

LEEDS CITY COUNCIL

2021/22 BUDGET REPORT

Directorate: City Development

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 2021/22 financial year.
- 1.2 The 2021/22 Revenue Budget provides £24,600k within the Council's Strategic Budget for the ongoing impact of COVID-19 pandemic. As such no directorate COVID impacts are detailed below.

2 Service Context

- 2.1 City Development is responsible for the Council's physical, economic, and cultural and sport services. The range of services and functions that the Directorate provides makes a significant contribution to the life, growth and vitality of the city.

3 Budget Proposals

- 3.1 This 2021/22 budget has been set at £30,648k representing a net decrease of £7,552k (19.77%) when compared to the adjusted budget for 2020/21. This net decrease comprises a number of changes in grant funding totalling £1,700k and pressures totalling £3,638k offset by savings of £9,990k which are explained below.

3.2 Budget Adjustments and Transfers

- 3.2.1 There have been a number of organisational changes, service transfers and other budget adjustments which are reflected in the 2021/22 budget.
- 3.2.2 £59k has been transferred to Resources in respect of insourcing of the general waste contract and the Corporate Taxis contract.
- 3.2.3 Other budget adjustments give a net budget reduction of £80k which comprises of minor budget adjustments relating to items such as mail, print and IT, reducing the need for recharges to be made in year.

3.3 Changes in Specific Grant Funding – increase of £1,7000k

- 3.3.1 The 2021/22 budget reflect receipt of £1,700k of Gain Share from WYCA in respect of the West Yorkshire Devolution Deal.

3.4 Changes in Use of Reserves and Balances – reduction of £500k

- 3.4.1 In the 2020/21 the budget proposals included the one year only use of balances of £500k, 2021/22 budget proposals recognises that it was a one year only proposal and removes the need for this £500k.

3.5 Changes in prices – pressure of £1,445k

- 3.5.1 The budget reflects the announcement of a public sector pay freeze by Government at Spending Review 2020. As such the budget provides £603k for two elements of pay: the 0.75% in year pay increase in 2020/21 which had not been provided for in the 2020/21 base budget and a minimum pay increase of £250 in 2021/22 for all staff earning less than £24,000 as announced at the Spending Review 2020. The provision reflects the Council's continuing commitment to be a Real Living Wage employer. Consequently, the minimum hourly rate paid to current Leeds City Council employees will rise to £9.56 per hour which is 6p above the Real Living Wage rate. Apprentices and new starters on the A1 spinal point will be paid £9.50 per hour for the first year only.
- 3.5.2 No provision has been made for inflation on running cost budgets other than demand based budgets and where there are specific contractual commitments. No provision has been made for inflation on utilities budgets, reflecting the increased use of energy efficiency schemes, a reduction in the usage of many of the Council's buildings and planned rationalisation of the Council's estate. £842k has been provided for such contractual commitments including the PFI contracts for Street Lighting and three Leisure Centres.

3.6 Actuarial Review

- 3.6.1 The 2021/22 budget does not provide for an increased contribution to the West Yorkshire Pension fund. Whilst this reflects the most recent Actuarial Review, which showed the West Yorkshire Pension Fund to be in a surplus position, the Council will continue to monitor this position.

3.7 Capitalised Pension Costs – pressure of £814k

- 3.7.1 In 2020/21 the Council relaunched its ELI scheme and a range of other voluntary options to reduce the wage bill in July 2020. Provision of £814k has been made to meet the capitalised pension costs associated with those staff leaving on an early retirement basis. The associated salary savings are captured in the savings proposals below.

3.8 Other budget pressures – £1,379k

- 3.8.1 A number of pressures have been recognised in the 2021/22 budget, £555k which is the net loss of income (after prudential borrowing) from the anticipated sale of the Trilogy Warehouses and Building One at Logic Leeds, and £500k has been provided for the loss of income at the Town Hall when it closes for refurbishment in autumn 2021.
- 3.8.2 £238k has been provided to ensure that the Flood Alleviation team in Highways is adequately resourced, and a further £200k is provided to increase the council's contribution to the Leeds 2023 Trust, and £75k for increased cleaning and security costs at Kirkgate Market.
- 3.8.3 These pressures include a resource allocation reduction of £195k for insurance costs which reflects changes in the number and value of insurance claims.

