

## Executive Board papers 14th February 2014 – Service Budgets

The following pages provide supporting information to the full budget report

- Service budget reports expand on the full report at a more detailed level
- Annual Financial Plan (AFP) pages will be published later to give an overview of the services provided and a less technical summary of their budgets
- Budget Book extracts give the full detailed figures at level at which budgets will be controlled
  - Adult Social Care
  - Children's Services:
    - General Fund
    - Schools
  - City Development
  - Environment and Housing:
    - General Fund
    - Housing Revenue Account
  - Strategy and Resources
  - Legal and Democratic Services
  - Citizens and Communities
  - Civic Enterprise Leeds
  - Public Health
  - Central Accounts

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



Adult Social Care



# LEEDS CITY COUNCIL

## 2014/15 BUDGET REPORT

### Directorate: Adult Social Care

#### 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 2014/15 financial year.

#### 2 Service Context

- 2.1 The national context for Adult Social Care continues to be one of demographic increases, increased life expectancy, increasing complexity of need and service user expectations, greater support for people to remain living independently in their own homes for as long as possible, a national drive to improve the quality of social care services and an increasing focus on the integration of health and social care services. These national trends, which are leading to increased cost pressures, have been evident for many years, but the economic climate is putting increasing pressure on public finances and the reductions in public spending have added to the financial challenges faced by Adult Social Care.
- 2.2 There has been a continued national focus on providing more personalised and community based social care support and on health and adult social care services working in close partnership to deliver better outcomes for people. The Care Bill that is currently going through the later stages of the parliamentary process will provide a new statutory framework for adult social care services, with one Act replacing the legislation that has been put in place incrementally since the 1948 National Assistance Act. It also includes some significant changes and new responsibilities that will have major implications for Adult Social Care services, with some of these taking effect in April 2015 and the remainder in April 2016. In particular, the proposed cap on individuals' care costs will involve some form of care assessment for people currently funding their own care who have not previously come to the Council for support and there are enhanced requirements to provide assessments and support for carers. A considerable amount of work will need to take place during 2014/15 in preparation for these changes.
- 2.3 In February 2013 the Chancellor announced a £3.8bn transfer from the NHS to Adult Social Care to support the further integration of health and social care services. This transfer is now governed by establishing a Better Care Fund (BCF) between the Council and the local Clinical Commissioning Groups (CCGs) which will become operational in 2015/16. The government guidance for the BCF has clarified that the funding will be made up of existing resources allocated to both councils and CCGs. Whilst there is no new money for this fund in 2015/16, there are significant national conditions and performance targets attached to it, which may lead to a loss of resources to Leeds in the future if they are not met. The 2014/15 settlement does, however, contain an additional £200m nationally to make preparations for setting up the BCF and meeting the conditions and performance targets.
- 2.4 Significant improvements in service delivery to Adult Social Care customers have been made over the last year, building on the progress made in previous years. The number of people exercising choice and control by receiving their services through a personal budget continues to increase. Reablement services are fully operational, geared to preventing unnecessary admission to hospital or residential care, and to helping people regain their independent living skills following a spell in hospital or an illness. Work to integrate front-

line Adult Social Care and Health teams continues, with social workers, occupational therapists, GPs, district nurses and community matrons working together at a number of sites across the city.

- 2.5 Our aim is for Leeds to be the best city in the UK for people with social care needs, offering its residents the best support available in maintaining their health and wellbeing. To do this we are taking a new approach that will help local people with care and support needs to enjoy better lives than before. The Council has been working with a broad range of organisations to ensure that there are wider care and support choices available and better ways for people to gain access to them. Our focus will remain on ensuring that people with social care needs can access services earlier; and that care and support help reconnect people at risk of isolation back with their communities and delay the need for institutional care. The Better Lives strategy contains three strands to make sure that resources, both people and money, are focused on the things that will make a difference. Ultimately, the changes we are making in these three overlapping areas will mean that people who need care, support or information about how to live a healthier lifestyle in the future will have a better experience. We are re-shaping our approach so we can meet the challenges of the future head on, confident in the knowledge that what we are doing will make a positive and lasting difference to the lives of people who use social care support in Leeds.
- 2.6 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. Over time, public funding will move towards enabling individuals to pay for the care they want, and away from directly provided services. This means the Council will become a catalyst for 'providing more for less', for the people of Leeds. Three priorities are key to helping achieve our Better Lives ambitions over the next few years and these are set out below:
- 2.7 Better Lives through integration  
This will be done by providing easier access to joined-up health and social care services, which will recognise the whole person, not a medical condition or a care and support need. People with social care needs will receive co-ordinated, effective, personalised support from a range of agencies in the health, social care, independent and third sectors, all working together. Over the next few years GPs and other health and social care professionals will increasingly be working in close-knit teams, identifying levels of risk, sharing information and taking a joint approach to help people stay as healthy and independent as possible.
- 2.8 Better Lives through housing, care and support  
This will be done by extending the use of personal budgets, which are being used successfully by a growing number of people who are improving their own lives through taking control of their housing, care and support needs. We will improve the range of opportunities for people with eligible needs, providing them with the day-to-day support they need to stay living at home, or close to home, for longer. People whose circumstances make them vulnerable in living safely and independently will be given the support they need to stay in control of their lives.
- 2.9 Better Lives through enterprise  
This focuses on how the council can actively help charities, other public sector bodies, social enterprises and businesses to improve existing services, and develop new ones. This will be done by ensuring resources are efficiently matched and directed towards those with the greatest need. Existing and new kinds of enterprise will be developed in the Leeds care

market which will provide a variety of services that are geared to respond to people with all levels of support and care need.

- 2.10 The 2014/15 Adult Social Care budget in Leeds includes recognition of the additional spending pressures being faced. It also includes savings from service reconfiguration so that services better meet people's needs in the future and the level of need for social care support can be met. Whilst this will mean change for some people in receipt of social care, it will not impact on the overall level of service provision to customers. In summary, the main changes within the 2014/15 Adult Social Care budget are additional provision for demand led budgets funded through service reconfiguration and efficiency savings.

### 3 Explanation of variations between adjusted 2013/14 and 2014/15 - £1,069k Cr (-0.54%)

- 3.1 The variation can be summarised as follows:

	£000s
Net Managed Budget 2013/14	197,828
Adjustments	
• Transfers of functions	207
• Other adjustments	- 1,896
Adjusted Net Managed Budget 2013/14	196,139
Changes in prices	
• Pay	1,044
• Price	1,184
• Income	- 123
Full Year Effects	- 989
Demand/Demography	4,276
Other Budget pressures	1,276
Total Budget Increases	6,668
Savings	
Delivery of the Better Lives programme	- 2,171
Ensuring High Quality Public Services - Procurement	- 1,002
Becoming an efficient and enterprising Council	
• Business Improvement	- 500
Income, charging and trading	- 1,000
Other efficiencies and savings proposals	- 3,064
Total savings	- 7,737
Net Managed Budget 2014/15	195,070

## 3.2 Adjustments

3.2.1 The transfer of functions mainly reflects the transfer of ICT Business Relationship Management staff from Strategy and Resources to Adult Social Care. Other adjustments are mainly due to the impact of recharges ceasing within the council to streamline processes and deliver efficiencies.

## 3.3 Changes in prices

3.3.1 Provision has been made for a 1% growth in staffing budgets in 2014/15. No provision has been made for inflation on running cost budgets other than where there are specific contractual commitments and on utilities. These include £740k for care packages, £90k for the PFI contract for the Independent Living Project and £120k for utilities.

3.3.2 Inflationary increases in the level of fees, charges and income from other organisations are estimated to generate additional income of £123k. Many Adult Social Care fees and charges are related to Department for Works and Pensions benefits rates and will be uplifted accordingly from April 2014. Those not linked to benefits rates have been budgeted to increase by 3%. An increase in the charges for services does not generate a proportionate increase in income as the amount people pay for most services is determined by their financial circumstances. In accordance with the April 2013 Executive Board decision, no inflationary increase is included for those services for which new charges were introduced in January 2014 (Care Ring and telecare, mental health day services and Shared Lives day support).

## 3.4 Full Year Effects

3.4.1 The quality framework for residential and nursing care fees approved during 2013/14 has been implemented in the current financial year and £560k is included in the 2014/15 budget to reflect more providers achieving the enhanced quality standard. The full-year effect of the new and increased customer charges approved by Executive Board in April 2013 amounts to £1,012k. Savings of £537k reflect the decisions of Executive Board in September 2013 regarding the Council's residential and day care services for older people. The majority of these savings relate to staffing, with staff being redeployed across Adult Social Care services and facilitating a significant reduction in the usage of agency staff.

## 3.5 Demand/Demography

3.5.1 A net increase of £4,296k has been included for demand and demographic pressures projected to be ongoing in 2014/15. Whilst this additional provision has been allocated across placements, domiciliary care, personal budgets taken as cash payments and the learning disability pooled budget, the type of service will reflect client needs and choices so each element of the community care packages budget cannot be predicted with accuracy.

3.5.2 In line with national trends, Leeds has experienced increased cost pressures on the learning disability pooled budget in recent years. Additional provision has been made in 2014/15 for the Council's contribution to the pooled budget. This reflects an increase in the number of customers being supported and greater costs due to their increasingly complex social care needs. The net increase of £2,200k includes a £500k demand management saving.

3.5.3 The focus on providing support to more people in their own homes has led to a small reduction in the 2014/15 budget for residential and nursing care placements. Provision for people taking their personal budget as a cash payment has increased by £1,450k reflecting



the upward trend experienced in 2013/14. This has been offset by a reduction in the domiciliary care budget as customers are opting for cash payments as an alternative.

- 3.5.4 The domiciliary care budget has been under pressure in 2013/14 through increased demand. Taking account of this and the anticipated impact of increased cash personal budgets, the 2014/15 domiciliary care budget has increased by £3,274k.
- 3.5.5 The increases amounting to £4,576k for placements, domiciliary care and cash personal budgets has been offset by £2,500k for savings through demand management within services for older people and services for people with physical impairments and mental health problems. The net increase in these budgets for 2014/15 is, therefore, £2,076k.

### 3.6 Other Budget Pressures

- 3.6.1 Additional provision of £1,005k has been made in 2014/15 to support the delivery and implementation of major service changes across Adult Social Care, particularly frontline assessment and care management services. This includes some costs for delivering health integration funded through additional Department of Health funding as set out in section 3.7.6 below. There will be increased costs within assessment and care management arising from some changes to the grading of social workers agreed in 2013/14 to reflect the Professional Capabilities Framework. These will be funded within the service through reconfiguring the staffing complement.
- 3.6.2 Two new services became operational during 2013/14. Holt Park Active is providing a range of activities for older people and people with physical or learning disabilities. The South Leeds Intermediate Care Centre in Beeston is providing a range of integrated services to promote faster recovery from illness and prevent unnecessary hospital admission and premature admission to long term residential care. The 2014/15 budget provides an additional £151k for the full-year costs.

### 3.7 Savings

#### 3.7.1 Delivery of the Better Lives Programme

The budget proposals include savings of £1,011k for home care services. This includes the full-year effect of the ongoing staffing reductions within the directly provided services and a part-year effect in 2014/15 of accelerating the opportunities for staff within this service to be redeployed to alternative posts within the council. In addition, improved productivity within the reablement service and its impact on reducing long term care needs are included.

Savings of £500k are included for the provision of transport, which will be delivered alongside savings of £500k budgeted in 2013/14 that have not yet been achieved. Work will continue to reduce the costs and usage of private hire and make better use of council-owned vehicles. Provision of transport for new and existing customers will be reviewed to ensure full account is taken of people's ability to meet their transport needs without the need for council provision. Further review work will be undertaken, including considering a new business model for transport and any consequent changes required to the current transport policy.

Proposals are included to save £460k by reducing costs within the outreach, physical impairment and extra care services. A further £200k is included within the learning disability community support service through increased Housing Benefit funding.

Although there is no financial impact in 2014/15, elsewhere on this agenda is a proposal to undertake formal staff consultation on developing a Social Enterprise in the form of a staff-led mutual to deliver the Learning Disability Community Support Service. This will facilitate delivering a long term sustainable future for the current service, create a significant socially responsible employer in the city that can deliver 'good growth', and the Living Wage and raise employment standards in the sector; and help mitigate cost pressures that the council is facing as a result of demographic pressures in learning disability services.

### 3.7.2 Ensuring High Quality Public Services – Procurement

Savings of £1,002k are included regarding procurement, of which £700k relates to a review of the costs of physical impairment and mental health care packages. The remainder reflects further efforts undertaken within the directorate to reduce supplies and services spend.

### 3.7.3 Becoming an Efficient and Enterprising Council – Business Improvement

The new corporate business management model will be implemented and local opportunities to make savings have been identified. Savings of £500k are included for the projected impact of these new arrangements.

### 3.7.4 Income, Charging & Trading

It has been identified that some Adult Social Care services funded through Supporting People are provided to council tenants and so a charge of £1,000k to the Housing Revenue Account for these services is included.

### 3.7.5 Other Efficiencies and Savings Proposals

Reduced staffing spend of £600k is included through improved attendance management leading to lower agency and overtime spend and improved productivity. Through seeking more cost effective delivery of services a reduction of £200k in voluntary sector grant spend is included. This will be delivered in consultation with these organisations.

A range of existing public health activities are now being commissioned from the Council by the Public Health service. These amount to £840k, mainly sexual health services, advice and information services and luncheon clubs.

Funding from the Department of Health has increased by £3,324k for 2014/15. The majority is the Leeds share of an additional £200m national funding to support the integration of services. The remainder is an increase in the £11.85m provided in 2013/14 for adult social care services that benefit the health service. The increased funding from the Department of Health is partly offset by reduced local health funding through the fall-out of £1,500k non-recurrent health funding for service transformation and reablement funding being £400k lower than the amount budgeted in 2013/14.

## 4 Net Revenue Charge

4.1 The following table provides a summary of the net revenue charge for the service which brings together the net managed budget and those budgets managed outside the service.

	£000s
Net Managed Budget	195,070
Managed Outside Service	6,660
Net Cost of Service	201,730
Transfers to/from earmarked reserves	- 3,298
Net Revenue Charge	198,432

## 5 Preparations for the Better Care Fund

- 5.1 The Council continue to work very closely with our local health partners to develop a high quality and sustainable integrated health and social care system for the city. There is a strong track record of working in partnership within the city and, in particular, a history of substantial support from the Clinical Commissioning Groups (CCG's) and the former Primary Care Trust (PCT) in providing resources to support Social Care Services that benefit health outcomes. The achievements from this approach to date have resulted in Leeds being awarded pioneer status by the government.
- 5.2 In 2013/14 additional spending pressures have been experienced in both Adult Social Care and Children's Social Care services in relation to the transformation of health and social care services, and also in increased activity, particularly additional homecare packages amounting to £3.9m in Adult Social Care. Reflecting the history of strong support outlined above, additional funding is being made available to the Council this year acknowledging the additional health benefits of this increased expenditure, including improvements in delayed discharges performance attributable to Adult Social Care and sustaining levels of provision over the winter period. This additional support, together with the savings that Adults and Children's Services have already made to mitigate these pressures in year are now likely to result in a surplus being generated against Social Care budgets in 2013/14.
- 5.3 As outlined earlier in this report, the Better Care Fund will require significant investment to continue to transform the health & social care system in the future, particularly as there are no new resources available within the BCF for 2015/16. Without such investment, the potentially enormous financial challenge being faced by Health and Social Care in the City will be much more difficult to meet. The 2014/15 budget therefore provides for the additional funding received as part of the £200m made available nationally to be earmarked for the "pump priming" of the Better Care Fund in 2014/15. The likely surplus in Social Care budgets in 2013/14, as outlined above, represents a further opportunity to provide a substantial sum to ensure that the city can move 'further and faster' with our ambitious integration plans in line with our pioneer status. It is therefore proposed that these savings are earmarked for carry forward and used to further "pump prime" the Better Care Fund in 2014/15. This will undoubtedly assist in unlocking resources to the Council in 2015/16 from the £54.9m to be administered via the Better Care Fund. On this basis, it is anticipated that the benefits achieved for the Council from the early start of the fund will amount to £2m in 2014/15. The intention is that this proposal will be finalised and dealt with through the 2013/14 financial outturn reporting to Executive Board.

## 6 Eligibility for Services

- 6.1 The Council is required to review its line of eligibility for adult community care services annually in accordance with the government's guidance "Prioritising need in the context of Putting People First". The Care Bill includes provision for eligibility to be set nationally rather than locally in future.

6.2 Currently in Leeds the line of eligibility is set between moderate and substantial, so those with a substantial or critical risk to their independence have a statutory right to receive a service. It is proposed that the line of eligibility remains unchanged for 2014/15 and that this decision is taken as part of the 2014/15 budget. The budget proposals set out above will ensure that the resources required are in place to support this decision.

## **7 Risk Assessment**

7.1 In determining the 2014/15 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 to carry the highest risk and therefore requiring careful and regular monitoring has been prepared. The key risks in the 2014/15 budget for this directorate are as follows.

7.2 The most significant risk relates to the demand led nature of the services provided, together with our statutory responsibility to ensure that all assessed eligible needs are met, which means that the expenditure requirements to be met from the Adult Social Care budget cannot be predicted with absolute certainty. The budget is based on realistic demographic information using trends experienced in Leeds and national and local indicators that are available to the Council. However, the nature of demand for these services can be somewhat volatile and subject to demand factors that Adult Social Care cannot directly control. The numbers of service users and the complexity of their needs may exceed the provision made within the budget. With approximately 3,500 placements in total a relatively modest percentage variance in numbers can give rise to a substantial cash variance. These variations could affect community care packages for adults, including those commissioned within the pooled budget for people with learning disabilities. In this context, delivering the demand management saving included within the 2014/15 budget as set out in section 3.5.5 carries some risk.

7.3 Adult Social Care has delivered very substantial efficiency and service reconfiguration savings in recent years and the delivery of further savings is, therefore, more challenging. There are some risks associated with the significant ongoing service transformation included within the 2014/15 budget. The increased level of service to be provided by the independent sector will necessitate staff within the directly provided services affected being redeployed or leaving the council's employment in a timely manner. There is also some risk that the need to incur costs on alternative care providers for customers precedes savings being delivered through decommissioning services to a greater extent than assumed within the budget. There are some risks in delivering other savings within the staffing budget relating to attendance management improvements and reconfiguring the assessment & care management service. In addition, there is a risk arising out of expectations from our health partners of Adult Social Care providing greater help to deliver whole system improvement.

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# Adult Social Care

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## **Main responsibilities:**

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

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

To take a lead role in partnership arrangements for safeguarding vulnerable adults in Leeds

Adult Social Care fulfils these responsibilities through:

### **PREVENTATIVE SERVICES**

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

### **RE-ABLEMENT SERVICES**

- Early intervention time-limited services designed to meet the immediate requirements of users with short-term needs and prevent the necessity for longer term services later on.

### **INFORMATION AND CONTACT SERVICES**

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

### **ASSESSMENT AND CARE MANAGEMENT**

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

### **SELF DIRECTED CARE**

- Support for people to access direct payments
- Developing individual budgets and self-directed support

### **SUPPORT TO LIVE AT HOME**

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

# Adult Social Care

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## RESIDENTIAL AND NURSING CARE

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

## SAFEGUARDING

- Leading on multiagency arrangements to ensure that resources are coordinated and deployed in safeguarding vulnerable adults.
- Providing safeguarding training to relevant staff across services including social care, health, the police, service providers and other relevant workers, to ensure that staff are equipped to recognise and address adult abuse.

## Activity and Performance

- Each year the authority is required to submit data which is used to calculate a set of statutory performance measures contained in the Adult Social Care Outcomes Framework (ASCOF), these provide a benchmark for adult social care performance in England. The current set focus upon outcomes for service users and increasingly reflect social policy relating to prevention and self-directed support.

## PREVENTATIVE SERVICES

- In 2012 Leeds funded 215 schemes to assist them in providing preventative services to around 15,120 people, of whom 8,570 were elderly and 2,260 were carers.

## RE-ABLEMENT SERVICES

- In the first three quarters of 2013/14 there have been 810 occasions where people have undergone a period of reablement.

## INFORMATION AND CONTACT SERVICES

- From the start of 2013/14 to the end of quarter 3, 17,200 new referrals were received. Of these approximately 63% have gone on to some further activity and 37% have been dealt with at the first point of contact.
- In the first 3 quarters of 2013/14 approximately 6,250 people had a care assessment. Of the total assessments completed to date, around 71% have resulted in some form of service being offered.

## ASSESSMENT AND CARE MANAGEMENT

- Leeds currently carries out 79.8% of its assessments of adults and older people within the targeted deadline of 28 days, which is 1% higher than in 2012/13.
- In the first 3 quarters of 2013/14, 91.0% of care packages were delivered within the target 28 days, a decrease of 0.1% from our position this time last year.

# Adult Social Care

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## SELF DIRECTED CARE

- By the end of quarter 3, 2013/14 the number of people receiving self directed care had increased from 49.8% of carers and service users helped to live at home in June to 64.2%. Further increases are expected by the year end.

## SUPPORTING PEOPLE TO LIVE AT HOME

- Approximately 60% of people supported to live at home are older people. At the end of the 3<sup>rd</sup> quarter of 2012/13 Leeds supported 3,900 older people to live at home through a variety of directly provided and commissioned services, following a formal assessment. This is around 700 fewer than the same time last year. The reduction reflects increased emphasis on the use of reablement and other preventative services.

## RESIDENTIAL AND NURSING CARE

- Leeds currently provides permanent residential and nursing care for approximately 3,090 people, of whom 2,420 are elderly.
- In 2012/13 Leeds provided new nursing and residential placements to 776 older people and 47 people aged 18-64. Data for quarters 1 to 3 of 2013/14 projects that for the year as a whole there will be 745 new admissions of older people and 84 of adults aged 18-64 to permanent residential or nursing placements. It is also worth noting that the total number of weeks people are supported in residential or nursing care is projected to be 130,400 weeks, compared to 135,400 in 2012/13.

## SERVICE USER EXPERIENCE

- Of those people responding to the 2012/13 year-end survey, 67.6% were very, or extremely satisfied, with the support they had received from Adult Social Care.
- For the same group of people 75.7% of service users felt that they had control over their daily lives.
- Of those people who had received a reablement service, for the first 3 quarters of 2013/14 68% of people felt that they now had control over their daily lives.





## Adult Social Care

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14	Managed by the Service			Managed Outside the Service	Total 2014/15
			Spending	Income	Net		
Chief Officer Health Partnerships	Health Partnerships	18	244	(192)	52	23	75
Chief Officer Access and Care	Access & Care	164,049	177,088	(26,878)	150,210	8,490	158,700
Chief Officer Care Reform	Care Reform	0	1,912	(1)	1,911	(1,911)	0
Deputy Director Adult Social Care	Strategic Commissioning	1,327	24,963	(25,769)	(807)	(1,934)	(2,741)
Chief Officer Resources and Strategy	Resources & Strategy	1,108	8,125	(864)	7,261	(6,029)	1,232
Chief Officer Care Delivery	Care Delivery	54,709	50,053	(13,611)	36,442	8,022	44,464
Net Cost of Service		221,211	262,386	(67,316)	195,070	6,661	201,731
	Transfers to and from earmarked reserves	(2,060)	0	0	0	(3,298)	(3,298)
Net Revenue Charge		219,151	262,386	(67,316)	195,070	3,362	198,432

# Adult Social Care

## Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		62,993	58,361
Agency And Temporary Staff		0	2,167
National Insurance Contributions		4,410	4,121
Superannuation Costs		8,217	7,947
Other Pension Costs		1,985	2,014
Other Employee Related Costs		250	157
Training And Development		644	568
		78,500	75,336
<b>Premises</b>			
Buildings Maintenance		71	72
Grounds Maintenance		58	48
Building Security		68	123
Cleaning And Workplace Refuse		771	263
Gas		512	495
Electricity		458	444
Other Utilities		372	347
Rents		72	144
NDR		321	324
Accommodation Charges		94	183
Premises Related Insurance		38	40
		2,834	2,485
<b>Supplies &amp; Services</b>			
Materials and Equipment		2,512	2,291
Stationery and Postage		240	173
Advertising		10	10
IT and telecommunications		796	591
Insurance		176	205
Professional Services and Subscriptions		175	114
Grants and Contributions		812	783
Catering Service		67	49
Waste Disposal and Landfill Tax		0	0
Allowances		32	26
Consultancy Services		281	359
Other Hired and Contracted Services		1,695	1,055
Licences		86	82
Publication and Promotion		20	2
PFI Unitary Charges		5,089	5,179
Miscellaneous		470	315
		12,461	11,236
<b>Transport</b>			
Vehicles And Plant Related Expenditure		202	135
Travel Allowances		1,742	1,740
Fuel		34	42
Private Hire		15	15
Transport Related Insurance		17	5
		2,009	1,936
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		7,946	6,457
		7,946	6,457
<b>Agency Payments</b>			

# Adult Social Care

## Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
<b>Agency Payments</b>			
Services provided by other organisations		74	0
Services provided by Voluntary Sector		14,245	14,038
Services provided by Health Authorities		125	101
Contributions to Partnerships		94,178	63,291
Fees to Carers		466	471
Day Care		115	160
Home Care		15,517	17,737
Sheltered Accommodation		1,032	1,125
Nursing Placements		35,834	36,384
Residential Placements		23,188	22,424
		184,776	155,731
<b>Transfer Payments</b>			
Social Care Direct Payments		2,930	2,095
Social Care Personalised Budgets		5,864	7,910
		8,794	10,005
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		0	(800)
		0	(800)
<b>Managed Expenditure</b>		297,320	262,386
<b>Internal Income</b>			
Income from other Directorates		(3,477)	(2,877)
Recharge Income from Capital		(174)	(534)
Charges to / from HRA		(592)	(1,427)
		(4,243)	(4,838)
<b>Income - Grants</b>			
Government Grants		(742)	(662)
DCLG Grants		(4,671)	(4,671)
Other Grants		(51)	(43)
		(5,463)	(5,375)
<b>Income - Sales</b>			
Sale of Goods and Services		(1,568)	(1,264)
		(1,568)	(1,264)
<b>Income - Charges</b>			
Fees and charges		(179)	(170)
Contributions		(87,323)	(54,903)
Other income		(626)	(630)
Rents		(90)	(136)
		(88,218)	(55,838)
<b>Managed Income</b>		(99,492)	(67,316)
<b>Net Managed Budget</b>		<b>197,828</b>	<b>195,070</b>
<b>Accounting Adjustments</b>			
IAS 19 Pensions Costs		2,054	3,298
Vehicles And Plant (Internal Leasing)		(66)	0
Vehicle leasing recharges		66	0
Transfers to/from Statutory Reserves		(2,060)	(3,298)
Capital Charges		8,486	3,615
		8,480	3,615

## Adult Social Care

Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
Central Recharges		
Central Recharges Expenditure	13,111	0
Corporate & Democratic Core Income	(253)	(253)
	12,858	(253)
Other Internal Adjustments		
Internal Reallocations Charges	63,969	41,881
Internal Reallocations Income	(63,984)	(41,881)
	(15)	0
Managed Outside the Service	21,323	3,362
<b>Net Cost of Service</b>	<b>219,151</b>	<b>198,432</b>

# Adult Social Care

Budget Manager : Chief Officer Health Partnerships

Health Partnerships	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		345	173
National Insurance Contributions		29	13
Superannuation Costs		50	26
Other Pension Costs		9	9
Training And Development		1	0
		434	220
Supplies & Services			
Materials and Equipment		1	1
Stationery and Postage		1	1
IT and telecommunications		2	0
Professional Services and Subscriptions		2	2
Grants and Contributions		20	0
Allowances		0	0
Other Hired and Contracted Services		23	18
Publication and Promotion		1	1
		49	22
Transport			
Travel Allowances		4	2
		4	2
Agency Payments			
Services provided by Voluntary Sector		78	0
		78	0
<b>Managed Expenditure</b>		<b>565</b>	<b>244</b>
Internal Income			
Income from other Directorates		(324)	(192)
		(324)	(192)
Income - Charges			
Contributions		(20)	0
		(20)	0
<b>Managed Income</b>		<b>(344)</b>	<b>(192)</b>
<b>Net Managed Budget</b>		<b>220</b>	<b>52</b>
Accounting Adjustments			
IAS 19 Pensions Costs		16	9
		16	9
Other Internal Adjustments			
Internal Reallocations Charges		63	14
Internal Reallocations Income		(282)	0
		(219)	14
<b>Managed Outside the Service</b>		<b>(203)</b>	<b>23</b>
<b>Net Cost of Service</b>		<b>18</b>	<b>75</b>

# Adult Social Care

Budget Manager : Chief Officer Access and Care

Access & Care	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		20,000	19,505
Agency And Temporary Staff		0	607
National Insurance Contributions		1,488	1,463
Superannuation Costs		2,686	2,765
Other Pension Costs		242	267
Other Employee Related Costs		8	7
Training And Development		52	52
		<b>24,477</b>	<b>24,665</b>
<b>Premises</b>			
Buildings Maintenance		0	2
Grounds Maintenance		3	3
Building Security		16	25
Cleaning And Workplace Refuse		86	27
Gas		9	10
Electricity		18	19
Other Utilities		7	7
Rents		2	56
NNDR		83	88
Accommodation Charges		2	1
		<b>226</b>	<b>238</b>
<b>Supplies &amp; Services</b>			
Materials and Equipment		933	855
Stationery and Postage		35	37
Advertising		0	0
IT and telecommunications		394	175
Professional Services and Subscriptions		3	3
Grants and Contributions		412	412
Waste Disposal and Landfill Tax		0	0
Allowances		1	1
Other Hired and Contracted Services		191	167
Licences		5	5
Publication and Promotion		1	1
		<b>1,976</b>	<b>1,655</b>
<b>Transport</b>			
Vehicles And Plant Related Expenditure		49	40
Travel Allowances		1,058	1,144
Fuel		4	10
Private Hire		2	2
		<b>1,114</b>	<b>1,196</b>
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		5,540	4,298
		<b>5,540</b>	<b>4,298</b>
<b>Agency Payments</b>			
Services provided by other organisations		74	0
Services provided by Voluntary Sector		540	540
Services provided by Health Authorities		125	101
Contributions to Partnerships		94,178	58,420
Day Care		115	160
Home Care		14,387	16,607

# Adult Social Care

Budget Manager : Chief Officer Access and Care

Access & Care	£000	Budget 2013/14	Budget 2014/15
Agency Payments			
Sheltered Accommodation		1,032	1,125
Nursing Placements		35,504	36,054
Residential Placements		22,787	22,023
		168,744	135,030
Transfer Payments			
Social Care Direct Payments		2,930	2,095
Social Care Personalised Budgets		5,864	7,910
		8,794	10,005
<b>Managed Expenditure</b>		<b>210,870</b>	<b>177,088</b>
Internal Income			
Income from other Directorates		(481)	(504)
Recharge Income from Capital		0	(200)
Charges to / from HRA		(200)	(1,000)
		(681)	(1,704)
Income - Grants			
Government Grants		(56)	(67)
		(56)	(67)
Income - Sales			
Sale of Goods and Services		(10)	(10)
		(10)	(10)
Income - Charges			
Fees and charges		(62)	(65)
Contributions		(61,198)	(24,999)
Other income		(43)	(33)
		(61,302)	(25,097)
<b>Managed Income</b>		<b>(62,049)</b>	<b>(26,878)</b>
<b>Net Managed Budget</b>		<b>148,821</b>	<b>150,210</b>
Accounting Adjustments			
IAS 19 Pensions Costs		1,073	1,576
Capital Charges		941	1,076
		2,014	2,652
Other Internal Adjustments			
Internal Reallocations Charges		40,719	28,870
Internal Reallocations Income		(27,505)	(23,031)
		13,215	5,839
Managed Outside the Service		15,228	8,490
<b>Net Cost of Service</b>		<b>164,049</b>	<b>158,700</b>

# Adult Social Care

Budget Manager : Chief Officer Care Reform

Care Reform	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		1,353	1,545
National Insurance Contributions		111	130
Superannuation Costs		196	222
Other Pension Costs		9	8
		1,669	1,905
Supplies & Services			
Stationery and Postage		0	1
IT and telecommunications		3	0
Professional Services and Subscriptions		0	0
		3	1
Transport			
Travel Allowances		7	6
		7	6
Managed Expenditure		1,679	1,912
Income - Charges			
Fees and charges		(1)	(1)
		(1)	(1)
Managed Income		(1)	(1)
<b>Net Managed Budget</b>		<b>1,678</b>	<b>1,911</b>
Accounting Adjustments			
IAS 19 Pensions Costs		87	140
		87	140
Other Internal Adjustments			
Internal Reallocations Charges		193	0
Internal Reallocations Income		(1,959)	(2,050)
		(1,766)	(2,050)
Managed Outside the Service		(1,678)	(1,911)
<b>Net Cost of Service</b>		<b>0</b>	<b>0</b>



