities. Further guidance has now been received which states that the Area Based Grant should be accounted for as a non ring fenced general grant and should be recorded as a single line in the authority's accounts. Therefore the grant has been removed from directorate budgets and held in these central. The budget for 2009/10 is £48.2m Cr Area Based Grant and £2.3m Cr for LPSA reward grant.

3.3 Movements on budgets managed outside the service

Service accounts are charged with an accounting cost of capital reflecting the latest valuation of assets. Within the central accounts these service charges are credited and replaced by the actual cost to the Council of its borrowings.

There has been an increase in capital charges made to directorates of £1.9m resulting in a contra entry of £1.9m Cr in these accounts. Depreciation charged on surplus assets has decreased by £350k to £356k.

3.4 Changes in prices

Contributions to Joint Committees and Other Bodies

Contributions to Joint Committees and Other Bodies have increased by £1.2m to £35.5m. In approving these contributions, Members will note that they are not approving the individual budget of the Joint Committees, but the estimated effect on the City Council's budget.

	Leeds' contribution			
	08/09 £m	09/10 £m	Increase £m	%
Joint Committees				
Pension Fund	0.439	0.452	0.013	3.0
Joint Services	2.380	2.438	0.058	2.4
Other Bodies				
Flood Defence Levy	0.117	0.171	0.054	46.2
Passenger Transport Authority (PTA)	30.328	31.271	0.943	3.1
Coroners	1.086	1.189	0.103	9.5
West Yorkshire Probation Service (Debt only)	0.018	0.019	0.001	3.0

The total PTA levy has increased by 2.5%, 0.5% below the previously agreed three year strategy. However, the levy is allocated in accordance with populations at June 2007, and on this basis the proportion attributable to Leeds has increased from 34.7% to 34.89% adding £186k to the Leeds contribution for 2009/10.

Coroner's costs are budgeted to increase by 9.5% mainly due the appointment of a deputy coroner to provide increased capacity to respond to growth in caseload and inflationary pressures of 3%.

Whilst the City Council no longer incurs expenditure in relation to the ongoing costs of the West Yorkshire Probation Committee, the Council is required to provide for the cost of loan charges in respect of the Probation Services post 1990 capital debt .

3.5 Service Budget Changes

3.5.1 Efficiency savings

Savings of £500k have been identified in relation to energy efficiency measures for 2009/10, which will be allocated to services during year.

3.5.2 Other Factors not affecting the level of service

Central accounts hold a number of central income budgets. A budget of £500k Cr has been included for 2009/10 for income that is forecast to be received from the new Local Area Business Growth Incentive scheme. The budget for income receivable in relation to section 278 schemes has decreased by £0.8m to £5.2m, reflecting the anticipated reduction in the use of developer contributions in the revenue budget. The budgeted level of interest receivable on balances has decreased by £2.1m.

The budget for external capital financing costs has increased by £3.6m. This is made up of an increase in anticipated interest costs of £7.4m and an increase in the Minimum Revenue Provision (the amount which the authority is statutorily required to set aside to fund debt) of £2.3m. A savings target for debt costs of £3.9m Cr has been set. Within the figures for capital charges, statutory charges made to the Housing Revenue Account for its capital financing costs have increased by £2.2m, reflecting the HRA's share of the capital financing costs.

The contingency budget held to cover spending pressures identified by directorates has increased by £0.1m to £4.1m.

As in previous years, the central accounts budget contains variations relating to late changes within the budgets of central departments, which it has not been practical to reflect in their recharges. When the actual charges are made in the accounts, these cost will be fully allocated to services. For 2009/10 the effect of this is an additional £572 Cr budget.

The Corporate and Democratic Core includes the costs associated with the Democratic Representation and Management of the Authority along with the costs of the provision of the Council's Corporate Management. The income received in respect of the HRA share of Corporate and Democratic Core costs has increased by £636k.

4 Risk Assessment

In determining the 2009/10 budget, consideration has been given to all the risks which are managed within the department's overall risk management framework. Within this framework, a register of those items considered to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.