- 3.9 **Savings** - at total of £9,990k savings are proposed details of which are provided below.
- 3.10 **Business As Usual – £7,240k**
- 3.10.1 £520k of the savings relate to energy costs from the continuation of the Street Lighting LED conversion scheme, this is in addition to the £430k of LED conversion savings in the 2020/21 budget
- 3.10.2 £350k will be saved by mitigating pay inflation via charging the additional 0.75% cost of the 2020/21 pay award in Highways and Asset Management mainly to capital schemes, and a further £175k of income will be achieved as part of the full year effect of the 2020/21 saving in Highways for site development.
- 3.10.3 £700k of savings will be made in the Asset Management and Regeneration via staffing savings through voluntary means and expenditure savings from service revenue budgets and £480k of additional income is budgeted for which will come from the capital receipts fee income based on the 2021/22 Capital Receipts Programme. An additional £236k saving from the ongoing asset rationalisation programme freeing up existing building capacity is included in the 2021/22 budget increasing the 2021/22 savings target from £450k to £686k.
- 3.10.4 A further £350k of savings will be achieved via the increased capitalisation of staff costs and reductions in general expenditure budgets in Resources and Strategy. £250k of savings will be achieved via a directorate wide review and cash limiting of appropriate other operating expenditure budgets.
- 3.10.5 The Markets & City Centre Service will achieve £200k of savings via a reduction in staffing via voluntary means and expenditure reductions and increased income.
- 3.10.6 Savings of £400k are planned through the reduction of the major events budget in the Arts and Heritage Service, and an additional £254k from across some of its venues. £60k is to be saved on the Museum's Collections insurance, and £227k from a 15% reduction in arts grants to certain organisations. Cessation of annual Christmas Lights switch on and international football screenings in Millennium Square will achieve a further £88k saving.
- 3.10.7 Within Active Leeds a £100k saving will be achieved by the cessation of funding contributions to several sporting partnerships
- 3.10.8 £1,500k of savings will be achieved across the directorate from voluntary staffing reductions facilitated by the council's Early Leavers Initiative
- 3.11 **Service Reviews £2,750k**
- 3.11.1 Highways & Transportation have undertaken a service review of staffing operations across the service to deliver £1,620k of savings and/or additional income.
- 3.11.2 The Arts and Heritage have undertaken a number of reviews to deliver further savings. These were to consult on the introduction of an annual charge for Breeze card saving £150k, a reduced programme and new delivery model for Leeds Lights to save £208k, and reviews of Lotherton Hall and Thwaite Mills Museums to deliver £67k and £70k of savings respectively. At the time of writing this report evaluation of consultation responses for these proposals were being considered. With the exception of the Breezecard proposal, early

indication is that alternative means of delivering these savings will be found without the recourse to service closures and/or reduced opening arrangements.

- 3.11.3 The Planning and Sustainable Development Service is undertaking service reviews in both Strategic Planning and Development Management to deliver savings of £100k each.
- 3.11.4 Active Leeds is reviewing proposals to cease the service level agreement for Chippendale Pool to save £37k, close the Leeds Sailing and Activity Centre to save £88k, and a review of operational efficiencies at John Charles Centre for Sport (JCSC) to deliver a further £200k including potential changes in the operation of the Tennis Centre. At the time of writing this report evaluation of consultation responses for these proposals was being undertaken. The savings proposals at Chippendale Pool, Leeds Sailing Centre and the Tennis Centre at JCSC are all subject to potential third party interest which would result in alternative delivery models that means there would be no service closures and/or withdrawal of services. The intention is that a process of due diligence is undertaken on the viability of the third sector interest. In the interim period alternative savings would be provided by the Active Leeds Service to allow that assessment work to continue prior to formally reaching a decision on the way forward.
- 3.11.5 The Economic Development service review seeks to deliver £110k of savings via a staffing reduction from and reductions in memberships and events attendance.

4 Risk Assessment

- 4.1 In determining the 2021/22 budget, consideration has been given to all the risks which are managed within the directorate's overall risk management framework. Within this framework, a register of those items considered carrying the highest risk and therefore requiring careful and regular monitoring has been prepared. The key risks in the 2021/22 budget for the City Development Directorate are:
- 4.2 As the majority of their income streams are predicated on a buoyant and active economy, major Capital Programmes, Strategic Investments, Planning and Building Control fees, Advertising, Markets, Active Leeds, and Arts and Heritage income are all affected by local, regional, and national economic conditions and developments and therefore any downturn would be noted sharply in these service areas. This is particularly relevant to the Covid Pandemic and delivery of the 2021/22 budget will need a good recovery in the economy.

