

**Report of the Deputy Chief Executive  
Report to Executive Board  
Date: 18<sup>th</sup> December 2013**

**Subject: Initial Budget Proposals for 2014/15**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. This Report sets out the Initial Budget Proposals for 2014/15 within the context of the Medium Term Financial Strategy for the period 2014/15-2015/16 which is designed to deliver the Council's best council ambition, but recognising that there will be further significant reductions in the level of funding available to the authority.
2. The Council to date has been successful in responding to the challenging reductions to its funding since 2010 which has been in the region of £94m over the past 3 years. Based on the national spending totals announced in the 2013 Spending Review, and a subsequent technical consultation, the Council now anticipates that there will be a further reduction in funding from Government of around £81m for core services over the two years 2014/15 and 2015/16. This reduction in funding is in addition to the need to meet the cost of inflation and continuing spending demands across a range of services.
3. Savings of £200m have been achieved over the past 3 years and it is very likely that the next few years will bring further challenges and it is therefore important that there is a very clear direction to inform decision making. By the end of 2015/16 the Council will once again be a smaller organisation employing fewer staff. There will be a need to review many of the services we currently provide and consider how they will be provided in future. This will require many challenging decisions to be taken.
4. The proposals for next year include significant reductions across a broad range of services totalling £46m and includes net reductions in staffing equating to 273 ftes by the end of 2014/15.
5. It is proposed that the Council will increase its Council Tax in 2014/15 by 2% rather than accept the Council Tax freeze grant which is equivalent to a 1% increase.

**Recommendation**

6. The Executive Board is asked to agree this report as the initial budget proposals and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.

## **1.0 PURPOSE OF THIS REPORT**

- 1.1 In accordance with the Council's constitution, the Executive is required to publish initial budget proposals two months prior to adoption by full Council, which is scheduled for the 26th February 2014. This report sets out the initial budget proposals for 2014/15 in the context of the Medium Term Financial Strategy which was approved by Executive Board in October 2013.
- 1.2 Subject to the approval of the Executive Board, this report will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this board on the 14<sup>th</sup> February 2014. It will also be made available to other stakeholders as part of a wider and continuing process of consultation.
- 1.3 In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget are reserved to Council. As such, the recommendation at 14.1 is not subject to call in, as the budget is a matter that will ultimately be determined by Council, and this report is in compliance with the Council's constitution as to the publication of initial budget proposals two months prior to adoption.

## **2.0 THE NATIONAL AND LOCAL CONTEXT**

- 2.1 The Council's annual budget is set within the context of the 2013 Spending Review which outlined how the Government will continue to reduce the deficit in public finances over the two year period 2014/15 and 2015/16.
- 2.2 The 2013 Spending Review continues the Government's plans to eliminate the structural deficit which were initially set out in the Government's emergency Budget of June 2010 and in their October 2010 Comprehensive Spending Review. This set out to reduce public spending by £81bn between 2011/12 and 2014/15, with local government funding falling by 28% in real terms.
- 2.3 For Leeds, between the 2010/11 and 2013/14 budgets, funding from government reduced by £94m and the Council has also faced significant costs particularly within adult and children's social care as well as reductions in income due to the economic climate.
- 2.4 The Spending Review in 2013 confirmed that the Government's initial 4 year deficit reduction plan would continue for a further 3 years to 2017/18 and that the scale of reductions in overall Government spending would be similar to those seen from 2010. As yet Departmental Expenditure Limits have not been set beyond 2015/16.
- 2.5 The provisional 2014/15 start-up funding allocation (now referred to as Settlement Funding Assessment (SFA)) was announced in the Local Government Finance Settlement in January 2013. However, an additional 1% reduction for 2014/15, initially announced in the Government's Budget 2013, has now been confirmed in the latest Spending Review. The reduction in SFA for 2014/15 (compared to 2013/14) is 10.4% and this is shown in Table 1.

2.6 For 2015/16, the 2013 Spending Review announced that the funding reduction for Local Government would be 10% in real terms (8.2% cash). However, within those figures were a number of funding streams which have been top sliced and subject to a bidding process and therefore not allocated to all authorities. The government funding for core local government services will therefore reduce by 13.1% in cash terms or 15% in real terms. It is also clear that the reduction in SFA will not evenly impact upon authorities and for Leeds the cash reduction for 2015/16 is forecast at 14.7%, compared to the national average of 13.1%.

Table 1

	2013/14 £m	2014/15 £m	2015/16 £m
Settlement Funding Assessment	346.449	310.544	265.048
Reduction (£m)		-35.905	-45.496
Reduction (%)		-10.4%	-14.7%

2.7 Taking into account the reduction in government funding of £94m to 2013/14 and the figures in table 1, by April 2016 the Council's government funding will have reduced by £175m and when account is taken of other budget pressures facing the Council including demographic demand and inflation, the financial challenge is significantly greater.

### 3.0 Developing the Medium Term Financial Strategy

3.1 The Council has so far responded successfully to the funding challenges since 2010 by reducing a number of areas of expenditure, most significantly on employees and through better procurement and demand management, and by increasing income, as detailed in the Medium Term Financial Strategy which was approved at Executive Board on 9<sup>th</sup> October 2013.

3.2 The Financial Strategy was developed in the context of the Best Council Plan which set out the Council's ambition to become the best Council in the best city in the UK with the following objectives to help achieve this:

- ensuring high quality public services.
- dealing effectively with the city's waste.
- building a child friendly city.
- delivery of the Better Lives programme.
- promote sustainable and inclusive economic growth.
- becoming an efficient and enterprising council.

3.3 Before allowing for any increase in Council Tax, the expected budget gap for 2014/15 was £33.2m with a further £56.6m in 2015/16. It was anticipated that whilst early progress against the Best Council objectives would help address the financial challenge of 2014/15, given the scale of funding reductions in 2015/16, further

savings proposals would need to be identified to bridge the remaining gap in 2015/16, with an inevitable impact on front line services.

#### **4.0 Estimating the Funding Envelope for 2014/15**

- 4.1 As outlined at paragraph 2.5, the Spending Review confirmed a further 1% reduction to the indicative figures for 2014/15 which were contained in the 2013/14 Local Government Finance settlement. For Leeds, this represents a reduction of £35.9m for 2014/15, although this is subject to the Local Government Finance settlement which is expected in mid-December 2013.
- 4.2 In determining the funding envelope for 2014/15 there are a number of other factors and further assumptions to take into account. These include:
- New Homes Bonus – an additional 2,500 properties per annum has been assumed, either being new or brought back into use. The Council not only benefits from the additional Council Tax raised from these properties, estimated to be £2.9m in 2014/15, but also through the additional funding provided by the Government in the form of New Homes Bonus which is estimated at an additional £3.7m per annum.
  - The Government has provided funding for the on-going effect of previous Council Tax freezes up to 2015/16. This is funding that would have otherwise fallen out of the grant system. Additional funding has been provided for those authorities who choose to freeze their Council Taxes for 2014/15 and 2015/16, equivalent to annual increases of 1%. However, a referendum ceiling of 2.0% will apply in each year to those authorities that choose to increase their Council Taxes. It has been assumed that the Council will increase its Council Tax in 2014/15 by 2%, which will generate an additional £4.6m.
  - Although the business rates baseline will increase year on year, it is anticipated that growth in business rates will exceed this by £4.1m per annum, net of the levy which will support the city region. In addition, it is anticipated that the Government will provide funding for the continuation of the Small Business Rates Relief scheme in 2014/15, as was the case in 2013/14.
  - In the current year, the budgeted use of General Fund Reserves is £2.5m. In addition, the budget assumed the usage of £1.2m from earmarked reserves which will not be available in 2014/15. It is anticipated that at the end of 2013/14, general fund reserves will stand at £26.9m, as shown in Table 2 below.