# Adult Social Care

Budget Manager : Deputy Director Adult Social Care

Strategic Commissioning			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		2,317	2,503
National Insurance Contributions		189	205
Superannuation Costs		336	364
Other Pension Costs		35	28
Other Employee Related Costs		0	0
Training And Development		32	32
		2,908	3,133
Premises			
Rents		20	22
NDR		19	16
		39	38
Supplies & Services			
Materials and Equipment		7	7
Stationery and Postage		2	2
Advertising		2	2
IT and telecommunications		16	15
Professional Services and Subscriptions		34	35
Grants and Contributions		380	371
Allowances		0	0
Consultancy Services		281	359
Other Hired and Contracted Services		479	687
Publication and Promotion		10	0
Miscellaneous		0	25
		1,210	1,502
Transport			
Travel Allowances		32	33
Private Hire		0	0
		32	34
Internal Charges			
Managed Recharges Frm Other Directorates		866	833
		866	833
Agency Payments			
Services provided by Voluntary Sector		13,604	13,491
Contributions to Partnerships		0	4,871
Home Care		1,129	1,129
Nursing Placements		330	330
Residential Placements		401	401
		15,465	20,223
Appropriations			
Transfers to/from Earmarked Reserves		0	(800)
		0	(800)
Managed Expenditure		20,521	24,963
Internal Income			
Income from other Directorates		(1,147)	(1,710)
		(1,147)	(1,710)
Income - Grants			
Government Grants		(571)	(571)
Other Grants		(51)	(43)

# Adult Social Care

Budget Manager : Deputy Director Adult Social Care

Strategic Commissioning			
	£000	Budget 2013/14	Budget 2014/15
Income - Grants		(622)	(614)
Income - Sales			
Sale of Goods and Services		(957)	(697)
		(957)	(697)
Income - Charges			
Fees and charges		(9)	(1)
Contributions		(17,537)	(22,612)
Rents		(83)	(135)
		(17,628)	(22,748)
Managed Income		(20,354)	(25,769)
<b>Net Managed Budget</b>		<b>168</b>	<b>(807)</b>
Accounting Adjustments			
IAS 19 Pensions Costs		130	215
Capital Charges		707	447
		837	662
Other Internal Adjustments			
Internal Reallocations Charges		5,212	3,171
Internal Reallocations Income		(4,890)	(5,767)
		322	(2,596)
Managed Outside the Service		1,160	(1,934)
<b>Net Cost of Service</b>		<b>1,327</b>	<b>(2,741)</b>

# Adult Social Care

Budget Manager : Chief Officer Resources and Strategy

Resources & Strategy	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		3,374	3,549
Agency And Temporary Staff		0	120
National Insurance Contributions		280	385
Superannuation Costs		474	521
Other Pension Costs		829	809
Other Employee Related Costs		224	132
Training And Development		518	443
		<b>5,699</b>	<b>5,959</b>
<b>Premises</b>			
Cleaning And Workplace Refuse		32	2
Gas		52	58
Electricity		30	33
Other Utilities		30	33
NDR		0	31
Premises Related Insurance		38	40
		<b>183</b>	<b>198</b>
<b>Supplies &amp; Services</b>			
Materials and Equipment		65	57
Stationery and Postage		144	79
Advertising		2	2
IT and telecommunications		200	381
Insurance		176	205
Professional Services and Subscriptions		134	74
Allowances		0	0
Other Hired and Contracted Services		973	155
Licences		0	0
Miscellaneous		25	0
		<b>1,721</b>	<b>954</b>
<b>Transport</b>			
Travel Allowances		45	36
Private Hire		10	10
Transport Related Insurance		17	5
		<b>72</b>	<b>51</b>
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		914	964
		<b>914</b>	<b>964</b>
<b>Managed Expenditure</b>		<b>8,589</b>	<b>8,125</b>
<b>Internal Income</b>			
Income from other Directorates		(992)	(114)
Recharge Income from Capital		(174)	(334)
		<b>(1,166)</b>	<b>(448)</b>
<b>Income - Charges</b>			
Fees and charges		(90)	(87)
Contributions		(1,035)	(215)
Other income		(213)	(113)
		<b>(1,338)</b>	<b>(415)</b>
<b>Managed Income</b>		<b>(2,504)</b>	<b>(864)</b>

# Adult Social Care

Budget Manager : Chief Officer Resources and Strategy

Resources & Strategy			
	£000	Budget 2013/14	Budget 2014/15
<b>Net Managed Budget</b>		<b>6,085</b>	<b>7,261</b>
Accounting Adjustments			
IAS 19 Pensions Costs		(597)	(462)
Capital Charges		2,857	303
		2,260	(160)
Central Recharges			
Central Recharges Expenditure		13,111	0
Corporate & Democratic Core Income		(253)	(253)
		12,858	(253)
Other Internal Adjustments			
Internal Reallocations Charges		985	49
Internal Reallocations Income		(21,080)	(5,666)
		(20,095)	(5,617)
Managed Outside the Service		(4,977)	(6,029)
<b>Net Cost of Service</b>		<b>1,108</b>	<b>1,232</b>

# Adult Social Care

Budget Manager : Chief Officer Care Delivery

Care Delivery	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		35,603	31,087
Agency And Temporary Staff		0	1,441
National Insurance Contributions		2,314	1,925
Superannuation Costs		4,475	4,049
Other Pension Costs		862	893
Other Employee Related Costs		18	18
Training And Development		42	42
		43,313	39,454
<b>Premises</b>			
Buildings Maintenance		71	71
Grounds Maintenance		54	45
Building Security		52	98
Cleaning And Workplace Refuse		653	234
Gas		450	427
Electricity		410	391
Other Utilities		335	307
Rents		49	66
NNDR		219	189
Accommodation Charges		92	182
		2,386	2,010
<b>Supplies &amp; Services</b>			
Materials and Equipment		1,506	1,371
Stationery and Postage		58	54
Advertising		7	7
IT and telecommunications		180	20
Professional Services and Subscriptions		1	1
Catering Service		67	49
Allowances		30	24
Other Hired and Contracted Services		28	29
Licences		82	77
Publication and Promotion		9	1
PFI Unitary Charges		5,089	5,179
Miscellaneous		445	290
		7,501	7,101
<b>Transport</b>			
Vehicles And Plant Related Expenditure		153	95
Travel Allowances		596	519
Fuel		29	32
Private Hire		2	2
		780	648
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		625	362
		625	362
<b>Agency Payments</b>			
Services provided by Voluntary Sector		24	6
Fees to Carers		466	471
		490	477
<b>Managed Expenditure</b>		55,095	50,053

# Adult Social Care

Budget Manager : Chief Officer Care Delivery

Care Delivery			
	£000	Budget 2013/14	Budget 2014/15
Internal Income			
Income from other Directorates		(533)	(357)
Charges to / from HRA		(392)	(427)
		(925)	(784)
Income - Grants			
Government Grants		(115)	(24)
DCLG Grants		(4,671)	(4,671)
		(4,786)	(4,694)
Income - Sales			
Sale of Goods and Services		(601)	(557)
		(601)	(557)
Income - Charges			
Fees and charges		(17)	(15)
Contributions		(7,533)	(7,077)
Other income		(370)	(484)
Rents		(7)	(1)
		(7,928)	(7,577)
Managed Income		(14,240)	(13,611)
<b>Net Managed Budget</b>		<b>40,856</b>	<b>36,442</b>
Accounting Adjustments			
IAS 19 Pensions Costs		1,344	1,821
Vehicles And Plant (Internal Leasing)		(66)	0
Vehicle leasing recharges		66	0
Capital Charges		3,982	1,790
		5,326	3,611
Other Internal Adjustments			
Internal Reallocations Charges		16,797	9,777
Internal Reallocations Income		(8,269)	(5,366)
		8,528	4,411
Managed Outside the Service		13,854	8,022
<b>Net Cost of Service</b>		<b>54,709</b>	<b>44,464</b>

Children's Services





# LEEDS CITY COUNCIL

## 2014/15 BUDGET REPORT

### Directorate: Children's Services

#### 1 Introduction

- 1.1 This report has been produced in order to inform members of the main variations and factors influencing the Directorate's budget strategy for the 2014/15 financial year.

#### 2 Service Context

- 2.1 The Council has a statutory duty and responsibility to safeguard and promote the welfare of the 180,000 children and young people across Leeds. Working in partnership with families, communities, schools, businesses and Children's Trust Board partners, there is a clear and agreed vision to improve outcomes for children and families and for Leeds to be a child friendly city. Our ambition is for Leeds to be the best city in the country for children to be born, grow-up, learn and have fun.
- 2.2 Children's Services has faced considerable cuts in national grants over the last few years, which has been in the region of £18m. This is in the context of significant service demand 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, the number of referrals and potentially increase the cost of high level services such as children in need, special educational needs and children in the care of the authority.
- 2.3 Despite this increase in demand improvements have been seen across all of the 12 priority areas set out in the Children and Young Peoples Plan, with marked improvements in the 3 obsessions. In contrast to the national picture, Leeds has successfully, and safely, reduced the number of looked after children by around 5.3% over the last year. Our budget strategy for 2014/15 is guided by our requirements to help ensure that children and young people are kept safe, receive good quality education and any additional support needs are identified and addressed. We are also guided by our priority to create better life chances for children and young people across the City. The increasing demand, in conjunction with the renewed national focus on child protection resulting from serious case reviews in other local authorities, together with the increasing challenges within the new unannounced inspection framework, will all combine to create significant tensions across the system as the resources we have at our disposal continues to reduce. The significance of our duty to safeguard and promote the welfare of children continues to be recognised in the results of the corporate budget consultation with children's social care services and services for children with SEN/children with disabilities identified as the top two spending priorities across all council services. The forthcoming Children and Families Bill will bring with it additional risks and pressures for SEN and complex care services due to increased and different levels of provision that will be required for children and families.
- 2.4 The budget challenges facing the Council over the coming years necessitate a transformational re-design of services for children, young people and families. Over recent financial years, the prioritisation of resources to support vulnerable children and families has seen improvement in all of our CYPP priorities and our 3 strategic obsessions. The

medium-term budget strategy must be based on sustaining these improvements and continuing to support the strategy around protecting the service around child protection and safeguarding whilst at the same time continuing to invest in preventative and early intervention services. The budget proposals for 2014/15 are a stepping stone to a longer-term vision for children and family services which will be underpinned by the new Citizens@Leeds integrated approach across the whole Council. It will include;

- Exploring a geographically targeted service for young people at a level which is affordable from the perspective of the 2015/16 budget. The scope of the new service design could include: the targeted youth work service, attendance service and the Youth Offending Service. Consideration will also be given to including the personal advisers for children in care, Signpost and ASB. The service could also be responsible for the commissioning of information advice and guidance, youth work and other more targeted services.
- Children's Services will work with schools, colleges and other learning providers to review and challenge the learning offer to young people. Complementing these teams with capacity from Employment and Skills, DWP, VCFS will enable us to plan and respond together at an individual and family level. The 3 community hub pilots offer an immediate opportunity to test out the approach.
- Exploring possible models for improving child and family services building on the current locality and cluster arrangements and Best Start model, focusing on improvement through the empowerment of families. The service re-design could include looking at the valuable contribution our children's centres provide and further building on strengths in this area. The re-design work would also include the review of locality assets in line with the wider corporate asset review with a focus on securing the sustainability of services for children and families.

2.5 This vision and associated partnership refresh would support a rise in children deemed 'ready for school (better speech, nutrition and social skills), reductions in harmful adult behaviours that have negative impacts on the child's development (eg, substance abuse and domestic violence), significant rises in take up of childcare, early years development and learning, improved parenting skills, significant support for child poverty and family debt issues, stronger social and community capital and also develop a new Learning Improvement Service which will secure our statutory responsibilities. This will continued to be underpinned by changes to the way we deliver services, building on the successes of Kinship Care, Restorative practice and Family Group Conferencing.

### 3 Explanation of variations between adjusted 2013/14 and 2014/15 -£4,198k (-3.17%)

3.1 The variation can be summarised as follows:

	£000s	£000s
<b>Net Managed Budget 2013/14</b>		<b>134,893</b>
Adjustments		
• Transfers of functions	-	405
• Other adjustments	-	2,222
<b>Adjusted Net Managed Budget 2013/14</b>		<b>132,266</b>
Changes in prices		
• Pay	1,348	
• Price	1,094	
• Income	- 367	2,075
Full Year Effects	-	332
Demand/Demography		1,220
Other Budget pressures		
• Net changes in funding		7,619
• Investment into services for children in care and prevention and		4,459
• Other pressures		2,449
<b>Total Budget Increases</b>		<b>17,490</b>
Savings		
Procurement	-	680
Strengthening Families - Building a Child Friendly City	-	5,765
Becoming an efficient and enterprising Council		
• Business Improvement	-	783
• Vacancy Management, ELI, Leadership & Management, etc	-	975
Income, charging and trading		
• Nursery Fees - £3/day increase (8.33%)	-	222
• Additional trading/cost reductions	-	850
Other efficiencies and savings proposals	-	12,413
<b>Total savings</b>	<b>-</b>	<b>21,688</b>
<b>Net Managed Budget 2014/15</b>		<b>128,068</b>

## **3.2 Adjustments**

- 3.2.1 The net £0.4m of transfers of functions relates to the delegation of the £0.5m of youth activity funding to Area Committees, the transfer of funding and responsibility to Facilities Management for the children's centres and the transfer of the ICT Business Relationship Management function into Children's Services from Strategy and Resources.
- 3.2.2 The £2.2m of 'other adjustments' relates to the decision to reduce bureaucracy across the Council by reducing the number of recharges for internally provided services.

## **3.3 Changes in prices – pressure of £2.075m**

- 3.3.1 Provision has been made for a 1% growth in staffing budgets in 2014/15. No provision will be made for inflation on running cost budgets other than where there are specific contractual commitments and on utilities.
- 3.3.2 Nursery Fees (saving of £0.39m) - childcare is provided in 33 sites and the Council is the 7<sup>th</sup> largest childcare provider in the country providing early education and child care in areas of disadvantage to promote good educational outcomes for children and child care to support parents and carers into work. The Council currently subsidises the cost of the childcare provision by around £1m with a further £600k of funded free places provided for children who are deemed 'in need'.
- 3.3.3 The current nursery fee in a local authority run children's centre is £36 per day. As mentioned above, this charge is subsidised and continues to compare favourably with other childcare providers across the city. The proposal in the 2014/15 budget strategy is therefore to increase nursery fees by £3 per day, from £36 to £39 per day, which represents an increase of 8.33% increase. This increase will generate an additional £0.39m of income which is £0.22m above inflation.

## **3.4 Full year Effects - net saving of £0.33m.**

- 3.4.1 The 2014/15 budget strategy recognises the full-year savings (£0.45m) of the changes to the City Learning Centre provision that were agreed in 2013/14. These savings are partially mitigated by £0.12m of full-year costs associated with the implementation of the Child Abuse and Neglect Multi-systemic Therapy Team that works with families to keep children at home with increased safety.

## **3.5 Demand/Demography – pressure of £1.2m**

- 3.5.1 As mentioned at paragraph 2.2, Children's Services continues to face significant pressures. The general increase in the birth rate has increased demand across all the services. Specifically, the number of requests for service and referrals to Safeguarding, Targeted and Specialist Services could potentially increase the cost of high level services such as children in need, special educational needs and children in the care of the authority. The overall strategy to continue to invest in the expansion of preventative services will help to mitigate the impact of this demand with the 2014/15 budget strategy recognising demand-related financial pressures in the home to school transport budgets (£1.07m) and the Direct Payments budgets (£0.15m)

### **3.6 Other Budget pressures - pressure of £14.5m**

#### **3.6.1 Net Changes in funding – pressure of £7.619m**

- 3.6.1.1 Education Support Services - the budget proposals recognise an estimated £0.75m reduction in the Education Services grant in 2014/15. In addition, Government has already announced a £200m national reduction in funding from April 2015 (a further cut of £2.5m for Leeds) on top of the impact of academy conversions. This will necessitate a fundamental restructure of our education support services in 2014/15 to take effect from April 2015.
- 3.6.1.2 Adoption Reform Grant (£2m reduction in funding) – Government had previously confirmed that the Adoption Reform Grant would cease at the end of March 2014 resulting in the loss of £2.6m of grant funding for Leeds. More recently, an announcement has been made that the grant would be extended, albeit at a much reduced level (£50m nationally) with the allocation for Leeds for 2014/15 being £0.65m
- 3.6.1.3 The Department for Education have recently announced a new Special Educational Needs (SEN) grant of £70m nationally which will be allocated to local authorities to implement the SEN reforms and the new, joined-up approach across education, health and care services from birth to 25. Government has recently announced the individual local authority allocations, with the Leeds set to receive £0.9m in 2014/15.
- 3.6.1.4 The 2014/15 budget proposals also recognise the non-recurrent borrowing from accumulated reserves which was factored into the 2013/14 budget Strategy in order to support the medium-term strategy to maintain and expand investment in prevention and early intervention.
- 3.6.15 The budget strategy reflects anticipated reductions in funding from the Youth Justice Board in respect of the Youth Offending Service partnership and reductions in the budgeted income from health partners.

#### **3.6.2 Investment into services for children in care and prevention and intervention – pressure of £4.459m**

- 3.6.2.1 The budget proposals include £4.5m of investment to expand key preventative services and includes additional funding to support the in-house fostering service, additional investment in order to continue to expand Family Group Conferencing, additional funding for alternative care placements such as special guardianship orders and adoption support as well as increased funding to support young people leaving care via supported and semi-independent living.

#### **3.6.3 Other Pressures – pressure of £2.449m**

- 3.6.3.1 The 'other pressures' covers a number of areas including additional investment into the restorative practice programme, PFI related borrowing costs, investment into the modernisation of the Leeds Learning network, investment to support the new social care information system as well as additional funding to support social worker recruitment and retention and investment into the social care transition team.

### **3.7 Funded Service Growth**

- 3.7.1 The budget proposals for 2014/15 include an additional £3.5m for the provision of an additional 1,750 early education and childcare places for vulnerable 2-year olds across the City. These places are funded by the Dedicated Schools Grant, are part of the

national programme, and will be delivered through the Council's children's centres and commissioned provision from private, voluntary and independent providers.

3.7.2 In addition, the budget proposals also include an additional £1.19m for the provision of an additional 550 early education and childcare places. These places are again funded by the Dedicated Schools grant and will be delivered through the Council's children's centres and also commissioned from private, voluntary and independent providers.

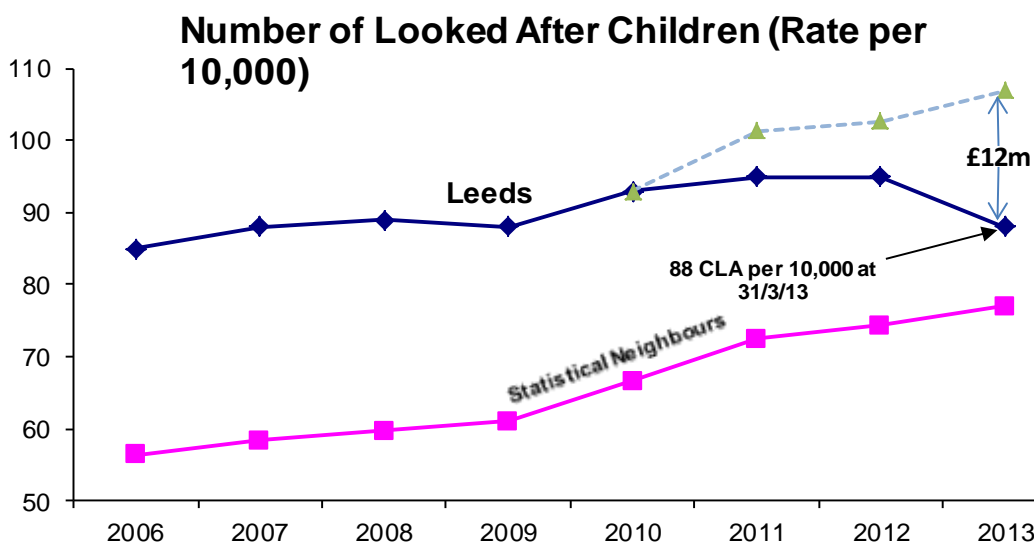
### **3.8 Efficiencies and savings - £21.7m**

3.8.1 **Building a Child Friendly City (saving of £5.77m)** – Children's Services currently look after 1,357 (as at January 2014) children and young people from Leeds. The majority of these children and young people (around 1,000) require good quality, stable foster care in a family based environment. We currently provide this through a mix of in-house foster carers, independent fostering agencies and people from the child's extended family. A further 200 children who are in the care of the Authority are cared for in family based environments with prospective adoptive families or in some cases with their own parent(s) as part of their permanency plan.

Where children and young people are suited to family-based care, for example due to the extent of their emotional and behavioural needs and/or disabilities, they may be placed in residential care. There are currently around 100 children and young people who are cared for in our in-house residential homes and in externally provided residential settings. Externally provided residential and foster care is generally more expensive than the in-house provision and a key part of our strategy is to ensure that we have sufficient in-house placements of the right type and quality to meet the needs of those children and young people who do need our care.

The programme of activity around safely reducing the total number of children in care whilst also changing the mix of placement provision has already delivered significant savings across recent financial years with savings of over £6m forecast to be achieved in 2013/14 across the externally provided placement budgets. This is contrary to the national position and comparisons with our statistical neighbour authorities where there have been increases the children in care population since March 2009 (an increase of 12% nationally).

It should be noted that if Leeds had followed a similar trend then we be spending an additional £12m in 2013/14 on our looked after children. The 2014/15 budget continues to reflect this strategic obsession and 'Budget Plus Strategy' with proposed savings of £5.8m included from reducing the number of externally provided fostering and residential placements.



- 3.8.2 Becoming an efficient and enterprising Council - savings of £1.76m are anticipated in 2014/15 through the implementation of the Business Management Review, additional vacancy management savings as well as the exploiting opportunities for people to leave the organisation through the early leaver initiative.
- 3.8.4 **Income, Charging & Trading** – an additional £0.85m of traded income is anticipated in 2014/15. The Directorate is reviewing all potential opportunities to trade services. The principal location for the identified savings target is learning improvement which recognises the financial pressures in that area due to the continuing reduction in the Education Services Grant.
- 3.8.5 **Contribution from Public Health (saving of £0.8m)** – Children’s Services are commissioned by public health to deliver a healthy schools programme, parent information and support around public health issues 0-5 and support for teenage pregnancy. The service also commissions a number of specialist service including counselling for adults, speech and language therapy in the earliest years and infant mental health services. The 2014/15 budget strategy includes an additional £0.77m public health funding in respect of these commissioned services.
- 3.8.6 **Procurement (saving of £0.68m)** – all budgets have been reviewed as part of the budget process. Savings of £0.68m are proposed across the Directorate by cash-limiting all non-essential running cost budgets. In addition, procurement savings are also built into the anticipated savings on externally provided residential and fostering placements in line with the regionally negotiated White Rose framework.
- 3.8.7 **Other Efficiencies and Savings Proposals - £11.6m**
- 3.8.7.1 **Children’s Centres (saving of £1.6m)** – there are 57 Children’s Centres across the city employing around 900 staff across schools, the Council and two voluntary sector organisations. Our children’s centre Ofsted inspection outcomes are above the national average and the service is key in the Child Friendly City plan to close the attainment and health inequality gap. Leeds is committed to keeping children’s centres open as part of ensuring that every child in Leeds has the best start in life and to do this we need to ensure that our centres are financially sustainable. The proposals to enable this include reviewing the childcare ratios and overheads, the funding formulae across all children’s centres, management capacity and options around full-time/sessional provision.

3.8.7.2 **Transport (savings of £1.8m)** - through a process of review and public consultation during 2013, Executive Board agreed to changes to the home to school transport policies and other provision changes. These agreed changes will see the phased removal of the major areas of discretionary spend on the following:

- Free non-statutory transport to faith schools
- Free travel to a school of parental preference (in circumstances where the Council is unable to provide a school place within 3 miles of home) and
- Free travel at age 16+ to school sixth forms or colleges of further education.

Further work will be completed during 2014 on the offer for children and young people with a statement of special need (due to be renamed Education Health and Care Plan following enactment of the new Children and Families Bill). The Transport Policy continues to meet all of the Council's statutory duties for home to school transport, as well as assistance needed to meet our obligations towards looked after children and other social care requirements.

The work proposed is based on the mandate received from Executive Board and will describe the available options to deliver services and assistance to those learners with special educational needs. As part of this a review of the current discretionary provisions for those aged 16-25 is being undertaken. The options will be designed to fully meet the changing statutory obligations encompassed in the Children & Families Bill, but will have the effect of delivering further transport savings, whilst providing assistance to meet individual need in the most appropriate and cost effective way. Consideration will also be given to how best we can offer personal budgets.

Total savings of £4.6m are anticipated in 2014/15 which is an additional £1.8m over and above the £2.8m of savings that were built into the base budget through the 2013/14 budget strategy.

3.8.7.3 **Youth Offer (saving of £0.83m)** – the budget proposals for 2014/15 recognise the full-year implementation of the Youth Offer which was agreed at Executive Board in July 2013, including the formula for the distribution of the targeted youth resource and a £0.5m youth activity fund which is delegated to Area Committees. Savings of £0.44m are anticipated in 2014/15 through the implementation of the Youth Offer.

In addition, the proposal is to reduce the net cost of the range of education/youth activities by a total £0.39m in 2014/15 by reducing the subsidy for Herd Farm (£0.1m), Lineham Farm (£0.1m) and the Armley LAZER Centre (£0.09m) through a combination of cost reductions and income generation. In addition, savings of £0.08 arising are anticipated from the South Leeds Youth Hub community asset transfer.

3.8.7.4 **Duke of Edinburgh Awards Scheme (saving of £0.16m)** – the Youth Service provides the administration and training support to school and other providers to support the Duke of Edinburgh licencing requirements. Historically, the Youth Service also delivered the award. The 2013/14 budget for the Duke of Edinburgh is £0.16m and the proposal is to reduce this to nil in 2014/15. Options to achieve these savings will include; staffing changes as a result of the change in service; increased charges to schools to cover training and administration and; charges to young people where there is demand for provision. A further option would be to hand responsibility for licencing to the regional office.

3.8.7.5 **Semi-independent living and leaving care (saving of £0.25m)** – young people leaving care often need a great deal of support as they make the transition into adulthood, for



example the provision of supported living, finding appropriate accommodation, seeking employment/training, etc. As part of the programme of activity around reducing the need for young people to be in care, Children's services have successfully de-escalated a large number of placements for young people, for example from specialist residential placements to semi-independent living placements with (in some cases) intensive support from personal advisors and/or social workers. Experience suggests that where de-escalation is done in an appropriate and considered way, young people thrive and more readily move on to full independence.

In addition, the process for young people to register for welfare benefits - attending appointments, completing forms and sending supporting documents to the department for work and pensions can sometimes lead to delays in the process which can be costly as children's services have a duty to provide equivalent funding, which cannot be reclaimed whilst benefit claims are being processed.

Savings of around £0.25m are proposed for 2014/15 through the deployment of a specialist welfare rights worker and through the de-escalation of semi-independent living packages.

**3.8.7.6 Families First Programme (saving of £0.75m)** - through our Families First programme, the Council can claim payment by results income from the Department for Communities and Local Government for successfully 'turning families around'. For each family worked with there is an opportunity to receive income of £4k based partly on receiving an attachment fee and partly on payment by results. In years 2 and 3 the attachment fee reduces and the payment by results element increases. In light of the success of the programme in Leeds, and recognising revised criteria for claiming the payment by results income, it is anticipated that by successfully turning around 80% of families that we will generate £0.75m of additional income.

**3.8.7.7 Review of Education Welfare Services/Attendance (savings of £0.5m)** – the Attendance Service provides statutory and non-statutory support to children, families, schools and clusters to identify and overcome barriers to children accessing their educational entitlement to secure regular attendance at school. The statutory duties involve the use of legal measures against parents/carers who fail to ensure their child receives an appropriate education by regular attendance at school. The non-statutory functions delivered across clusters based on levels of need and includes providing a family-support function directly to children and families based on assessment and the identification of appropriate support.

The Service will continue to provide both statutory and non-statutory support (in many other local authorities the service has been retracted to statutory functions only) however, recognising the changing landscape of education provision, and the continuing reduction in the Education Services Grant, the proposal is to achieve savings of £0.5m in 2014/15 through a combination of; Staffing reductions, including the Early posts through the Early Leavers Initiative, exploring the potential to combine with other functions and developing an improved and expanded traded offer.

**3.8.7.8 Child and Adolescent Mental Health Services (savings of £0.5m)** - Child and Adolescent Mental Health Services (CAMHS) are a vital part of supporting the emotional and mental health of children and young people. Leeds CAMHS service is delivered by Leeds Community Health Trust and jointly commissioned through a single specification between the Children's Services and Leeds SE CCG. The Therapeutic Social Work Team (TSWT) is delivered by Children's Services with clinical psychology consultancy support from the CAMHS service. The proposed savings in 2014/15 will be achieved through efficiencies of core delivery between the Therapeutic Social Work Team and the

CAMHS Service leading to staffing savings of £0.3m, efficiencies in management in both services enabling savings of £0.1m, reducing duplication with other services £.05m, and developing efficiencies in the CAMHS support for other services such as substance use which will save a further £0.05m.

- 3.8.7.9 **Youth Offending Service (savings of £0.67m)** – the Youth Offending Service (YOS) works with children and young people (aged 10-17 years) who have offended and help prevent them getting into further trouble. We achieve this by working together with young people and their parents or carers, the victims of crime and other agencies and organisations in the local community. The bulk of the required savings will be made from a service wide restructuring over the next year. In addition, the service has already deleted a number of posts and is proposing to merge the YIP/PAYP youth crime prevention programmes as well as exploiting the move to new premises to implement more flexible working arrangements to free-up resource for more face to face work with young people.
- 3.8.7.10 **Review of Music Support Services and Music Centre Provision (savings of £0.2m)** – the proposal is to reduce the base budget subsidy for the Music Support Service by £0.05m together with savings of £0.15m from reviewing Music Centre provision across the City.
- 3.8.7.11 **Review of Intensive Family Support Services and Family Placement Budgets (saving of £0.3m)** - there are currently 3 commissioned providers of family intervention service in the city whose services are split on a geographical basis. In addition there are currently 3 in house family intervention service teams, also split on a geographical basis. These services operate to an evidence based model providing intensive family support to families identified as vulnerable by Children’s Services Social Work, the Families First programme or clusters. Given the mixed economy of provision there is an opportunity to review how we provide the family intervention service across the City looking at both in-house and commissioned services.
- 3.8.7.12 **Public Law Outline (saving of £0.2m)** - The public law outline is a process designed as a last measure before issuing care proceedings. A formal process involving legal letters are sent to parents in order to encourage them to engage better with professionals to alleviate concerns. The proposed savings recognise that more effective preventative services and the investment in Family Group Conferencing should mean earlier resolution of concerns leading to reduce need for costly legal processes.
- 3.8.7.13 **Review of in-house residential provision (saving of £0.9m)** – this proposed saving reflects the success in reducing the demand for residential placements for older children and young people. The savings proposal reflects the review of residential provision includes releasing the £0.4m base budget for the opening a residential home and the shift from relatively large group homes to smaller homes that can potentially accommodate children and young people with more challenging needs and behaviours.
- 3.8.7.14 **Review of Gypsy, Roma Traveller Achievement Service (saving £0.1m)** – savings of £0.1m are proposed from a review of the team, its role and function and whether there are opportunities for efficiencies through more integrated working with other Directorates.
- 3.8.7.15 **Range of other savings and efficiencies (saving of £2.9m)** – these include a range of proposals across the Directorate including additional capitalisation/trading within the Built Environment Team (£0.2m), release of the £0.34m base budget provision relating to the reduction in the Education Services Grant, savings across the consolidated workforce development budgets (£0.25m), reviewing the Voice and Influence and Family Hub teams as well as a review of contracts and commissioned services across the

Directorate. In addition, the proposals include a range of other efficiencies and savings around staffing reductions, including the deletion of budgeted vacant posts.