Briefing note prepared by: Jill Stuart (Principal Finance Manager)
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City Development Directorate

	2021/22 £m	FTEs
Net managed budget 2020/21	38.34	
Adjustments		
Transfers of function	(0.06)	
Other adjustments	(0.08)	
Adjusted net managed budget	38.20	
Grant Fallout	0.00	
Grant Increases		
Gain Share from Devolution	(1.70)	
Changes in the use of Reserves & Balances		
Use of Balances	0.50	
Total Funding Changes	(1.20)	0.0
Budget Pressures:		
Inflation		
Pay	0.60	
Price	0.84	
Income	0.00	
Employers Pension	0.00	
Capitalised Pensions	0.81	
National Living Wage - commissioned services		
National Living Wage/Ethical Care Charter	0.00	
Demographic and demand pressures	0.00	
Other		
Apprenticeship Levy	0.01	
Strategic Investment Income	0.56	
Town Hall Refurbishment Loss of Income	0.50	
Flood Alleviation Team	0.24	
Leeds 2023	0.20	
Cleaning & Security	0.08	
Insurance	(0.20)	
Total Pressures	3.64	0.0
Savings Proposals:		
Business As Usual		
Street Lighting LED Conversion	(0.52)	
Capital Receipts Fee Income	(0.48)	
Income - mitigation of pay inflation via charging	(0.35)	
Highways - Site Development external chargeable works	(0.18)	
Asset Rationalisation	(0.24)	
Staffing savings through voluntary means and expenditure savings from service revenue budgets	(0.70)	(7.7)
Increased capitalisation of staff costs and reductions in general expenditure budgets	(0.35)	
Markets & City Centre Service - staffing and expenditure reductions and increased income	(0.20)	(1.5)
Employment and Skills - deletion of vacant post and reduction in expenditure budgets	(0.10)	(1.0)
Planning & Sustainable Development - voluntary staffing reductions and expenditure savings	(0.35)	(6.0)
Highways & Transportation - use of balances and review of charging	(0.90)	
Reduction in Budgets for major events	(0.40)	
Efficiencies across venues	(0.25)	
Museums & Galleries collection insurance	(0.06)	
15% reduction in grants to selected organisations	(0.23)	
Cessation of annual Christmas Lights switch on and international football screenings in Millennium Square	(0.09)	
Cessation funding contributions to several sporting partnerships	(0.10)	
Savings across the directorate from voluntary staffing reductions facilitated by the council's Early Leavers	(1.50)	(97.9)
Reductions in miscellaneous spend budgets across the directorate	(0.25)	
Service Review		
Economic Development - Staffing reduction and reduction in memberships and events attendance	(0.11)	(1.0)
Strategic Planning - develop further options following completion of service review	(0.10)	(2.0)
Highways & Transportation - review staffing operations across the service for savings and/or additional income	(1.62)	(26.0)
Planning Applications - savings through voluntary staffing reductions and procedural efficiencies	(0.10)	(2.0)
Proposal to reduce opening hours at Lotherton Hall	(0.07)	(5.2)
Proposal to reduce opening Hours at Thwaite Mills Museums	(0.07)	(5.1)
Proposal to consult on introduction of £3 annual charge for Breeze card	(0.15)	
Proposed reduced programme and new delivery model for Leeds Lights	(0.21)	(9.0)
Proposal to end SLA with Chippendale Pool	(0.04)	(5.6)
Proposal to close Yeadon Tarn Sailing Centre	(0.09)	(4.8)
Proposal for operational efficiencies within John Charles Centre for Sport	(0.20)	(1.5)
Total Savings	(9.99)	(176.3)
Net Managed Budget 2021/22	30.65	(176.3)

City Development

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality impact assessment	Expected decision date	2021/22 Budget Amount £	Decision Maker
Economic Development - Staffing reduction and reduction in memberships and events attendance	Budget review of activities undertaken	Reduced economic outcomes for Leeds – mitigated by overall economic position	Non – considered as a BAU proposal with no staffing implications not delivered through voluntary means	No significant equality implications	February 2021	£110k	Chief Officer Economic Development
Strategic Planning - develop further options following completion of service review	Options for efficiencies were supported by independent review	Some technologic risks associated with deliverables	Yes, as part of the service review and through further internal staff consultation	No significant equality implications	February 2021	£100k	Chief Planning Officer
Highways & Transportation - review staffing operations across the service for savings and/or additional income	Budget review of activities undertaken	Reduced capacity to deliver – mitigated by effective deployment of resources	Internal Staff Consultation	No significant equality implications	February 2021	£1,620k	Director of City Development
Planning Applications - savings through voluntary staffing reductions and procedural efficiencies	Options for efficiencies were supported by independent review	Some technologic risks associated	Internal Staff Consultation	No significant equality implications	February 2021	£100k	Chief Planning Officer