Table 2

General Fund Reserves	2013/14 £m	2014/15 £m
Opening Balance 1 April	23.1	26.9
Small Business Rate Relief	3.3	
Budgeted Usage	-2.5	-9.3
Assumed in-year underspend	3.0	3.0
Estimated Reserves 31 March	26.9	20.6

- This includes £3.3m grant income in respect of the small business rate relief scheme for 2013/14, which was not provided for in the 2013/14 budget. However, this also assumes an annual in-year underspend of £3m which is in line with the 2012/13 outturn position.
- In summary this means that the 2014/15 budget will be supported by an additional £6.8m general fund reserves offset by £1.2m earmarked reserves no longer available.
- The level of general fund reserves at 31 March 2015 is considered to be prudent in the light of the risk based approach to assessing the adequacy of reserves, although it is dependent on achieving £3m in year underspends.

4.3 The impact of these changes are shown in Table 3 below:

Table 3

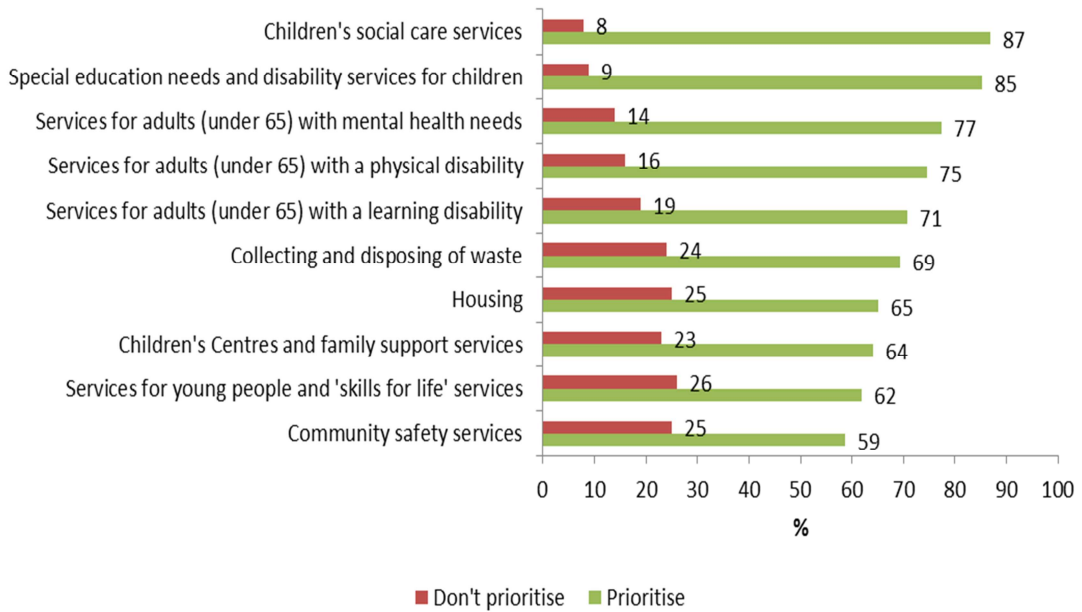
Funding Envelope	2014/15 £m
Government Funding	
Settlement Funding Assessment	35.9
New Homes Bonus	-3.7
Small Business Rate Relief	-3.3
Sub-total Government Funding	28.9
Locally Determined Funding	
Tax Base growth	-2.9
NNDR Growth	-4.1
Council Tax - 2% increase	-4.6
Change in use of reserves	-5.6
Sub-total Locally Determined Funding	-17.2
Total Funding Reduction	11.7

## **5.0 Developing the Council's Budget Plans**

- 5.1 Local government is operating in a very different environment to that which it is has operated previously, and it is clear that Councils will need to change, to become much more enterprising, entrepreneurial and responsive to their local communities, whilst retaining their role as major employers, service providers and democratically-mandated leaders. It will also require businesses to play a more active role as corporate citizens and the third sector to act as a catalyst for connecting with local people.
- 5.2 It is also crucial that the Council's spending plans need to respond to the priorities of the people of Leeds.
- 5.3 In 2012 a 'You Choose' campaign was launched to engage people in the budget challenges and set residents the challenge of balancing a significantly reduced council budget. A total of 2747 formal responses were received by the council and a number of discussions took place on independent social media sites. This was the highest level of participation in a budget consultation in Leeds.
- 5.4 The results from the survey provided a useful barometer of public opinion as to Council spending priorities and are important not only in informing the 2013/14 budget, but also in helping the Council shape its future budgets.
- 5.5 To help inform the initial budget proposals for 2014/15, a lighter touch approach was adopted. This involved:
- giving feedback to communities on YouChoose results from 2012
  - giving feedback to communities on actions/progress to date
  - asking communities if key 2012 priorities were still important
  - asking for ideas/solutions to key challenges

Participants were asked to consider whether the ten service areas most 'protected' from spending cuts in the YouChoose consultation were still top priorities for the 2014/15 budget and asked for alternatives if this was not the case.

- 5.6 The detailed results of this work will be reported in the final budget report in February 2014, but in summary the 946 survey responses received show that:
- services that could be seen to support 'vulnerable' people remain the highest priorities for budget protection, including children's social care, special educational needs and disability services for children and adult mental health.
  - People generally see the list of budget priorities as remaining relevant, with little difference in rank order from 2012 as shown in the graph below:



- For those people who felt that existing priorities should be changed, the most commonly mentioned service areas were general care and support for the elderly and children and roads.
- Suggestions for efficiency within the council were the same as a year ago; better waste management and less frequent bin collections, lower staff numbers and salaries and generally improve the way the Council works.