## 4 Net Revenue Charge

4.1 The following table provides a summary of the net revenue charge for the service which brings together the net managed budget and those budgets managed outside the service.

	£000s
Net Managed Budget	128,069
Managed Outside Service	33,929
Net Cost of Service	161,998
Transfers to/from earmarked reserves	- 7,600
Net Revenue Charge	154,398

## 5 Risk Assessment

5.1 In determining the 2014/15 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 to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.

5.2 The key risks in the 2014/15 budget for this directorate are as follows;

- a) The number of children and young people in the city is increasing which places greater demand for services for children and families. In particular, the wider financial and economic climate can have a significant impact and requests for service/contacts have already increased by 8.2% in 2013 with a rise of 14% in the referrals for social care services. The combination of rising demand and reducing resources will place significant pressures across the system.
- b) In addition to the risks around demand and resources it should be highlighted that the statutory duties to safeguard and promote the welfare of children and young people mean that Children's Services are the only element of the Council that is the subject of an unannounced inspection regime. As a result of national concerns around child protection and safeguarding, Government has recently strengthened the inspection framework and increased its duration from two to four weeks.
- c) The implementation of the range of proposals within the Children and Families Bill will also present challenges in 2014/15 and beyond, specifically around Special Educational Needs (SEN) where the Bill will extend the SEN system from birth to 25 alongside the requirement by September 2014 that all new statutory assessments will result in an integrated Education, Health and Care Plan with extended rights and protections for young people in further education and training, in addition to offering families personal budgets.
- d) The budget proposals for 2014/15 include £21.6m of savings/efficiencies by March 2015. The need to deliver this significant programme of in-year savings at the same time as developing the transformational re-design proposals for 2015/16 onwards will require significant leadership and programme management capacity, at a directorate and corporate level.

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# LEEDS CITY COUNCIL

## 2014/15 BUDGET REPORT

### Directorate: Children's Services

#### The Schools Budget 2014/15

1. The Schools Budget is funded entirely through ring fenced grants, predominantly the Dedicated Schools Grant (DSG), Education Funding Agency (EFA) Post 16 Grant, and the Pupil Premium.

#### 2. Dedicated Schools Grant

The DSG may only be applied to meet costs that fall within the Local Authority Schools Budget. Any under spend of grant from one year must be carried forward and applied to the Schools Budget in future years. Any overspend may be carried forward and funded from the Schools budget in future years with the approval of the Schools Forum. 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. From August 2013 the Local Authority has also been responsible for funding the special educational needs costs of all young people from 0 to 25. The Pupil Premium and EFA Post 16 Grant are also ring fenced grants that must be passed on to Schools and post 16 providers.

The DSG for 2014/15 is now received in three blocks:

**The Early Years Block** will be calculated 5/12ths on January 2014 3 and 4 year old numbers and 7/12ths on January 2015 numbers multiplied by a unit of resource of £3,883. This grant is therefore not finalised until after the end of the 2014/15 year. The unit of resource has not increased for three years and therefore contains no provision for increased costs or funding rates for providers.

A fixed grant allocation of £11.942m will also be received for the continued roll out of free early education to 2 year olds. From September 2014 two year olds who meet any one of the following criteria will be eligible for 15hrs of free provision:

- if they meet the eligibility criteria also used for free school meals
- if their families receive Working Tax credits and have annual gross earnings of no more than £16,190 per year
- if they have a current statement of special educational needs (SEN) or an education, health and care plan
- if they attract Disability Living Allowance
- if they are looked after by their local authority

- if they have left care through special guardianship or through an adoption or residence order

The grant provided to Leeds is based on a 2yr old hourly rate of £4.85 being used to fund Nursery settings. From April 2015 the funding for 2yr old early education is expected to move from a cash grant to be based on the provision being made. A significant element of the 2014/15 funding will be used to create the required number of two year old places.

**The High Needs Block** is based on 2012/13 budgeted expenditure adjusted for a transfer of responsibility for Special Educational Needs up to the age of 25, and changes in the population. The Local Authority has also applied for additional funding based on increased places for High Needs SEN pupils and increased Hospital Education provision. The final grant will not be announced by the DfE until March 2014.

**The Schools Block** for 2014/15 is paid on the October 2013 pupil numbers multiplied by a unit of resource of £4,538. Pupil numbers have increased by 1,906, with Primary pupil numbers increasing by 2,090 and Secondary pupil numbers having decreased by 184. The unit of resource has not increased for three years and therefore contains no provision for increased costs or funding rates for Schools or central functions.

The gross DSG covering all Leeds schools and Academies is estimated to be £538.8m for 2014/15.

However, the gross DSG is then reduced by an amount equivalent to the delegated budget that would be paid to each Academy, and only the net figure is received by Leeds. The DSG to be received for 2014/15 is estimated as £436.6m, a year on year reduction of £3.8m. This figure will further reduce in year if any further schools convert to Academies

### **Use of Balance Carried Forward from 2013/14**

The Dedicated Schools Grant can only be applied to expenditure within the Schools Budget, and all unspent balances of the grant must be carried forward and applied to the Schools Budget in consultation with the Schools Forum.

The Schools Block and Early Years Block of the DSG are based on a fixed unit of funding per pupil over this four year settlement period, assuming that all inflation can be met through efficiencies. At its meeting on 12<sup>th</sup> December the Schools Forum agreed that £1.43m of balance brought forward should be utilised to support the delegated Schools Budget through a pro-rata increase in pupil led funding, and that £0.4m be used in order to increase the hourly rate for 3 and 4 yr olds to £3.80 per hour, with an equivalent percentage increase in deprivation funding for 3 and 4 yr olds.

### **3. Education Funding Agency Post 16 Grant**

The EFA Post 16 Grant fund is paid in two elements. The majority of the funding is to support provision made to pupils in Leeds Sixth Forms and is paid as a ring-fenced grant with pre-determined allocations for each School. The grant also includes an allocation to fund places for pupils aged from 16 to 19 with Special Educational Needs attending Sixth Forms, SILCs, Academies, Colleges and other Specialist providers.

Funding rates for 2014/15 have not been finalised, although funding per sixth form pupil will reduce as the EFA seeks to equalise funding rates between Sixth Forms and FE Colleges and Sixth Form Colleges. This is being achieved through the removal of two particular elements of the grant, Teachers pay Grant and Transitional Protection.

The EFA has also announced that funding rates for pupils in the third year post 16 (year 14) will be reduced by 17.5% across all providers. The Post 16 Grant for 2014/15 and funding for individual Sixth Forms will be confirmed at the end of March 2014.

### **4. Pupil Premium**

The Pupil Premium will be paid at a rate of £1,900 for pupils who are in care or are adopted or under a special guardianship arrangement. Primary pupils who have been eligible for free school meals during the past 6 years will attract a pupil premium of £1,300, with Secondary pupils attracting £935. This is the first year that Primary and Secondary rates have been different and reflects a priority of early intervention. A further service child allocation of £300 is paid for children whose parents are in the armed services. From April 2014 if a pupil generates funding under the Looked After criteria they will be excluded from the FSM allocation, and no pupil will generate funding in both categories.

The Pupil Premium estimated to be received by Leeds Schools (including Academies) in 2014/15 is estimated to be £37.69m. Excluding funding paid directly to Academies the City Council will receive £30.64m This grant will only be confirmed by the DfE in July 2014.

### **5. 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. A National grant of £450m has been made available for 2014/15 rising to £635m in 2015/16. No announcement has yet been made of the funding allocations to individual schools. It is estimated that this will produce funding in the order of £5.4m for Leeds Primary Schools

## 6. Specific Grants

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

A Yr 7 catch up premium will be paid to Secondary schools 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.

## 7. Summary of Year on Year Change

The funding to be received by all Schools and Academies in the City through the Dedicated Schools Grant, Pupil Premium and EFA Post 16 Grant is estimated to be £604.26m for 2014/15. This is an increase of £27.37m over the funding received in 2013/14.

However, this includes growth of £3.5m for extended responsibilities for 2yr old early education and growth of £1.2m for the full year effect of new responsibilities to fund Post 16 SEN from August 2013.

The following table summarises the year on year changes in the Schools Budget. However, it should be noted that any further Schools converting to Academies will increase the recoupment reduction, and will increase the pupil premium paid directly to Academies.

### Schools Budget Summary (including Leeds Academies)

	2013/14 £m	2014/15 £m	Yr on yr Change
Schools Block	431.95	439.83	7.88
Early Years Block (3 & 4yr olds)	30.06	31.26	1.20
Early Years Block (2yr olds)	8.44	11.94	3.50
High Needs Block	54.47	55.74	1.27
EFA Post 16 Sixth Form Funding	19.16	18.11	-1.05
Pupil Premium – Deprivation	29.54	35.82	6.28
Pupil Premium – Children Looked after	0.78	1.83	1.05
Pupil Premium – Service Children	0.04	0.04	0.00
PE & Sport Grant	1.91	1.92	0.01
Yr 7 Catch up Premium	0.54	0.54	0.00
Free School Meals under 7's	0.00	5.40	5.40
Use of Balance of DSG B/fwd	0.00	1.83	1.83
<b>Gross Schools Budget</b>	<b>576.89</b>	<b>604.26</b>	<b>27.37</b>
Academy recoupment from the Schools Block –transferred to the EFA	-84.56	-102.19	-17.63
Pupil Premium paid direct to Academies	-5.88	-7.05	-1.17
<b>Net Schools Budget</b>	<b>486.45</b>	<b>495.02</b>	<b>8.57</b>



The 2013/14 pupil premium for deprivation includes the impact of the in-year increase in the primary deprivation allocation from £900 to £953 per qualifying pupil.**Schools Forum Decisions**

The Schools Forum has the responsibility to make a number of budgetary decisions over the Schools Budget, and has a statutory consultative roll over the use of the remainder of it. The following decisions have been made to top slice funding from the Schools Block and continue to provide services centrally for Schools:

#### **De-Delegation of Services. £5.29m**

Following consultation with Schools the Schools Forum fully supported the continued central retention of funding for services that have been funded centrally in 2013/14. These are:

The School Contingency Fund, including support for schools in financial difficulty, Staff Cover costs (Maternity, JP, magistrates, reserve services, Suspended Staff Cover, Trades Union facilities time cover), School Museum Service, School Library Service (Primary Schools only), Free School Meals eligibility Checks, Licences for Schools (SIMS, Performing Rights -Primary Schools only), Behaviour Support, Support to underperforming ethnic minority groups and bilingual learners.

#### **Continuing Central Commitments £8.43m**

The Schools Forum agreed to the central retention of the same level of funding as in 2013/14 to cover the repayment cost of capitalised equal pay settlements, pay back of prudential borrowing, Schools Forum support costs, and contribution to combined services including the funding of Clusters of Schools.

The Schools Forum supported an increase in the budget for the School Admissions Service. However, this decision requires the approval of the Secretary of State for Education that has not been given. A consequence of not being allowed to increase the budget is that all schools will have to be charged for the cost of admissions appeals.

Additional funding is to be retained centrally to fund the cost of Licences where the DfE has determined that these will be purchased nationally and the costs recharged to individual Local Authorities

#### **Growth Fund. £2.43m**

The Schools Forum agreed that a growth fund be retained centrally in order to support costs incurred by schools that are being established or extended to meet basic need and admission numbers are increased. The fund provides pre-opening funding for new schools, in-year funding where additional pupils are admitted and covers the cost of rents where additional premises are rented.

#### **Funding Delegated to Schools and Academies through the local formula £425.11m**

It must be noted that the arrangements for 2014/15 are transitional arrangements as there is an intention to move towards a fully national formula from 2015/16. The formula arrangements introduced in 2013/14 significantly reduced the number of factors able to be used to fund schools and also introduced the use of a common national dataset to be used to allocate funding to individual schools.

The Schools Forum supported the following minor amendments to the funding formula to be used to allocate funding to schools:

- The funding of additional Reception pupils admitted between the October and January count in line with the calculation of the Dedicated Schools Grant.
- To increase the lump sum funding for Secondary Schools to £175,000 per school and meet the increase through a reduction in AWPU
- That £1.43m of the unspent balance of the DSG is allocated pro-rata to all pupil led factors within the 2014/15 formula, and application be made to the DfE for it to be treated as an exception from the Minimum Funding Guarantee (MFG). As the funding is one off it is required to be an exception from the MFG so that it is not built into the base funding of each school.

# Children's Services

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## Service Context:

- The Council has a statutory duty and responsibility to safeguard and promote the welfare of the 180,000 children and young people across Leeds. Working in partnership with families, communities, schools, businesses and Children's Trust Board partners, there is a clear and agreed vision to improve outcomes for children and families and for Leeds to be a truly child friendly city. Our ambition is for Leeds to be the best city in the country for children to be born, grow-up, learn and have fun.
- Children's Services 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, the number of referrals and potentially increase the cost of high level services such as children in need, special educational needs and children in the care of the authority.
- Despite this increase in demand and in contrast to the national picture, Leeds has successfully, and safely, reduced the number of looked after children by around 5.3% over the last year. Our budget strategy for 2014/15 is guided by our requirements to help ensure that children and young people are kept safe, receive good quality education and any additional support needs are identified and addressed. We are also guided by our priority to create better life chances for children and young people across the City. The increasing demand, in conjunction with the renewed national focus on child protection resulting from serious case reviews in other local authorities, together with the strengthening of the unannounced inspection framework, will all combine to create significant tensions across the system as the resources we have at our disposal continues to reduce. The significance of our duty to safeguard and promote the welfare of children continues to be recognised in the results of the budget consultation with children's social care services and services for children with SEN/children with disabilities identified as the top two spending priorities.
- The budget challenges facing the Council over the coming years necessitate a transformational re-design of services for children, young people and families. Over recent financial years, the prioritisation of resources to support vulnerable children and families has seen huge improvement in our 3 strategic obsessions. The medium-term budget strategy must be based on sustaining these improvements and continuing to support the strategy around protecting the service around child protection and safeguarding whilst at the same time continuing to invest in preventative and early intervention services. The budget proposals for 2014/15 are a stepping stone to a longer-term vision for children and family services which will be underpinned by the new Citizens@Leeds integrated approach across the whole Council. It will include;

## Children's Services

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- A new geographically targeted service for young people at a level which is affordable from the perspective of the 2015/16 budget. The scope of the new service design to include: the targeted youth work service, attendance service and the Youth Offending Service. Consideration will also be given to including the personal advisers for children in care, Signpost and ASB. The service would also be responsible for the commissioning of information advice and guidance, youth work and other more targeted services.
- An all age, locality based information, advice and guidance service to support the Citizen@Leeds Helping People into Work proposition. Children's Services have been developing the concept of destinations teams which include schools, colleges, IGEN and other learning providers to review and challenge the learning offer to young people. Complementing these teams with capacity from Employment and Skills, DWP, VCFS will enable us to plan and respond together at an individual and family level. The 3 community hub pilots offer an immediate opportunity to test out the approach.
- A new child and family service based around 'Family Zones building on the Best Start that focuses on improvement through the empowerment of families. The service re-design would include a fundamental re-design of our children's centres. The re-design would include the possibility of transferring assets where the sustainability of services for children and families could be secured.
- This vision and associated partnership refresh would support a rise in children deemed 'ready for school (better speech, nutrition and social skills), reductions in 'toxic' adult behaviours harmful to the child's development (eg, substance abuse and domestic violence), significant rises in take up of childcare, early years development and learning, improved parenting skills, significant support for child poverty and family debt issues, stronger social and community capital and also develop a new Learning Improvement Service which will secure our statutory responsibilities.

## Children's Services

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14		Managed by the Service			Managed Outside the Service	Total 2014/15
		Spending	Income	Spending	Income	Net		
Chief Officer Partnership Dev & Bus Supt	Partnership Dev. & Business Support	14,324	(7,340)	14,324	(7,340)	6,984	6,615	13,599
Deputy Director of Children's Services: Learning	Learning, Skills & Universal Services	82,966	(65,413)	82,966	(65,413)	17,553	(2,581)	14,972
Deputy Director Safeguarding, Specialist, Targeted Services	Safeguarding, Targeted & Specialist	118,772	(24,581)	118,772	(24,581)	94,191	4,471	98,661
Chief Officer Strategy, Performance & Commissioning	Strategy, Performance & Commissioning	66,484	(57,143)	66,484	(57,143)	9,341	25,425	34,766
Net Cost of Service		282,545	(154,477)	282,545	(154,477)	128,069	33,929	161,998
	Transfers to and from earmarked reserves	0	0	0	0	0	(7,600)	(7,600)
Net Revenue Charge		282,545	(154,477)	282,545	(154,477)	128,069	26,329	154,398

# Children's Services

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>		
Direct Pay Costs	81,892	73,786
Agency And Temporary Staff	0	5,095
National Insurance Contributions	5,974	5,821
Superannuation Costs	11,352	11,680
Other Pension Costs	8,083	8,259
Other Employee Related Costs	199	236
Training And Development	285	408
	<b>107,784</b>	<b>105,285</b>
<b>Premises</b>		
Buildings Maintenance	167	159
Grounds Maintenance	50	34
Building Security	76	65
Cleaning And Workplace Refuse	1,217	142
Gas	352	336
Electricity	360	316
Other Utilities	249	228
Rents	534	79
NDR	847	705
Accommodation Charges	334	306
Premises Related Insurance	47	27
	<b>4,236</b>	<b>2,396</b>
<b>Supplies &amp; Services</b>		
Materials and Equipment	1,611	1,476
Stationery and Postage	360	209
Advertising	115	108
IT and telecommunications	1,510	1,238
Insurance	302	254
Professional Services and Subscriptions	3,776	1,378
Grants and Contributions	15	18
Catering Service	1,068	1,060
Recycling and Reuse	0	0
Allowances	249	206
External Audit Fees	9	0
Security Services	24	21
Other Hired and Contracted Services	1,336	660
Licences	273	438
Publication and Promotion	72	26
PFI Unitary Charges	49,734	50,612
Miscellaneous	6	4
	<b>60,459</b>	<b>57,707</b>
<b>Transport</b>		
Vehicles And Plant Related Expenditure	256	126
Travel Allowances	2,186	2,018
Fuel	61	49
Private Hire	3,084	6,265
Transport Related Insurance	10	22
	<b>5,597</b>	<b>8,480</b>
<b>Internal Charges</b>		
Managed Recharges Frm Other Directorates	32,100	23,411
Distributed Grants	9,155	9,006

# Children's Services

## Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
Internal Charges		41,255	32,417
Agency Payments			
Services provided by other organisations		22,965	27,066
Services provided by Voluntary Sector		8,545	8,897
Services by Independent/Special Schools		1,066	0
General External Residential Placements		11,738	7,692
Independent Fostering Agencies		9,580	7,909
Carers Fees and Allowances		17,860	20,988
Services provided by Health Authorities		686	646
Contributions to Partnerships		80	80
Special Educational Needs Placements		4,016	3,190
		76,535	76,467
Transfer Payments			
Young People's Allowances		171	1,759
Social Care Direct Payments		416	566
		587	2,325
Appropriations			
Transfers to/from Earmarked Reserves		(4,930)	(2,573)
Transfer Of Surplus		37	42
		(4,893)	(2,531)
Managed Expenditure		291,560	282,545
Internal Income			
Income from other Directorates		(25,758)	(23,337)
Recharge Income from Capital		(1,214)	(934)
Redistribution of grants income		(3,426)	(3,421)
		(30,398)	(27,691)
Income - Grants			
Government Grants		(70,284)	(70,912)
DCLG Grants		(33,208)	(32,253)
		(103,492)	(103,165)
Income - Sales			
Sale of Goods and Services		(360)	(427)
		(360)	(427)
Income - Charges			
Fees and charges		(16,065)	(18,792)
Contributions		(5,763)	(4,019)
Other income		(280)	(53)
Rents		(307)	(329)
		(22,415)	(23,193)
Income - Other			
Interest and Dividends		(1)	(2)
		(1)	(2)
Managed Income		(156,666)	(154,477)
<b>Net Managed Budget</b>		<b>134,894</b>	<b>128,069</b>
Accounting Adjustments			
IAS 19 Pensions Costs		(3,813)	7,600
Vehicles And Plant (Internal Leasing)		(34)	0

# Children's Services

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
Vehicle leasing recharges	34	0
Transfers to/from Statutory Reserves	3,809	(7,600)
Capital Charges	30,781	26,871
	30,778	26,871
Central Recharges		
Central Recharges Expenditure	15,936	0
Corporate & Democratic Core Income	(541)	(541)
	15,395	(541)
Other Internal Adjustments		
Internal Reallocations Charges	15	0
	15	0
Managed Outside the Service	46,187	26,329
<b>Net Cost of Service</b>	<b>181,081</b>	<b>154,398</b>



# Children's Services

Budget Manager : Chief Officer Partnership Dev & Bus Supt

Partnership Dev. & Business Support			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		5,906	6,175
National Insurance Contributions		456	510
Superannuation Costs		830	1,011
Other Pension Costs		1,550	1,639
Other Employee Related Costs		7	7
Training And Development		183	249
		8,931	9,591
<b>Premises</b>			
Cleaning And Workplace Refuse		6	6
Other Utilities		82	0
Accommodation Charges		10	10
		99	16
<b>Supplies &amp; Services</b>			
Materials and Equipment		15	15
Stationery and Postage		183	83
IT and telecommunications		808	1,034
Insurance		7	11
Professional Services and Subscriptions		243	165
External Audit Fees		9	0
Other Hired and Contracted Services		17	140
Licences		2	3
Publication and Promotion		50	10
		1,334	1,461
<b>Transport</b>			
Travel Allowances		36	32
		36	32
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		2,740	2,621
Distributed Grants		450	370
		3,190	2,991
<b>Agency Payments</b>			
Services provided by other organisations		43	4
Services provided by Voluntary Sector		258	230
Services by Independent/Special Schools		350	0
		651	234
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		(400)	0
		(400)	0
<b>Managed Expenditure</b>		13,841	14,324
<b>Internal Income</b>			
Income from other Directorates		(1,498)	(747)
Recharge Income from Capital		(669)	0
		(2,166)	(747)
<b>Income - Grants</b>			
Government Grants		(14,780)	(6,124)
		(14,780)	(6,124)
<b>Income - Charges</b>			
Fees and charges		(135)	(99)

# Children's Services

Budget Manager : Chief Officer Partnership Dev & Bus Supt

Partnership Dev. & Business Support			
	£000	Budget 2013/14	Budget 2014/15
Income - Charges			
Contributions		(450)	(370)
		(585)	(469)
Managed Income		(17,531)	(7,340)
<b>Net Managed Budget</b>		<b>(3,691)</b>	<b>6,984</b>
Accounting Adjustments			
IAS 19 Pensions Costs		(2,515)	7,154
Capital Charges		30	2
		(2,485)	7,156
Central Recharges			
Central Recharges Expenditure		13,910	0
Corporate & Democratic Core Income		(541)	(541)
		13,369	(541)
Managed Outside the Service		10,883	6,615
<b>Net Cost of Service</b>		<b>7,193</b>	<b>13,599</b>

# Children's Services

Budget Manager : Deputy Director of Children's Services:Learning

Learning, Skills & Universal Services			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		26,125	22,549
Agency And Temporary Staff		0	365
National Insurance Contributions		1,805	1,552
Superannuation Costs		3,730	3,572
Other Pension Costs		6,162	6,343
Other Employee Related Costs		33	27
Training And Development		16	15
		<b>37,872</b>	<b>34,423</b>
<b>Premises</b>			
Buildings Maintenance		80	37
Grounds Maintenance		25	8
Building Security		60	48
Cleaning And Workplace Refuse		791	10
Gas		234	176
Electricity		230	166
Other Utilities		114	81
Rents		254	71
NNDR		654	469
Accommodation Charges		69	34
Premises Related Insurance		34	18
		<b>2,545</b>	<b>1,118</b>
<b>Supplies &amp; Services</b>			
Materials and Equipment		472	523
Stationery and Postage		89	57
IT and telecommunications		248	27
Insurance		57	51
Professional Services and Subscriptions		694	511
Grants and Contributions		15	15
Catering Service		1,061	1,053
Allowances		9	8
Security Services		21	15
Other Hired and Contracted Services		502	252
Licences		234	318
Publication and Promotion		16	13
Miscellaneous		4	1
		<b>3,421</b>	<b>2,845</b>
<b>Transport</b>			
Vehicles And Plant Related Expenditure		136	44
Travel Allowances		290	237
Fuel		53	43
Private Hire		7	0
Transport Related Insurance		5	5
		<b>490</b>	<b>328</b>
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		12,469	10,401
Distributed Grants		8,705	8,636
		<b>21,175</b>	<b>19,037</b>
<b>Agency Payments</b>			
Services provided by other organisations		16,954	21,301

# Children's Services

Budget Manager : Deputy Director of Children's Services:Learning

Learning, Skills & Universal Services			
	£000	Budget 2013/14	Budget 2014/15
Agency Payments			
Services provided by Voluntary Sector		3,963	4,313
		20,917	25,615
Transfer Payments			
Young People's Allowances		9	1
		9	1
Appropriations			
Transfers to/from Earmarked Reserves		(2,104)	(400)
		(2,104)	(400)
<b>Managed Expenditure</b>		<b>84,324</b>	<b>82,966</b>
Internal Income			
Income from other Directorates		(4,103)	(5,367)
Redistribution of grants income		(3,396)	(3,421)
		(7,499)	(8,788)
Income - Grants			
Government Grants		(40,773)	(49,119)
		(40,773)	(49,119)
Income - Sales			
Sale of Goods and Services		(14)	(13)
		(14)	(13)
Income - Charges			
Fees and charges		(5,372)	(6,008)
Contributions		(1,429)	(1,331)
Other income		(22)	(13)
Rents		(149)	(143)
		(6,972)	(7,494)
<b>Managed Income</b>		<b>(55,258)</b>	<b>(65,413)</b>
<b>Net Managed Budget</b>		<b>29,066</b>	<b>17,553</b>
Accounting Adjustments			
IAS 19 Pensions Costs		(4,170)	(3,883)
Vehicles And Plant (Internal Leasing)		(22)	0
Vehicle leasing recharges		22	0
Capital Charges		1,363	1,302
		(2,807)	(2,581)
Central Recharges			
Central Recharges Expenditure		721	0
		721	0
Other Internal Adjustments			
Internal Reallocations Charges		15	0
		15	0
<b>Managed Outside the Service</b>		<b>(2,071)</b>	<b>(2,581)</b>
<b>Net Cost of Service</b>		<b>26,996</b>	<b>14,972</b>

# Children's Services

Budget Manager : Deputy Director Safeguarding, Specialist, Targeted Services

Safeguarding, Targeted & Specialist			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		47,147	42,412
Agency And Temporary Staff		0	4,730
National Insurance Contributions		3,506	3,562
Superannuation Costs		6,410	6,711
Other Pension Costs		370	277
Other Employee Related Costs		158	202
Training And Development		79	138
		57,671	58,032
<b>Premises</b>			
Buildings Maintenance		76	111
Grounds Maintenance		20	16
Building Security		11	11
Cleaning And Workplace Refuse		420	126
Gas		116	157
Electricity		127	146
Other Utilities		51	63
Rents		280	8
NNDR		186	234
Accommodation Charges		15	21
Premises Related Insurance		13	8
		1,316	901
<b>Supplies &amp; Services</b>			
Materials and Equipment		1,023	837
Stationery and Postage		80	63
Advertising		80	83
IT and telecommunications		406	146
Insurance		238	192
Professional Services and Subscriptions		432	617
Grants and Contributions		0	3
Catering Service		7	7
Recycling and Reuse		0	0
Allowances		241	198
Security Services		3	6
Other Hired and Contracted Services		718	175
Licences		33	99
Publication and Promotion		7	2
PFI Unitary Charges		495	495
Miscellaneous		2	3
		3,764	2,925
<b>Transport</b>			
Vehicles And Plant Related Expenditure		120	83
Travel Allowances		1,755	1,672
Fuel		8	6
Private Hire		7	2
Transport Related Insurance		5	17
		1,895	1,780
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		9,088	7,007
		9,088	7,007

# Children's Services

Budget Manager : Deputy Director Safeguarding, Specialist, Targeted Services

Safeguarding, Targeted & Specialist	£000	Budget 2013/14	Budget 2014/15
Agency Payments			
Services provided by other organisations		5,968	3,412
Services provided by Voluntary Sector		4,324	4,353
Services by Independent/Special Schools		716	0
General External Residential Placements		11,738	7,692
Independent Fostering Agencies		9,580	7,909
Carers Fees and Allowances		17,860	20,988
Services provided by Health Authorities		686	646
Contributions to Partnerships		80	80
Special Educational Needs Placements		4,016	3,190
		54,968	48,270
Transfer Payments			
Young People's Allowances		162	1,758
Social Care Direct Payments		416	566
		578	2,324
Appropriations			
Transfers to/from Earmarked Reserves		(2,495)	(2,467)
		(2,495)	(2,467)
Managed Expenditure		126,783	118,772
Internal Income			
Income from other Directorates		(1,636)	(1,185)
Redistribution of grants income		(30)	0
		(1,666)	(1,185)
Income - Grants			
Government Grants		(13,822)	(11,701)
DCLG Grants		(2,249)	(1,294)
		(16,071)	(12,995)
Income - Sales			
Sale of Goods and Services		(8)	(7)
		(8)	(7)
Income - Charges			
Fees and charges		(8,211)	(7,990)
Contributions		(3,748)	(2,178)
Other income		(258)	(40)
Rents		(158)	(187)
		(12,376)	(10,394)
Managed Income		(30,121)	(24,581)
<b>Net Managed Budget</b>		<b>96,663</b>	<b>94,191</b>
Accounting Adjustments			
IAS 19 Pensions Costs		2,685	4,071
Vehicles And Plant (Internal Leasing)		(12)	0
Vehicle leasing recharges		12	0
Capital Charges		453	400
		3,139	4,471

# Children's Services

Budget Manager : Deputy Director Safeguarding, Specialist, Targeted Services

Safeguarding, Targeted & Specialist			
	£000	Budget 2013/14	Budget 2014/15
Central Recharges			
Central Recharges Expenditure		374	0
		374	0
Managed Outside the Service		3,513	4,471
<b>Net Cost of Service</b>		<b>100,176</b>	<b>98,661</b>

# Children's Services

Budget Manager : Chief Officer Strategy, Performance & Commissioning

Strategy, Performance & Commissioning			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		2,714	2,650
National Insurance Contributions		206	197
Superannuation Costs		382	387
Training And Development		7	6
		3,309	3,239
<b>Premises</b>			
Buildings Maintenance		12	12
Grounds Maintenance		5	10
Building Security		6	5
Gas		2	3
Electricity		3	3
Other Utilities		1	84
NDR		8	2
Accommodation Charges		241	241
		278	361
<b>Supplies &amp; Services</b>			
Materials and Equipment		101	100
Stationery and Postage		8	7
Advertising		35	25
IT and telecommunications		48	32
Professional Services and Subscriptions		2,408	85
Other Hired and Contracted Services		99	93
Licences		4	19
PFI Unitary Charges		49,239	50,117
		51,940	50,476
<b>Transport</b>			
Travel Allowances		105	77
Private Hire		3,071	6,263
		3,176	6,340
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		7,802	3,382
		7,802	3,382
<b>Agency Payments</b>			
Services provided by other organisations		0	2,349
		0	2,349
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		69	294
Transfer Of Surplus		37	42
		106	336
<b>Managed Expenditure</b>		66,612	66,484
<b>Internal Income</b>			
Income from other Directorates		(18,521)	(16,038)
Recharge Income from Capital		(545)	(934)
		(19,066)	(16,972)
<b>Income - Grants</b>			
Government Grants		(909)	(3,968)
DCLG Grants		(30,959)	(30,959)
		(31,868)	(34,927)



# Children's Services

Budget Manager : Chief Officer Strategy, Performance & Commissioning

Strategy, Performance & Commissioning			
	£000	Budget 2013/14	Budget 2014/15
Income - Sales			
Sale of Goods and Services		(338)	(407)
		(338)	(407)
Income - Charges			
Fees and charges		(2,347)	(4,696)
Contributions		(136)	(140)
		(2,483)	(4,836)
Income - Other			
Interest and Dividends		(1)	(2)
		(1)	(2)
Managed Income		(53,756)	(57,143)
<b>Net Managed Budget</b>		<b>12,855</b>	<b>9,341</b>
Accounting Adjustments			
IAS 19 Pensions Costs		187	258
Capital Charges		28,935	25,167
		29,122	25,425
Central Recharges			
Central Recharges Expenditure		931	0
		931	0
Managed Outside the Service		30,053	25,425
<b>Net Cost of Service</b>		<b>42,908</b>	<b>34,766</b>