City Development

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality Impact assessment	Expected decision date	2021/22 Budget Amount £	Decision Maker
		with deliverables					
Proposal to reduce opening hours at Lotherton Hall	Operating costs of facility and collection make-up alongside visitor attendance	N/A	Numerous Stakeholders including staff and public/service users	No significant equality implications	February 2021	£67k	Chief Officer Economic Development
Proposal to reduce opening Hours at Thwaite Mills Museums	Operating costs of facility and collection make-up alongside visitor attendance	N/A	Numerous Stakeholders including staff and public/service users	No significant equality implications	February 2021	£70k	Chief Officer Economic Development
Proposal to consult on introduction of an annual charge for Breeze card	Area of discretionary Spend.	Differential impact on most vulnerable – mitigated by use of concessions	Numerous Stakeholders including staff and public/service users	There are equality implications as the card is used by younger people. Some safeguarding of detrimental impact could be provided by the use of concessionary pricing	February 2021	£150k	Chief Officer Economic Development

City Development

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality Impact assessment	Expected decision date	2021/22 Budget Amount £	Decision Maker
Proposed reduced programme and new delivery model for Leeds Lights	Area of discretionary spend	N/A	Numerous Stakeholders including staff and public/service users and local organisations/commissioners of lighting displays	No significant equality implications	February 2021	£208k	Chief Officer Economic Development
Proposal to end SLA with Chippendale Pool	Operating costs of facility and usage and attendance	Reduced community and primary school usage of facility	Numerous Stakeholders including staff and public/service/users and school and local Members	No significant equality implications	February 2021	£37k	Chief Officer Operations
Proposal to close Leeds Sailing and Activity Centre	Operating costs of facility and usage and attendance. Discrete activity.	Loss of discrete functionality	Numerous Stakeholders including staff and public/service/users and 'Friends of' Group	As a single source of activity within Leeds, removal of the facility would impact upon certain groups. Mitigation could	February 2021	£88k	Chief Officer Operations

City Development

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality Impact assessment	Expected decision date	2021/22 Budget Amount £	Decision Maker
				identification of alternative provision outside the city.			
Proposal for operational efficiencies within John Charles Centre for Sport	Operating costs of facility and usage and attendance. Discrete activity in relation to Tennis Centre	Loss of discrete functionality	Numerous Stakeholders including staff and public/service/users and LTA	No significant equality implications	February 2021	£200k	Chief Officer Operations
Cessation of annual Christmas Lights switch on and international football screenings in Millennium Square	Area of discretionary spend			No significant equality implications	February 2021	£88k	Chief Officer Economic Development
Cessation funding contributions to several sporting partnerships	Area of discretionary spend		Numerous Stakeholders including staff and public/service/users and individual sporting associations impacted	No significant equality implications	February 2021	£100k	Chief Officer Operations

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2021/22 BUDGET REPORT

Directorate: Children and Families

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 2021/22 financial year.
- 1.2 The 2021/22 Revenue Budget provides £24,600k within the Council's Strategic Budget for the ongoing impact of COVID-19 pandemic. As such no directorate COVID impacts are detailed below.