## 6.0 INITIAL BUDGET PROPOSALS 2014/15

6.1 This section provides a strategic overview of the initial budget proposals for 2014/15. Table 4 below provides a summary of key costs and savings areas:

Table 4

	£m
Reduction in Resources	11.7
Inflation	10.0
Full Year Effects	-0.7
Demand/Demography	5.5
Other Budget Pressures:	
Adults - business change, integration with health, etc	1.0
Children's - grant reductions	5.3
- fallout of school balances	4.0
- alternatives to care	4.0
- investment to key preventative services	2.0
City Devt - income shortfall trends	0.7
- residents parking	0.4
E&H - car park closures	1.1
- pay pressures within refuse collection service	0.6
Citizens & Communities	
- welfare & benefits grant reductions	0.4
<b>Total Pressures</b>	<b>45.9</b>
Best Council Objectives:	
Ensuring High Quality Public Services - Procurement	-5.0
Dealing effectively with the City's Waste	-1.6
Building a Child Friendly City	-5.8
Delivery of the Better Lives Programme	-2.1
Becoming an efficient and enterprising Council	
Assets	-0.1
Business Improvement	-2.0
Support Services	-3.6
Income, charging and trading	-5.6
Charges to Public Health	-2.0
Other Savings proposals:	
Adults - additional health funding	-1.5
Children's - reduction in funding for children's centres	-1.7
- transport review	-1.8
- review of youth offer	-0.4
- review of contracts and commissioned services	-0.7
- review of in-house residential provision	-0.9
- review of cultural and educational activity provision	-0.6
Citizens & Communities - welfare support and wellbeing efficiencies	-0.8
Other net general savings including significant staffing savings	-9.7
<b>Total Savings</b>	<b>-45.9</b>

6.2 Further detailed information is provided in Appendix 1 as to how the proposals relate to individual directorates. The key pressures are as follows:

6.2.1 General price inflation of £11.3m – provision has been made for a 1% pay award which is line with the Government's funding assumptions. In addition, although the outcome of the 2013 actuarial review of the West Yorkshire Pension Fund at the



time of writing is not yet available, a 0.5% increase in the employers' superannuation contribution rate has been assumed.

Despite cost inflation currently running at 2.6% (October 2013), no provision will be made for inflation on running cost budgets, other than where there are specific contractual commitments and in the cost of utilities, including increases in the cost of landfill tax and carbon allowances.

6.2.2 An inflationary allowance has been applied to the level of fees and charges and this is estimated to generate an additional £1.3m.

6.2.3 Full Year Effects of previous decisions amounts to a saving of £0.7m. These include the loss of income due to the sale of Sovereign Street car park and the re-instatement of the budget for local elections, offset by the full year effect of the charging review within Adult Social Care.

6.2.4 Demand/Demography

The national context for Adult Social Care continues to be one of demographic increases, increased life expectancy, increasing complexity of need and service user expectations, greater support for people to remain living independently in their own homes for as long as possible, a national drive to improve the quality of social care services and an increasing focus on the integration of health and social care services. These trends, which are leading to increased cost pressures, have been evident for many years and a net increase of £4.3m has been included for demand and demographic pressures in 2014/15. This increase is net of £2.5m savings through demand management within services for older people and services for people with physical impairments and mental health problems. Within the net £2.2m increase included for learning disability services there is a further demand management saving of £0.5m.

Within Children's Services provision of £1.2m has been made which reflects demand pressures in respect of home to school transport and direct payments. The service continues to face significant pressures with a 32% increase in the birth rate over the last decade and a changing demographic mix. This has increased demand across all the services that we provide and fund and will present significant challenges in respect of the supply of school places and demand across the system for services for children and families. In particular, the wider financial and economic climate, together with the renewed national focus on child protection, could have a significant impact and in 2013/14 we have already seen an increase of 8.2% in the requests for service/contacts and a rise of 14% in the referrals for children's social care services. The combination of rising demand and reducing resources will place significant pressures across the system.

6.2.5 Capital Charges – the financial strategy assumes a zero increase in the cost of the Council's external debt. This assumes that all borrowing is taken short term at 0.5% interest for the remainder of 13/14 and 14/15. It is considered that the target of zero increase can be achieved but this is not without risk.

## 6.2.6 Other Budget Pressures

£1.0m has been included within Adult Social Care to support business change activity within assessment and care management, the ongoing costs of the South Leeds Independence Centre and support for the further development of integrated services with health.

Within Children's Services, pressures include £5.3m of grant funding reductions and £4m in respect of the one off use of School balances to support the 2013/14 budget and almost £4m of additional investment into alternatives to care, for example adoptions, special guardianship orders, semi-independent living. In addition, almost £2m has been provided for investment to expand the key preventative services around multi-systemic therapy and restorative practice where there is clear invest to save evidence.

Budget pressures of £1.1m within City Development reflect the downward trend on income, mainly within Sport and Advertising income. The budget for residents parking charges has been deleted following the recent decision not to implement charges.

Continuing pay pressures within the refuse collection service and loss of car parking income due to the development of the Harewood Quarter are estimated at £1.7m within the Environment and Housing proposals.

Within Citizens and Communities, there is a £0.4m reduction in grant funding for the welfare and benefits service.

6.3 In order to address the £45.9m budget gap, a number of savings areas have been identified in accordance with the Best Council Objectives highlighted in the medium Term Financial Plan:

- Best Council Objective: ensuring high quality public services. The Council has adopted a refreshed procurement policy to deliver additional savings from better procurement to ensure that services are high quality and deliver value for money. In addition to limiting inflation on running cost budgets to essential items only, the initial budget includes proposals to save a further £5.0m from procurement activity in 2014/15.
- Best Council Objective: dealing effectively with the city's waste. Savings will be generated in 2014/15 from the further roll out of alternative weekly collections and increasing recycling to help reduce the level of landfill tax, and savings of £1.6m have been identified.
- Best Council Objective: building a child friendly city. Through the expansion of Family Group Conferencing and continued investment into other preventative services, it is envisaged that more children will be supported to safely remain within their family and community. It is anticipated that savings of £5.8m will be generated in 2014/15, reflecting an overall reduction in Looked After Children.

- Best Council Objective: delivery of the Better Lives programme. During 2013/14 Adult Social Care has continued its Better Lives service transformation programme, which aims to enhance the range, amount and quality of adult social care services available through delivering efficiencies within existing services. These efficiencies have included a reduction in the level of directly provided services where independent sector provision is more cost effective. This will need to continue given the very significant financial challenges facing the Council over the next few years. The budget proposals include savings of £2.1m for 2014/15.
- Best Council Objective: becoming an efficient and enterprising council. By ensuring the council has an agile and resilient workforce with the right skills and the ability to work flexibly significant savings will be generated.
  - A programme of business improvement and organisational design is underway to achieve this, and for 2014/15 savings of £5.6m have been identified.
  - In addition, work is ongoing to reduce city centre office space and a significant reduction in the running costs of the total asset base, although there is inevitably a longer leading time for this initiative.
  - Additional income of £5.6m will be generated through a combination of increases in fees and charges with the council becoming more entrepreneurial by developing services in new markets. This includes:
    - § Above inflation increase in Nursery Fees - £0.2m
    - § Extension of Bus Lane Enforcement - £0.8m
    - § Services provided to Council Tenants are to be charged to the Housing Revenue Account - £2m

6.4 Charges to Public Health – a number of services have been identified which are more appropriately charged to the public health function which transferred from the Primary Care Trust to the Council from 1<sup>st</sup> April 2013. This will result in income of £2m to the general fund (see Public Health appendix).