## Schools/Education

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14	Managed by the Service			Managed Outside the Service	Total 2014/15
			Spending	Income	Net		
Deputy Director of Children's Services: Learning	Schools	0	441,593	(441,593)	0	0	0
Net Cost of Service		0	441,593	(441,593)	0	0	0
Net Revenue Charge		0	441,593	(441,593)	0	0	0

# Schools/Education

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>		
Direct Pay Costs	2,718	2,718
Training And Development	10	10
	2,727	2,727
<b>Premises</b>		
Buildings Maintenance	50	50
Grounds Maintenance	6	6
Building Security	5	5
Cleaning And Workplace Refuse	34	34
Gas	38	38
Electricity	28	28
Other Utilities	617	17
NNDR	19	19
Premises Related Insurance	37	37
	834	234
<b>Supplies &amp; Services</b>		
Materials and Equipment	93	93
IT and telecommunications	15	15
Professional Services and Subscriptions	19	19
Catering Service	91	91
Other Hired and Contracted Services	482	482
	701	701
<b>Transport</b>		
Travel Allowances	16	16
	16	16
<b>Internal Charges</b>		
Managed Recharges Frm Other Directorates	59	59
Distributed Grants	42,629	56,715
	42,688	56,774
<b>Transfer Payments</b>		
School Budget Share	367,781	377,231
Young People's Allowances	2,327	2,800
	370,108	380,031
<b>Capital</b>		
Schools Contingency	1,111	1,111
	1,111	1,111
<b>Managed Expenditure</b>	418,184	441,593
<b>Internal Income</b>		
Income from other Directorates	(2,459)	(2,459)
Redistribution of grants income	(43)	(43)
	(2,503)	(2,503)
<b>Income - Grants</b>		
Government Grants	(415,565)	(439,029)
DCLG Grants	(114)	(60)
	(415,679)	(439,089)
<b>Income - Sales</b>		
Sale of Goods and Services	(2)	(2)
	(2)	(2)
<b>Managed Income</b>	(418,184)	(441,593)

# Schools/Education

Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
<b>Net Managed Budget</b>		<b>0</b>	<b>0</b>
<b>Net Cost of Service</b>		<b>0</b>	<b>0</b>



City Development





# LEEDS CITY COUNCIL

## 2014/15 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 2014/15 financial year.

#### 2 Service Context

- 2.1 The City Development Directorate is responsible for the Council's physical, economic and cultural services. The range of services and functions that it provides makes a significant contribution to the life, growth and vitality of the city. Since 2010/11 the Directorate has managed significant reductions in spending and staffing, including over £11m of savings in the 2011/12 budget and further savings in 2012/13 and 2013/14. This has also been against the background of the difficult economic conditions which has impacted on the ability of the Directorate to meet some income targets. The budget for 2014/15 is intended to provide a sustainable base position for services going forward, this is particularly important considering the challenge that will lie ahead leading into the 2015/16 budget discussions where a more fundamental review of service provision may be required to deliver the scale of savings likely to be required.
- 2.2 Staffing levels have reduced by over 25% over the last 4 years contributing savings of over £10m but in some services such as Planning and Sustainable Development and Highways and Transportation, an increase in workloads is putting additional pressure on current staffing levels. Staffing is the largest budget in the Directorate and the 2014/15 budget includes further staff savings of over £1.3m which are related to specific proposals around service levels, reviews and planned restructures. Whilst the 2014/15 budget does not include full closures of facilities it is a challenge for services to continue to reduce staffing levels without reviewing or reducing current service levels following the scale of reductions already achieved in previous years.
- 2.3 The Directorate has a key role to play to create the conditions for sustainable and inclusive economic growth in the city and to secure additional revenue income for the Council. Additional income from growth in business rates and from the New Homes Bonus is a key part of the budget strategy for the Council. Although this income is accounted for corporately, services in City Development have a crucial role in securing this additional income.
- 2.4 Whilst the last few years have seen difficult economic conditions there are some grounds for optimism with this year seeing an increase in development activity and investment and an increase in planning applications and planning fee income and the completion of some key developments. Some external income targets have been increased to reflect this trend which is expected to continue in 2014/15. This year has also seen further improvement to the retail offer in the city such as with the opening of the new Trinity retail centre with further developments planned such as the Victoria Gate scheme including John Lewis and the redevelopment of Kirkgate Market. Such development has a direct impact on Council revenues through growth in business rates income.
- 2.5 Support to further develop the city's investment arm, Leeds and Partners, will continue with the aim of bringing new jobs and investment to the city and the 2014/15 budget includes the

continuation of the contribution to Leeds and Partners of just over £1m. The Directorate will also work with the Local Enterprise Partnership to maximise the impact of the city's growth potential including the establishment of the biggest Enterprise Zone in Europe in the Aire Valley. Services in the Directorate will continue to work closely together to deliver on other key development opportunities such as the East Leeds Extension, Leeds Railway Station Southern entrance, the South Bank and Holbeck Urban Village, the Leeds-Bradford Corridor and Leeds Bradford Airport. Support will also be provided to key sectors of the Leeds economy such as manufacturing, financial and professional services, health and innovation, digital and information, visitor economy and housing, construction and infrastructure. Services across the Directorate are also working closely with colleagues in Environment and Housing to increase the supply of new housing and to deliver affordable housing in a wide variety of ways. Growth in housing will also increase funding to the Council through the New Homes Bonus.

- 2.6 The City's sporting, recreational and cultural offer has an important impact on the economy and on the well-being of citizens. The Directorate will continue to make a significant contribution to the offer in the city. The First Direct Arena successfully opened during 2013/14 and it is expected to be in the top five venues in the World and income due to the Council is expected to make a positive contribution to the revenue budget in 2014/15. The Directorate will also support the hosting of global events such as the Tour de France in July 2014 and the Rugby Union World Cup in 2015. The 2014/15 budget includes the continuation of funding of approximately £500k from Sport England and Public Health for the Leeds Let's Get Active scheme which successfully launched in 2013 and has already seen an increase in participation across the City. Further Sport England funding worth £500k over 2 years has also recently been secured for work with national sporting bodies. On-going funding of £1.7m provided by the Arts Council England is also budgeted for within the Museums and Galleries Service.
- 2.7 Developing and strengthening the Directorate's income base, as the economy recovers, will be a key part of this year's budget proposals. Overall, the forecast income budget for the Directorate will be approximately £83m. During 2013/14 services in the Directorate have secured significant external funding to support a wide range of projects and initiatives including the apprenticeships and skills agenda. In November 2012 the Apprenticeship Training Agency was launched in partnership with the City College with the aim of increasing the number of apprenticeship opportunities in the City. The Directorate will also continue to work with other services and providers to increase the number of young people in employment, education and training. A new government funded programme – the '18-24 Young Talent Head Start Programme' will start in 2014.
- 2.8 Supporting a modern day infrastructure in the city is also a key priority for the Directorate. The 2014/15 Capital Programme confirms provision of funding for a number of important schemes including progressing the New Generation Transport scheme to Public Enquiry Stage, completion of a number of key milestones for the Flood Alleviation scheme for the city, the Inner Ring Road Woodhouse Lane Tunnel, the Cycle City Ambition Scheme and the £10m Highways Maintenance annual programme.
- 2.9 Economic Development is supporting improvements in the technological infrastructure through the West Yorkshire Local Broadband Project which will see many rural areas in Leeds have Superfast Broadband and the Super Connected Cities scheme which will provide businesses within the Leeds/Bradford corridor with faster broadband speeds.
- 2.10 The Directorate will also support the budget plus savings work streams particularly in relation to the Asset Rationalisation Programme which aims to achieve a significant reduction in the running costs of the asset base. A substantial amount of work has already

been completed including discussions around asset needs at a Ward level and the next phase of work will be around challenge about the retained estate, its intended purpose and further scope for rationalisation or combining services previously operating separately in shared locations.

### 3 Explanation of variations between adjusted 2013/14 and 2014/15 +£1,031k (1.7%)

3.1 The variation can be summarised as follows:

	£000s
Net Managed Budget 2013/14	61,981
Adjustments	
• Transfers of functions	- 1,010
• Other adjustments	- 1,619
Adjusted Net Managed Budget 2013/14	59,352
Changes in prices	
• Pay	815
• Price	1,141
• Income	- 326
	1,630
Full Year Effects	360
Demand/Demography	-
Other Budget pressures	3,435
Total Budget Increases	5,425
Savings	
Ensuring High Quality Public Services - Procurement	- 1,118
Becoming an efficient and enterprising Council	
• Assets	-
• Business Improvement	- 300
• Support Services	-
Income, charging and trading	- 1,015
Other efficiencies and savings proposals	- 1,961
Total savings	- 4,394
Net Managed Budget 2014/15	60,383

### 3.2 Adjustments

3.2.1 The opening position has been adjusted for the transfer of most of the functions carried out by Corporate Property Management (CPM) to Civic Enterprise Leeds which was agreed as part of the Enabling Corporate Centre review. The net amount transferred is £6,291k with part of the CPM service remaining within Asset Management, including the budget for leased in property rents. Other changes and transfers include an increase of £423k for the transfer of the Breeze service from Children's Services to Libraries, Arts and Heritage. An additional £20k has been transferred from Children's Services for the Education, Business and Partnership and Mentoring Services which has moved to Employment and Skills within the Directorate. To enable better management and monitoring of the horticultural work undertaken for Highways by the external contractor it was decided in 2013/14 to transfer

both service responsibility and budget to the Parks section within Environment and Housing. An adjustment of £1,147k has been made for this transfer. It has been agreed that the Business Relationship Management Teams currently part of Information, Communications and Technology will be transferred to be managed by Directorates and a budget of £157k has been transferred to Resources and Strategy in City Development for the team supporting City Development Directorate.

3.2.2 Other adjustments total a net reduction of £1,619k to the 2014/15 OE and include an additional £111k transferred from Adult Social Care as a contribution to the running costs of Holt Park Active which opened in October 2013. £69k has been transferred to Civic Buildings as compensation for the loss ground rent following the Council's purchase of the lease of St Georges House. The other adjustments are as a result of the work to reduce the number of recharges in the Council. The objective is to reduce the time and bureaucracy spent on recharges within the Council to a minimum whilst complying with accounting requirements. In the 2014/15 budget the removal of various recharges including fleet charges and internal leasing charges results in a reduction of £1,854k. In addition, Asset Management used to charge other services for work carried out by surveyors on property related matters. As part of the recharges review this work will not be recharged in 2014/15 and as a result the net income target of £193k has been removed.

### 3.3 Changes in prices

3.3.1 Provision of £815k has been made for a 1% growth in staffing budgets in 2014/15. No provision will be made for inflation on running costs budgets other than where there are specific contractual commitments and on utilities. These include £409k for increases in energy costs, £292k for materials and other operational costs particularly in Highways and Transportation, an additional £280k for the Street Lighting PFI contract in Highways and Transportation, £100k for the New Leaf Sport Centres PFI contract costs and £60k for the increase in National Non Domestic Rates across a number of services in the Directorate.

3.3.2 Charges will generally increase by around 2% to 3% and proposed increases will take into account market conditions and the impact on the customer. However, in Sport price increases will be limited to a small number of activities and the majority of prices will not be increased recognising the fact that prices have been increased significantly in previous years and that the service is facing increasing competition in a number of areas. A total of £100k has been included in Sport for selective price increases. The Government is responsible for setting planning fee charges, these were last increased in November 2012 and there is no planned increase in 2014/15.

### 3.4 Full year Effects

3.4.1 The budget in Asset Management for income from the Sovereign Street Car Park site has been reduced by £360k. The budget was reduced by £380k in 2013/14 and this further reduction will remove the income from the budget completely in 2014/15 following disposal or planned disposals for development and green space purposes of the majority of the site.

### 3.5 Demand/Demography

3.5.1 There are no budget changes in City Development relating to demand or demography issues.

### 3.6 Other Budget pressures

3.6.1 Whilst economic conditions have shown some improvement during the current year some income sources in the Directorate have continued to show a shortfall against the budget. A number of income budgets have, therefore, been reduced in the 2014/15 budget and these include: £500k for Sport income based on current trends; £400k in Highways and Transportation for income budgeted for residents parking permit charges which Executive Board recently agreed not to implement and £350k for reduced income in Economic Development, Employment and Skills and Planning and Sustainable Development for work streams and funding that have now ended. The budget for advertising income in Asset Management has been reduced by £200k although some additional income is expected in 2014/15 following the tendering of some new advertising hoarding sites. Income budgets in Libraries, Arts and Heritage have been reduced by £300k to reflect current trends mainly in relation to venues and arts and events.

3.6.2 A net additional £900k has been provided in Libraries, Arts and Heritage to establish a budget for the Leeds element of costs for the Tour de France. The remainder of the budget will be held in reserves and released during the year. Other budget pressures that require funding in 2014/15 include £100k to support the Elland Road Park and Ride scheme, £100k as a contribution to the Yorkshire Sculpture Triangle and £50k towards the library book fund which is a shortfall in the amount provided in the capital programme for capitalisation of the expenditure. An additional £100k has also been provided in Sport and Active Recreation to fund on-going Olympic legacy activities. An additional £135k has been included in Planning and Sustainable Development to fund two additional Senior Planning Officer posts in 2014/15 to deal with the increase in major planning applications and to provide an increase in the planning legal costs budget.

### 3.7 Funded Service Growth

3.7.1. Services in City Development have successfully bid for various new external funding in 2014/15. At this point the profiling of the funding has not been agreed so the additional income and expenditure has not been included in the 2014/15 OE but will be added in year by virement once the profiling has been confirmed. Sport and Active Recreation have secured additional two year Sport England funding worth £500k to work with national sporting governing bodies to improve coordination of activities in the city with a particular aim to improve activity in areas with lower participation and involvement.

3.7.2 There are two new funded programmes in Employment and Skills in 2014/15. A new government funded programme – ‘18-24 Young Talent Head Start Programme’ will start in 2014 to deliver a local programme focused on giving a ‘head start’ to young people furthest from the labour market and with insufficient opportunities to gain real work experience in the current economic climate. Leeds will receive £1,200k over two years and will work with over 800 young unemployed people in Leeds to help tackle the challenges in long term youth unemployment. The Heritage Lottery Fund have confirmed initial support of £845k over three years for Leeds starting in 2014 to support ‘Re-making Leeds’. This is a heritage construction skills project which in conjunction with training providers will provide specialised training with work based placements which will produce the skills to enable Leeds heritage buildings to be repaired and refurbished.

3.7.3 The budget also provides for on-going funding of approximately £500k from Sport England and Public Health for the Leeds Let’s Get Active scheme which launched in 2013 and

on-going funding of £1.7m provided by the Arts Council England which will enable further development of community outreach, volunteering and improvements across the 9 sites operated by Leeds Museums and Galleries.

### 3.8 Savings

#### 3.8.1 Dealing effectively with the City's Waste/Building a Child Friendly City/Delivery of the Better Lives Programme

There are no savings included for these programmes.

#### 3.8.2 Ensuring High Quality Public Services – Procurement

A saving of £1,118k has been included for reductions to running cost budgets across the Directorate. These savings will be delivered through a combination of close working with the Corporate Procurement Team to deliver efficiencies in procurement but will also involve reviewing service spending plans.

#### 3.8.3 Becoming an efficient and enterprising Council

##### Assets

Although there are no specific saving targets included in the 2014/15 OE for City Development savings from the asset rationalisation programme the Directorate is taking a lead role in coordinating activities in this work stream to realise savings across Directorates over the life of the Medium Term Financial Plan.

##### Business Improvement

The Directorate will also contribute to the Council Plan priorities for an efficient and enterprising council. As part of this a target saving of £300k on staffing has been included in the budget proposals for savings under the business improvement programme. This will include working with Environment and Housing when they relocate to Leonardo/Thoresby as part of the Changing the Workplace decant from Merrion House in 2014 and along with City Development will share and reduce administration/ directorate support and other back office costs and review administrative support in services.

##### Support Services

Savings in this area are to be delivered as part of the above Business Improvement Programme.

#### 3.8.4 Income, Charging & Trading

The 2014/15 OE for Planning and Sustainable Development includes an increase to the budget for external planning and building fee income of £425k reflecting the increase in planning applications and external planning fee income experienced this year with this trend expected to continue in 2014/15. In Asset Management an increased contribution of £590k has been budgeted for from the Investment Portfolio including the First Direct Arena.

#### 3.8.5 Other Efficiencies and Savings Proposals

The budget includes a net saving of £1,043k in savings on staffing after allowing for funding current staffing pressures in Planning and Sustainable Development and Sport and Active Recreation. This represents a reduction of approximately 3%. As detailed in paragraph

3.8.3 there are also additional specific staff savings included around business improvement and also within the Leeds Visitor Centre. In Culture and Sport the saving will be linked to specific proposals around reducing operating hours at some facilities such as in Libraries and reviewing rotas and staffing levels in other facilities, these proposals will be subject to consultation. In all services where possible the saving will be looked at to be generated through staff turnover and staff leaving through the Early Leaver Initiative. There may also be the need for some service restructures to ensure efficient service support and focused service delivery. The budget also provides for a small number of additional funded posts. Across the Directorate it is estimated that there will be a net reduction of approximately 36 FTEs. As mentioned above, in Sport and Active Recreation and in Planning and Sustainable Development there has been an overspend on staffing this year and the 2014/15 budget proposals will correct this although some new savings are also assumed. An external review of processes in Planning and Sustainable Development is planned to be commissioned to inform areas for review and to help identify where improvements could be made in terms of processes and efficiencies.

A range of existing public health activities are now being commissioned from the Council by the Public Health service. These amount to £369k relating to the Active Lifestyle Service within Sport and Active Recreation.

Other savings include a review of the sustainability of each of the events that make up the current event programme looking at current charging arrangements and the potential to reduce costs by £100k, a review of the operation of the Leeds Visitor Centre with the aim of saving £50k by reviewing the scope of service, method of operation, staffing levels and property issues. The scope for a further expansion of proposals for late night switch off of street lighting will be explored with a target saving of £100k. A target saving of £100k from grants to Arts Organisations has also been included, 2014/15 is the final year of the 3 year agreement on grants to Arts Organisations. A reduction of £264k has been included for savings made on the insurance recharges

#### 4. Net Revenue Charge

- 4.1 The following table provides a summary of the net revenue charge for the service which brings together the net managed budget and those budgets managed outside the service.

	£000s
Net Managed Budget	60,383
Managed Outside Service	49,620
Net Cost of Service	110,003
Transfers to/from earmarked reserves	- 2,231
Net Revenue Charge	107,772

#### 5 Risk Assessment

- 5.1 In determining the 2014/15 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 to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.

5.2 The key risks in the 2014/15 budget for this directorate are as follows;

The budget assumes further reductions in staffing across the Directorate. Whilst a large proportion of the reductions are expected to be through staff leaving through approved business cases through the Early Leaver Initiative other reductions are dependent on the implementation of other proposals and service restructures. Some of the reductions will also only be achievable if proposed changes to services are implemented. Overall a net reduction of 35 FTEs is expected. In order to mitigate against this risk staffing levels and the release of vacancies will continue to be closely monitored by City Development Directorate

5.4 The Directorate has an external and internal income target of over £83m. With the economic outlook still challenging there is an on-going risk that budgeted levels will not be achieved. Whilst some external income have shown an improvement in 2013/14 such as Planning and Building fees other income has continued to decline. The budget for 2014/15 does include a number of adjustments to current budgets to reflect trends and known changes as detailed above and this should ensure that the risks in 2014/15 are minimised. Income budgets are monitored regularly and appropriate action taken where possible.

5.5 There is also a risk that savings from efficiencies, particularly in relation to procurement savings are not realised. The Directorate will work closely with the Central Procurement Unit to deliver the savings and will review spending plans during the year to offset any areas where efficiencies are not being realised.

Briefing note prepared by: Simon Criddle  
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# City Development

## Planning and Sustainable Development

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### **Main responsibilities:**

#### **Planning Services**

- Dealing with all aspects of development in the city from pre-application engagement to delivery on the ground to ensure high quality sustainable schemes are delivered for the benefit of the City and its people. Also dealing with planning appeals to protect the City from inappropriate and harmful developments.

#### **Building Standards**

- Providing building regulation and building structure surveys as well as public safety services, especially with regard to sports stadia.

#### **Compliance Services**

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

#### **Customer Services**

- Providing customer focused one-stop services for the whole of the Development Directorate, face to face, by phone and, increasingly, by email and the internet and supporting the delivery of planning services including permitted development enquiries, land searches and customer complaints.

#### **Sustainable Development**

- Architecture, heritage conservation, landscape architecture, urban design, biodiversity, tree protection, contaminated land, minerals, waste management, renewable energy and environmental management..

#### **Planning and Economic Policy**

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

# City Development

## Economic Development

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### **Economic Development**

Economic Development works on a diverse range of projects to support business, create employment and drive economic growth. The Leeds Growth Strategy provides the focus for the service, with key projects and objectives including:

#### **Supporting business growth and enterprise**

- administering and delivering grant support for SMEs through Leeds City Council's business growth fund and delivering the new £20m RGF-funded business growth programme on behalf of Leeds City Region local enterprise partnership;
- enterprise support and advice for start ups and pre-start up businesses delivered in association with partners including Leeds Met (independent retail incubation project), libraries service and chamber of commerce;
- providing a commercial property location service for businesses looking to set up, expand or relocate their operations in the city.

#### **Promoting a thriving and safe city centre**

- managing and improving public realm in the city centre through the Legible Leeds wayfinding project, street refurbishment programme, licensing street cafes and management of city centre event spaces;
- business support through city centre liaison officers' work, key account management, festivals (Leeds Loves Food and Christmas markets) and the Leeds Shopping Guide;
- managing community safety through partnership working with police and city centre businesses city centre liaison officers and ;

#### **Managing, developing and promoting Leeds Markets**

- including Leeds Kirkgate Market in the city centre and district and speciality markets in Otley, Pudsey, Yeadon and the city centre
- implementing the Leeds Market Charter.

#### **Shaping policy and investment decisions**

- providing economic information and intelligence to support policy making and investment decisions;
- working with partners to deliver key elements of the Leeds Growth Strategy, with particular focus on commissioning and delivery in relation to healthcare and medical technologies (Health Innovation Hub), creative and digital (superfast broadband, city centre wifi and the 'connected cities' programme);
- working with partners to develop affordable credit services, budgeting support, debt and benefits advice for people within the city's most disadvantaged communities and address the impact of current welfare reforms on vulnerable groups.

The service is also responsible for working with colleagues across City Development to deliver on major city priorities such as the Large Casino License, the Aire Valley Leeds enterprise zone and major city centre developments including Victoria Gate retail development, Kirkgate Market refurbishment, Sovereign Street park and commercial development and the regeneration of South Bank.

### **Budget highlights 2014/15:**

- Additional £5m Regional Growth Fund monies over the next two financial years for a business grant scheme across the City Region. This will be administered by Leeds City Council and a proportion of the funding will be spent with Leeds businesses.
- Net income of £153k for the management of the Regional Growth Fund project to continue.

# **City Development Economic Development**

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- Budget includes £1,050k for LCC contributions to Leeds and Partners. Tourism budgets will also be passed onto Leeds and Partners.
- Continuance of the £500k budget included as part of the vision for the future of Leeds City Market.

# City Development Asset Management & Regeneration

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## Main responsibilities:

Asset Management & Regeneration leads the City Development Directorate's role in managing and optimising the Council's use of its land and property portfolio, supporting the delivery of economic and physical growth through targeting the delivery of new housing and infrastructure to assist in the regeneration of the city's deprived areas and the economic growth of the city as one of the main drivers for growth in the City Region.

In late 2013/14 the staff within Corporate Property Management moved to Civic Enterprise Limited to undertake the property maintenance work to the Council's property portfolio.

The Division plays a strategic role in guiding the use and future development of the Council's £4bn property portfolio for the greater benefit of the Council and the city by:-

- Development of the Corporate Asset Management Plan.
- Provision of asset management guidance for services at a strategic and operational level and managing the corporate asset management governance arrangements.
- Providing a professional property service which includes disposal of major development sites, such as Eastgate and Victoria Gate and surplus Council assets, managing the Council's Investment Portfolio and Small Industrial Estates to maximise revenue income, undertaking valuations to support business decisions, and providing advice and guidance on a wide range of property related matters.
- Asset Management and Regeneration work on a number of major projects across the City including the Aire Valley Enterprise Zone, the East Leeds Extension including Council owned land at Redhall and within the East Leeds Extension and involved in work with Thorpe Park all linked to the proposal to deliver a new East Leeds Orbital Road, the delivery of development at Sovereign Street and provision of new green space and the refurbishment of Kirkgate Markets, George Street. The work involves a range of disciplines from project coordination and delivery through property advice.
- Generating revenue through extending and developing the existing Advertising portfolio
- Ensuring the Council's properties are well maintained and suitable for service use through repair, maintenance and refurbishment programmes.
- Procurement of the Council's energy contracts, monitoring energy and water efficiency and reporting on carbon emissions
- Working with the Council's newly established Joint Venture Partner NPS to deliver the Council's Capital Programme.
- Working to promote sustainable development opportunities and encourage new business in the Aire Valley Leeds
- Delivering affordable new housing as a component of sustainable and inclusive growth including supporting regeneration within neighbourhoods and utilising brownfield land

The Division also co-ordinates and delivers major projects and programmes which improve the physical fabric and infrastructure of the city, support housing growth and contribute to its economic well-being:

- Co-ordinating and managing the delivery of large scale Capital projects such as Leeds Arena, the City Museum, Northern Ballet Headquarters, City Varieties refurbishment and the new swimming pool at John Charles Centre for Sport.

## **City Development Asset Management & Regeneration**

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- Co-ordinating, in partnership with the private sector, major large scale projects and programmes which are aimed at delivering significant economic impacts such as large city centre retail projects, the Aire Valley Enterprise Zone, Sovereign Street and South Bank.
- Supporting the longer-term transformation and sustainability of deprived neighbourhoods by stimulating and supporting external investment in new homes and neighbourhoods;
- Securing investment for the delivery of affordable housing through effective use of assets, public funding, inward investment, joint ventures and partnerships.
- Managing area-based regeneration programmes targeting the re-use and redevelopment of previously developed land and derelict buildings for housing and employment uses in both strategic and neighbourhood locations, including the Holbeck Urban Village, South Bank, Aire Valley, East and South Leeds.
- Co-ordinating programmes to secure and manage investment in some the city's most important historical assets.

# City Development Asset Management & Regeneration

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## Budget highlights 2014/15:

- Continued disposal of Council sites to enable the delivery of up to 600 new homes on previously developed land through the capital receipts programme, the brownfield land programme and the affordable housing programme.
- Completion of the 2011-15 Affordable Housing Programme to complete delivery of over 2000 new units in the city, in conjunction with the Homes and Communities Agency and Registered Providers. Identifying further opportunities to support maximisation of investment through the 2015-18 programme. In addition, continuing to explore new delivery routes and models to maximise investment including developing an approach to provision for older people.
- Delivery of the £40m Council Housing Growth Programme through direct development of new homes and the acquisition and refurbishment of empty properties.
- Partnership working with the HCA to support and enable the development of land in its portfolio to make a significant contribution to good city growth, to include land at Seacroft Hospital and Tower Works.
- Development of the vision for South Bank, including the planning context for the new HS2 terminus, delivery of new office developments and civic space at Sovereign Street, planning for a new urban park and continued work to bring forward sites to realise the mixed use development potential of the Holbeck Urban Village.
- Substantial completion of the £2.5 m Heritage Lottery Fund (HLF)/LCC funded Townscape Heritage Initiative (THI) schemes in Armley and Chapeltown with extension to allow completion of critical properties by 03/2015; Kirkgate THI (£2.5 m) scheme to continue into the second year of a five year programme, with the several owners at THI compliant planning stage and progression of a LCC led project to restore the First White Cloth Hall.
- Managing and enabling the progression of development in the Aire Valley and the associated LCR Enterprise Zone by securing funding and investment to deliver significant new business floorspace, and employment opportunities for the city.
- Progressing the design, funding and business case for a new East Leeds Orbital Road to support the delivery of up to 6000 new homes in the East Leeds Extension.
- Recently the staff within Corporate Property Management have moved to Civic Enterprise Limited to undertake the property maintenance work to the Councils property portfolio.

# City Development Employment & Skills

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## **Main responsibilities:**

### **Employment and Skills**

- To assist local employers to recruit, train and retain local people, in particular young people and those affected by long term unemployment.
- To work with partner agencies to align and deliver services that target out-of-work residents to link them to training and job opportunities through the provision of information, advice, guidance and skills training to priority groups.
- To support and enable partnership planning and delivery with businesses and skills providers to meet their current and future skills and employment needs.

## **Budget 2013/14:**

### **Employment and Skills**

- To work with businesses and partner agencies to develop and deliver skills programmes to contribute to the delivery of the Leeds Economic Growth Action Plan
- Delivery of the corporate apprenticeship programme and work in partnership with the National Apprenticeship Service and skills providers to engage SME employers and increase apprenticeships numbers in the city.
- To ensure the delivery of the City Deal Skills programme in Leeds through the effective operation of the Leeds Apprenticeship Training Agency, the Apprenticeship Hub and Youth Contract Support programme
- Commissioning of Community Learning and Adult Skills programmes to meet community needs and the development and delivery of new employability and skills programmes to provide job search, work experience, transferable skills and in-work support e.g. Remaking Leeds (£845k over 3 years Heritage Lottery Fund) and Young Talent: Head Start programme (£1.2m over 2 years DWP).
- Realignment of Job Shop and outreach services within Community Hubs to offer a visible, accessible presence and to more effectively support those living in areas with the highest levels of out-of-work claimants.

# City Development

## Highways and Transportation

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### Main responsibilities:

- Monitor and maintain the highways assets of roads, bridges, retaining walls and associated infrastructure. Delivering a large programme of reactive and planned work to improve the condition of the network reduce the risk of accidents occurring on the highway and minimise the financial risk of claims. Bridge assessment and strengthening, together with the management of the authority's structures in accordance with national programmes and standards.
- A 24 hours a day, 365 days a year emergency response and Winter Maintenance Services.
- The Leeds Street Lighting Private Finance Initiative which is delivering one of the largest refurbishment and maintenance programmes for street lighting in the country. The scheme has seen over 80,000 lighting columns replaced.
- Network Management duties include the monitoring, coordination and control of the activities of utility companies and developers working on the highways to help minimise potential inconvenience, congestion and disruption to road users.
- Traffic Engineering is responsible for the implementation of traffic management and signing schemes to improve the information to road users and allow them to travel in maximum safety. This includes delivery of traffic regulation orders, new traffic signs, speed restrictions and pedestrian crossings.
- The Transport Strategy group is responsible for the appraisal, formulation and co-ordination of transport policy development, and develops strategies that support transport and spatial planning in addition to monitoring and compiling programmes and bids for transport capital expenditure. The Environmental Studies team which provides a range of services on behalf of the Council, including noise, vibration, air quality measurements and assessments with a focus on transport impacts. Advice is provided on Strategic Environmental Assessments, transport sustainability impacts and measures to mitigate and adapt to climate change.
- The Policy Monitoring group is responsible for monitoring the impact of transport policy in Leeds and informing new policy initiatives. It provides a full range of traffic and transportation data collection, analysis and reporting services to the Council and the other West Yorkshire District Councils and other external clients. The Group has responsibility for road casualty data processing and analysis as well as undertaking investigatory work in terms of road casualties and leading the Council's road safety audit work for new schemes.
- The Urban Traffic Management and Control (UTMC) group keeps the city moving running a busy control room by operating the city's traffic signals and developing the traffic control system, with responsibility for a wide range of traffic and transport issues, from strategic network design through to day-to-day support services including planned and unplanned disruptions to the network.
- Transport Development Services includes the Highways Development Control and the Influencing Travel Behaviour (ITB) Teams. Highways Development Control are responsible for responding in terms of the highway implications of new development proposals including planning applications. The ITB team delivers road safety and sustainable travel education, training and publicity campaigns using road casualty and collision data to target vulnerable road users and supports travel planning in schools and in businesses.
- Engineering Projects is responsible for the design and delivery of major and minor highway schemes, transportation projects and major council sponsored prestige projects. On-going schemes include the Cycle Superhighway scheme in partnership with Metro and the Leeds (River Aire) Flood Alleviation Scheme in partnership with the Environment Agency.