2 Service Context

- 2.1 It is important for the 2021/22 budget proposals to be seen in the context of the wider strategy that has been taken forward by the Directorate since it was established in 2010. The strategy developed by Children and Families with partners was implemented through the Children and Young Plan. Critical to the plan was a focus on practice underpinned by a relational approach that focused on working with families to address problems. To improve social work practice a workforce development strategy was established and caseloads reduced. Leeds, despite its size and complexity, is still in the top ten for recruitment and retention of social workers in the country.
- 2.2 A key result of the focus on practice since 2010 has been the success in reducing both the number of looked after children and the number placed in external placements; both residential and foster care. The number of looked after children in Leeds has reduced from 1,475 in 2011/12 to 1,307 as at January 2020. This has led to a reduction in the rate per ten thousand from 94 to 79. Regional and statistical neighbours, core cities and the national trend have all seen increases in the rate of children looked after with an average increase across England of 9 per ten thousand. These reductions in Leeds have been achieved at a time when the number of children in the city rose by six per cent, compared to a 4 per cent rise across England.
- 2.3 The improvements in practice and resulting improvements for outcomes for children and young people in the City resulted in Children's Services in Leeds receiving a judgement of 'Good' from Ofsted in 2015 and 'Outstanding' in 2018. The positive outcome of these inspections was important, not simply as an external verification of the success of the strategy adopted by Children and Families, but because it also enabled the Directorate to bid successfully for additional external funding. Leeds has a strong national reputation and this has led to Leeds being one of a small number of authorities to be given Partner in Practice status and funding by the Department for Education. Leeds was given funding £9.6m through the 2016 Department for Education Innovation Scheme, to pilot the extensive use of restorative practice through the Family Valued programme which in turn had been developed with the first tranche of innovation funding. Additional external funding secured over recent and future years (2013/14 to 2023/24) amounts to in excess of £75m.
- 2.4 These budget proposals build on the strategy outlined above by maintaining the investment in frontline services, social care and practice, early help and innovation in order to continue to improve outcomes for children and young people and minimise the use of external

placements. The 2021/22 budget also recognises the ongoing demand-led pressures in the Directorate and provides for increases in the CLA and transport budgets.

- 2.5 Throughout the COVID-19 pandemic, the Directorate has worked proactively with partners across the city to provide children and young people with essential support. Although provision has been made in the Council's Strategic budget for the ongoing financial impact of COVID, the wider implications for both short and long term need within the city mean that the Directorate will continue to work collaboratively with partners to identify priorities for service delivery moving forwards.

3 Budget Proposals

- 3.1 This 2021/22 budget has been set at £117,024k representing a net decrease of £7,120k (5.7%) when compared to the adjusted budget for 2020/21. This net decrease comprises a number of changes in grant funding and use of reserves totalling an increase of £700k and pressures totalling £4,541k, which are offset by savings of £10,961k. These are explained in more detail below.

3.2 Budget Adjustments and Transfers

- 3.2.1 There have been a number of organisational changes, service transfers and other budget adjustments totalling £1,772k which are reflected in the 2021/22 budget. These include the transfer of Performance and Intelligence staff to Children and Families during 2020/21 and an adjustment to the budget to reflect an ongoing contribution by Adults and Health for Children's Centres.

3.3 Changes in Specific Grant Funding – increase of £1,950k

- 3.3.1 The budget includes an expected increase in grant funding from the Department for Education of £1,580k, based on trends in funding received in previous years and linked to the Council's ability to attract additional funding due to its outstanding rating for Children's Services.
- 3.3.2 The budget also reflects an additional £370k contribution from the Dedicated Schools Grant (DSG). £220k of this relates to an increased contribution towards eligible costs of providing central education services. A further £150k has also been assumed for an increase in the recovery of the education costs of eligible external residential placements. The Council has been under recovering these costs in previous years and the budget strategy in Children and Families has been to gradually move to a full cost recovery basis as funding has increased through the new national funding formula.

3.4 Changes in Use of Reserves and Balances – reduction of £1,250k

- 3.4.1 The 2021/22 budget includes changes in the use of reserves totalling £1,250k. This reflects the fallout of a temporary £1,000k contribution from reserves, which was provided previously to support the Children and Families budget while work was carried out to identify savings. In addition there is a fallout of £250k in the use of PFI reserves to fund school PFI payments. In previous years, the school PFI reserves had contributed towards a shortfall in funding on the PFI accounts. However this contribution is not currently required, due to work carried out to re-baseline the funding received through the Dedicated Schools Grant (DSG) towards PFI costs, making this budget more sustainable in future.

3.5 Changes in prices – pressure of £919k

- 3.5.1 The budget reflects the announcement of a public sector pay freeze by Government at Spending Review 2020. As such the budget provides £915k for two elements of pay: the 0.75% in year pay increase in 2020/21 which had not been provided for in the 2020/21 base budget and a minimum pay increase of £250 in 2021/22 for all staff earning less than £24,000 as announced at the Spending Review 2020. The provision reflects the Council's continuing commitment to be a Real Living Wage employer. Consequently, the minimum hourly rate paid to current Leeds City Council employees will rise to £9.56 per hour which is 6p above the Real Living Wage rate. Apprentices and new starters on the A1 spinal point will be paid £9.50 per hour for the first year only.
- 3.5.2 No provision has been made for inflation on running cost budgets other than demand based budgets and where there are specific contractual commitments. No provision has been made for inflation on utilities budgets, reflecting the increased use of energy efficiency schemes, a reduction in the usage of many of the Council's buildings and planned rationalisation of the Council's estate. There has been a small increase of £4k in relation to NNDR costs.