6.5 Other net general savings proposals amount to £18.1m and are detailed in the directorate appendices. Of particular note are:

- £1.5m additional health funding within Adult Social Care, which includes £2.8m likely share of the £200m national funding for integration with health and £0.6m Department of Health funding for adult social care service which benefit the health service. £1.5m of non-recurring health funding has been deleted.
- £1.7m reduction in funding for children’s centres - £0.5m from changing patterns of provision at 6 centres and the balance by continuing to reduce overheads across all the centres.
- £1.8m savings from the provision of transport of children; £0.4m from the review of the Youth Offer and £0.7m from reviewing the provision and governance of services within Children’s services
- £0.9m review of in-house residential provision for children
- £0.6m review of cultural and educational activity provision within children’s services
- Other general savings in staffing across the board

6.6 Employees – The Council’s expectation following the Spending Review was that there would be a reduction of around 2,500 – 3000 ftes over the 4 year period 2011/12 - 2014/15. The Council has operated a voluntary retirement and severance scheme since 2010/11 which has resulted in a reduction in the workforce of 1,795 ftes at the 31<sup>st</sup> March 2012. The current year’s budget assumed that the equivalent of around 406 ftes would leave the Council (excluding Schools and Public Health) and a new Early Leavers scheme was launched covering the period up to and including March 2016.

Many of the costs and savings identified have a staffing implication. Excluding the inflationary impact, staffing reductions of around £11m are included in the 2014/15 initial budget proposals.

The initial budget proposals provide for a net reduction in anticipated staff numbers of 273 ftes by 31<sup>st</sup> March 2015, as shown in Table 5 below:

Table 5

FTEs	Current Nos Oct-13	Increases	Decreases	Net Movement
Adult Social care	2,327.1	19.4	-104.6	-85.2
Children's Services	2,590.8	33.5	-187.6	-154.0
City Development	1,791.9	17.0	-52.0	-35.0
Environment & Housing	1,869.3	35.7	-43.2	-7.5
Strategy & Resources	1,107.9	3.0	-55.5	-52.5
Civic Enterprise Leeds	1,820.3	67.0	-18.0	49.0
Citizens & Communities	798.8	7.0	-8.0	-1.0
Legal & Democratic	189.5	0.0	-1.0	-1.0
Public Health	71.1	13.4	0.0	13.4
<b>Total</b>	<b>12,566.7</b>	<b>196.0</b>	<b>-469.9</b>	<b>-273.8</b>

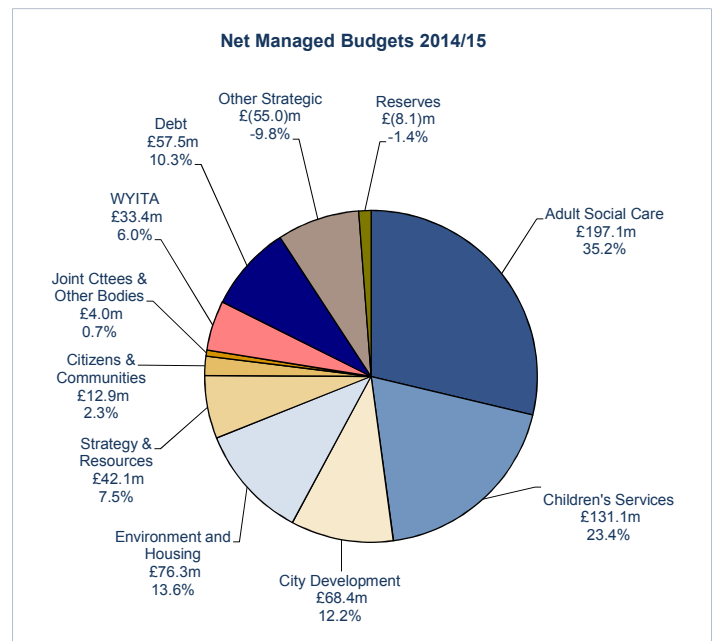
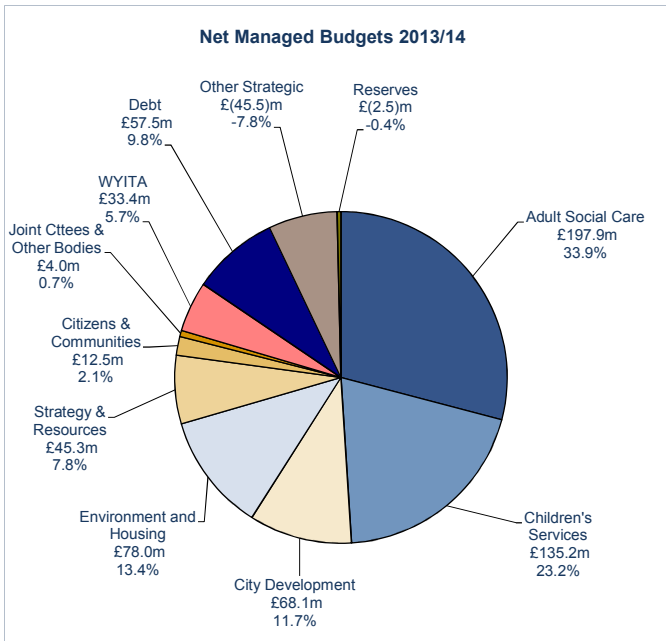
As in previous years, this will mean that staff will leave the authority from across the whole range of services and it will be necessary therefore to continue to manage this very carefully and make arrangements to retrain and redeploy staff where appropriate.

6.7 The proposals outlined above are reflected in table 6 below which gives a subjective breakdown of the Council’s initial budget in 2014/15, compared to 2013/14.

Table 6

	Budget 2013/14 £m	Budget 2014/15 £m	%age Variation £m
Employees	433.9	428.7	-1.2%
Other running expenses	135.7	132.7	-2.2%
Capital Charges	59.5	59.5	0.0%
Payments to external service providers	334.3	333.9	-0.1%
Fees & Charges/Other income	-204.0	-210.4	3.1%
Specific Grants	-171.8	-175.5	2.1%
Use of reserves	-3.7	-9.3	151.4%
<b>Net Spend before grants</b>	<b>583.9</b>	<b>559.6</b>	<b>-4.2%</b>
Funded by:			
SFA	350.7	318.9	-9.1%
Council Tax	233.2	240.7	3.2%
<b>Total Funding</b>	<b>583.9</b>	<b>559.6</b>	<b>-4.2%</b>

6.8 The following pie charts show the share of the Council’s net managed expenditure between directorates over the two years both in cash and percentage terms. Net managed expenditure represents the budgets under the control of individual directorates, excluding items such as capital charges and pensions adjustments. It can be seen that the proportion of the Council’s spend on Children’s Services and Adult Social Care has increased from 57.1% to 58.6% reflecting the Council’s need to prioritise spending in these areas.