# City Development Highways and Transportation

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- Design and delivery of major and minor highway schemes, transportation projects and major council sponsored prestige projects, including the development of proposals for the New Generation Transport (Trolleybus) scheme in partnership with Metro.
- Bridge assessment and strengthening, together with the management of the authority's structures in accordance with national programmes and standards.
- Provision of a geotechnical and site surveying consultancy service including topographical and soil surveys.
- Undertaking all the statutory responsibilities of the Council as the city's as the Lead Local Flood Authority, full riparian responsibilities for Leeds City Council properties, management of watercourses and fountains and undertaking responsibilities in connection with the Flood & Water Management Act..

## **Budget highlights 2014/15:**

- A number of large capital schemes are now progressing. The budget provides for additional staffing resources to support these schemes. Schemes include New Generation Transport where funding has been secured to prepare the project to Works Order and Public Enquiry Stage, Flood Alleviation, Inner Ring Road structures and various developer funded schemes.
- Additional Government grant of £0.705m for highway maintenance included in the 2014/15 capital programme provision for maintenance.
- UTMC move completed. Transfer to new technology has saved £250k p.a.
- New West Yorkshire wide UTMC maintenance contract is saving Leeds £80k p.a.

# City Development Libraries, Arts and Heritage

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## Main responsibilities:

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

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

## Budget highlights 2014/15:

- The 2014/15 budget provides funding for an ambitious cultural and events programme leading up to the Tour de France Grand Depart including the Sky Ride and for preparatory work for hosting British Art Show 8 and the Rugby Union World Cup in 2015.
- In a joint initiative with Wakefield Metropolitan Borough Council, the budget makes provision for a £100k contribution to the Yorkshire Sculpture Triangle which sees the four major venues in the county (Yorkshire Sculpture Park, Henry Moore Institute, Leeds Art Gallery and the Hepworth Wakefield) working together to showcase the best in sculpture to local, national and international audiences.

# City Development Sport and Active Lifestyles

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## **Main responsibilities:**

The Sport and Active Lifestyles service supports Council objectives by:

- Providing a variety of recreation opportunities for all people to enjoy and benefit from.
- Encouraging health through involvement in physical activity.
- Providing opportunities for self development and learning through sporting activity.
- Taking the strategic lead in the development of recreational and sporting opportunities in Leeds.
- Developing the Council's facilities including development of leisure centres.
- Delivering targeted programmes to ensure all residents are encouraged to be involved in recreation activities.
- Setting clear priorities, supporting the development of staff and managing performance effectively.
- Taking a strategic approach towards the future development of the service which meets the changing needs of the city and ensures the sustainability of the service.

## **Budget highlights 2014/15:**

- Ongoing funding of approximately £500k from Public Health and Sport England for the Leeds Let's Get Active Scheme which launched in 2013. The scheme will continue to provide a number of hours of free access to sport facilities across the city to qualifying residents.
- The budget provides £100k for the establishment of an annual Olympic Legacy Fund which will help to deliver a programme of activities with the objective of increasing participation.
- The 2014/15 budget provides for the full year impact of the new Holt Park PFI leisure centre which opened in October 2013.
- Provision has also been made for a £100k increase in the unitary charge for the New Leaf Leisure Centres (Armley and Morley).



# City Development

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14	Managed by the Service		Managed Outside the Service	Total 2014/15
			Spending	Income		
Chief Planning Officer	Planning And Sustainable Development	5,187	9,439	(5,506)	258	4,191
Chief Officer Economic Development	Economic Development	2,574	6,163	(4,695)	332	1,800
Chief Asset Management & Regeneration Officer	Asset Management	7,627	10,989	(7,761)	1,022	4,251
Chief Officer Employment and Skills	Employment and Skills	3,255	6,070	(3,181)	(83)	2,806
Chief Officer - Highways	Highways And Transportation	51,534	55,556	(34,905)	28,931	49,582
Chief Officer for Culture and Sport	Libraries, Arts And Heritage	27,216	27,454	(7,866)	4,507	24,095
Chief Officer for Culture and Sport	Sport And Active Recreation	17,273	25,826	(19,060)	16,253	23,019
Chief Officer Resources and Strategy	Resources and Strategy	(12,357)	1,964	(104)	(1,783)	76
Chief Asset Management & Regeneration Officer	Regeneration Programmes	183	0	0	182	182
Net Cost of Service		102,491	143,461	(83,078)	60,383	110,003
	Transfers to and from earmarked reserves	(805)	0	0	(2,231)	(2,231)
Net Revenue Charge		101,686	143,461	(83,078)	60,383	107,772

# City Development

## Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		47,711	48,876
Agency And Temporary Staff		104	88
National Insurance Contributions		3,563	3,486
Superannuation Costs		6,360	6,608
Other Pension Costs		2,364	2,205
Other Employee Related Costs		177	143
Training And Development		278	249
		60,557	61,655
<b>Premises</b>			
Buildings Maintenance		1,201	966
Grounds Maintenance		2,411	127
Building Security		377	306
Cleaning And Workplace Refuse		1,246	600
Gas		1,243	1,186
Electricity		6,872	6,795
Other Utilities		600	532
Rents		4,703	3,965
NDR		3,386	3,459
Highways Maintenance		7,813	7,279
Accommodation Charges		34	11
Premises Related Insurance		533	274
		30,420	25,500
<b>Supplies &amp; Services</b>			
Materials and Equipment		8,208	8,493
Stationery and Postage		397	212
Advertising		271	216
IT and telecommunications		1,581	1,445
Insurance		2,281	2,195
Professional Services and Subscriptions		2,599	3,227
Grants and Contributions		4,971	4,493
Catering Service		10	10
Recycling and Reuse		0	10
Waste Disposal and Landfill Tax		77	76
Allowances		43	39
Consultancy Services		133	256
External Audit Fees		6	6
Security Services		392	377
Other Hired and Contracted Services		17,056	19,602
Licences		144	126
Publication and Promotion		299	345
PFI Unitary Charges		3,597	6,090
Miscellaneous		130	113
		42,195	47,330
<b>Transport</b>			
Vehicles And Plant Related Expenditure		3,760	2,971
Travel Allowances		519	461
Fuel		409	437
Private Hire		2	1
Transport Related Insurance		51	70
		4,741	3,941

# City Development

## Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
Internal Charges			
Managed Recharges Frm Other Directorates		6,720	6,239
		6,720	6,239
Agency Payments			
Services provided by Voluntary Sector		1	1
Contributions to Partnerships		150	150
		151	151
Appropriations			
Transfers to/from Earmarked Reserves		(37)	(1,354)
		(37)	(1,354)
<b>Managed Expenditure</b>		<b>144,746</b>	<b>143,461</b>
Internal Income			
Income from other Directorates		(19,145)	(17,477)
Recharge Income from Capital		(8,464)	(9,016)
Charges to / from HRA		(562)	(653)
Redistribution of grants income		0	(998)
		(28,171)	(28,145)
Income - Grants			
Government Grants		(12,966)	(12,549)
DCLG Grants		(2,328)	(4,543)
Other Grants		(152)	0
		(15,446)	(17,092)
Income - Sales			
Sale of Goods and Services		(4,461)	(4,701)
		(4,461)	(4,701)
Income - Charges			
Fees and charges		(21,658)	(21,499)
Contributions		(821)	(932)
Other income		(4,342)	(3,738)
Rents		(6,398)	(6,972)
Income Received From ALMOs/BITMO		(1,467)	0
		(34,687)	(33,141)
<b>Managed Income</b>		<b>(82,765)</b>	<b>(83,078)</b>
<b>Net Managed Budget</b>		<b>61,981</b>	<b>60,383</b>
Accounting Adjustments			
IAS 19 Pensions Costs		815	2,231
Vehicles And Plant (Internal Leasing)		(705)	0
Vehicle leasing recharges		705	0
Transfers to/from Statutory Reserves		(805)	(2,231)
Capital Charges		37,638	48,226
		37,648	48,226
Central Recharges			
Central Recharges Expenditure		15,251	0
Central Recharges Income		(12,357)	0
Corporate & Democratic Core Income		(837)	(837)
		2,057	(837)

# City Development

Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
Other Internal Adjustments		
Internal Reallocations Charges	18,620	3,170
Internal Reallocations Income	(18,620)	(3,170)
	0	0
Managed Outside the Service	39,705	47,389
<b>Net Cost of Service</b>	<b>101,686</b>	<b>107,772</b>



# City Development

Budget Manager : Chief Planning Officer

Planning And Sustainable Development			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		5,821	6,331
Agency And Temporary Staff		45	20
National Insurance Contributions		499	493
Superannuation Costs		859	930
Other Pension Costs		274	199
Other Employee Related Costs		9	3
Training And Development		20	10
		7,526	7,986
Premises			
Buildings Maintenance		70	70
Rents		20	0
		90	70
Supplies & Services			
Materials and Equipment		123	115
Stationery and Postage		15	12
Advertising		79	52
IT and telecommunications		148	126
Insurance		62	4
Professional Services and Subscriptions		33	24
Grants and Contributions		65	71
Allowances		3	2
Consultancy Services		0	25
Other Hired and Contracted Services		210	208
Licences		0	0
Miscellaneous		1	1
		740	642
Transport			
Vehicles And Plant Related Expenditure		19	25
Travel Allowances		154	124
		173	149
Internal Charges			
Managed Recharges Frm Other Directorates		861	592
		861	592
Managed Expenditure		9,390	9,439
Internal Income			
Income from other Directorates		(976)	(690)
		(976)	(690)
Income - Grants			
DCLG Grants		0	(107)
		0	(107)
Income - Sales			
Sale of Goods and Services		(106)	(157)
		(106)	(157)
Income - Charges			
Fees and charges		(3,928)	(4,322)
Other income		(648)	(230)
		(4,576)	(4,552)

# City Development

Budget Manager : Chief Planning Officer

Planning And Sustainable Development			
	£000	Budget 2013/14	Budget 2014/15
Managed Income		(5,657)	(5,506)
<b>Net Managed Budget</b>		<b>3,732</b>	<b>3,932</b>
Accounting Adjustments			
IAS 19 Pensions Costs		147	421
Capital Charges		4	0
		150	421
Central Recharges			
Central Recharges Expenditure		420	0
		420	0
Other Internal Adjustments			
Internal Reallocations Charges		884	118
Internal Reallocations Income		0	(281)
		884	(162)
Managed Outside the Service		1,455	258
<b>Net Cost of Service</b>		<b>5,187</b>	<b>4,191</b>

# City Development

Budget Manager : Chief Officer Economic Development

Economic Development			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		2,215	2,158
Agency And Temporary Staff		8	10
National Insurance Contributions		187	160
Superannuation Costs		320	303
Other Pension Costs		43	66
Other Employee Related Costs		1	3
Training And Development		5	5
		2,779	2,704
<b>Premises</b>			
Buildings Maintenance		308	206
Building Security		47	52
Cleaning And Workplace Refuse		355	358
Electricity		96	117
Other Utilities		45	46
NNDR		203	212
Premises Related Insurance		16	12
		1,070	1,003
<b>Supplies &amp; Services</b>			
Materials and Equipment		20	21
Stationery and Postage		3	1
Advertising		10	0
IT and telecommunications		11	4
Insurance		84	76
Professional Services and Subscriptions		103	78
Grants and Contributions		1,586	1,223
Allowances		1	1
Consultancy Services		76	32
Security Services		98	76
Other Hired and Contracted Services		373	501
Publication and Promotion		184	190
Miscellaneous		122	108
		2,670	2,311
<b>Transport</b>			
Vehicles And Plant Related Expenditure		2	2
Travel Allowances		15	15
		16	17
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		158	128
		158	128
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		(37)	0
		(37)	0
<b>Managed Expenditure</b>		6,657	6,163
<b>Internal Income</b>			
Income from other Directorates		(12)	(126)
		(12)	(126)
<b>Income - Grants</b>			
Government Grants		(555)	(95)

# City Development

Budget Manager : Chief Officer Economic Development

Economic Development			
	£000	Budget 2013/14	Budget 2014/15
Income - Grants		(555)	(95)
Income - Charges			
Fees and charges		(2,037)	(1,981)
Other income		(325)	(392)
Rents		(2,096)	(2,101)
		(4,457)	(4,475)
Managed Income		(5,024)	(4,695)
<b>Net Managed Budget</b>		<b>1,633</b>	<b>1,468</b>
Accounting Adjustments			
IAS 19 Pensions Costs		114	136
Capital Charges		295	295
		409	431
Central Recharges			
Central Recharges Expenditure		69	0
		69	0
Other Internal Adjustments			
Internal Reallocations Charges		1,022	664
Internal Reallocations Income		(559)	(764)
		463	(100)
Managed Outside the Service		942	332
<b>Net Cost of Service</b>		<b>2,574</b>	<b>1,800</b>

# City Development

Budget Manager : Chief Asset Management & Regeneration Officer

Asset Management	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		2,800	2,883
National Insurance Contributions		238	236
Superannuation Costs		419	420
Other Pension Costs		230	204
Other Employee Related Costs		9	2
Training And Development		23	11
		3,719	3,755
<b>Premises</b>			
Buildings Maintenance		112	75
Grounds Maintenance		5	5
Building Security		30	30
Cleaning And Workplace Refuse		75	31
Gas		9	9
Electricity		47	45
Other Utilities		63	28
Rents		4,424	3,939
NNDR		125	131
Accommodation Charges		0	0
Premises Related Insurance		126	49
		5,017	4,343
<b>Supplies &amp; Services</b>			
Materials and Equipment		22	10
Stationery and Postage		4	3
Advertising		29	18
IT and telecommunications		25	32
Insurance		33	112
Professional Services and Subscriptions		11	9
Grants and Contributions		117	117
Allowances		1	1
Consultancy Services		44	67
Security Services		5	5
Other Hired and Contracted Services		226	294
Publication and Promotion		13	11
		531	679
<b>Transport</b>			
Vehicles And Plant Related Expenditure		5	7
Travel Allowances		55	39
Fuel		1	0
		61	46
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		2,286	2,225
		2,286	2,225
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		0	(58)
		0	(58)
<b>Managed Expenditure</b>		11,614	10,989
<b>Internal Income</b>			
Income from other Directorates		(787)	(214)

# City Development

Budget Manager : Chief Asset Management & Regeneration Officer

Asset Management			
	£000	Budget 2013/14	Budget 2014/15
Internal Income			
Recharge Income from Capital		(382)	(326)
Charges to / from HRA		(562)	(653)
		(1,731)	(1,193)
Income - Grants			
Government Grants		65	0
DCLG Grants		(7)	0
		58	0
Income - Sales			
Sale of Goods and Services		(518)	(499)
		(518)	(499)
Income - Charges			
Fees and charges		(481)	(483)
Contributions		(73)	(93)
Other income		(1,333)	(933)
Rents		(4,033)	(4,559)
		(5,921)	(6,069)
Managed Income		(8,112)	(7,761)
<b>Net Managed Budget</b>		<b>3,502</b>	<b>3,228</b>
Accounting Adjustments			
IAS 19 Pensions Costs		39	75
Vehicles And Plant (Internal Leasing)		(2)	0
Vehicle leasing recharges		2	0
Capital Charges		1,214	1,205
		1,253	1,281
Central Recharges			
Central Recharges Expenditure		292	0
		292	0
Other Internal Adjustments			
Internal Reallocations Charges		2,580	(117)
Internal Reallocations Income		0	(142)
		2,580	(258)
Managed Outside the Service		4,125	1,022
<b>Net Cost of Service</b>		<b>7,627</b>	<b>4,251</b>

# City Development

Budget Manager : Chief Officer Employment and Skills

Employment and Skills			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		2,169	2,346
Agency And Temporary Staff		0	39
National Insurance Contributions		171	188
Superannuation Costs		279	311
Other Pension Costs		382	325
Other Employee Related Costs		2	10
Training And Development		0	0
		3,002	3,218
<b>Premises</b>			
Building Security		7	0
Cleaning And Workplace Refuse		9	4
Gas		6	2
Electricity		9	2
Other Utilities		9	1
Rents		36	0
NNDR		30	12
Accommodation Charges		21	0
Premises Related Insurance		2	0
		127	21
<b>Supplies &amp; Services</b>			
Materials and Equipment		23	2
Stationery and Postage		20	4
Advertising		1	0
IT and telecommunications		32	10
Insurance		1	2
Professional Services and Subscriptions		2,167	2,441
Grants and Contributions		196	207
Other Hired and Contracted Services		402	130
Licences		0	0
Publication and Promotion		1	0
		2,843	2,796
<b>Transport</b>			
Vehicles And Plant Related Expenditure		5	0
Travel Allowances		28	25
Transport Related Insurance		0	0
		34	25
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		169	56
		169	56
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		0	(46)
		0	(46)
<b>Managed Expenditure</b>		6,175	6,070
<b>Internal Income</b>			
Income from other Directorates		(371)	0
Redistribution of grants income		0	(320)
		(371)	(320)
<b>Income - Grants</b>			

# City Development

Budget Manager : Chief Officer Employment and Skills

Employment and Skills			
	£000	Budget 2013/14	Budget 2014/15
Income - Grants			
Government Grants		(2,556)	(2,693)
Other Grants		(152)	0
		(2,708)	(2,693)
Income - Charges			
Fees and charges		(106)	(91)
Contributions		(3)	0
Other income		(2)	(11)
Rents		(65)	(65)
		(177)	(168)
Managed Income		(3,255)	(3,181)
<b>Net Managed Budget</b>		<b>2,920</b>	<b>2,889</b>
Accounting Adjustments			
IAS 19 Pensions Costs		(245)	(118)
Capital Charges		27	26
		(218)	(92)
Central Recharges			
Central Recharges Expenditure		106	0
		106	0
Other Internal Adjustments			
Internal Reallocations Charges		447	50
Internal Reallocations Income		0	(41)
		447	9
Managed Outside the Service		335	(83)
<b>Net Cost of Service</b>		<b>3,255</b>	<b>2,806</b>



# City Development

Budget Manager : Chief Officer - Highways

Highways And Transportation			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		11,808	11,808
Agency And Temporary Staff		20	0
National Insurance Contributions		887	913
Superannuation Costs		1,672	1,710
Other Pension Costs		338	327
Other Employee Related Costs		73	73
Training And Development		71	63
		14,869	14,895
Premises			
Buildings Maintenance		700	605
Grounds Maintenance		2,362	78
Building Security		42	73
Cleaning And Workplace Refuse		39	7
Gas		9	14
Electricity		5,553	5,360
Other Utilities		29	35
Rents		0	0
NNDR		90	91
Highways Maintenance		7,813	7,279
Premises Related Insurance		2	1
		16,640	13,544
Supplies & Services			
Materials and Equipment		5,072	5,170
Stationery and Postage		18	7
Advertising		78	70
IT and telecommunications		293	322
Insurance		1,941	1,873
Professional Services and Subscriptions		113	444
Recycling and Reuse		0	10
Waste Disposal and Landfill Tax		77	76
Allowances		3	3
Consultancy Services		11	113
Other Hired and Contracted Services		13,014	13,546
Licences		4	6
Publication and Promotion		11	20
Miscellaneous		3	0
		20,637	21,658
Transport			
Vehicles And Plant Related Expenditure		3,466	2,738
Travel Allowances		167	165
Fuel		345	375
Transport Related Insurance		37	58
		4,015	3,336
Internal Charges			
Managed Recharges Frm Other Directorates		2,212	2,124
		2,212	2,124
Managed Expenditure		58,373	55,556
Internal Income			

# City Development

Budget Manager : Chief Officer - Highways

Highways And Transportation			
	£000	Budget 2013/14	Budget 2014/15
Internal Income			
Income from other Directorates		(14,903)	(14,659)
Recharge Income from Capital		(7,282)	(7,940)
		(22,185)	(22,599)
Income - Grants			
Government Grants		(7,958)	(7,800)
		(7,958)	(7,800)
Income - Sales			
Sale of Goods and Services		(2,139)	(2,381)
		(2,139)	(2,381)
Income - Charges			
Fees and charges		(1,421)	(1,117)
Contributions		(594)	(458)
Other income		(687)	(550)
Income Received From ALMOs/BITMO		(1,467)	0
		(4,169)	(2,125)
Managed Income		(36,451)	(34,905)
<b>Net Managed Budget</b>		<b>21,922</b>	<b>20,651</b>
Accounting Adjustments			
IAS 19 Pensions Costs		481	813
Vehicles And Plant (Internal Leasing)		(640)	0
Vehicle leasing recharges		640	0
Capital Charges		25,637	27,988
		26,118	28,801
Central Recharges			
Central Recharges Expenditure		635	0
		635	0
Other Internal Adjustments			
Internal Reallocations Charges		6,821	862
Internal Reallocations Income		(3,962)	(732)
		2,859	130
Managed Outside the Service		29,612	28,931
<b>Net Cost of Service</b>		<b>51,534</b>	<b>49,582</b>

# City Development

Budget Manager : Chief Officer for Culture and Sport

Libraries, Arts And Heritage			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		11,972	11,447
Agency And Temporary Staff		14	2
National Insurance Contributions		749	745
Superannuation Costs		1,573	1,705
Other Pension Costs		224	243
Other Employee Related Costs		34	17
Training And Development		39	39
		14,605	14,198
<b>Premises</b>			
Buildings Maintenance		10	10
Grounds Maintenance		11	11
Building Security		220	124
Cleaning And Workplace Refuse		634	88
Gas		399	310
Electricity		455	541
Other Utilities		128	134
Rents		215	17
NNDR		1,209	1,141
Accommodation Charges		10	8
Premises Related Insurance		260	171
		3,550	2,556
<b>Supplies &amp; Services</b>			
Materials and Equipment		2,072	2,106
Stationery and Postage		85	110
Advertising		21	21
IT and telecommunications		642	609
Insurance		83	67
Professional Services and Subscriptions		185	206
Grants and Contributions		2,818	2,816
Catering Service		10	10
Allowances		24	20
Consultancy Services		19	19
External Audit Fees		1	2
Security Services		248	262
Other Hired and Contracted Services		2,406	4,633
Licences		30	27
Publication and Promotion		85	88
Miscellaneous		1	1
		8,730	10,998
<b>Transport</b>			
Vehicles And Plant Related Expenditure		250	183
Travel Allowances		58	54
Fuel		59	58
Private Hire		0	0
Transport Related Insurance		9	5
		375	300
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		473	502
		473	502

# City Development

Budget Manager : Chief Officer for Culture and Sport

Libraries, Arts And Heritage	£000	Budget 2013/14	Budget 2014/15
Agency Payments			
Services provided by Voluntary Sector		1	1
Contributions to Partnerships		150	150
		151	151
Appropriations			
Transfers to/from Earmarked Reserves		0	(1,250)
		0	(1,250)
<b>Managed Expenditure</b>		<b>27,884</b>	<b>27,454</b>
Internal Income			
Income from other Directorates		(1,001)	(972)
Recharge Income from Capital		(800)	(750)
		(1,801)	(1,722)
Income - Grants			
Government Grants		(1,818)	(1,818)
		(1,818)	(1,818)
Income - Sales			
Sale of Goods and Services		(923)	(1,008)
		(923)	(1,008)
Income - Charges			
Fees and charges		(2,957)	(2,664)
Contributions		(120)	(277)
Other income		(241)	(160)
Rents		(172)	(216)
		(3,491)	(3,317)
<b>Managed Income</b>		<b>(8,033)</b>	<b>(7,866)</b>
<b>Net Managed Budget</b>		<b>19,852</b>	<b>19,588</b>
Accounting Adjustments			
IAS 19 Pensions Costs		546	894
Vehicles And Plant (Internal Leasing)		(63)	0
Vehicle leasing recharges		63	0
Capital Charges		3,131	3,352
		3,677	4,246
Central Recharges			
Central Recharges Expenditure		272	0
		272	0
Other Internal Adjustments			
Internal Reallocations Charges		3,439	343
Internal Reallocations Income		(24)	(82)
		3,416	261
<b>Managed Outside the Service</b>		<b>7,364</b>	<b>4,507</b>
<b>Net Cost of Service</b>		<b>27,216</b>	<b>24,095</b>

# City Development

Budget Manager : Chief Officer for Culture and Sport

Sport And Active Recreation			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		10,450	11,499
Agency And Temporary Staff		17	17
National Insurance Contributions		748	656
Superannuation Costs		1,093	1,056
Other Employee Related Costs		28	24
Training And Development		79	79
		12,416	13,331
<b>Premises</b>			
Buildings Maintenance		2	2
Grounds Maintenance		35	33
Building Security		31	27
Cleaning And Workplace Refuse		134	112
Gas		821	851
Electricity		712	730
Other Utilities		326	288
Rents		8	8
NNDR		1,728	1,872
Accommodation Charges		3	3
Premises Related Insurance		128	40
		3,926	3,964
<b>Supplies &amp; Services</b>			
Materials and Equipment		857	1,042
Stationery and Postage		46	45
Advertising		53	54
IT and telecommunications		166	146
Insurance		73	60
Professional Services and Subscriptions		(21)	18
Grants and Contributions		190	60
Catering Service		0	0
Waste Disposal and Landfill Tax		0	0
Allowances		6	7
Consultancy Services		(16)	0
External Audit Fees		5	4
Security Services		42	34
Other Hired and Contracted Services		357	236
Licences		110	92
Publication and Promotion		5	37
PFI Unitary Charges		3,597	6,090
Miscellaneous		2	3
		5,472	7,927
<b>Transport</b>			
Vehicles And Plant Related Expenditure		13	16
Travel Allowances		36	35
Fuel		5	4
Private Hire		2	1
Transport Related Insurance		5	4
		60	59
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		484	546

# City Development

Budget Manager : Chief Officer for Culture and Sport

Sport And Active Recreation			
	£000	Budget 2013/14	Budget 2014/15
Internal Charges		484	546
Managed Expenditure		22,358	25,826
Internal Income			
Income from other Directorates		(1,023)	(718)
Redistribution of grants income		0	(678)
		(1,023)	(1,396)
Income - Grants			
Government Grants		(145)	(142)
DCLG Grants		(2,321)	(4,435)
		(2,466)	(4,578)
Income - Sales			
Sale of Goods and Services		(775)	(655)
		(775)	(655)
Income - Charges			
Fees and charges		(10,725)	(10,837)
Contributions		(31)	(103)
Other income		(1,105)	(1,461)
Rents		(31)	(31)
		(11,892)	(12,432)
Managed Income		(16,156)	(19,060)
<b>Net Managed Budget</b>		<b>6,202</b>	<b>6,766</b>
Accounting Adjustments			
IAS 19 Pensions Costs		535	734
Capital Charges		7,274	15,330
		7,809	16,064
Central Recharges			
Central Recharges Expenditure		17	0
		17	0
Other Internal Adjustments			
Internal Reallocations Charges		3,245	231
Internal Reallocations Income		0	(42)
		3,245	189
Managed Outside the Service		11,071	16,253
<b>Net Cost of Service</b>		<b>17,273</b>	<b>23,019</b>

# City Development

Budget Manager : Chief Officer Resources and Strategy

Resources and Strategy			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		476	404
National Insurance Contributions		83	96
Superannuation Costs		146	174
Other Pension Costs		873	841
Other Employee Related Costs		21	12
Training And Development		42	42
		1,642	1,568
<b>Premises</b>			
Cleaning And Workplace Refuse		0	0
Premises Related Insurance		0	0
		0	0
<b>Supplies &amp; Services</b>			
Materials and Equipment		20	28
Stationery and Postage		204	29
IT and telecommunications		263	195
Insurance		4	1
Professional Services and Subscriptions		7	7
Allowances		5	5
Other Hired and Contracted Services		68	54
Publication and Promotion		0	0
		572	320
<b>Transport</b>			
Vehicles And Plant Related Expenditure		1	0
Travel Allowances		6	5
Transport Related Insurance		0	4
		7	9
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		75	66
		75	66
<b>Managed Expenditure</b>		2,296	1,964
<b>Internal Income</b>			
Income from other Directorates		(73)	(100)
		(73)	(100)
<b>Income - Charges</b>			
Fees and charges		(3)	(3)
Contributions		0	0
Other income		(1)	(1)
		(4)	(4)
<b>Managed Income</b>		(77)	(104)
<b>Net Managed Budget</b>		<b>2,218</b>	<b>1,860</b>
<b>Accounting Adjustments</b>			
IAS 19 Pensions Costs		(802)	(725)
Capital Charges		57	30
		(745)	(695)

# City Development

Budget Manager : Chief Officer Resources and Strategy

Resources and Strategy			
	£000	Budget 2013/14	Budget 2014/15
Central Recharges			
Central Recharges Expenditure		13,440	0
Central Recharges Income		(12,357)	0
Corporate & Democratic Core Income		(837)	(837)
		245	(837)
Other Internal Adjustments			
Internal Reallocations Charges		0	837
Internal Reallocations Income		(14,076)	(1,088)
		(14,076)	(251)
Managed Outside the Service		(14,576)	(1,783)
<b>Net Cost of Service</b>		<b>(12,357)</b>	<b>76</b>



# Environment and Housing



# LEEDS CITY COUNCIL 2014/15 BUDGET REPORT

## Directorate: Environment and Housing

### 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 2014/15 financial year.

### 2. Service Context

2.1. The Directorate 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 and safe neighbourhoods, these are all 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.

2.2. The Directorate, 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 Directorate supports many others to sustain their tenancies. The Directorate 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.

2.3. There is as 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 that we make today.

2.4. Based on the above, the Directorate 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.

2.5. Given this context and against a background of significant reductions in resources, the Directorate's budget submission for 2014/15 will seek to protect services and initiatives which advance these priorities. The Directorate will also seek to consolidate the major efficiencies that were incorporated into the 2013/14 budget.

### 3. Explanation of variations between adjusted 2013/14 and 2014/15 - £1,414k (-1.9%)

3.1. The variation can be summarised as follows:

	£000s
<b>Net Managed Budget 2013/14</b>	<b>75,311</b>
Adjustments	
• Transfers of functions	1,629
• Other adjustments	- 1,737
<b>Adjusted Net Managed Budget 2013/14</b>	<b>75,203</b>
Changes in prices	
• Pay	1,084
• Price	1,973
• Income	- 238
	<u>2,819</u>
Full Year Effects	- 2
Demand/Demography	-
Other Budget pressures	1,568
<b>Total Budget Increases</b>	<b>4,385</b>
Savings	
Dealing effectively with the City's waste	- 1,214
Ensuring High Quality Public Services - Procurement	- 1,458
Becoming an efficient and enterprising Council	
• Assets	- 33
• Business Improvement	- 113
• Support Services	-
Income, charging and trading	- 1,181
Other efficiencies and savings proposals	- 1,800
<b>Total savings</b>	<b>- 5,799</b>
<b>Net Managed Budget 2014/15</b>	<b>73,789</b>

## **3.2. Adjustments**

### **3.2.1. Transfers of functions**

3.2.2. During 2013/14 responsibility for the management of Community Centres has transferred from the Directorate to both Children's and Citizen's and Communities Directorates (£767k). This transfer will facilitate the more effective management of community assets as well as ensuring that customer facing services are located within the same directorate.

3.2.3. The 2013/14 net managed budget reflects the transfer (£749k) of both the Drugs Commissioning function and the Supporting People commissioning staff to Public Health. The bringing together of commissioning functions will contribute towards the more effective delivery of contracts savings and efficiencies. In addition responsibility for payments to advice agencies (£1,226k) has transferred to Citizens and Communities Directorate.

3.2.4. In 2013/14 the Parks and Countryside service assumed responsibility for the management of the whole of the Grounds Maintenance function across the Authority. In accordance with this responsibility it is appropriate that Highways budget for this activity (£1,148k), which is currently in City Development, is transferred to Environment and Housing.

3.2.5 In 2013/14 half of the former Supporting people grant funded activities was transferred to Adult Social Care on the basis that they were best placed to have an overview of the whole activity as well as being best placed to deliver efficiencies. Following this arrangement it is proposed to transfer responsibility for the SIGN contract to Adult Social Care in 2014/15 (£79k).

3.2.6 Provision of £240k has transferred from Citizens and Communities to Community Safety to reflect the fact that the Out of Hours phone call service operated by Customer Services is now co-located with the CCTV team at Middleton.

3.2.7 The Business Relationship manager structure in IT is now budgeted for within the Directorate (£125k).

### **3.2.8 Other adjustments**

3.2.9 The variation on other adjustments largely reflects the revised accounting arrangement being implemented across the Authority which will see a significant reduction in the level of internal charges undertaken between Directorates. In accordance with this requirement the budgets associated with the capital financing costs for vehicles (£2,301k) and central recharges (£633k) is now longer reflected in Directorate accounts with the corresponding internal income removed from central accounts.