The key risks in the 2009/10 budget for this department are as follows. The contingency budget of £4.0m is included to cover spending pressures identified by directorates amounting to £6.5m. The budget for external capital costs includes a savings target of £3.9m. The budget for the use of £5.2m section 278 contributions is subject to the authority receiving such contributions from developers.



Main responsibilities:

- Items which do not specifically relate to any of the council's other functional headings, including the continuing costs of discontinued operations, interest earned on revenue balances and general income sources not attributable to a specific service. Also included are subscriptions to regional associations and specific grants to local organisations.
- A general contingency budget is held to meet uncertainties that are not provided for in departmental budgets.
- The council's contribution to a number of joint committees and other bodies established to provide a range of county-wide services, including trading standards and the West Yorkshire Passenger Transport Authority.
- Credits for the accounting cost of capital of the current valuation of the assets are charged to service accounts. These accounting costs are replaced within the central accounts by the actual cost to the council of its borrowings
- Under the Best Value Accounting Code of Practice (BVACoP), certain defined overheads are charged to a Non Distributed Costs Account. This account comprises the estimated present value of the total future costs of VER and added years pension decisions made during the year.
- Under BVACoP the costs of both Corporate Management and of Democratic Representation and Management cannot be treated as service expenditure and are accounted for centrally in a Corporate and Democratic Core account. For Leeds City Council the expenditure charged to this account includes the activities and costs which provide the infrastructure which allows services to be provided, the cost of providing information which is required for public accountability, and the cost of member activities.

Budget highlights 2009/10:

- The budget includes central contingencies. For 2009/10 the Contingency Fund has been set at £4.1m. Releases from contingency will be subject to authorisation in line with Financial Procedure Rules.
- During the year it is expected that up to £3.8m expenditure classified as revenue within the budget will in fact be more properly chargeable to capital schemes. The strategic budget therefore reflects this adjustment.
- The authority's contribution to joint committees for 2009/10 will be £35.5m, including a £31.3m contribution to West Yorkshire Passenger Transport Authority.

Central accounts

Summary of budget by service (£000)

Budget manager	Service	Total 2008/09	Managed by the service			Managed outside the service	Total 2009/10
			spending	income	net		
Chief Officer Financial Development	Debt Financing Costs	47,936	55,770	-2,751	53,019	-	53,019
Chief Officer Financial Management	Strategic Accounts	18,105	3,011	-9,838	-6,827	24,009	17,183
	Corporate and Democratic Core	17,130	-	-	-	17,625	17,625
	Non-distributable costs	4,746	-	-	-	4,396	4,396
	General Government Grants	-	-	-50,450	-50,450	-	-50,450
	Joint Committees and Other Bodies	34,336	35,567	-28	35,539	-	35,539
	Capital Accounting Appropriations	-85,111	-	-	-	-86,982	-86,982
Net cost of service		37,141	94,347	-63,066	31,281	-40,951	-9,670
	Transfers to and from earmarked reserves	-55,135	-	-	-	-45,351	-45,351
Net revenue charge		-17,994	94,347	-63,066	31,281	-86,303	-55,022

Central accounts

Summary of budget by type of spending or income (£000)

	Budget 2009/10		Budget 2009/10
Employees		External income	
Other pension costs	1,872	Government grants	-51,003
	1,872	Fees and charges	-400
Premises		Contributions	-1,346
Gas	-500	Other income	-5,520
NNDR	16	Interest and dividends	-2,739
	-484		-61,007
Supplies and services			
Materials and equipment	-3,550	Managed income	-63,066
IT and telecommunications	-		
Professional fees	154	Net managed budget	31,281
Grants and contributions	409		
Allowances	95	Central recharges	
External audit fees	-	Central recharges	1,960
Publicity and promotion	-200	Central recharges income	-1,725
Miscellaneous	4,102	Corporate and democratic core	17,489
	1,010		17,725
Transport		Accounting adjustments	
Travel allowances	4	FRS 17 costs	27,620
	4	Capital managed outside service	-86,296
Other costs			-58,676
Services provided by other organisations	856		
Payments to West Yorkshire Joint Services	2,437	Managed outside the service	-40,951
Payments in respect of West Yorkshire Probation Service	47	Net cost of service	-9,670
Payments to West Yorkshire Passenger Transport Executive	31,271		
Flood Defence Levy	171		
Payments to Coroners Services	1,189		
Land drainage levies	5		
External interest charge	66,235		
Statutory capital charge to the HRA	-36,695		
Minimum revenue provision	26,230		
Revenue contribution to capital	200		
	91,945		
Managed expenditure	94,347		
Internal income			
Corporate and democratic core income from the HRA	-2,059		
	-2,059		