## **7.0 Public Health**

- 7.1 On 1<sup>st</sup> April 2013 local authorities took the lead from the NHS for improving the health of their local communities. As responsibilities have transferred to the council so have the staff, existing funding commitments and contracts. The Department of Health has provided a protected ring-fenced grant in order to drive local efforts to improve health and wellbeing by tackling the wider determinants of poor health. The funding allocations support the Government's vision of helping people live longer, healthier and more fulfilling lives and tackling inequalities in health. For Leeds this funding is to be used to help implement the Leeds Health & Wellbeing strategy, including the four commitments plus the public health aspect of the Best Council plan.
- 7.2 The Council's Office of the Director of Public Health is responsible for a ring-fenced grant which is being provided to give local authorities the funding needed to discharge their new public health responsibilities.
- 7.3 The Government will provide a public health ring-fenced grant to Leeds City Council of £40.5m for 2014/15: this includes a £3.7 million uplift from 2013/14. The priority for 2014/15 is all around stability, focusing on working with providers on meeting targets and appropriately aligning responsibilities and finance that may still be unresolved. In addition, account is being taken of the mid-year decision by the Department of Health that a previously separate grant to tackle fuel poverty is now deemed to be part of the public health grant. Further details of the budget proposals can be found in appendix 1.

## **8.0 THE SCHOOLS BUDGET**

- 8.1 The Schools Budget is funded by the Dedicated Schools Grant (DSG). The DSG is a ring-fenced grant and may only be applied to meet costs that fall within the Local Authority Schools Budget. Any under or over spend of grant from one year must be carried forward and applied to the Schools Budget in future years. The Schools Budget comprises of Individual School Budgets delegated to schools, the 15hrs of free early years education for 2, 3 and 4 year olds attending private, voluntary and independent settings, the cost of supporting pupils with high needs and a number of prescribed services and costs in support of education in schools. Funding for post 16 provision remains as a separate post 16 Grant and a small number of targeted grants remain, with the Pupil Premium being the largest of these. There are therefore 5 broad funding blocks covering five areas of expenditure.
- 8.2 The DSG for 2014/15 is funded as three separate blocks, known as The Early Years Block, The High Needs Block, and the Schools Block.
- 8.3 The Early Years Block will be used to fund the free early education of 3 and 4 yr olds, and the early education of vulnerable 2 yr olds in Schools, Academies and Private, Voluntary and Independent settings. The grant will be based on the number of 3 and 4 yr olds on the January 2014 and January 2015 census, multiplied by a figure of £3,883 per full time equivalent pupil. The funding for the 2014/15 financial year will therefore not be finalised until after the end of the year,

but numbers are expected to increase due to the increase in the birthrate in Leeds. It is estimated that funding for 3 and 4 yr olds will increase by £750k yr on yr. Funding for 2yr old provision will be based on a DfE target for 2yr old places. In 2013/14 Leeds received £8.44m from a national total of £525m with a target of 2,190 2yr old places. The funding for 2014/15 has not yet been confirmed but national funding of £760m has previously been announced. Based on this national total the allocation for Leeds is estimated to increase by £3.78m.

- 8.4 The High Needs Block will be used to fund Special Schools, Resourced SEN places in Mainstream Schools, Pupil Referral Units and Education other than at School. The 2014/15 baseline for the High needs Block is £54.47m. The baseline will be adjusted for population changes and will be adjusted based on funding available to the DfE. The national grant total for 2014/15 has not been announced and the High Needs Block allocation will be finalised in March 2014.
- 8.5 The Schools Block funds the delegated budgets of Primary and Secondary Schools for pupils in reception to year 11, and a number of prescribed services and costs in support of education in schools. The grant for 2014/15 will be based on pupil numbers in Leeds (including those in Academies) as at October 2013, multiplied by a unit rate of £4,538. It is estimated that pupil numbers will increase by 1,920 year on year and the Schools Block will increase by £8.7m.
- 8.6 The delegated Schools Budget will be allocated to Primary and Secondary Schools including academies through the use of a simplified funding formula. The funding allocated to academies through the funding formula will be top sliced from the Schools Block paid to the City Council.
- 8.7 Funding for post 16 provision is allocated by the Education Funding Agency through a national formula. Historically school sixth forms have been funded at higher rates than FE Colleges and Sixth Form Colleges and the funding of sixth forms is reducing as this additional funding is withdrawn.
- 8.8 The DfE continues to provide separate ring fenced grant allocations to support national priorities. All of the grant allocations are paid to the School attended and the expenditure is not managed by the Local Authority. The pupil premium is paid to Schools and Academies based on the number of pupils aged 5 to 15 on roll in January each year who have been eligible for Free School Meals at any point in the previous 6 years of education. The pupil premium is paid at a national rate of £900 per qualifying pupil in 2013/14. It has been announced that the Pupil Premium for Primary pupils will increase to £1,300 per qualifying pupil in 2014/15. The Pupil Premium for Secondary pupils will increase to £935 in 2014/15. The pupil premium for Children Looked after will increase to £1,900. The Children Looked After Pupil Premium will be paid from the day children enter care and will also be paid where children are adopted from care and on behalf of those who leave care under a special guardianship order or residence order. The number of pupils qualifying for the Looked After Pupil Premium is estimated to increase by 25% year on year. The Pupil Premium is also paid based on pupils that are looked after or are Service Children. The grant for Service Children is paid at a lower rate of £300.

It is estimated that the pupil premium paid to Primary Schools and academies in Leeds will increase by over £7.6m, but the pupil premium paid to Secondary Schools and Academies will increase by only £440k.

The Primary PE Grant will be paid in the 2013/14 and 2014/15 academic years to all Primary Schools at a rate of £8,000 plus £5 per pupil.

The Yr 7 catch up premium will be paid in the 2013/14 and 2014/15 financial years at a rate of £500 for each pupil in year 7 who did not achieve at least level 4 in reading and/or mathematics (maximum £500 per pupil) at Key Stage 2.

### 8.9 Free School Meals for Under 7s

The Government has announced that free school meals will be provided to all pupils in Reception, Year 1 and Year 2 from September 2014. The annual cost is estimated to be £600m. An announcement of the funding allocation method is expected in December. Based on the assumption that funding for the period September to March will be included in the 2014/15 budget it is estimated that this will produce funding in the order of £5.4m for Leeds Primary Schools

### 8.10 Schools Budget Summary (including Leeds Academies)

	2013/14 £m	2014/15 £m (estimated)	Yr on yr Change
Schools Block	431.95	440.66	8.71
Early Years Block (3 & 4yr olds)	30.06	30.81	0.75
Early years Block (2yr olds)	8.44	12.22	3.78
High Needs Block	54.47	54.47	0.00
EFA Post 16 Funding	19.16	18.11	-1.05
Pupil Premium – Deprivation	28.51	36.55	8.04
Pupil Premium – Looked after	0.58	1.22	0.64
Pupil premium – Service Children	0.04	0.04	0.00
PE & Sport Grant	1.81	1.81	0.00
Yr 7 Catch up Premium	0.54	0.54	0.00
Free School Meals under 7's	0.00	5.40	5.40
<b>Total Schools Budget</b>	<b>575.56</b>	<b>601.83</b>	<b>26.27</b>

### 9.0 HOUSING REVENUE ACCOUNT (HRA)

9.1 The HRA includes all the expenditure and income incurred in managing the Council's housing stock, and, in accordance with Government legislation operates as a ring fenced account.