3.6 Actuarial Review

- 3.7 The 2021/22 budget does not provide for an increased contribution to the West Yorkshire Pension fund. Whilst this reflects the most recent Actuarial Review, which showed the West Yorkshire Pension Fund to be in a surplus position, the Council will continue to monitor this position.

3.8 Capitalised Pension Costs – increase of £416k

- 3.8.1 The fall out of capitalised pension costs associated with staff who have left the Council under the Early Leaver's Initiative (ELI) to date will save an estimated £258k.
- 3.8.2 In 2020/21 the Council relaunched its ELI scheme and a range of other voluntary options to reduce the wage bill in July 2020. Provision of £674k has been made in the budget to meet the capitalised pension costs associated with those staff leaving on an early retirement basis. The associated salary savings are captured in the savings proposals below.

3.9 National Living Wage/Ethical Care Charter Commissioned Services – pressure of £650k

- 3.9.1 Provision of £650k has been included for the estimated cost of the increase in the national living wage for external placement costs.

3.10 Demand and Demography – pressure of £1,790k

- 3.10.1 In recognition of the ongoing pressures on the Children and Families budget from increases in the child population and the resulting increase in children requiring support and children eligible for transport arrangements the CLA and financially supported Non-CLA budgets have been increased by £1,190k and the transport budget by £600k.

3.11 Other budget pressures – £766k

- 3.11.1 Additional provision of £679k has been included for insurance costs, which reflects changes in the number and value of insurance claims.

3.11.2 A further £75k has also been included for increases in direct payments reflecting increased demand. An additional £12k has also been included to reflect increased apprentice levy payments.

3.12 **Savings**

3.13 **Business As Usual – £10,049k**

- 3.13.1 In relation to pay, savings of £2,574k have been included across the Children and Families budget, reflecting the deletion of vacant posts and take up of the corporate Early Leaver's Initiative scheme.
- 3.13.2 Transport related savings total £1,721k. This includes efficiency savings of £1,406k which have been included in the transport budget to reflect the ongoing work by the transport team in Civic Enterprise Leeds and staff in Children and Families to reduce transport costs. Initiatives include route rationalisation reviews, insourcing private hire routes, continued roll out of Personal Transport Allowances, private hire contract savings and greater emphasis on independent travel training. As outlined previously it is proposed to increase the transport budget by £600k for demand pressures, and after allowing for these efficiency savings the actual transport budget will reduce by a net £806k. Further transport savings of £195k relate to the CLA taxis budget, which will be achieved through increasing the use of transport allowances for foster carers and to review the authorisation required for staff to book taxis for Children Looked After, in order to encourage alternative travel arrangements. There is also a further £20k of savings relating to the corporate taxis contract. The remaining £100k of savings relate to independent travel training.
- 3.13.3 Commissioning savings of £500k have also been included in the budget as a result of ongoing work with providers to negotiate efficiencies in existing contracts.
- 3.13.4 Contributions to the One Adoption West Yorkshire partnership have been reviewed based on activity levels across the member authorities, and the budget reflects a £990k reduction in the Council's contribution to ensure this is proportionate compared to other authorities.
- 3.13.5 Other expenditure savings total £961k and include savings from the previous contribution of £106k towards two West Yorkshire Police posts which will end in 2021/22. In addition to this, operational running cost savings of £305k have been included in the budget, along with £450k savings in schools and further education premature retirement costs. The budget also includes a £100k reduction in the Children and Families contribution to DSG for Post 16 costs, as these should be funded by DSG.
- 3.13.6 In addition to the extra grant income detailed in section 3 of this appendix, the budget also includes increases in a number of other income streams totalling £3,303k. This includes net additional funding of £1,000k which is assumed from an increased number of Unaccompanied Asylum Seeking Children (UASC) being supported in the city. This net additional funding arises due to economies of scale as the Council moves towards the Home Office target of the UASC population being 0.07% of the child population of the city. A further £1,700k of income is included in the budget for additional health funding towards appropriate health costs of Children Looked After. The budget also builds in £298k of existing funding from the Department for Education towards eligible costs within the Directorate. Finally, an increase in other income has also been included, comprising £55k from One Adoption West Yorkshire and £250k from an increase in placement charges at Adel Beck secure unit.