## **3.3 Changes in prices**

3.3.1 .Provision has been made for a 1% pay award in staffing budgets in 2014/15 (£533k). The submitted budget also reflects a 1% increase in superannuation rates (£190k) and a requirement to provide for superannuation contributions on overtime payments (£361k).

- 3.3.2 No provision will be made for inflation on running cost budgets other than where there are specific contractual commitments and on utilities. These include £134k for gate fees at waste disposal sites, £164k for increased utility costs and £68k for NNDR increases.
- 3.3.3 A further £8 per tonne increase in Landfill Tax will cost an additional £1,528k for the disposal of residual waste, prior to the effects of the expansion of Alternate weekly collections (AWC).
- 3.3.4 A price increase of 3% has been applied in cafés and retail sites, on chargeable bereavement services and for concession holders in parks where the contract is ready for renewal. These price increases are expected to generate an additional £238k in 2014/15.

### **3.4 Full Year Effects**

- 3.4.1 The Quarry Hill car park is to be disposed of in 2014/15 with the resultant loss of net income from parking fees and charges (£123k). The 2013/14 budget had already assumed that the car park would no longer be available from July 2013.
- 3.4.2 In accordance with the development of Stanley Road, the waste function situated there closed in August 2013 with the subsequent saving in the running costs of the site. The additional saving of £125k is the realisation of the full year saving associated with its closure.

### **3.5 Other Budget pressures**

- 3.5.1 Due to declining gas levels, income receivable through the generation of electricity at the closed landfill site at Gamblethorpe is forecast to decrease by £244k.
- 3.5.2 Both on street and off street car parking around Union Street will no longer be available in 2014/15 as a result of the proposed Victoria Gate development. Subsequently there will be a resultant net loss of £822k in parking fees and charges that had been receivable from this site.
- 3.5.3 In recognition of the pay pressures within the Refuse Collection service which have been reported to Executive Board in the monthly Financial Health reports in 2013/14, £579k has been included in the 2014/15 budget to address these issues. Specifically these pressures have largely arisen from a combination of the costs associated with covering staff when they are not on routes e.g. when staff are attending training, undertaking appraisals or supporting the development of new AWC routes, the requirement for additional resources when collecting at high rise flats, a recognition that sickness levels are higher than budgeted for and additional resources required to address the student exodus from areas such as Headingley at the end of the academic year.
- 3.5.4 An additional £100k has been included for the cost of repairs to refuse vehicles. A significant contributory factor to this increase is the damage incurred to the vehicle by the requirement to drive them onto unmade roads on landfill sites when disposing of waste. Whilst this has been a budget pressure for some time, it is anticipated that repair costs will reduce considerably when the energy from waste facility is operational from 2016 and refuse vehicles no longer have to go onto landfill sites.
- 3.5.5 Net additional resources (£77k) are required to fund the capital financing costs associated with the implementation of the integrated waste management system. The newly procured system will incorporate 'In-cab' technology, allowing a concurrent two-

way flow of information and better communications between the back office and the front line refuse collection operation on routes. This will not only streamline the current paper-based administrative processes for providing route information to crews, but also improve the Council's response to complaints and therefore reduce the number of complaints received. The system will also allow the recording of collection or contamination problems by the crew themselves. This will be available to Customer Services to answer queries, but will also enable better intelligence to target areas where contamination is an issue which will in turn lead to an increase in recycling rates in some areas.

### **3.6 Funded Service Growth**

- 3.6.1 Whilst the allocation of Community Safety grant for 2014/15 will not be known until February, the 2014/15 budget assumes that a similar sum to the 2013/14 allocation to Community Safety will be receivable (£487k). This resource has been used to support anti-burglary initiatives across the city and has been a contributory factor in the continued reduction in this type of crime.
- 3.6.2 The Council has successfully bid with West Yorkshire Fire and Rescue Service for grant funding to tackle problems with irresponsible landlords in the city. The Council has been indicatively allocated £125k of Rogue Landlord grant, £75k of which will be receivable in 2014/15. The project will involve working together in a team to improve the safety and living conditions of residents who live above shops and other commercial premises within the city.

### **3.7 Savings**

#### Dealing effectively with the City's Waste

- 3.7.2 It is proposed to further roll out alternate week collection of recyclables and residual waste citywide. To date in 13/14 this enhanced service has been rolled out to 166k 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 the 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 46% recycling target for the city and the longer term target of 55% for 2016.
- 3.7.3 Through the roll out of alternate week collection, further collection and disposal savings of £1,369k are anticipated in 2014/15 and this will be in addition to the £434k budgeted savings from 2013/14.
- 3.7.4 To support the roll out an additional £130k has been provided for the waste education budget and this will support additional resources required to support the continued successful expansion of alternate week collection.
- 3.7.5 Other disposal costs, outside of landfill tax and the effects of AWC previously referred to, are forecast to increase by £307k. £200k of this relates to the effects of recent procurements not achieving budgeted levels of income and most of the remainder from reductions in the volumes of recyclable waste at household waste sites.
- 3.7.6 As the PFI procurement for the waste disposal facility progresses towards completion, it is anticipated that there will be a reduction in procurement costs of £221k.

- 3.7.7 Additional staffing resources (£159k) have been provided to deliver the overall municipal waste strategy for Leeds. The existing service structure has evolved as a result of a number of changes over recent years. Additional temporary arrangements have had to be introduced to keep pace with the change agenda including the development of kerbside services, new ways of working, improvements at Household Waste Sites and the overall delivery of a complex programme of high risk activities required to support the approved waste management strategy. The inclusion of this additional resource recognises the requirement to adequately resource this priority.
- 3.7.8 Subject to the approval of the business case savings will derive from the planned closure for redevelopment of Kirkstall Road in late 2014 (£50k). A further £100k saving is targeted from the planned strategic review of Household waste sites in the City.
- 3.7.9 The expansion of the kerbside garden collection service to properties that currently don't have this service but are capable of receiving it has been delayed (£70k).

### **3.8 Ensuring High Quality Public Services – Procurement**

- 3.8.1 The contract payment for the provision of support for homeless people living in private sector temporary accommodation has reduced significantly (£542k). This reduction reflects the success of the Directorate 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.
- 3.8.2 Within Supporting People savings of £712k will be realised through a combination of commissioned services being re-negotiated, the re-tendering of contracts and working closer with Supporting People providers to create greater flexibility across the range of services.
- 3.8.3 Line by line reviews of all areas of expenditure across the Directorate will realise further savings of £204k in 2014/15.

### **3.9 Becoming an efficient and enterprising Council**

- 3.9.1 Assets
- 3.9.2 There is commercial interest in using office space in the Mansion House at Roundhay as a base for their operations. If this proposal is taken forward it will involve a minor re-organisation of the space occupied by the existing teams and will deliver annual savings of £33k.
- 3.9.3 Business Improvement
- 3.9.4 Through an on-going review and subsequent re-design of business management processes which are largely focused upon administrative activities, intelligence and programme/project management, it is estimated that as a minimum a saving of £113k can be delivered in 2014/15.
- 3.9.5 Income, Charging & Trading
- 3.9.6 Bus lane cameras have been very successful in reducing the number of cars which



contravene restrictions ensuring that the lanes are used as they are intended at peak times by buses and cyclists. Additional income (£252k) is assumed from the extension of the bus lane enforcement camera scheme to 10 further sites in January- March 2014 and a planned further expansion again in 2014-15.

- 3.9.7 Additional income within the Parks and Countryside service is anticipated in 2014/15 (£414k). This will be realised through increased activity in bereavement services and targeting increased income opportunities within the service. Specifically this relates to sales of forestry products, income from projects and services provided by the Parks and Countryside team as well as increased income from concessions, retail and cafes.
- 3.9.8 A saving of £100k on the cost to the Council of providing 97 allotment sites across the city has been included in the budget. This reduction in the level of subsidy provided to his function will be generated through a combination of cost reductions and a phased price increase commencing in autumn 2014.
- 3.9.9 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. In 2014/15 it is assumed that this will contribute an additional £100k in net income.
- 3.9.10 Additional on street parking income of £165k has been included in the 2014/15 budget as increased patronage witnessed in 2013/14 is anticipated to continue.
- 3.9.11 Similarly increased activity levels at Woodhouse Lane Multi Storey Parks will generate an additional £150k in parking fee income in 2014/15.

### **3.10 Efficiencies and Savings Proposals**

- 3.10.1 Capital financing costs savings of £486k will be generated through a combination of a reduction in the financing cost of new wheeled bin replacements and a revision to the charging arrangements in relation to the cost of waste management vehicles.
- 3.10.2 Through the more informed deployment of resources, which will also coincide with a review of the duties of PCSOs, cost reductions of £200k will be realised in the Enforcement and Anti-Social behaviour teams.
- 3.10.3 Within the Parks and Countryside service staff savings will derive from a redesign of the Forestry service (£75k) and the implementation of seasonal working patterns for maintenance staff (£151k). 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.
- 3.10.4 The West Yorkshire Police and Crime Commissioner (PCC) has proposed a two year agreement which would see an increase in the PCC's overall contribution towards the cost of Police and Community Safety Officers (PCSOs). Currently the Council funds 30% of the cost of PCSOs and under the current proposals this will reduce to 21% with a proportionate increase in the PCC contribution. As a result the grant payment to West Yorkshire Police will reduce by £454k whilst retaining 165 PCSOs in Leeds.
- 3.10.5 It is anticipated that staff savings of £527k can be realised through the Early Leavers scheme, a review and subsequent deletion of vacant posts and a review of structures in

Environmental Policy and Car Parking services.

- 3.10.6 Further reductions will be delivered through NNDR re-valuations (£40k), reductions in skip hire within the Parks and Countryside service (£50k) and revised operational arrangements at the Roundhay visitor centre (£25k).

#### 4. Net Revenue Charge

- 4.1 The following table provides a summary of the net revenue charge for the service which brings together the net managed budget and those budgets managed outside the service.

	£000s
Net Managed Budget	73,791
Managed Outside Service	19,514
Net Cost of Service	93,305
Transfers to/from earmarked reserves	- 3,117
Net Revenue Charge	90,188

#### 5. Risk Assessment

- 5.1.1 In determining the 2014/15 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 to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.
- 5.1.2 The key risks in the 2014/15 budget for this directorate are as follows;
- 5.1.3 That assumptions in respect of waste volumes 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.
- 5.1.4 Assumptions in respect of income receivable from bus lane enforcement are impacted upon by a reduction in the number of offences assumed in the budget.
- 5.1.5 That activity levels from income generating activities within Parks and Countryside are less than anticipated.
- 5.1.6 That both the number of staff leaving on ELI and the number of posts becoming vacant is less than assumed in the budget.
- 5.1.7 That levels of homelessness increase across the city with the subsequent requirement for the city council to support these individuals in temporary accommodation

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# LEEDS CITY COUNCIL 2014/15 BUDGET REPORT

## Directorate: Environment & Housing

### Housing Revenue Account

#### 1. Introduction

- 1.1 The purpose of this report is to inform members of the main variations and factors influencing the 2014/15 Housing Revenue Account (HRA) budget.
- 1.2 The 2014/15 budget has been prepared at outturn prices. This means that allowances for inflation have been included in the budget submission.

#### 2. Key Issues

- 2.1 Appendix 1 sets out a summary of the HRA Original Estimate (OE) for 2013/14 and 2014/15. It should be noted that the 2013/14 OE has been restated to assimilate the ALMO/HRA budgets.

#### 2.2 Transfer of Housing Management Function to the Council

In June 2013 the Council's Executive Board agreed to transfer the housing management function from the Arm's Length Management Organisations (ALMOs) back to the Council. This transfer took place with effect from 1<sup>st</sup> October 2013.

One of the key drivers for this transfer was to deliver financial savings that would free up resources to be re invested in front line services for tenants and further investment in the Council's housing stock.

The 2014/5 HRA budget reflects the transfer of housing management back to the Council and factors in £1.5m of savings which have been realised from senior management, support costs and the removal of costs associated with maintaining a separate company arrangement.

#### 2.3 Rent Strategy

The Council's rent strategy, which followed the principles of the Government's rent convergence policy, was agreed by Executive Board in February 2012 as part of the HRA Business Plan. This rent strategy assumed a rent increase of 5.2% in 2014/15.

As part of the June 2013 spending review the Government announced a new rent setting formula, to be fixed for ten years, of Consumer Price Index (CPI) + 1% per year from 2015/16 (a change from RPI +0.5%). In addition, it was revealed that rent convergence would not be extended beyond 2014/15.

Based on the Council's current HRA Business Plan assumptions these changes will mean a reduction in income to the Council's HRA estimated to be @ £3.6m in 2015/16 rising to an average loss per year of £6.5m from 2016/17.

There is an opportunity to mitigate the impact of the Government's revised rent policy upon rental income streams by increasing the rent in 2014/15 to the "limit rent" which is the rent at which the Government will pay full subsidy for housing benefit. Whilst the limit rent for 2014/15 has not yet been announced a similar increase to that seen in 2013/14 would allow rents to be increased by up to 7%.

It is proposed that given the uncertainty around limit rent increases, rents are increased by 5.9% in 2014/15. This is in line with 2013/14. See 3.1 for further details.

Currently all properties are re-let at existing rent. In order to help offset the impact of the Government's revised rent policy it is the intention of the Council to re-let properties at their target rent (i.e. their rent once fully converged). Not only will this increase rental income to the HRA but it would also contribute towards addressing the issue of rent anomalies whereby different rents are charged for similar properties in the same area.

## 2.4 Right to Buy (RTB)

The 2014/15 budget assumes sales of 450 in line with projected sales for 2013/14. It should be noted however, that the Government have recently announced changes to the RTB scheme to be introduced from April 2014, which may have an impact on the number of properties sold in the future. Key changes are as follows:

- The maximum discount for houses will rise from 60% to 70%.
- The maximum discount value of £75k will be subject to increase by CPI.
- The qualifying period before able to apply under RTB is to be reduced from 5 years to 3 years

## 2.5 Welfare Change

The introduction of Universal Credit (UC) as per the Government's Welfare Change agenda has not yet been implemented in Leeds. Although the exact timescale for this is still unclear the Government have stated that this will be in place by 2017. When introduced this will have implications for the level of rental income receivable from tenants and it is therefore considered prudent to maintain the contribution to the provision for bad debts in line with the 2013/14 Estimate.

## 3. Key movements 2013/14 to 2014/15 - Income

The key movements in relation to income from the 2013/14 restated OE to the 2014/15 OE is as follows:

### 3.1 Dwelling Rents

As detailed in 2.3 there have been changes to the Government's rent policy which will result in a loss of income to the Council's HRA. In order to mitigate the loss of income and continue to deliver key housing investment priorities in line with the Business Plan it is proposed to increase rents by an average of 5.9% in 2014/15. This increase is in line with the increase applied in 2013/14.

This equates to an increase of £4.03 per week based on 52 rent weeks as shown in the table below. It should be noted however, that the impact of this on individual tenants will vary.

	<b>2013/14</b>	<b>2014/15</b>	<b>Increase</b>	<b>Increase</b>
	<b>£</b>	<b>£</b>	<b>%</b>	<b>£</b>
<b>Average Rent</b>	<b>68.28</b>	<b>72.30</b>	<b>5.9</b>	<b>4.02</b>

In addition to a 5.9% rent increase the budget for 2014/15 assumes that 450 properties will be sold under RTB (in line with 2013/14), that voids will be 1.25% (which is 0.25% less than in 2013/14) and that properties are re-let at target rents. The net impact of these assumptions is an increase in income from dwelling rents of £9,883k in 2014/15.

### 3.2 Other rents

Rental income from shops, miscellaneous properties and garages is budgeted to be broadly in line with 2013/14. This is as a result of renegotiated lease agreements on both shops and miscellaneous properties and increasing garage rents in line with dwelling rents.

Garage rents are currently £6.78 per week (based on 52 rent weeks). An increase of 5.9% equates to an average increase of 40p per week, making the average garage rent for 2014/15 £7.18 per week.

### 3.3 Service Charges

The reduction of £124k is primarily due to a reduction in income from furniture service charges due to a fall in demand for this service. This is partially offset by increasing service charges to tenants in Multi Story flats in line with dwelling rents (£21k) and increased income from Heat lease charges of £20k as a result of tenants joining the scheme during 2013/14

### 3.4 PFI Grant

PFI grant will be paid for both the Swarcliffe and Little London Beeston Hill & Holbeck (LLBH&H) PFI schemes. The 2014/15 budget assumes full year grant of £6,097k for Swarcliffe and £15,322k for LLBH&H.

### 3.5 Internal Income

The Government as part of its "Reinvigorating Right to Buy" policy prescribed the value of administrative costs which could be offset for processing applications at £1,300 per successful sale. The increase of £522k is due to the higher number of RTB sales budgeted for in 2014/15 as opposed to the number included in the 2013/14 budget.

### 3.6 External Income

The reduction of £85k from 2013/14 to 2014/15 is largely due to the loss of interest on surplus cash balances in ALMO bank accounts. This is offset by an increase in income receivable from telecommunications masts being placed on the roofs of multi storey flats.

Interest on HRA cash balances is still receivable and is included as part of the capital charges budget head.

## **4. Key movements 2013/14 to 2014/15 - Expenditure**

### **4.1 Employees**

As per 2.2 the HRA budget for 2014/15 includes ALMO staff TUPED back to the Council as a result of bringing the housing management function back in house. The budget is based on 1242.38 full time equivalent (FTE) posts - 49.4 FTEs previously charged directly to the HRA and 1192.98 FTEs previously employed by the ALMOs and has been increased in anticipation of funding a 1% award. Savings of £1m will be realised as a result of the restructure of JNC posts and a reduction in support costs within the former ABCL. This saving is reflected in the 2014/15 OE.

### **4.2 Repairs to dwellings**

The 2014/15 budget includes £42,058k for repairs to dwellings. This is £2,003k (5%) higher than 2013/14.

The intention in 2014/15 is to deliver increased value for money in respect of this budget through the informed commissioning of more planned maintenance programmes which will mitigate the requirement to have to resource more expensive responsive repairs to properties.

### **4.3 Premises**

This budget includes all running costs associated with the ALMO headquarters and the housing offices. It also includes expenditure on contract cleaning. The increase of £398k is primarily due to a combination of known price increases in respect of utilities and increases in contract cleaning.

### **4.4 Supplies & Services**

The budget reflects an increase of £11,741k between 2013/14 and 2014/15. Of this £9,503k is due to the re profiled payments as a result of slippage in the LLBH&H PFI scheme as agreed by Executive Board in July 2012. Other key variations include £100k for each of the 11 existing Area Panels (£1.1m) to enable funding of projects which benefit the tenants and residents in the community they represent and £200k for a Tenant Mobility Incentive Scheme to be piloted in 2014/15 (as agreed by Executive Board in January 2014) which will promote moves that deliver sustainable lettings and maximise use of Council stock.

It is anticipated that savings of £500k will be realised due to the removal of costs associated with maintaining three company arrangement e.g. bank charges, audit fees and corporation tax.

### **4.5 Horticultural Maintenance**

The increase of £75k is due to the requirement for additional maintenance work which will ensure that grassed areas and beds are kept free of litter during the winter months.

#### **4.6 Environmental Services**

Additional provision of £350k has been made for improving the environment and cleanliness of estates. The additional resource will be used for a combination of enhanced maintenance and landscaping of both green and play areas on estates and increases in the level of resources required to enhance cleanliness standards on estates in respect of litter removal, bin emptying programmes and fly tipping removal. The budget for pest control has now been realigned and is included within this budget head.

#### **4.7 Community Safety**

Additional resources (£350k) have been provided to reflect more accurately the costs of the Noise Nuisance service and Anti-Social Behaviour teams to the HRA. Provision has also been made for the planned expansion of the CCTV to more tenancies across the city.

#### **4.8 Supporting People in their own homes**

The net increase of £825k is due to an additional charge from Adult Social Care (£1,000k) for costs associated with providing support to ensure that vulnerable adults can continue to remain in their own homes together with an increase of £35k for floating support to tenants with mental health issues. These increases are offset by savings of £210k as a result of the transfer of the Care Ring service to Adult Social Care.

#### **4.9 Housing Services**

The increased charge (£300k) largely reflects the more specific support that is being provided by the Housing Options teams to Council tenants.

#### **4.10 Customer Services**

Customer Services charges have increased by £250k and largely reflect additional resources required to deal with an increased number of telephone calls from Council tenants.

#### **4.11 Support Services**

In overall terms the cost of support services charges to the HRA have reduced by £250k and reflect the Council's strategy to target a reduction in the cost of these services.

#### **4.12 Corporate Governance/Other Services**

These budgets reflect a net saving of £242k. This is primarily due to a reduction in charges from PPPU as a result of the LLBH&H PFI project now being live. Provision of £30k has been included to support the tenant scrutiny process.

#### **4.13 Belle Isle Tenant Management Organisation (BITMO) Management Fee**

It is proposed that the Fee paid to BITMO in 2014/15 for the management and maintenance of the housing stock should continue to be based on the principles of

driving efficiencies and redirecting resources to maintaining the housing stock as outlined in the HRA Business Plan agreed by Executive Board in February 2012.

The Management element of the Fee reflects an increase of 1% which includes funding the anticipated pay award. The Maintenance element of the Fee has been increased by 5% in line with the assumptions in the HRA Business Plan.

The table below summarises the position from 2013/4 to 2014/15:

<b>Category of Fee</b>	<b>2013/14</b>	<b>2014/15 Draft</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Management	1,245	1,308*	<b>63</b>
Maintenance	1,668	1,751	<b>83</b>
<b>Total</b>	<b>2,913</b>	<b>3,059</b>	<b>146</b>

\* Includes provision for staff to support Welfare Change previously funded from HRA earmarked reserves

#### 4.14 **Construction Services**

Construction Services were part of the former ENEHL and as such have been TUPED to the Council with effect from 1<sup>st</sup> October 2013. Construction Services provide an internal service for responsive repairs, limited capital works and more recently city wide adaptation works. Construction Services operate on a break even basis. The trading statement for 2014/15 is attached at Appendix 2.

#### 4.15 **Provisions**

An analysis of the disrepair provision at the end of December 2013 has indicated that this provision needs to be increased by £200k for 2014/15 due to a high volume of new claims now being received following intensive canvassing of Council tenants in the city by two compensation companies.

Due to the uncertainties of the Government's Welfare Change programme (see 2.5) particularly in relation the introduction of Universal Credit which will have implications for the level of rental income receivable from tenants, it is considered prudent to maintain the contribution to the provision for bad debts in line with the 2013/14 Estimate.

#### 4.16 **Council Tax on Empty Homes**

Provision of £1,000k has been included in the 2014/15 HRA budget to fund the changes to exemptions in relation to council tax on empty homes. This is consistent with the level of provision in the 2013/14 budget.



#### **4.17 Capital charges**

The increase in capital charges of £469k is due to a number of factors including an increase in the interest charged to the HRA as a result of re financing debt, and accounting adjustments in relation to Heat lease and Swarcliffe PFI.

#### **4.18 Revenue Contribution to Capital**

The 2014/15 budget includes £61,989k to fund the housing capital programme/investment plan. This is £2,626k (4.5%) higher than 2013/14. These resources will be used to maintain and improve the housing stock and contribute towards the LLBH&H PFI project as agreed by Executive Board in July 2012.

#### **4.19 Appropriations**

Appropriations reflect the budgeted contributions to the Swarcliffe & LLBH&H PFI Sinking Funds as per the latest project affordability models and transfers to/from earmarked reserves.

### **5. HRA Reserves**

- 5.1 An HRA Reserves Statement which is attached at Appendix 3 reflects the movement in reserves between April 2013 and March 2015. It also incorporates the £4.4m contribution from ALMO reserves which is now available to support the Capital Programme. The Capital Reserve is used to resource the HRA Capital programme which is subject to a separate report on this agenda. The PFI Reserves will be used to fund the Swarcliffe and LLBH&H PFI Schemes over the life of the contracts.
- 5.2 The level of General Reserve is projected to be £7.4m at the end of 2013/14 and this is considered sufficient following a risk assessment of the HRA income and expenditure levels. It is therefore not proposed to budget for an additional contribution to the General Reserve in 2014/15.

### **6. Risks**

There are a number of risks which, should they materialise would have a significant impact upon the 2014/15 HRA budget. These risks are reviewed throughout the year and action taken to mitigate any impact wherever possible. The HRA maintains a level of reserves in order to meet the impacts of such risks should they occur. Key risks identified are as follows:

- The impact of the Government's Welfare Change Agenda, which may increase arrears more than anticipated should Universal Credit be implemented in the City during 2014/15.
- Property numbers during the year may vary significantly from estimates due to fluctuations in the number of RTB sales.

Budget Heads	Original Estimate 2013/14*	Original Estimate 2014/15	Variance
	£000	£000	£000
<b>Income</b>			
Dwelling Rents	(201,018)	(210,901)	(9,883)
Other Rents	(3,029)	(3,023)	6
Service Charges	(6,825)	(6,701)	124
PFI grant	(19,884)	(21,419)	(1,535)
Internal Income	(4,740)	(5,292)	(552)
External Income	(1,767)	(1,682)	85
<b>Total Income</b>	<b>(237,263)</b>	<b>(249,017)</b>	<b>(11,754)</b>
<b>Expenditure</b>			
Employees	31,119	30,430	(689)
Repairs to dwellings	40,055	42,058	2,003
Premises & repairs	7,654	8,052	398
Supplies & Services	15,833	27,574	11,741
Transport - Allowances	702	702	(0)
Transport - Vehicles	346	346	0
Horticultural Maintenance	2,563	2,638	75
Environmental Services	550	950	400
Community Safety	2,792	3,142	350
Supporting People in their own homes	2,219	3,044	825
Housing Services	1,664	1,864	200
Customer Services	5,170	5,420	250
Support Services	6,327	6,077	(250)
Legal Services	1,081	1,081	0
Corporate Governance & Other Services	3,623	3,381	(242)
BITMO Fee	2,913	3,059	146
Provisions	2,929	3,100	171
Council Tax on Empty Homes	997	1,000	3
Capital charges	35,472	35,941	469
Revenue Contribution to Capital (RCCO)	59,363	61,989	2,626
<b>Total Expenditure</b>	<b>223,372</b>	<b>241,847</b>	<b>18,476</b>
<b>Appropriations</b>			
<b>Sinking Funds</b>			
LLBH&H PFI	12,556	7,315	(5,241)
Swarcliffe PFI	1,077	128	(949)
<b>Earmarked Reserves -</b>			
Swarcliffe Access Refusals	(217)	(58)	159
Swarcliffe Environmentals	(25)	(25)	
Workforce Change /ELI	0	(189)	(189)
Welfare Change	500	0	(500)
<b>Net ( surplus)/deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

*\*figures have been restated to incorporate ALMO and HRA 2013/14 budgets.*

Construction Services Trading Statement 2014/15

Appendix 2

Budget Heads	Original Estimate 2013/14	Original Estimate 2014/15	Variance
	£000	£000	£000
<b>Income</b>			
Internal Income	(17,943)	(16,639)	1,304
External Income	(8)	(8)	(0)
<b>Total Income</b>	<b>(17,951)</b>	<b>(16,647)</b>	<b>1,304</b>
<b>Expenditure</b>			
Employees	8,361	7,883	(478)
Premises	73	74	1
Supplies & Services	7,166	6,762	(404)
Transport - Travel Allowance Related	79	79	0
Transport - Vehicle Related	1,288	1,264	(24)
Support Services	774	585	(189)
<b>Total Expenditure</b>	<b>17,740</b>	<b>16,647</b>	<b>(1,093)</b>
Contribution to Reserves (Apprenticeships)	211	0	(211)
<b>Net (surplus)/deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

Projected Financial Position on Reserves	Position at Period 9		Projected Reserves Position 2014/15			
	Reserves b/f 01/04/13	Projected Closing Reserves	Projected use of Reserves	Proj d cbn from ALMO Balances	Projected cbn to Reserves	Projected Closing Reserves
	£000	£000	£000	£000	£000	£000
HRA General Reserve(s)	(9,064)	(7,434)	0	0	0	(7,434)
Earmarked Reserves	(4,352)	(3,835)	272	0	0	(3,563)
PFI Reserves	(10,722)	(22,548)	0	0	(7,443)	(29,991)
Capital Reserve	(13,245)	(30,602)	67,900	(4,433)	(61,989)	(29,124)
<b>Total</b>	<b>(37,383)</b>	<b>(64,419)</b>	<b>68,172</b>	<b>(4,433)</b>	<b>(69,432)</b>	<b>(70,112)</b>
<b>ALMO Reserves</b>	<b>(23,979)</b>	<b>(4,433)</b>		<b>4,433</b>	<b>0</b>	<b>0</b>
<b>TOTAL LCC + ALMOS</b>	<b>(61,362)</b>	<b>(68,852)</b>	<b>68,172</b>	<b>0</b>	<b>(69,432)</b>	<b>(70,112)</b>

# Environment and Housing Car Parking

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## **Main responsibilities:**

### **Car Parking**

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

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

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

# Environment & Housing

## Community Safety

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### Main responsibilities

The Community Safety Service supports the Safer Leeds Partnership, which is made up of a range of different organisations from across Leeds who are involved in addressing the city's community safety priorities. The partnership's mission is "To secure sustainable reductions in crime and disorder, protect vulnerable adults and children and improve the confidence of communities across Leeds." Officers are predominantly employed by Leeds City Council and West Yorkshire Police. Community Safety functions through a mixture of commissioning processes and direct delivery of both Safer Leeds and Council priorities. Community Safety comprises of a number of diverse and specialist services some of which are:

**Leeds Anti-Social Behaviour Team** - The Leeds Anti-Social Behaviour Team (LASBT) provides an integrated, effective response to anti-social behaviour and seeks to further increase public confidence in key agencies' responses.

**Signpost- Family Intervention Service** - Signpost provides intensive family support to families who present with a range of complex needs, to create stable families and safer communities. Signpost was established with the aim of reducing anti-social behaviour across the worst affected neighbourhoods of Leeds and delivers a citywide service through 3 locality based teams the city.

**Leeds Watch CCTV and Security Services** - Information and intelligence captured by CCTV provides vital evidence to law enforcement agencies in both apprehending and prosecuting offenders and also plays a key role in both the prevention and detection of crime committed in public areas.

**Safeguarding** - West Yorkshire Polices Safeguarding teams covering the city are managed through the Police Area Community Safety Team who respond, in partnership is Social Care, to reports of abuse of against children and vulnerable adults.

**Domestic Violence** - The Domestic Violence Team works with partners to improve services for people affected by domestic violence. This includes training and awareness raising work with a range of service providers.

**Targeted work in localities** - Area Community Safety Co-ordinators work with Neighbourhood Police Teams and other local partners to tackle local community safety problems. There has been a renewed focus on local partnership work initially focussed in wards of strategic concern that has delivered tailored sessions delivered locally involving a wide range of local stakeholders and action plans compiled and then updated monthly.

**District Intelligence Unit and Performance Team** - A re-shaped and joint Police and Council District Intelligence Function is in place to ensure a more co-ordinated and partnership based intelligence function across the city. The unit has responsibility for the development of problem profiles and products to inform city-wide tasking to address key crime issues. It also produces profiles of new or emerging communities and has delivered the scoping and performance management function for the initial Families First programme.

**Police Community Support Officers (PCSOs)** - The council continues to part fund 165 PCSOs with West Yorkshire Police. PCSOs are an integral part of the Neighbourhood Policing Teams and provide a high-visibility patrolling service in each ward providing reassurance and tackling local crime and disorder issues of most concern.

**Prevent** - The Prevent work stream remains a key element to the City's response to the Governments Contest strategy. A calendar of training and awareness sessions is being developed to raise awareness, tackle the rhetoric of violent extremist groups, train local individuals and develop a peer learning network.

### Budget 2014/15:

- Provision of £240k has transferred from Citizens and Communities to Community Safety to reflect the fact that the Out of Hours phone call service operated by Customer Services is now co-located with the CCTV team at Middleton.
- Budgetary provision of £326k has been made for the Parks Watch service which transferred into Community Safety during 2013/14.
- Whilst the allocation of Community Safety grant for 2014/15 will not be known until February, the 2014/15 budget assumes that a similar sum to the 2013/14 allocation to Community Safety will be receivable (£487k). This resource has been used to support anti burglary initiatives across the city and has been a contributory factor in the continued reduction in this type of crime.
- 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. In 2014/15 it is assumed that this will contribute an additional £100k in net income.
- It is proposed to change the contract with West Yorkshire Police for the provision of Police and Community Safety Officers. The Council is in negotiation with the PCC regarding its contribution to PCSO costs. The budget reflects a saving of £150k.
- The service is exploring opportunities for delivering savings from closer working with enforcement teams within Environmental Action.