9.2 The 2014/15 budget will be influenced by the Council's rent strategy agreed by Executive Board in February 2012 and which followed the Government's rent restructuring policy which aimed at ensuring that local authority and housing association tenants would eventually pay similar rents for similar properties in similar areas (rent convergence). The rental strategy agreed by the Council



smoothed the incidence of the rent increases that had been assumed by Government in their debt settlement with the Council following the implementation of HRA self-financing in April 2012.

- 9.3 As a part of the June 2013 Spending Review, and subsequently confirmed in a consultation document, the Government have announced a new rent setting formula, to be fixed for ten years, of Consumer Price Index (CPI) +1% per year from 2015/16. As a result, removing from 1<sup>st</sup> April 2015 the flexibility available to landlords to increase rents by an additional £2 per week, effectively ends the policy of rent convergence and reflects the Government's expectation that social rent properties will have converged by 2014/15. For Leeds it is estimated that 54% of properties will not have converged by the end of 2014/15 and therefore the change in the rent setting policy will mean a reduction in the income to the Council's Housing Revenue Account estimated to be £3.5m in 2015/16 rising to an average of £6.5m per annum from 2016/17.
- 9.4 The Council's rent strategy assumed a rent increase of 5.2% in 2014/15 but there is the opportunity to offset the impact of the Government's rent policy upon rental income streams by increasing the rent to the "limit rent" which is the rent at which the Government will pay the full subsidy for housing benefit. (If the average rent for the Authority is higher than the limit rent then housing benefit receivable is reduced proportionately). Whilst the limit rent for 2014/15 hasn't yet been announced a similar increase to that seen in 2013/14 would allow for a 7% increase in rent.
- 9.5 In accordance with the adopted rent strategy it is proposed that rather than increase the rents by this amount, that instead the increases are smoothed with the proposal to increase rents by 5.9% in 2014/15.
- 9.6 In April 2013 the government implemented a number of changes to the welfare system. Most notable was the Social Sector Size Criteria (SSSC) which reduces Housing Benefit (HB) entitlement for working age tenants deemed to have more bedrooms than they need. Subsequently this has increased the level of rent arrears with 59% of those tenants impacted upon by these reforms now in arrears. Whilst the implementation of Universal Credit has been delayed it is anticipated that this will also lead to an increase in the level of tenant arrears and the consequent requirement to provide for this.
- 9.7 In June 2013 Executive Board agreed to the transfer of Housing Management function from the ALMOs back to the Council. An important driver for the review was to deliver financial savings that could be reinvested in front-line services for council tenants and/or investment in the Council's housing stock. Financial savings can be made in three main areas; senior management, support costs and the removal of costs associated with maintaining a separate company arrangement as well as additional savings in not requiring a client side function. Work is currently being progressed to realise these savings.
- 9.8 On the 9<sup>th</sup> November 2013 Executive Board received a report which set out the housing investment priorities for 2014/15. In 2014/15 the headline investment proposals for the Council's Housing Stock are the new build programme; bringing empty properties back into use; Re-model Sheltered Housing; Fire safety works at

multi-storey blocks; Adapting properties for disabled residents; new kitchens and bathrooms; Decent Homes Standard maintenance; Void property work; and upgrading inefficient central heating boilers. In addition investment in Little London, Beeston and Holbeck commenced in 2013/14.

- 9.9 All of these investment priorities are funded through the HRA and any variation in the rental income stream will impact upon the level of resources that are available to deliver the essential investment strategy to maintain and improve the Council's housing stock.

## **10.0 CAPITAL PROGRAMME**

- 10.1 Over the period 2013/14 to 2015/16 the existing capital programme includes investment plans which total £592m. The programme is funded by external sources in the form of grants and contributions and also by the Council through borrowing and reserves. Where borrowing is used to fund the programme, the revenue costs of the borrowing will be included within the revenue budget. Our asset portfolio is valued in the Council's published accounts at £3.4bn excluding the value of community assets such as highways and parks, and the Council's net debt stands at £1.4bn.
- 10.2 When capital investment is funded from borrowing, there is a cost to the revenue budget both in terms of interest and minimum revenue provision. When capital expenditure is funded by borrowing, councils are required to make an annual minimum revenue provision (MRP) charge to the revenue accounts. This is the means by which capital expenditure which has been funded by borrowing is paid for by the council tax payer. In recent years the annual MRP charge has averaged around 4% of the amount borrowed to fund capital and for 2013/14 is around £39m.
- 10.3 The Council continues to work towards a funded capital programme which is less than or equivalent to the level of the minimum revenue provision so that the Council's debt is managed at its current level or in fact reduced. However, before this can be achieved there are a number of capital investment plans which are either contractually committed or are of strategic importance to the city which the Council will need to provide for, for example Flood Alleviation, Changing the Workplace, New Generation Transport and the Basic Needs programme in schools. Borrowing to fund these and other projects will mean that for 2014/15 the revenue cost of debt will need to increase by at least £2m. However the Initial Budget proposals assumes that all funding is taken short term at 0.5% interest for the remainder of 13/14 and 14/15 and by careful management it is considered that the target of a zero increase can be achieved but this is not without risk.
- 10.4 There are a number of key annual expenditure programmes which need to be provided for within the capital programme each year. These total £31.3m each year and are shown in the table below. For each additional £1m of capital investment funded by borrowing, a budget of £80,000 per year would be required in the revenue budget. If an additional £1m of revenue budget was available each year, an additional £12m of capital investment could be carried out.

<b>CAPITALISATION / ANNUAL PROGRAMMES</b>	
	<b>£000</b>
<b>Capitalisation</b>	
General Capitalisation	4400.0
PFI capitalisation	150.0
Library Books	700.0
Highway Maintenance	1,500.0
Capital Programme Management	600.0
<b>Annual Programmes</b>	
S278 grant used in revenue	4,000.0
Adaptation to Private Homes	400.0
Contingency	500.0
Maintenance of Council buildings	1,500.0
Disabled Facilities Grants	3,930.0
General Refurbishment of Schools	1200.0
Highways Maintenance	10,000.0
ICT Essential Services Programme	1,200.0
Traffic Management Programme	200.0
Demolition and asbestos removal	1,000.0
<b>Total Annual Programmes</b>	<b>31,280.0</b>

10.5 The strategy allows for capital investment above the MRP of £39m where the investment results in savings or avoids future costs. This capital investment will be subject to robust business cases being reviewed and approved prior to schemes progressing

### 11.0 Prospects for 2015/16

11.1 The funding envelope for 2015/16 is currently assessed as a reduction of £33m taking account of the reduction in Government funding announced in the 2013 Spending review as shown below:

Funding Envelope	2015/16 £m
Government Funding	
Settlement Funding Assessment	45.5
New Homes Bonus	-3.7
Sub-total Government Funding	41.8
Locally Determined Funding	
Tax Base growth	-2.9
NNDR Growth	-2.1
Council Tax - 2% increase	-4.7
Change in use of reserves	1.2
Sub-total Locally Determined Funding	-8.5
Total Funding Reduction	33.3

11.2 When unavoidable pressures are added the total rises to £49m:

	£m
Reduction in Resources	33.3
Inflation	9.5
Full Year Effects	-1.7
Demand/Demography	2.4
Other Budget Pressures:	
Children's - grant reductions	4.0
- repayment of school balances	1.0
- alternatives to care	1.0
Total Pressures	49.4

11.3 In order to establish a balanced budget for 2015/16 it is essential that the Council continues to work closely with its partners to ensure the best use of resources available in the city, including:

- Working with health partners to maximise the city's share of the £3.8bn pooled budget for health and social care services, announced in the Spending Review.
- Securing a share of other funding streams.
- Working with the Local Enterprise Partnership to deliver the economic regeneration agenda.