3.14 **Service Review - £912k**

- 3.14.1 The budget includes £750k of savings from a service review of Early Help work, which plans to achieve management savings through closer integration of Early Help and Social Work teams. Potential staffing implications will be identified through the course of this review.
- 3.14.2 Consultation has also been carried out on a further £162k of savings in relation to ceasing childcare delivery from a Council run childcare site, which has been closed since the start of the first Covid lockdown. The Council's duty for the sufficiency of childcare places would still be met through local alternatives for every affected child. In addition, this proposal would enable the relocation of Childrens Centre Family Services from another site to this building, enhancing the quality of the family services on offer to the community.

4 **Risk Assessment**

- 4.1 In determining the 2021/22 budget, consideration has been given to all the risks which are managed within the directorate's overall risk management framework. Within this framework, a register of those items considered carrying the highest risk and therefore requiring careful and regular monitoring has been prepared. The key risks in the 2021/22 budget for the Children and Families Directorate are:
 - 4.2 There is an increasing number of children with special and very complex needs. This impacts in particular on the Children and Families placements budget for Children Looked After, financially supported Non-CLA and on the transport budget. As already mentioned in the report these budget proposals provide for demand increases of £1.8m for these budgets. There is a risk that this additional funding is not sufficient to meet the growing demands. In particular, the longer term impact of Covid on children and young people is not yet known, and there is a risk that demand on services may increase as a result of this. The Directorate continues to develop innovative approaches to the delivery of services to mitigate the demand pressures, including a focus on preventative Early Help services.
 - 4.3 The Directorate's proposed budget includes additional income from grants and other sources and some of these will require further work to secure. This includes the additional health funding contributions and the increased number of Unaccompanied Asylum Seeking Children (UASC) required to attract additional funding and achieve economies of scale, as part of the Council's move towards the Home Office UASC target of 0.07% of the child population within the city. The income budget also includes assumptions on grant income based on previous trends, however a number of grant allocations will be announced after the budget has been prepared and there is a risk that the final allocations will be less than projected. There is also a risk that there will be further reductions in traded income as more schools become academies and financial pressures mean that there is reduced demand for services.

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Children & Families Directorate

	2021/22 £m	FTEs
Net managed budget 2020/21	122.37	
Adjustments	1.77	
Adjusted net managed budget	124.14	
Grant Fallout	0.00	
Grant Increases		
Expected grant income based on trends and Outstanding Ofsted rating	(1.58)	
Additional DSG income	(0.37)	
Changes in the use of Reserves & Balances		
Fallout of temporary contribution from reserves	1.00	
Fallout of use of PFI reserve to support school PFI costs	0.25	
Total Funding Changes	(0.70)	0.00
Budget Pressures:		
Inflation		
Pay	0.92	
Price	0.00	
Income	0.00	
Employers Pension	0.00	
Capitalised Pensions	0.42	
National Living Wage - commissioned services		
National Living Wage/Ethical Care Charter	0.65	
Demographic and demand pressures		
Demand and Demography	1.79	
Other		
Insurance	0.68	
Direct Payments	0.08	
Apprentice Levy	0.01	
Total Pressures	4.54	0.00
Savings Proposals:		
Business As Usual		
Pay savings from deletion of vacant posts and the ELI scheme	(2.57)	(51.50)
Transport savings from efficiencies and alternative travel arrangements	(1.72)	
Commissioning savings through negotiating efficiencies in existing contracts	(0.50)	
Re-calculation of contributions to One Adoption West Yorkshire (OAWY)	(0.99)	
Contribution not continuing for two West Yorkshire Police posts	(0.11)	
Operational running cost savings	(0.31)	
Reduction in schools and further education premature retirement costs	(0.45)	
Contribution not continuing to Dedicated Schools Grant for Post 16	(0.10)	
Additional net funding from moving towards Home Office target for Unaccompanied Asylum Seeking Children	(1.00)	
Additional Health funding for Children Looked After	(1.70)	
Use of funding from the Department for Education	(0.30)	
Additional traded income from OAWY and Adel Beck secure unit	(0.31)	
Service Review		
Ceasing provision of childcare at one Council site and relocating Family Services to the building	(0.16)	(1.00)
Review of Early Help services and alignment with Social Work teams	(0.75)	
Total Savings	(10.96)	(52.50)
Net Managed Budget 2021/22	117.02	(52.50)