# Environment & Housing Housing Services – General Fund

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## Main responsibilities:

To deliver customer focussed services that provide access to housing and support services which meet the needs and aspirations of the people of Leeds by:

- Increasing the quality of existing homes in all tenures (achieving the essential investment standard and the sustainability standard).
- Reducing the number of empty homes to improve the quality of communities and increase housing supply.
- Ensure the quality of private rented sector housing is managed and improved through intervention and regulation including the expansion of accreditation
- Provide effective housing options and advice to enable customers to access effective housing and support, and tackle homelessness
- Increasing opportunities to access housing across all tenures and maximise homeless prevention activity across the City
- Ensure the best use of the council's assets to increase housing supply, improve housing quality and support the regeneration of neighbourhoods

A number of services, totalling £10.3m, have transferred into Statutory Housing for the 2014/15 budget:

- Directorate Support brings together service improvement and performance; directorate support; environmental policy, strategy and other policy functions. It has provides an opportunity to bring together expertise and best practice in these areas.
- Supporting People provides housing related support to help vulnerable people to live as independently as possible in the community. This could be in their own homes or in hostels, sheltered housing or other specialised supported housing. It provides complementary support for people who may also need personal or medical care. The service has budgetary responsibility for the supporting people programme.
- The Environmental Policy and Climate Change team promotes sustainable development within the Council and at city-wide and regional levels. The team contributes by enhancing our sense of place, reducing Leeds' ecological footprint (reducing the resource consumption of the city) and enhancing Leeds' environmental capacity (increasing the environment's ability to support the city).

## Budget highlights 2014/15:

- The Council has successfully bid with West Yorkshire Fire and Rescue Service for grant funding to tackle problems with irresponsible landlords in the city. The Council has been indicatively allocated £125k of Rogue Landlord grant, £75k of which will be receivable in 2014/15. The project will involve working together in a team to improve the safety and living conditions of residents who live above shops and other commercial premises within the city.
- Charges to the Housing Revenue Account will increase by £250k to reflect more accurately activity and level of service provided by the Housing Options teams and the provision of housing related support through third sector organisations.
- In 2013/14 half of the former Supporting People grant funded activities were transferred to Adult Social Care on the basis that they were best placed to have an overview of the whole activity as well as best placed to deliver efficiencies. Following this arrangement it is proposed to transfer the SIGN contract to Adult Social Care in 2014/15.
- The contract payment for the provision of support for homeless people living in private sector temporary accommodation has reduced significantly (£542k). This reduction reflects the success of the Directorate in finding early long term solutions for people's housing problems and is 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.
- It is anticipated that further savings of £712k will be realised through a combination of commissioned services being re-negotiated, the re-tendering of contracts and sector wide reviews that have required the re-modelling of service delivery.

# Environment and Housing Waste Management

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## Main responsibilities:

### Waste Operations

Operational Waste Management provides an important contribution to ensuring that all neighbourhoods are clean, green and well maintained through the provision of a reliable, safe and efficient waste and recycling collection service. The service is also critical in ensuring that the Council's ambitious household waste recycling targets are achieved.

The main services provided are as follows:

- The collection of general and recyclable household municipal waste for over 345,000 properties across the city, housing a population of over 780,000 people.
- Collection of dry, recyclable material from over 335,000 domestic properties
- Provision of fortnightly collections of recycling and residual waste (green and black bins) to 166,000 domestic properties with a plan to extend to approximately 80% of households in the City.
- Provision of garden waste collections to over 210,000 domestic properties
- Food waste collection services in the Rothwell area to over 12,000 properties
- Collection of medical waste from domestic and commercial premises across the Leeds area
- The operation of 8 household waste sorting sites across the city where residents can take a wide range of materials to be recycled and composted

### Waste Strategy and Policy

The Waste Strategy and Policy team is charged with the delivery of the Waste Strategy for the city, and is committed to developing more sustainable ways of dealing with waste generated in Leeds. Notably, Leeds has recently set an ambitious target of recycling over 55% of household waste by 2016, with a longer-term target of 60%, and has developed a challenging strategy in order to achieve this. Responsibilities of the team include:

- The ongoing development and delivery of the overall Waste Strategy for Leeds which sets out the long term vision for the city in relation to sustainable waste management, that is to reduce, re-use, recycle and recover value from all waste
- The development and delivery of a programme of communications aimed at promoting waste prevention and maximising public participation in recycling
- The procurement and management of contracts for the sustainable management of materials collected by the Council for recycling, treatment or disposal.
- The management of the long-term contract with Veolia for the construction and operation of a residual waste treatment facility in Leeds. This facility will ensure the capture of further materials for recycling and the recovery of energy from a waste stream that is currently predominantly sent to landfill
- The management of 11 closed landfill sites at which emissions of leachate and methane are monitored.
- The management of over 400 recycling 'bring bank' sites across Leeds where materials such as paper, cans, glass and textiles can be deposited for recycling.



# Environment & Housing Parks & Countryside

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## Main responsibilities:

Parks and Countryside support Council objectives by:

- Providing a variety of recreation opportunities for all people to enjoy and benefit from.
- Ensuring an enjoyable and sustainable environment through the creation, management and enhancement of parks and green spaces, allotments and path networks.
- Encouraging health through involvement in physical activity.
- Continued improvement in the quality of Leeds' parks.
- Providing a sympathetic and caring Burial and Cremation service.

## Budget highlights 2014/15:

- In 2013/14 the Parks and Countryside service assumed responsibility for the management of the whole of the Grounds Maintenance function across the Authority. In accordance with this responsibility it is appropriate that Highways budget for this activity (£1,148k), which is currently in City Development, is transferred to Environment and Housing. This effectively increases expenditure by £3m and income chargeable to the HRA by £1.9m. The transfer has provided a joined up approach to managing the green space across the city.
- The Parkswatch Service has transferred to Community Safety during 13/14 reducing costs to the Parks & Countryside by £326k. The central recharges review has reduced managed budgeted expenditure recorded within the Parks & Countryside service by £533k for the 2014/15 budget.
- A number of innovative approaches have been taken to deliver efficiency savings of £559k for 2014/15 budget. These include the move towards seasonal working patterns for many parks staff which will reduce the need for casual staff, a restructure of the forestry service and reduced heating costs.
- A price increase of 3% has been applied in café's and retail sites, on chargeable Bereavement Services and for concession holders in parks where the contract is ready for renewal. These price increases are expected to generate an additional £238k in 2014/15.
- Additional income is anticipated in 2014/15 (£414k). This will be realised through an anticipated increase in activity within existing chargeable services and increased income earning opportunities such sale of forestry products, income from projects and services provided by the Parks and Countryside team as well as increased income from concessions, retail sites and cafes.
- A saving of £100k on the cost to the Council of providing 97 allotment sites across the city has been included in the budget. This reduction in the level of subsidy provided to his function will be generated through a combination of cost reductions and a phased price increase commencing in autumn 2014.

# Environment and Housing Environmental Action Service

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## Main responsibilities:

### Environmental Action Service

The Environmental Action Service comprises three service areas; Environmental Health & Parking and Locality Teams dealing with street cleansing & environmental enforcement and a city centre cleansing & enforcement function.

The service deliver the following functions:

- Supports good food safety standards in the city by the inspection of food businesses, and a wide range of interventions including the reporting of good hygiene practice through the “scores on the doors” website.
- Promotes and supports Health, Safety and Welfare at work, through inspections, investigation of accidents and education in the service sector.
- Regulates premises likely to pollute the atmosphere, monitors air quality and investigates complaints about nuisance and pollution.
- Enforces animal health legislation in respect of welfare of livestock at markets and during transportation
- Provides a range of neighbourhood enforcement activities including pest control, dangerous, stray or roaming dogs, dog fouling, littering, graffiti and flyering, waste in gardens and waste from domestic and commercial bins, overgrown vegetation, fly tipping and abandoned and untaxed vehicles
- Provides specialist advice and acts as consultees to a range of agencies and licensing authorities and administers a number of licensing schemes directly on behalf of the council.
- Street cleansing functions including delittering, pavement & road sweeping, litter bin emptying, gulley cleaning, fly tip removals and removes household items of bulky waste .

# Environment & Housing Resources, Strategy & Commissioning

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## Main responsibilities:

The responsibility for services contained with Strategy & Commissioning in 2013/14 is transferring to other functions in 2014/15:

### Transfers to Statutory Housing

- The Resources, Strategy and Commissioning Division brings together service improvement and performance; directorate support; environmental policy, strategy and other policy functions. It has provides an opportunity to bring together expertise and best practice in these areas.
- Supporting People provides housing related support to help vulnerable people to live as independently as possible in the community. This could be in their own homes or in hostels, sheltered housing or other specialised supported housing. It provides complementary support for people who may also need personal or medical care. The service has budgetary responsibility for the supporting people programme.
- The Environmental Policy and Climate Change team promotes sustainable development within the Council and at city-wide and regional levels. The team contributes by enhancing our sense of place (understanding the characteristics of different places to inform the future), promotion, protection and enhancement of design quality of places (influencing local environments to have a positive influence on quality of life to the benefit of the people of Leeds – including residents, businesses and visitors), reducing Leeds' ecological footprint (reducing the resource consumption of the city) and enhancing Leeds' environmental capacity (increasing the environment's ability to support the city).

### Transfers to Public Health

- The Commissioning support for the Supporting People programme will transfer to Public Health with effect from 1<sup>st</sup> April 2014. This is involved a budget transfer of £922k and 20 FTEs.
- Commissioning Drug Intervention and Treatment contacts will be managed within Public Health in 2014/15.

### Transfers to Citizens and Communities

- Grants awarded to advice agencies will be managed within the Citizens and Communities Directorate
- Community Centres – the budget of £672k has transferred into the Citizens and Communities directorate

## Budget 2014/15:

### Supporting People

- In 2013/14 half of the former Supporting People grant funded activities were transferred to Adult Social Care on the basis that they were best placed to have an overview of the whole activity as well as best placed to deliver efficiencies. Following this arrangement it is proposed to transfer the SIGN contract to Adult Social Care in 2014/15.
- The contract payment for the provision of support for homeless people living in private sector temporary accommodation has reduced significantly (£542k). This reduction reflects the success of the Directorate in finding early long term solutions for people's housing problems. This is 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.
- It is anticipated that further savings of £712k will be realised through a combination of commissioned services being re-negotiated, the re-tendering of contracts and sector wide reviews that have required the re-modelling of service delivery.



# Environment & Housing

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14	Managed by the Service			Managed Outside the Service	Total 2014/15
			Spending	Income	Net		
Chief Officer Environmental Action	Car Parking Services	(5,368)	5,420	(12,059)	(6,639)	982	(5,658)
Head of Community Safety	Community Safety	4,576	9,557	(6,346)	3,211	562	3,772
Chief Officer Strategic Housing	Statutory Housing	21,830	19,140	(6,077)	13,063	12,445	25,508
Chief Officer Strategic Housing	General Fund Support Services	4	504	(29)	475	(385)	90
Chief Officer Waste Management	Waste Management	44,943	42,081	(1,269)	40,812	534	41,347
Chief Officer Parks and Countryside	Parks And Countryside	14,250	28,937	(19,761)	9,176	2,684	11,860
Chief Officer Environmental Action	Environmental Action (West North West)	3,248	2,881	(108)	2,773	117	2,890
Chief Officer Environmental Action	Environmental Action (East North East)	2,586	2,239	(138)	2,101	85	2,186
Chief Officer Environmental Action	Environmental Action (South)	2,965	2,501	(138)	2,362	110	2,472
Chief Officer Environmental Action	Environmental Action (City Wide)	2,326	2,065	(24)	2,041	195	2,235
Chief Officer Environmental Action	Environmental Action (City Centre)	1,504	1,563	(266)	1,297	93	1,390
Chief Officer Environmental Action	Non Delegated - St Cleansing	2,512	378	0	378	2,037	2,415
Chief Officer Environmental Action	Environmental Health	2,303	3,508	(766)	2,742	56	2,797
Net Cost of Service		97,679	120,772	(46,981)	73,791	19,514	93,306
	Transfers to and from earmarked reserves	(1,951)	0	0	0	(3,117)	(3,117)
Net Revenue Charge		95,727	120,772	(46,981)	73,791	16,397	90,188

# Environment & Housing

## Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		43,922	44,724
Agency And Temporary Staff		934	875
National Insurance Contributions		3,154	3,159
Superannuation Costs		5,471	6,018
Other Pension Costs		869	867
Other Employee Related Costs		416	471
Training And Development		165	146
		54,932	56,261
<b>Premises</b>			
Buildings Maintenance		257	242
Grounds Maintenance		265	2,874
Building Security		174	92
Cleaning And Workplace Refuse		457	356
Gas		429	450
Electricity		568	593
Other Utilities		325	374
Rents		210	108
NDR		1,551	1,257
Accommodation Charges		0	0
Premises Related Insurance		70	43
		4,304	6,389
<b>Supplies &amp; Services</b>			
Materials and Equipment		4,080	3,910
Stationery and Postage		200	149
Advertising		42	36
IT and telecommunications		743	760
Insurance		604	756
Professional Services and Subscriptions		1,253	1,253
Grants and Contributions		1,644	1,616
Recycling and Reuse		2,723	1,975
Waste Disposal and Landfill Tax		15,181	16,570
Allowances		4	3
Consultancy Services		88	72
Security Services		272	152
Other Hired and Contracted Services		3,675	3,735
Licences		100	96
Publication and Promotion		378	306
Miscellaneous		7	6
		30,993	31,396
<b>Transport</b>			
Vehicles And Plant Related Expenditure		8,420	5,691
Travel Allowances		391	420
Fuel		3,433	3,341
Transport Related Insurance		273	245
		12,517	9,696
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		5,383	4,909
Charges To/From HRA		701	707
		6,084	5,616
<b>Agency Payments</b>			

# Environment & Housing

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
Agency Payments		
Services provided by other organisations	11,895	11,109
Contributions to Partnerships	606	185
Sheltered Accommodation	0	105
	12,502	11,398
Appropriations		
Transfers to/from Earmarked Reserves	200	(22)
Transfers to/from Capital Reserve	0	38
	200	16
<b>Managed Expenditure</b>	<b>121,532</b>	<b>120,772</b>
Internal Income		
Income from other Directorates	(8,479)	(7,623)
Recharge Income from Capital	(658)	(835)
Charges to / from HRA	(6,604)	(9,320)
Redistribution of grants income	0	(817)
	(15,741)	(18,595)
Income - Grants		
Government Grants	(127)	(595)
DCLG Grants	(381)	(376)
	(508)	(971)
Income - Sales		
Sale of Goods and Services	(2,967)	(2,903)
	(2,967)	(2,903)
Income - Charges		
Fees and charges	(21,985)	(20,566)
Contributions	(557)	(440)
Other income	(2,819)	(2,323)
Rents	(996)	(1,168)
Income Received From ALMOs/BITMO	(627)	0
	(26,984)	(24,497)
Income - Other		
Interest and Dividends	(17)	(15)
	(17)	(15)
<b>Managed Income</b>	<b>(46,216)</b>	<b>(46,981)</b>
<b>Net Managed Budget</b>	<b>75,315</b>	<b>73,791</b>
Accounting Adjustments		
IAS 19 Pensions Costs	1,890	3,117
Vehicles And Plant (Internal Leasing)	(2,776)	0
Vehicle leasing recharges	2,776	0
Transfers to/from Statutory Reserves	(1,951)	(3,117)
Capital Charges	10,848	17,773
	10,786	17,773
Central Recharges		
Central Recharges Expenditure	10,067	0
Corporate & Democratic Core Income	(376)	(376)
	9,691	(376)

# Environment & Housing

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
Other Internal Adjustments		
Internal Reallocations Charges	26,323	3,174
Internal Reallocations Income	(26,388)	(4,174)
	(65)	(1,000)
Managed Outside the Service	20,412	16,397
<b>Net Cost of Service</b>	<b>95,727</b>	<b>90,188</b>



# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Car Parking Services	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		2,293	2,228
Agency And Temporary Staff		68	28
National Insurance Contributions		150	136
Superannuation Costs		296	304
Other Pension Costs		12	21
Other Employee Related Costs		3	16
Training And Development		8	2
		2,830	2,734
<b>Premises</b>			
Buildings Maintenance		15	14
Grounds Maintenance		31	27
Building Security		4	2
Cleaning And Workplace Refuse		3	12
Electricity		120	84
Other Utilities		19	24
Rents		7	7
NNDR		913	654
Premises Related Insurance		6	6
		1,119	829
<b>Supplies &amp; Services</b>			
Materials and Equipment		366	291
Stationery and Postage		55	16
Advertising		14	9
IT and telecommunications		194	200
Insurance		5	20
Professional Services and Subscriptions		118	124
Other Hired and Contracted Services		413	556
Publication and Promotion		0	4
		1,166	1,219
<b>Transport</b>			
Vehicles And Plant Related Expenditure		57	49
Travel Allowances		2	2
Fuel		24	24
Transport Related Insurance		5	5
		88	80
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		1,247	557
Charges To/From HRA		1	0
		1,248	557
<b>Managed Expenditure</b>		6,450	5,420
<b>Internal Income</b>			
Income from other Directorates		(294)	(273)
		(294)	(273)
<b>Income - Charges</b>			
Fees and charges		(13,147)	(11,778)
Rents		(8)	(8)
		(13,155)	(11,786)

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Car Parking Services			
	£000	Budget 2013/14	Budget 2014/15
Managed Income		(13,449)	(12,059)
<b>Net Managed Budget</b>		<b>(6,998)</b>	<b>(6,639)</b>
Accounting Adjustments			
IAS 19 Pensions Costs		133	182
Capital Charges		827	805
		959	987
Central Recharges			
Central Recharges Expenditure		172	0
		172	0
Other Internal Adjustments			
Internal Reallocations Charges		4,666	0
Internal Reallocations Income		(4,166)	(5)
		499	(5)
Managed Outside the Service		1,631	982
<b>Net Cost of Service</b>		<b>(5,368)</b>	<b>(5,658)</b>

# Environment & Housing

Budget Manager : Head of Community Safety

Community Safety	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		4,417	4,925
Agency And Temporary Staff		30	50
National Insurance Contributions		363	382
Superannuation Costs		616	703
Other Pension Costs		58	61
Other Employee Related Costs		5	9
Training And Development		2	2
		5,491	6,133
<b>Premises</b>			
Buildings Maintenance		0	0
Building Security		2	2
Cleaning And Workplace Refuse		1	0
Electricity		2	12
Other Utilities		1	1
Rents		61	48
NNDR		7	8
		73	72
<b>Supplies &amp; Services</b>			
Materials and Equipment		22	27
Stationery and Postage		13	16
Advertising		0	2
IT and telecommunications		268	269
Insurance		10	8
Professional Services and Subscriptions		310	262
Grants and Contributions		153	618
Waste Disposal and Landfill Tax		2	2
Allowances		1	1
Consultancy Services		5	5
Other Hired and Contracted Services		1,814	1,396
Licences		0	2
		2,599	2,610
<b>Transport</b>			
Vehicles And Plant Related Expenditure		55	60
Travel Allowances		94	133
Fuel		34	46
Transport Related Insurance		2	3
		185	242
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		412	438
Charges To/From HRA		1	0
		413	439
<b>Agency Payments</b>			
Contributions to Partnerships		43	43
		43	43
<b>Appropriations</b>			
Transfers to/from Capital Reserve		0	18
		0	18
<b>Managed Expenditure</b>		8,805	9,557

# Environment & Housing

Budget Manager : Head of Community Safety

Community Safety	£000	Budget 2013/14	Budget 2014/15
Internal Income			
Income from other Directorates		(1,655)	(1,057)
Charges to / from HRA		(2,916)	(3,173)
Redistribution of grants income		0	(786)
		(4,571)	(5,016)
Income - Grants			
Government Grants		(87)	(555)
		(87)	(555)
Income - Charges			
Contributions		(94)	(94)
Other income		(654)	(681)
		(748)	(775)
Managed Income		(5,405)	(6,346)
<b>Net Managed Budget</b>		<b>3,400</b>	<b>3,211</b>
Accounting Adjustments			
IAS 19 Pensions Costs		243	407
Vehicles And Plant (Internal Leasing)		(7)	0
Vehicle leasing recharges		7	0
Capital Charges		176	168
		419	575
Central Recharges			
Central Recharges Expenditure		182	0
		182	0
Other Internal Adjustments			
Internal Reallocations Charges		588	0
Internal Reallocations Income		(13)	(13)
		575	(13)
Managed Outside the Service		1,176	562
<b>Net Cost of Service</b>		<b>4,576</b>	<b>3,772</b>

# Environment & Housing

Budget Manager : Chief Officer Strategic Housing

Statutory Housing	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		4,366	4,520
National Insurance Contributions		353	354
Superannuation Costs		577	601
Other Pension Costs		129	119
Other Employee Related Costs		11	11
Training And Development		20	5
		5,455	5,610
<b>Premises</b>			
Buildings Maintenance		24	24
Cleaning And Workplace Refuse		22	0
Gas		0	4
Electricity		0	4
Other Utilities		1	1
Rents		30	30
NNDR		8	8
Accommodation Charges		0	0
Premises Related Insurance		3	2
		89	74
<b>Supplies &amp; Services</b>			
Materials and Equipment		23	16
Stationery and Postage		50	48
Advertising		8	4
IT and telecommunications		19	26
Insurance		13	5
Professional Services and Subscriptions		40	99
Grants and Contributions		1,097	601
Allowances		1	1
Security Services		2	2
Other Hired and Contracted Services		161	243
Publication and Promotion		26	24
Miscellaneous		0	0
		1,440	1,069
<b>Transport</b>			
Vehicles And Plant Related Expenditure		37	14
Travel Allowances		99	95
Fuel		1	1
Transport Related Insurance		1	0
		138	111
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		390	261
Charges To/From HRA		653	672
		1,042	932
<b>Agency Payments</b>			
Services provided by other organisations		11,895	11,078
Contributions to Partnerships		563	142
Sheltered Accommodation		0	105
		12,459	11,324
<b>Appropriations</b>			
Transfers to/from Capital Reserve		0	20

# Environment & Housing

Budget Manager : Chief Officer Strategic Housing

Statutory Housing	£000	Budget 2013/14	Budget 2014/15
Appropriations		0	20
Managed Expenditure		20,623	19,140
Internal Income			
Income from other Directorates		(491)	(619)
Recharge Income from Capital		(658)	(835)
Charges to / from HRA		(2,062)	(2,653)
		(3,211)	(4,107)
Income - Grants			
DCLG Grants		(381)	(376)
		(381)	(376)
Income - Sales			
Sale of Goods and Services		(15)	(15)
		(15)	(15)
Income - Charges			
Fees and charges		(916)	(459)
Contributions		(100)	0
Other income		(1,319)	(808)
Rents		(282)	(296)
		(2,617)	(1,564)
Income - Other			
Interest and Dividends		(17)	(15)
		(17)	(15)
Managed Income		(6,242)	(6,077)
<b>Net Managed Budget</b>		<b>14,381</b>	<b>13,063</b>
Accounting Adjustments			
IAS 19 Pensions Costs		158	282
Vehicles And Plant (Internal Leasing)		(22)	0
Vehicle leasing recharges		22	0
Capital Charges		5,209	12,488
		5,367	12,770
Central Recharges			
Central Recharges Expenditure		323	0
		323	0
Other Internal Adjustments			
Internal Reallocations Charges		1,834	0
Internal Reallocations Income		(75)	(325)
		1,759	(325)
Managed Outside the Service		7,449	12,445
<b>Net Cost of Service</b>		<b>21,830</b>	<b>25,508</b>

# Environment & Housing

Budget Manager : Chief Officer Strategic Housing

General Fund Support Services	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		273	378
National Insurance Contributions		27	37
Superannuation Costs		40	59
Other Pension Costs		13	13
Other Employee Related Costs		0	0
		353	487
Supplies & Services			
Materials and Equipment		10	10
Stationery and Postage		1	1
IT and telecommunications		(123)	0
Insurance		0	0
Other Hired and Contracted Services		(2)	0
		(114)	11
Transport			
Vehicles And Plant Related Expenditure		0	1
Travel Allowances		1	1
		1	1
Internal Charges			
Managed Recharges Frm Other Directorates		4	4
		4	4
Managed Expenditure		244	504
Internal Income			
Charges to / from HRA		(1,325)	(29)
		(1,325)	(29)
Managed Income		(1,325)	(29)
<b>Net Managed Budget</b>		<b>(1,081)</b>	<b>475</b>
Accounting Adjustments			
IAS 19 Pensions Costs		2	26
		2	26
Central Recharges			
Central Recharges Expenditure		9,073	0
Corporate & Democratic Core Income		(376)	(376)
		8,696	(376)
Other Internal Adjustments			
Internal Reallocations Charges		315	315
Internal Reallocations Income		(7,927)	(350)
		(7,612)	(35)
Managed Outside the Service		1,086	(385)
<b>Net Cost of Service</b>		<b>4</b>	<b>90</b>

# Environment & Housing

Budget Manager : Chief Officer Waste Management

Waste Management	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		10,254	11,562
Agency And Temporary Staff		573	568
National Insurance Contributions		751	829
Superannuation Costs		1,271	1,602
Other Pension Costs		276	281
Other Employee Related Costs		262	249
Training And Development		41	44
		13,428	15,134
<b>Premises</b>			
Buildings Maintenance		170	158
Grounds Maintenance		5	3
Building Security		88	6
Cleaning And Workplace Refuse		32	6
Gas		4	5
Electricity		84	103
Other Utilities		26	32
Rents		6	3
NNDR		205	196
Premises Related Insurance		5	3
		624	514
<b>Supplies &amp; Services</b>			
Materials and Equipment		618	383
Stationery and Postage		25	22
IT and telecommunications		67	40
Insurance		41	23
Professional Services and Subscriptions		76	77
Recycling and Reuse		2,723	1,975
Waste Disposal and Landfill Tax		15,179	16,567
Allowances		0	0
Consultancy Services		75	65
Security Services		242	123
Other Hired and Contracted Services		184	227
Licences		59	53
Publication and Promotion		328	251
Miscellaneous		5	5
		19,622	19,811
<b>Transport</b>			
Vehicles And Plant Related Expenditure		4,951	2,826
Travel Allowances		23	25
Fuel		2,070	2,043
Transport Related Insurance		177	155
		7,221	5,048
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		1,610	1,541
Charges To/From HRA		4	1
		1,614	1,542
<b>Agency Payments</b>			
Services provided by other organisations		0	31
		0	31



# Environment & Housing

Budget Manager : Chief Officer Waste Management

Waste Management	£000	Budget 2013/14	Budget 2014/15
<b>Managed Expenditure</b>		42,509	42,081
Internal Income			
Income from other Directorates		(328)	(296)
Charges to / from HRA		0	(229)
		(328)	(525)
Income - Sales			
Sale of Goods and Services		(835)	(625)
		(835)	(625)
Income - Charges			
Fees and charges		(241)	(78)
Contributions		0	(15)
Other income		(15)	(26)
Income Received From ALMOs/BITMO		(121)	0
		(377)	(119)
<b>Managed Income</b>		(1,541)	(1,269)
<b>Net Managed Budget</b>		<b>40,968</b>	<b>40,812</b>
Accounting Adjustments			
IAS 19 Pensions Costs		426	787
Vehicles And Plant (Internal Leasing)		(2,248)	0
Vehicle leasing recharges		2,248	0
Capital Charges		2,585	1,857
		3,011	2,644
Central Recharges			
Central Recharges Expenditure		104	0
		104	0
Other Internal Adjustments			
Internal Reallocations Charges		10,073	0
Internal Reallocations Income		(9,213)	(2,110)
		860	(2,110)
<b>Managed Outside the Service</b>		<b>3,975</b>	<b>534</b>
<b>Net Cost of Service</b>		<b>44,943</b>	<b>41,347</b>

# Environment & Housing

Budget Manager : Chief Officer Parks and Countryside

Parks And Countryside	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		12,682	12,098
Agency And Temporary Staff		105	95
National Insurance Contributions		852	808
Superannuation Costs		1,487	1,556
Other Pension Costs		152	143
Other Employee Related Costs		120	130
Training And Development		65	65
		15,461	14,894
<b>Premises</b>			
Buildings Maintenance		15	14
Grounds Maintenance		229	2,844
Building Security		79	81
Cleaning And Workplace Refuse		390	330
Gas		425	441
Electricity		347	374
Other Utilities		226	262
Rents		17	17
NNDR		405	378
Premises Related Insurance		56	32
		2,189	4,775
<b>Supplies &amp; Services</b>			
Materials and Equipment		2,790	2,945
Stationery and Postage		13	14
Advertising		19	20
IT and telecommunications		156	125
Insurance		527	613
Professional Services and Subscriptions		314	315
Grants and Contributions		394	397
Waste Disposal and Landfill Tax		0	1
Allowances		0	0
Consultancy Services		2	2
Security Services		27	27
Other Hired and Contracted Services		897	894
Licences		40	40
Publication and Promotion		20	23
Miscellaneous		2	1
		5,203	5,418
<b>Transport</b>			
Vehicles And Plant Related Expenditure		1,670	1,275
Travel Allowances		28	23
Fuel		593	565
Transport Related Insurance		49	46
		2,340	1,908
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		1,508	1,962
Charges To/From HRA		2	2
		1,510	1,963
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		200	(22)

# Environment & Housing

Budget Manager : Chief Officer Parks and Countryside

Parks And Countryside	£000	Budget 2013/14	Budget 2014/15
Appropriations		200	(22)
Managed Expenditure		26,903	28,937
Internal Income			
Income from other Directorates		(5,211)	(4,791)
Charges to / from HRA		(300)	(2,924)
		(5,511)	(7,715)
Income - Grants			
Government Grants		(40)	(40)
		(40)	(40)
Income - Sales			
Sale of Goods and Services		(1,981)	(2,128)
		(1,981)	(2,128)
Income - Charges			
Fees and charges		(7,573)	(8,160)
Contributions		(333)	(296)
Other income		(566)	(559)
Rents		(705)	(863)
Income Received From ALMOs/BITMO		(412)	0
		(9,589)	(9,878)
Managed Income		(17,121)	(19,761)
<b>Net Managed Budget</b>		<b>9,782</b>	<b>9,176</b>
Accounting Adjustments			
IAS 19 Pensions Costs		576	867
Vehicles And Plant (Internal Leasing)		(332)	0
Vehicle leasing recharges		332	0
Capital Charges		1,860	2,244
		2,436	3,111
Other Internal Adjustments			
Internal Reallocations Charges		2,859	800
Internal Reallocations Income		(827)	(1,227)
		2,032	(427)
Managed Outside the Service		4,469	2,684
<b>Net Cost of Service</b>		<b>14,250</b>	<b>11,860</b>

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Action (West North West)			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		1,749	1,754
Agency And Temporary Staff		28	28
National Insurance Contributions		118	119
Superannuation Costs		200	225
Other Pension Costs		8	6
Other Employee Related Costs		6	13
Training And Development		4	4
		2,112	2,149
<b>Premises</b>			
Buildings Maintenance		15	14
Cleaning And Workplace Refuse		5	5
		20	19
<b>Supplies &amp; Services</b>			
Materials and Equipment		36	36
Stationery and Postage		4	3
IT and telecommunications		13	4
Insurance		0	20
Professional Services and Subscriptions		0	0
Allowances		0	0
Other Hired and Contracted Services		6	53
		59	116
<b>Transport</b>			
Vehicles And Plant Related Expenditure		393	369
Travel Allowances		33	29
Fuel		162	165
Transport Related Insurance		5	9
		593	572
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		28	19
Charges To/From HRA		8	6
		36	25
<b>Managed Expenditure</b>		2,819	2,881
<b>Internal Income</b>			
Income from other Directorates		0	(14)
Charges to / from HRA		0	(83)
		0	(97)
<b>Income - Sales</b>			
Sale of Goods and Services		(5)	(5)
		(5)	(5)
<b>Income - Charges</b>			
Other income		(6)	(6)
		(6)	(6)
<b>Managed Income</b>		(11)	(108)
<b>Net Managed Budget</b>		<b>2,808</b>	<b>2,773</b>