11.4 Nevertheless, it is clear that further savings proposals will need to be identified to bridge the remaining gap in 2015/16 and it is inevitable that there will be some impact on front line services.

## **12.0 CORPORATE CONSIDERATIONS**

### **12.1 Consultation and Engagement**

- 12.1.1 As explained at section 5 above the initial budget proposals have been informed through a recent consultation regarding the Council's priorities. Subject to the approval of the board, this report will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this board on the 14<sup>th</sup> February 2014.
- 12.1.2 Consultation is an ongoing process and residents are consulted on many issues during the year. It is also proposed that this report is used for wider consultation with the public through the Leeds internet and with other stakeholders. Consultation is on-going with representatives from the Third Sector, and plans are in place to consult with the Business sector prior to finalisation of the budget.

### **12.2. Equality and Diversity / Cohesion and Integration**

- 12.2.1 The council continues to have a clear approach to embedding equality in all aspects of its work and recognises the lead role we have in the city to promote equality and diversity. This includes putting equality into practice taking into account legislative requirements, the changing landscape in which we work and the current and future financial challenges that the city faces.
- 12.2.2 In addition as a result of the changes to the Best Council Plan the related Equality Improvement Priorities 2011 – 15 were also reviewed and refreshed and a number of changes proposed and agreed.
- 12.2.3 The proposals within this report have been screened for relevance to equality, diversity, cohesion and integration and a full strategic analysis and assessment will be undertaken on the Revenue Budget and Council Tax 2014 – 15 which will be considered by Executive Board in February 2014. Specific equality impact assessments will also be undertaken on the implementation of all budget decisions as they are considered during the decision making process in 2014/15.

### **12.3 Council Policies and City Priorities**

- 12.3.1 The initial budget proposals seek to ensure that the policies and priorities of the Council are supported by directing financial resources towards the Council's policies and priorities.

### **12.4 Resources and Value for Money**

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

### **12.5 Legal Implications, Access to Information and Call In**

- 12.5.1 This report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the initial budget proposals, once approved by the board will be submitted to Scrutiny for their review and

consideration. The outcome of their review will be reported to the February 2014 meeting of this board at which proposals for the 2014/15 budget will be considered prior to submission to full Council on the 26<sup>th</sup> February 2014.

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

12.5.3 In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget are reserved to Council. As such, the recommendation at 14.1 is not subject to call in, as the budget is a matter that will ultimately be determined by Council, and this report is in compliance with the Council's constitution as to the publication of initial budget proposals two months prior to adoption.

## **12.6 Risk Management**

12.6.1 A full risk assessment will be undertaken of the Council's financial plans as part of the normal budget process, but it is clear that there are a number of risks that could impact upon these plans put forward in this report; some of the more significant ones are set out below.

- Demand pressures in Adult Social care and Children's services could be greater than anticipated.
- Reductions in government grants are greater than anticipated. Grant figures for the Council for 2014/15 will not be known until later in the planning period
- Inflation and pay awards could be greater than anticipated
- Other sources of income and funding could continue to decline
- Increase in the Council Tax base could be less than anticipated
- Growth in business rates could be less than anticipated, or base could decline
- Council Tax discounts could be greater than forecast
- The delivery of savings from the Council's transformation agenda and other saving options could be delayed or less than anticipated
- Changes in interest rates could impact upon capital financing charges
- Asset sales could be delayed requiring the Council to borrow more to fund investment
- Impact of Government welfare reforms could have a greater impact upon the delivery of the Council's services than currently anticipated
- Reductions in staffing numbers from early leaver initiatives and natural turnover could be less than anticipated
- Failure to understand and respond to the equality impact assessment

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

## **13.0 CONCLUSIONS**

- 13.1 This report has shown that the current financial position continues to be very challenging. The Council is committed to providing the best service possible for the citizens of Leeds and to achieving the ambition for the city of being the best in the UK. In order to achieve both the strategic aims and financial constraints, the Council will be more enterprising, working with business and partners to be more civic, and working with the public to be more engaged.
- 13.2 Based on the 2013 Spending Review, it is anticipated that there will be a further reduction in funding from Government of around £81m for core services over the two years 2014/15 and 2015/16. The initial budget proposals for 2014/15 set out in this document, subject to the finalisation of the detailed proposals in February 2014, will, if delivered, generate savings of £45.9m and produce a balanced budget.
- 13.3 A significant increase in the use of general reserves is required to support the 2014/15 budget, although this is not sustainable in the medium term. It is clear that further savings proposals will need to be identified for the future and the Council will need to be focussed on changing the way services are provided and commissioned and direct spend to counter disadvantage and reduce inequality.
- 13.4 The challenge is significant, and the council has responded well so far, recognising the need to change. For the future the Council will continue to reduce in size, but will aim to become a bigger one in influence, becoming an enterprising council and transforming the way it works with partners and communities.

## **14.0 RECOMMENDATION**

- 14.1 The Executive Board is asked to agree this report as the initial budget proposals and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.

## **15.0 Background documents<sup>1</sup>**

- 15.1 There are no background documents relating to this report.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

## INITIAL BUDGET PROPOSALS 2014/15

## ENVIRONMENT AND HOUSING DIRECTORATE

**Service Context**

The Department manages a diverse set of functions which, nevertheless, combine to form some of the key foundations of strong communities. Clean streets, well maintained green spaces which people can use, sound housing which meets people's needs, safe neighbourhoods - these are marks of desirable places to live. At a time of significantly diminishing resources, priority has been given to ensure that these bedrock services are maintained.

The Department, beyond its universal duties, also serves some of the most vulnerable in the city. As well as providing advice to the many thousands in housing need, the Department supports many others to sustain their tenancies. The department intervenes in the private sector to tackle some of the worst housing conditions in the city. Through close working with the police and health service, services are commissioned to help people leave a life of drug dependency.

There is also a longer term agenda. Work to improve and add to the city's housing stock has importance for many years to come, as do the environmental choices we make today.

**The Key Outcomes**

Based on the above, the Department has a number of key priorities which the budget is designed to support. They are as follows:

- preventing homelessness;
- improving the quality of private sector housing
- reducing crime and anti-social behaviour
- reducing fuel poverty and providing sustainable energy
- providing a reliable refuse and recycling service
- minimising the amount of waste that ends up in landfill by promoting reuse and recycling;
- clean neighbourhoods, reflecting local needs;
- green spaces which people can enjoy

To achieve these outcomes, the budget brings forward proposals clustered around the Best Council objectives.