Children and Families

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality impact assessment	Expected decision date	2021/22 Budget Amount £	Decision Maker
Ceasing childcare delivery from a Council run childcare site, which has been closed since the start of the first Covid lockdown.	<p>The provision has struggled to be financially sustainable for the last six years as other providers gained a market share.</p> <p>It is proposed to cease the delivery of childcare from this site and relocate the Children Centre Family Services from another site to this building, enhancing the quality of family services on offer to the community.</p> <p>There is sufficient child care provision to ensure that local alternatives will be available for every affected child.</p>	Changes may be required to the proposal depending on feedback received during consultation.	Yes	Because family services are expanding and sufficient alternative childcare is available nearby, this process will support improved community involvement and no particular group should be disadvantaged.	By April 2021	£162k	Director of Children and Families
Proposal to achieve savings through closer integration of Early Help and Social Work teams. Staffing implications will be identified through the course of the review.	The review will consider increased integration and multi-disciplinary approaches that will result in improved experiences and outcomes for children and families.	The proposals are focused on identifying efficiencies that result in maintaining or improving outcomes.	To be undertaken prior to the decision, if required.	An initial assessment has been completed, however this will be updated as work progresses to identify the changes required to achieve the savings set out.	By April 2021	£750k	Director of Children and Families
Commissioning savings	Ongoing work with providers to negotiate efficiencies in existing contracts.	Delivery of some commissioned services may change.	To be undertaken for individual contracts prior	To be undertaken for individual contracts prior to the decision, if required.	On agreement of any individual	£500k	Director of Children and Families

Children and Families

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality impact assessment	Expected decision date	2021/22 Budget Amount £	Decision Maker
			to the decision, if required.		changes required		
Additional Home Office funding from an increased number of Unaccompanied Asylum Seeking Children (UASC) being supported in the city.	The net additional funding is assumed from an increased number of Unaccompanied Asylum Seeking Children (UASC) being supported in the city. This net additional funding arises due to economies of scale as the Council moves towards the Home Office target of the UASC population being 0.07% of the child population of the city.	The additional numbers will need to be achieved. Additional capacity will need to be available to support increased numbers.	A decision may be required, depending on the need for additional capacity. If this is the case, consultation will be undertaken as appropriate prior to the decision.	To be undertaken prior to the decision, if a decision is required.	On identification of any changes requiring a separate decision	£1,000k	Director of Children and Families
Savings on school and further education premature retirement costs	The proposed savings are expected to be achieved from ongoing trends, however the criteria for payment will also be reviewed to ensure this remains fit for purpose and in line with regulations.	There are some statutory requirements relating to the costs that fall to the Council.	To be undertaken prior to the decision, if required.	To be undertaken prior to the decision, if required.	By April 2021	£450k	Director of Children and Families
Revised contribution to One Adoption West Yorkshire (OAWY), reflecting actual activity levels	Contributions to the OAWY partnership have been reviewed based on activity levels across the member authorities. This proposal reflects a reduction in the Council's	The decision on changes to contributions will be made by the OAWY Management Board.	Consultation with partner LAs will take place through the OAWY Management Board.	The proposed contributions fairly reflect the actual activity levels across partner LAs.	By April 2021	£990k	OAWY

Children and Families

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality impact assessment	Expected decision date	2021/22 Budget Amount £	Decision Maker
	contribution to ensure this is proportionate compared to other authorities.						
Increase in rates for the secure residential unit	Rates are reviewed annually to set reasonable price increases.	An increase in rates could affect demand, however this has been taken into consideration as part of the proposal.	To be undertaken prior to the decision, if required.	To be undertaken prior to the decision, if required.	By September 2021	£250k	Director of Children and Families
Savings from ending the contribution to two West Yorkshire Police posts	The need for an ongoing contribution from the Council towards these posts has been reviewed.	These posts are not part of the Council's core early help offer and therefore there will be minimum disruption to staff and services. There will be no impact on direct service delivery.	To be undertaken prior to the decision, if required.	To be undertaken prior to the decision, if required.	By April 2021	£106k	Director of Children and Families