Central accounts

Budget manager: Chief Officer Financial Development

Debt Financing Costs			
£000	Budget 2009/10	£000	Budget 2009/10
Other costs			
External interest charge	66,235		
Statutory capital charge to the HRA	-36,695		
Minimum revenue provision	26,230		
	55,770		
Managed expenditure	55,770		
External income			
Other income	-100		
Interest and dividends	-2,651		
	-2,751		
Managed income	-2,751		
Net managed budget	53,019		
Net cost of service	53,019		

Central accounts

Budget manager: Chief Officer Financial Management

Strategic Accounts			
£000	Budget 2009/10	£000	Budget 2009/10
Employees		Central recharges	
Other pension costs	1,420	Central recharges	1,960
	1,420	Central recharges income	-1,725
Premises		Corporate and democratic core	-135
Gas	-500		100
NNDR	16	Accounting adjustments	
	-484	FRS 17 costs	23,580
Supplies and services		Capital managed outside service	329
Materials and equipment	-3,550		23,909
IT and telecommunications	-		
Professional fees	154	Managed outside the service	24,009
Grants and contributions	409		
Allowances	95	Net cost of service	17,183
External audit fees	-		
Publicity and promotion	-200		
Miscellaneous	4,102		
	1,010		
Transport			
Travel allowances	4		
	4		
Other costs			
Services provided by other organisations	856		
Land drainage levies	5		
Revenue contribution to capital	200		
	1,061		
Managed expenditure	3,011		
Internal income			
Corporate and democratic core income from the HRA	-2,059		
	-2,059		
External income			
Government grants	-553		
Fees and charges	-400		
Contributions	-1,318		
Other income	-5,420		
Interest and dividends	-88		
	-7,778		
Managed income	-9,838		
Net managed budget	-6,827		

Central accounts

Budget manager: Chief Officer Financial Management

Corporate and Democratic Core			
£000	Budget 2009/10	£000	Budget 2009/10
Central recharges			
Corporate and democratic core	17,625		
	17,625		
Managed outside the service	17,625		
Net cost of service	17,625		

Central accounts

Budget manager: Chief Officer Financial Management

Non-distributable costs			
£000	Budget 2009/10	£000	Budget 2009/10
Accounting adjustments			
FRS 17 costs	4,040		
Capital managed outside service	356		
	4,396		
Managed outside the service	4,396		
Net cost of service	4,396		

Central accounts

Budget manager: Chief Officer Financial Management

General Government Grants			
£000	Budget 2009/10	£000	Budget 2009/10
External income			
Government grants	-50,450		
	-50,450		
Managed income	-50,450		
Net managed budget	-50,450		
Net cost of service	-50,450		

Central accounts

Budget manager: Chief Officer Financial Management

Joint Committees and Other Bodies			
£000	Budget 2009/10	£000	Budget 2009/10
Employees			
Other pension costs	452		
	452		
Other costs			
Payments to West Yorkshire Joint Services	2,437		
Payments in respect of West Yorkshire Probation Service	47		
Payments to West Yorkshire Passenger Transport Executive	31,271		
Flood Defence Levy	171		
Payments to Coroners Services	1,189		
	35,114		
Managed expenditure	35,567		
External income			
Contributions	-28		
	-28		
Managed income	-28		
Net managed budget	35,539		
Net cost of service	35,539		

Central accounts

Budget manager: Chief Officer Financial Management

Capital Accounting Appropriations			
£000	Budget 2009/10	£000	Budget 2009/10
Accounting adjustments			
Capital managed outside service	-86,982		
	-86,982		
Managed outside the service	-86,982		
Net cost of service	-86,982		

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