**Budget proposals****Best Council Objective: ensuring high quality public services**

The contract payment for the provision of support for homeless people living in private sector temporary accommodation has reduced significantly. This reduction reflects the success of the Department in finding early long term solutions for people's housing problems. This is as a result of the on-going work by Leeds Housing Options to prevent homelessness, the remodelling of the accommodation



units, such as hostels, and the introduction of shorter move on targets. Joint work between providers and Leeds Housing Options means that individuals are assisted to move on into more permanent housing as soon as possible.

A line by line review of all budgets across the Directorate will be undertaken to deliver further savings.

**Best Council Objective: dealing effectively with the City's waste**

It is proposed to further roll out the alternate week collection of recyclable and residual waste citywide. By the end of 2013/14 this enhanced service will have been rolled out to 166,000 or 48% of properties in Leeds. In 2014/15 alternate week collection will be rolled out further so that in total an estimated 80% of the city will be in receipt of this service, with detailed consideration of alternative approaches for the remaining 20% of the city. As well as reducing costs of collection and disposal in 2014/15 these service developments will contribute towards an estimated 47% recycling target for the City and the longer term target of 55% for 2016.

Savings will arise from the full effect of the closure of Stanley Road Household Waste Site (HWSS) in August 2013 and subject to approving a business case, the planned closure of Kirkstall Road HWSS for redevelopment in late summer 2014.

**Best Council Objective: becoming an efficient and enterprising council**

Staff savings will be realised through a combination of service redesign for business support processes and structures, ELIs, the deletion of vacant posts and a further review of review of JNC posts in the Directorate.

Within the Parks and Countryside staff savings will derive from a redesign of the Forestry service and the implementation of seasonal working patterns for maintenance staff. Through working longer hours in the summer and shorter ones in the winter months, there will be a reduced requirement to employ seasonal staff during the period May to September.

It is proposed that resources that deal with improving the environment, that are currently based in both Housing Leeds and Environmental Action, are combined so that responsibility for the delivery of the function resides within Environmental Action. Not only will this deliver an enhanced service at a reduced cost but it will clarify responsibilities and accountability for service delivery.

The CCTV and security related functions will seek to expand their business base by engaging with both private sector and public sector organisations. More specifically the planned capital investment in multi storey flats provides the opportunity to extend the benefits of CCTV to more tenancies across the City.

**Other**

It is proposed to change the contract with West Yorkshire Police for the provision of Police and Community Safety Officers (PCSOs). Currently the Council pays 30% of

the cost of 165 PCSOs on the basis of 5 in each ward. By deploying staff differently and reaching agreement on the range of duties that are undertaken, savings can be achieved. An impact assessment is being undertaken to inform how this resource will be deployed in future.

Bus lane cameras have been very successful in reducing the numbers of cars which contravene restrictions, ensuring that the lanes are used as they are intended at peak times by buses and cyclists. Additional income is assumed from the extension of the bus lane enforcement camera scheme to a possible further 18 sites across the City.

Charges to the Housing Revenue Account will increase to reflect more accurately Environmental works undertaken on estates, the cost of maintenance and landscaping work on estates, activity levels in respect of the nuisance service and the level of support required to ensure that vulnerable adults can continue to live in their own homes.

The proposals include targets to utilise income opportunities for the Parks and Countryside service. Sales of forestry products, income from projects and services provided by the Parks and Countryside team as well as income from concessions, retail and cafes are expected to generate additional income in 2014/15.

### **Key Risks**

That assumption in respect of waste growth and the level of recycling across the City is not delivered and there is a consequential increase, over and above the budgeted assumptions, in the amount of waste that is landfilled.

Assumptions in respect of income receivable from Bus Lane enforcement are impacted upon by a reduction in the numbers of offences assumed in the budget assumptions.

That activity levels from income generating activities within Parks and Countryside are less than anticipated.

That both the number of staff leaving on ELI and the number of posts becoming vacant is less than assumed in the budget.

That levels of homelessness increase across the City with the subsequently requirement for the City Council to support these individuals in temporary accommodation

## Environment and Housing

Pressures/Savings	2014/15 £m	FTEs	Is this relevant to Equality & Diversity Y/N
<b>Budget Pressures:</b>			
<b>Inflation</b>			
Pay	1.1		
Price inc Landfill tax	2.0		
Income	(0.2)		
<b>Full Year Effects of previous decisions</b>			
Loss of income from the closure of Quarry Hill Car Park	0.1		
<b>Demand/Demography</b>			
<b>Other</b>		22.0	
Pay Pressures within the Refuse Collection Services	0.6		
Reduction in the costs of financing costs of Refuse Collection vehicles and replacement bins	(0.4)		
Financing costs of the implementation of a new Integrated Waste management IT system	0.1		
Loss of income from car parking fees and Penalty Charge Notices due to the disposal of the Union Street Car park as part of the development of the Harewood Quarter.	1.1		
<b>Total Pressures</b>	<b>4.3</b>	<b>22.0</b>	
<b>Savings Proposals:</b>			
<b>Procurement</b>			
Savings in the Temporary Accommodation and Emergency Services contract which provides support for homeless people living in private sector temporary accommodation.	(0.5)		Y
Review of all items of expenditure to deliver line by line savings.	(0.2)		N
<b>Dealing effectively with Waste</b>			
Continued roll out of the alternate weekly collection of recyclable and residual waste (AWC). By the end of 2014/15 approximately 80% of Households will receive this enhanced service for the collection of recyclables	(1.9)		Y
Waste Recycling Advisors - to support the implementation of AWC	0.1	8.0	Y
Additional tonnage volumes (non AWC areas)	0.3		N
Delay rolling out any more garden waste collections	(0.1)	(1.7)	N
Savings associated with the full year effect of the closure of Stanley Road waste site and a review of opening and closing times at other sites	(0.3)	(6.5)	N
Reduction in PFI procurement costs during construction phase of the Energy from Waste plant	(0.2)		N
Reduction of electricity income from gas emitted at Gamblethorpe closed landfill site	0.2		N
Review of the management and supervisory structure to provide support to deliver major changes to the Waste service	0.2	5.7	Y
<b>Income, charging and trading</b>			
Additional income generated from the full year effects of Bus Lane Enforcement (BLE) and from a further roll out to non City Centre sites	(0.8)		Y
Additional income receivable from services and contracts delivered by Parks and Countryside	(0.4)		N
Reduction in the subsidy on Allotments	(0.1)	(1.0)	Y
Charges to the Housing Revenue Account (HRA) will be reviewed to reflect more appropriately the work undertaken on estates	(1.0)		N
Other minor income variations mainly a review of 24 hour opening at Woodhouse Lane car park and additional sales in parks	(0.1)	(1.0)	N
<b>Other efficiencies/savings proposals</b>			
Staffing savings to be achieved via service restructures, not filling existing vacant posts and staff leaving on the Council's ELI	(1.1)	(33.0)	Y
Review level of payments/funding support for PCSOs	(0.2)		Y
<b>Total Savings</b>	<b>(6.0)</b>	<b>(29.5)</b>	
	<b>27</b>		
<b>Overall net Saving</b>	<b>(1.7)</b>	<b>(7.5)</b>	