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Action (West North West)			
	£000	Budget 2013/14	Budget 2014/15
Accounting Adjustments			
IAS 19 Pensions Costs		90	144
Vehicles And Plant (Internal Leasing)		(31)	0
Vehicle leasing recharges		31	0
Capital Charges		12	12
		102	155
Central Recharges			
Central Recharges Expenditure		16	0
		16	0
Other Internal Adjustments			
Internal Reallocations Charges		361	0
Internal Reallocations Income		(38)	(38)
		323	(38)
Managed Outside the Service		440	117
<b>Net Cost of Service</b>		<b>3,248</b>	<b>2,890</b>

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Action (East North East)	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		1,357	1,374
Agency And Temporary Staff		28	28
National Insurance Contributions		93	95
Superannuation Costs		159	175
Other Employee Related Costs		2	9
Training And Development		3	3
		1,641	1,683
<b>Premises</b>			
Buildings Maintenance		10	10
Rents		75	0
		85	10
<b>Supplies &amp; Services</b>			
Materials and Equipment		29	45
Stationery and Postage		6	6
Advertising		0	0
IT and telecommunications		10	4
Insurance		0	18
Professional Services and Subscriptions		0	0
Allowances		0	0
Other Hired and Contracted Services		(40)	2
		5	76
<b>Transport</b>			
Vehicles And Plant Related Expenditure		323	307
Travel Allowances		7	7
Fuel		126	127
Transport Related Insurance		3	7
		459	447
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		24	17
Charges To/From HRA		8	6
		32	23
<b>Managed Expenditure</b>		2,222	2,239
<b>Internal Income</b>			
Income from other Directorates		0	(36)
Charges to / from HRA		0	(83)
		0	(119)
<b>Income - Sales</b>			
Sale of Goods and Services		(10)	(10)
		(10)	(10)
<b>Income - Charges</b>			
Other income		(8)	(8)
		(8)	(8)
<b>Managed Income</b>		(18)	(138)
<b>Net Managed Budget</b>		<b>2,204</b>	<b>2,101</b>

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Action (East North East)			
	£000	Budget 2013/14	Budget 2014/15
Accounting Adjustments			
IAS 19 Pensions Costs		78	117
Vehicles And Plant (Internal Leasing)		(19)	0
Vehicle leasing recharges		19	0
Capital Charges		6	6
		83	123
Other Internal Adjustments			
Internal Reallocations Charges		336	0
Internal Reallocations Income		(38)	(38)
		298	(38)
Managed Outside the Service		381	85
<b>Net Cost of Service</b>		<b>2,586</b>	<b>2,186</b>

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Action (South)	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		1,542	1,545
National Insurance Contributions		106	107
Superannuation Costs		179	189
Other Employee Related Costs		3	10
Training And Development		3	2
		1,832	1,853
Premises			
Buildings Maintenance		5	5
		5	5
Supplies & Services			
Materials and Equipment		34	37
Stationery and Postage		4	4
Advertising		0	0
IT and telecommunications		27	10
Insurance		0	18
Professional Services and Subscriptions		56	53
Allowances		0	0
Other Hired and Contracted Services		(40)	14
		81	137
Transport			
Vehicles And Plant Related Expenditure		321	289
Travel Allowances		30	30
Fuel		140	150
Transport Related Insurance		7	6
		498	475
Internal Charges			
Managed Recharges Frm Other Directorates		40	25
Charges To/From HRA		8	6
		47	31
<b>Managed Expenditure</b>		<b>2,464</b>	<b>2,501</b>
Internal Income			
Income from other Directorates		(28)	(28)
Charges to / from HRA		0	(83)
		(28)	(111)
Income - Sales			
Sale of Goods and Services		(5)	(5)
		(5)	(5)
Income - Charges			
Fees and charges		(7)	(7)
Other income		(15)	(15)
		(22)	(22)
<b>Managed Income</b>		<b>(55)</b>	<b>(138)</b>
<b>Net Managed Budget</b>		<b>2,409</b>	<b>2,362</b>
Accounting Adjustments			
IAS 19 Pensions Costs		88	126
Vehicles And Plant (Internal Leasing)		(19)	0



# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Action (South)			
	£000	Budget 2013/14	Budget 2014/15
Vehicle leasing recharges		19	0
Capital Charges		25	22
		113	148
Central Recharges			
Central Recharges Expenditure		110	0
		110	0
Other Internal Adjustments			
Internal Reallocations Charges		371	0
Internal Reallocations Income		(38)	(38)
		333	(38)
Managed Outside the Service		556	110
<b>Net Cost of Service</b>		<b>2,965</b>	<b>2,472</b>

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Action (City Wide)	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		1,135	1,140
Agency And Temporary Staff		81	79
National Insurance Contributions		73	73
Superannuation Costs		130	146
Other Pension Costs		8	8
Other Employee Related Costs		1	7
Training And Development		6	6
		<b>1,435</b>	<b>1,458</b>
<b>Premises</b>			
Cleaning And Workplace Refuse		2	2
Electricity		6	6
Other Utilities		20	18
Rents		3	3
NDR		11	11
Premises Related Insurance		1	0
		<b>42</b>	<b>40</b>
<b>Supplies &amp; Services</b>			
Materials and Equipment		34	28
IT and telecommunications		0	0
Insurance		0	12
Other Hired and Contracted Services		13	21
		<b>48</b>	<b>61</b>
<b>Transport</b>			
Vehicles And Plant Related Expenditure		407	339
Fuel		167	154
Transport Related Insurance		7	7
		<b>581</b>	<b>499</b>
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		0	0
Charges To/From HRA		8	6
		<b>8</b>	<b>6</b>
<b>Managed Expenditure</b>		<b>2,113</b>	<b>2,065</b>
<b>Internal Income</b>			
Income from other Directorates		(9)	(9)
Charges to / from HRA		0	(7)
		<b>(9)</b>	<b>(16)</b>
<b>Income - Charges</b>			
Other income		(8)	(8)
Income Received From ALMOs/BITMO		(12)	0
		<b>(21)</b>	<b>(8)</b>
<b>Managed Income</b>		<b>(30)</b>	<b>(24)</b>
<b>Net Managed Budget</b>		<b>2,083</b>	<b>2,041</b>
<b>Accounting Adjustments</b>			
IAS 19 Pensions Costs		56	90
Vehicles And Plant (Internal Leasing)		(75)	0
Vehicle leasing recharges		75	0

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Action (City Wide)			
	£000	Budget 2013/14	Budget 2014/15
Capital Charges		59	105
		116	195
Other Internal Adjustments			
Internal Reallocations Charges		128	0
		128	0
Managed Outside the Service		243	195
<b>Net Cost of Service</b>		<b>2,326</b>	<b>2,235</b>

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Action (City Centre)	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		994	1,022
National Insurance Contributions		65	69
Superannuation Costs		123	138
Other Employee Related Costs		2	7
Training And Development		3	3
		1,186	1,239
<b>Premises</b>			
Buildings Maintenance		1	1
Cleaning And Workplace Refuse		1	1
Electricity		6	6
Other Utilities		1	1
Rents		12	0
NDR		1	1
		23	11
<b>Supplies &amp; Services</b>			
Materials and Equipment		30	30
Stationery and Postage		0	0
IT and telecommunications		11	6
Insurance		0	12
Professional Services and Subscriptions		0	0
Other Hired and Contracted Services		10	10
		51	57
<b>Transport</b>			
Vehicles And Plant Related Expenditure		162	156
Travel Allowances		5	5
Fuel		63	59
Transport Related Insurance		6	7
		237	227
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		11	23
Charges To/From HRA		8	6
		18	29
<b>Managed Expenditure</b>		1,515	1,563
<b>Internal Income</b>			
Income from other Directorates		(136)	(136)
Redistribution of grants income		0	(31)
		(136)	(167)
<b>Income - Charges</b>			
Fees and charges		(84)	(64)
Other income		(35)	(35)
		(119)	(99)
<b>Managed Income</b>		(255)	(266)
<b>Net Managed Budget</b>		<b>1,260</b>	<b>1,297</b>
<b>Accounting Adjustments</b>			
IAS 19 Pensions Costs		60	92
Vehicles And Plant (Internal Leasing)		(11)	0

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Action (City Centre)			
	£000	Budget 2013/14	Budget 2014/15
Vehicle leasing recharges		11	0
Capital Charges		1	1
		61	93
Other Internal Adjustments			
Internal Reallocations Charges		184	0
		184	0
Managed Outside the Service		244	93
<b>Net Cost of Service</b>		<b>1,504</b>	<b>1,390</b>

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Non Delegated - St Cleansing			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Other Pension Costs		82	82
		82	82
Premises			
Other Utilities		30	35
		30	35
Supplies & Services			
Insurance		3	0
Other Hired and Contracted Services		240	245
		243	245
Transport			
Vehicles And Plant Related Expenditure		28	0
Fuel		44	0
Transport Related Insurance		8	0
		80	0
Internal Charges			
Managed Recharges Frm Other Directorates		16	16
		16	16
Managed Expenditure		452	378
<b>Net Managed Budget</b>		<b>452</b>	<b>378</b>
Accounting Adjustments			
IAS 19 Pensions Costs		(82)	(82)
Vehicles And Plant (Internal Leasing)		(5)	0
Vehicle leasing recharges		5	0
Capital Charges		82	60
		0	(23)
Other Internal Adjustments			
Internal Reallocations Charges		2,059	2,059
		2,059	2,059
Managed Outside the Service		2,059	2,037
<b>Net Cost of Service</b>		<b>2,512</b>	<b>2,415</b>

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Health	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		2,862	2,178
Agency And Temporary Staff		21	0
National Insurance Contributions		203	152
Superannuation Costs		394	321
Other Pension Costs		129	134
Other Employee Related Costs		2	9
Training And Development		12	11
		<b>3,625</b>	<b>2,805</b>
<b>Premises</b>			
Buildings Maintenance		2	2
Cleaning And Workplace Refuse		0	1
Electricity		3	3
Other Utilities		0	0
		<b>6</b>	<b>6</b>
<b>Supplies &amp; Services</b>			
Materials and Equipment		88	62
Stationery and Postage		29	19
Advertising		0	0
IT and telecommunications		101	76
Insurance		5	6
Professional Services and Subscriptions		338	323
Allowances		1	1
Consultancy Services		6	0
Other Hired and Contracted Services		18	73
Publication and Promotion		3	3
Miscellaneous		0	0
		<b>590</b>	<b>564</b>
<b>Transport</b>			
Vehicles And Plant Related Expenditure		17	8
Travel Allowances		70	70
Fuel		8	6
Transport Related Insurance		2	2
		<b>96</b>	<b>85</b>
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		93	48
Charges To/From HRA		3	1
		<b>96</b>	<b>48</b>
<b>Managed Expenditure</b>		<b>4,413</b>	<b>3,508</b>
<b>Internal Income</b>			
Income from other Directorates		(328)	(363)
Charges to / from HRA		0	(57)
		<b>(328)</b>	<b>(420)</b>
<b>Income - Sales</b>			
Sale of Goods and Services		(115)	(115)
		<b>(115)</b>	<b>(115)</b>
<b>Income - Charges</b>			
Fees and charges		(17)	(19)
Contributions		(30)	(35)

# Environment & Housing

Budget Manager : Chief Officer Environmental Action

Environmental Health	£000	Budget 2013/14	Budget 2014/15
Income - Charges			
Other income		(193)	(177)
Income Received From ALMOs/BITMO		(81)	0
		(322)	(231)
Managed Income		(764)	(766)
<b>Net Managed Budget</b>		<b>3,648</b>	<b>2,742</b>
Accounting Adjustments			
IAS 19 Pensions Costs		64	81
Vehicles And Plant (Internal Leasing)		(7)	0
Vehicle leasing recharges		7	0
Capital Charges		6	5
		70	86
Central Recharges			
Central Recharges Expenditure		88	0
		88	0
Other Internal Adjustments			
Internal Reallocations Charges		2,550	0
Internal Reallocations Income		(4,053)	(30)
		(1,503)	(30)
Managed Outside the Service		(1,345)	56
<b>Net Cost of Service</b>		<b>2,303</b>	<b>2,797</b>



# Strategy and Resources



# LEEDS CITY COUNCIL

## 2014/15 BUDGET REPORT

### Directorate: Strategy and Resources

#### 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 2014/15 financial year.

#### 2 Service Context

- 2.1 Strategy and Resources comprises the Council's key professional support services: Finance, HR, Technology, Procurement and Strategy and Improvement. These services support the strategic direction for the Council and provide practical support to managers to improve outcomes. The net managed budget for 2013/14 is £40m comprising 1,104 fte's.
- 2.2 The implementation of the 'enabling corporate centre' organisational changes during 2013/14 provided the necessary platform to allow services to formulate plans to realise the medium term financial plan assumption of a 30% cash reduction over 4 years up to 2016/17, which equates to approximately -£8m. This saving is on top of a £6.9m budget reduction already achieved since 2010/11, and the fact that the number of fte's employed in these services has already reduced by 114 (10%) already over this period.
- 2.3 The practical implication is that all services are undergoing re-design and change. For some areas, a 'hub and spoke' model has been introduced in order to achieve some economies of a centralised service, whilst maintaining key local services for managers. Services are also having to stop doing certain work and changing the way other services are delivered. Linked to this change are projects currently in progress under 'business improvement'. These reviews, for example mail and print and business admin, will impact on every directorate in the Council.
- 2.4 Maintaining strong and reliable ICT for the Council remains a key priority and the Directorate will continue to suitably resource this area.

### 3 Explanation of variations between adjusted 2013/14 and 2014/15 - £2,305k (-5.9%)

3.1 The variation can be summarised as follows:

	£000s
Net Managed Budget 2013/14	38,899
Adjustments	
• Transfers of functions	- 238
• Other adjustments	483
Adjusted Net Managed Budget 2013/14	39,144
Changes in prices	
• Pay	625
• Price	2
• Income	- 2
	625
Full Year Effects	40
Other Budget pressures	500
Total Budget Increases	1,165
Savings	
Ensuring High Quality Public Services - Procurement	- 730
Becoming an efficient and enterprising Council	
• Support Services	- 1,826
Income, charging and trading	- 223
Other efficiencies and savings proposals	- 691
Total savings	- 3,470
Net Managed Budget 2014/15	36,839

#### 3.2 Adjustments

- 3.2.1 An outcome from the fundamental review of recharges undertaken in 2013 has been a decision to remove central recharges from budgets for general fund services. This change reemphasises the model the council has adopted in that accountability for these core support services rests with the relevant Chief Officers within the context of the 30% target reduction in cost. In future only recharges to HRA and Public health will be made and dealt with via one corporate account. This requires certain technical adjustments to Directorate budgets and the net overall impact for Strategy and Resources is +£2,431k
- 3.2.2 Another outcome from the recharge review is the decision to cease certain recharges that add little or no value, for example id badges, mobile phones and PDA's. This requires a transfer of budgets from the previous client services and this totals +£957k
- 3.2.3 At the beginning of 2013/14 a number of budget adjustments were required to reflect organisational change from the 'Enabling Corporate Centre' review. A net adjustment of +£710k was required.
- 3.2.4 Several 'business relationship management' staff from Technology have now transferred into directorates meaning a reduction in net managed budget of -£676k.

3.2.5 From 2014/15 directorates will no longer receive internal leasing charges for the cost of vehicles which have been purchased via prudential borrowing. The revenue costs of financing these purchases will be managed centrally and existing budgets in directorates will be transferred. The impact is to remove equipment leasing costs in ICT of £3,034k.

### 3.3 Full year effects

The only full year effect is the cost (£40k) of additional Avaya licences for the Contact centre system used by the NNDR and debt recovery team in Finance.

### 3.4 Changes in prices

Provision has been made for a 1% growth in staffing budgets in 2014/15. No provision has been made for inflation on running cost budgets.

### 3.5 Budget pressures

The main pressure for the Directorate is the impact of a significant change to the Leeds Learning Network service operated by the Technology service. Currently 250 schools and academies use the service, however the existing contract with Capita expires on 31st March and a new service is being offered. Take up has been low (around 78 schools and academies signed up) and whilst the service has been able to reduce costs where possible, the net impact on the Council will be around £0.5m.

### 3.6 Savings

Ensuring High Quality Public Services:

#### 3.6.1 *Procurement*

ICT are migrating away from the Novell environment towards working on a Microsoft Platform, this has reduced the requirement for support and maintenance from Novell. LCC has perpetual MS licenses and has taken the option of removing 'software assurance' on certain software products (e.g. MS Office Platform i.e. Word, Excel, Power-point) and make a saving over the next 3 years. In ICT Services' professional judgement, this does not impose a significant risk since we have only just deployed Office 2012 across the organisation. It must be stressed that exercising this option where it is prudent to do so will only result in a 3 year payment holiday, after this period costs may increase. Further savings are also anticipated from further rationalisation of telephony now that ICT are responsible for managing the whole estate. The total savings from these changes to ICT contracts amount to £660k in 2014/15.

A 5% reduction in running costs has been applied to all services (excluding PPPU) and amounts to a saving of £60k

From 1.4.14 the handling of insurance claims will be brought in-house. The current annual cost is £440k however it is estimated that this could be done within the Council for a net increase of cost of £200k, almost all staffing. Due to the phasing of the implementation, the full staffing structure will not be required until 2015/16; therefore the initial saving in 2014/15 is estimated at £310k, reducing to approximately £250k the following year. Other proposed changes to the Council's insurance cover amount to a saving of £0.5m. The impact of this change is reflected via the 'Insurance Fund' and has resulted in lower insurance charges to all Council directorates and also the HRA and Schools.

Becoming an efficient and enterprising Council:

#### 3.6.2 *Support Services*

As staffing costs comprise around 75% of total expenditure, this is the key focus for savings and efficiencies. The current proposal reflects staff savings of £1.8m, representing a net reduction of 33 fte's. The general approach has been to only budget for staff in post less know leavers and a turnover factor - on assumption that any staff that leave will not be replaced. A significant challenge therefore is to develop flexibility in the remaining workforce to be able to realign jobs and skills to cope with the change ahead.

#### 3.6.3 *Business Improvement Programme*

A saving of £223k is reflected in the budget in relation to the 4 projects in progress. A significant change in respect of the management and deployment of project resource is planned whereby a single corporate team will be established bringing together the existing staff carrying out this type of work. This will allow better targeting of project resource to key priorities.

### 3.7 Income, Charging & Trading

The directorate continues to work proactively to support key priorities and programmes. The PPPU (including the staff that have transferred in from Business Improvement and ICT) provide project management for internal and external clients and the pending a fundamental review of the basis of charging, the budget submission assumes the previous charging methodology using hourly rates. A number of other services in the directorate are also budgeting to receive income for staff working on a variety of projects such as the Tour de France and regional projects. Overall, additional income of £691k has been included in the budget proposal.

## 4 Net Revenue Charge

4.1 The following table provides a summary of the net revenue charge for the service which brings together the net managed budget and those budgets managed outside the service.

	£000s
Net Managed Budget	36,838
Managed Outside Service	3,679
Net Cost of Service	40,517
Transfers to/from earmarked reserves	- 2,454
Net Revenue Charge	38,063

## 5 Risk Assessment

- 5.1 In determining the 2014/15 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 to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.
- 5.2 The key risks in the 2014/15 budget for this directorate are as follows:
- 5.2.1 Further reduction in support services could impact on the ability of the Directorate to adequately support managers within the Council. Workforce planning and consultation with services on changes required will be key to bringing about this change.
- 5.2.2 Failure to provide up to date and resilient ICT. The ICT service has not been subject to the level of savings from some other support services areas. Priority has been given to adequately resourcing the service and also key ICT projects to take the Council into the future.
- 5.2.3 The budget for the PPPU contains the staff transferred from the Business Improvement Team and also ICT Project staff and reflects existing practice whereby these staff are charged to the projects they work on, either internally revenue funded, capital schemes or work for external organisations. A fundamental review of the current approach to internal charging is in progress and the outcome may impact on income levels and the associated expenditure budgets across the Council.





# STRATEGY AND RESOURCES

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## Main Responsibilities:

### Strategy and Improvement

- Support to the Chief Executive, the Assistant Chief Executive and the Corporate Leadership Team
- Support to take forward the Commission on future of local government both locally and nationally
- Delivering the communications strategy, through Marketing and Creative Services, Press and Media Relations, Web Services (Internet and Intranet), Internal Communications and social media developments
- Development, oversight and delivery of the city's corporate planning framework including the preparation and oversight of the Best City Ambition, City Priority Plan, Council Business Plan, including taking forward the Budget Plus Programme. and influencing the approach to change and organisational development
- Development, oversight and support for the Best City Leadership Network, including summit meetings, state of the city events and the key account management approach.
- Provision of advice to elected members, officers and partners on the development and management of the council's corporate policy agenda, including city, and the national context. Development, implementation and delivery of an organisation and partnership-wide research and intelligence agenda which supports and facilitates decision-making and excellent service delivery.
- Development and delivery of the council's performance management framework (including embedding of the Outcome Based Accountability approach) to ensure that performance against outcomes, priorities and targets, both across the council and across relevant partnerships, is effectively monitored and managed.
- Development and delivery of the council's business and service planning approach to ensure that services are focused on delivering efficient and effective services which contribute to the delivery of the Vision for Leeds and the City Priority Plans
- Develop and deliver the council's cross-cutting improvement agenda around Changing the Workplace, Customer Access and Business Management to ensure continuous improvement of the council's services and the delivery of key city and council outcomes.
- Be responsible for developing, promoting and implementing council policy and good practice in the areas of risk management and business continuity management.
- Develop integrated plans with all directorates/partner agencies and co-ordinate the council's response to an emergency.

# STRATEGY AND RESOURCES

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## Finance

- Provide an independent and objective assurance on the control environment established to help the council achieve its objectives.
- Promote, publicise and develop '*Spending Money Wisely*'
- Provide overall strategic financial management of the council's finances.
- Maximise the council's financial resources within levels of acceptable risk.
- Promote efficient and effective stewardship of assets and resources.
- Ensure compliance with statutory financial obligations.
- Providing senior managers, budget holders and staff with financial information, guidance and advice to enable them to take responsibility to effectively manage their revenue and capital budgets and to align available resources to priorities.
- Maximise the collection of local taxation and other income from residents and businesses in Leeds.
- Ensure proper banking arrangements are in place.
- Provide a range of modern payment options for citizens to use.

# STRATEGY AND RESOURCES

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## Technology

- A key stakeholder and contributor in the formulation and delivery of the council's strategic plans.
- Develop and support, directly or in partnership with other providers, innovative solutions which will help Leeds transform towards its aspiration of being the UK's best city. Help service areas fully exploit the potential of ICT and successfully deliver their business outcomes.
- Maintain and develop the council's core ICT infrastructure and software application portfolio to support changing business needs that enable our staff to have access to the required information and systems they need to provide services to our citizens and partners.
- Support nearly 20,000 mobile and fixed line telephones, over 500 council sites and more than 11,000 networked and standalone PC's. Also provide ICT services to a range of partners beyond the council's boundaries.
- Development, implementation and delivery of the council's information governance agenda and related activities.

## Human Resources

- To enable the Council to achieve its ambition of being the Best Council in the UK through its people.
- Develop an efficient and enterprising culture across the Council and developing the organisation based on the Council values.
- To co-deliver key Business Improvement agendas e.g. Changing the workplace, Better Business Management etc.
- Work in partnership with the trade unions to achieve a flexible, healthy, enabled, engaged and performing workforce delivering council objectives.
- In line with the People Plan 2013-17 to develop a flexible workforce underpinned by effective workforce planning to meet the changing shape and requirements of the council. To ensure we have the right employees with the right skills in the right place at the right time.
- To support improved levels of health, safety and wellbeing in the workplace to ensure employees achieve and sustain high levels of performance and attendance and managers properly manage and significantly reduce absence and accidents.
- Drive a forward thinking culture and organisational change supported by development that equips employees with the right knowledge and skills and enables everyone to fulfil their potential.
- Promote a culture of employee engagement in which everybody is respected, involved and heard and embeds the values of the Council.

## STRATEGY AND RESOURCES

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- Enable a high performing culture where employees' plays their part in making sure the council is the best city council in the UK and managers properly manage and support staff to perform at their best.
- To advise the Council on employee casework and resourcing issues.
- To deliver Adult Social Care Workforce development services.
- To deliver Occupation Health services to managers and employees.

### **Public Private Partnership Unit**

- Provides specialist project support to internal and external public sector clients including project management, technical, legal and financial support, to Public Private Partnership (PPP) projects, other major infrastructure projects, ICT developments and change management projects, such as Changing the Workplace.
- Provides support to clients from project inception, needs analysis, options appraisal, business case, through procurement to contract award, set-up and management. The unit also provides advice on critical long-term aspects such as contract monitoring, project re-financing, benchmarking and market testing.
- Manages the use of external legal, financial, ICT and technical advisors through framework contracts to assist in the delivery of the Council's portfolio of PFI projects and other major projects.
- Leads, and provides specialist resource to, a number of regional public sector projects, programmes and collaborations, ensuring promotion of the Council's strategic influence and leadership at a regional level and enabling significant savings for the Council and other public sector bodies.

### **Procurement Unit**

- Responsible for developing and promoting Council policy and good practice in public procurement including the Council's Procurement Strategy and Contract Procedure Rules (CPRs).
- Providing advice and guidance to senior managers, commissioners and staff to enable them to procure works, supplies and services in an efficient and effective manner and in compliance with the relevant procedures and legislation.
- Working with the PPPU to provide directorates with a comprehensive project and procurement support service from initial business case through procurement to contract management.
- Management and administration of the electronic tendering system (YORtender) including e-auctions, and advice on the use of the Financial Management System (FMS) in relation to contract queries.

## Strategy and Resources

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14	Managed by the Service			Managed Outside the Service	Total 2014/15
			Spending	Income	Net		
Chief Officer Corporate Support	Strategy and Improvement	585	5,524	(646)	4,878	(4,127)	751
Chief Officer Corporate Financial Management	Finance	2,907	16,346	(6,353)	9,993	(513)	9,480
Chief Officer HR	Human Resources	0	8,223	(1,704)	6,519	401	6,920
Chief ICT Officer	Technology	3,233	19,424	(4,394)	15,030	7,214	22,244
Chief Officer PPPU & Procurement	Public Private Partnership & Procurement	(590)	8,347	(8,045)	302	620	922
Head Of Regional Policy	Regional Policy	119	1,027	(911)	116	84	200
Net Cost of Service		6,254	58,891	(22,053)	36,838	3,679	40,517
	Transfers to and from earmarked reserves	(2,298)	0	0	0	(2,454)	(2,454)
Net Revenue Charge		3,956	58,891	(22,053)	36,838	1,225	38,063

# Strategy and Resources

## Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		36,568	36,264
Agency And Temporary Staff		0	1,065
National Insurance Contributions		2,951	2,948
Superannuation Costs		5,189	5,179
Other Pension Costs		941	998
Other Employee Related Costs		130	146
Training And Development		438	382
		46,217	46,982
<b>Premises</b>			
Buildings Maintenance		0	6
Grounds Maintenance		0	1
Cleaning And Workplace Refuse		2	4
Rents		79	68
NNDR		3	2
Accommodation Charges		18	3
Premises Related Insurance		13	0
		115	83
<b>Supplies &amp; Services</b>			
Materials and Equipment		420	537
Stationery and Postage		184	184
Advertising		8	3
IT and telecommunications		8,616	7,451
Insurance		27	33
Professional Services and Subscriptions		1,542	1,228
Catering Service		1	0
Allowances		10	7
Consultancy Services		1	0
External Audit Fees		330	327
Other Hired and Contracted Services		966	631
Licences		0	0
Publication and Promotion		8	3
		12,112	10,403
<b>Transport</b>			
Vehicles And Plant Related Expenditure		31	24
Travel Allowances		275	262
Fuel		4	4
Private Hire		0	0
Transport Related Insurance		1	1
		311	291
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		4,605	1,163
		4,605	1,163
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		(25)	(33)
		(25)	(33)
<b>Managed Expenditure</b>		63,335	58,891
<b>Internal Income</b>			
Income from other Directorates		(9,793)	(9,543)
Recharge Income from Capital		(5,135)	(5,766)

# Strategy and Resources

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
Internal Income	(14,927)	(15,310)
Income - Grants		
DCLG Grants	(1,234)	(1,243)
	(1,234)	(1,243)
Income - Sales		
Sale of Goods and Services	(198)	(230)
	(198)	(230)
Income - Charges		
Fees and charges	(3,339)	(3,032)
Other income	(2,884)	(2,238)
Income Received From ALMOs/BITMO	(1,854)	0
	(8,076)	(5,270)
Managed Income	(24,436)	(22,053)
<b>Net Managed Budget</b>	<b>38,899</b>	<b>36,838</b>
Accounting Adjustments		
IAS 19 Pensions Costs	1,605	3,452
Vehicles And Plant (Internal Leasing)	(8)	0
Vehicle leasing recharges	8	0
Transfers to/from Statutory Reserves	(2,298)	(3,452)
Capital Charges	8,196	7,042
	7,503	7,042
Central Recharges		
Central Recharges Expenditure	33,158	0
Central Recharges Income	(81,692)	0
Corporate & Democratic Core Income	(6,003)	(6,003)
	(54,538)	(6,003)
Other Internal Adjustments		
Internal Reallocations Charges	105,088	842
Internal Reallocations Income	(92,997)	(656)
	12,091	186
Managed Outside the Service	(34,943)	1,225
<b>Net Cost of Service</b>	<b>3,956</b>	<b>38,063</b>





# Strategy and Resources

Budget Manager : Chief Officer Corporate Support

Strategy and Improvement			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		4,560	3,228
National Insurance Contributions		391	292
Superannuation Costs		656	504
Other Pension Costs		211	172
Other Employee Related Costs		2	6
Training And Development		36	36
		5,854	4,238
Premises			
Rents		61	63
		61	63
Supplies & Services			
Materials and Equipment		38	38
Stationery and Postage		80	80
IT and telecommunications		294	291
Insurance		3	4
Professional Services and Subscriptions		425	406
Allowances		4	4
External Audit Fees		1	1
Other Hired and Contracted Services		325	180
Publication and Promotion		3	3
		1,173	1,007
Transport			
Vehicles And Plant Related Expenditure		12	6
Travel Allowances		15	14
Transport Related Insurance		0	1
		28	21
Internal Charges			
Managed Recharges Frm Other Directorates		424	195
		424	195
Managed Expenditure		7,540	5,524
Internal Income			
Income from other Directorates		(247)	(294)
Recharge Income from Capital		(663)	(43)
		(910)	(337)
Income - Charges			
Fees and charges		(346)	(303)
Other income		(6)	(6)
		(352)	(309)
Managed Income		(1,263)	(646)
<b>Net Managed Budget</b>		<b>6,278</b>	<b>4,878</b>
Accounting Adjustments			
IAS 19 Pensions Costs		110	164
Vehicles And Plant (Internal Leasing)		(6)	0
Vehicle leasing recharges		6	0
Capital Charges		652	337
		763	502

# Strategy and Resources

Budget Manager : Chief Officer Corporate Support

Strategy and Improvement			
	£000	Budget 2013/14	Budget 2014/15
Central Recharges			
Central Recharges Expenditure		33,158	0
Central Recharges Income		(80,313)	0
Corporate & Democratic Core Income		(4,632)	(4,632)
		(51,788)	(4,632)
Other Internal Adjustments			
Internal Reallocations Charges		82,580	3
Internal Reallocations Income		(37,247)	0
		45,333	3
Managed Outside the Service		(5,693)	(4,127)
<b>Net Cost of Service</b>		<b>585</b>	<b>751</b>

# Strategy and Resources

Budget Manager : Chief Officer Corporate Financial Management

Finance			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		11,232	11,486
National Insurance Contributions		894	898
Superannuation Costs		1,598	1,652
Other Pension Costs		238	323
Other Employee Related Costs		5	4
Training And Development		77	78
		14,044	14,442
<b>Premises</b>			
Cleaning And Workplace Refuse		0	0
Rents		0	5
NNDR		3	2
Premises Related Insurance		13	0
		16	7
<b>Supplies &amp; Services</b>			
Materials and Equipment		13	10
Stationery and Postage		75	82
Advertising		3	3
IT and telecommunications		228	229
Insurance		10	8
Professional Services and Subscriptions		703	780
Allowances		0	0
External Audit Fees		329	326
Other Hired and Contracted Services		186	167
Licences		0	0
		1,546	1,606
<b>Transport</b>			
Vehicles And Plant Related Expenditure		0	1
Travel Allowances		103	94
Transport Related Insurance		0	0
		104	95
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		196	196
		196	196
<b>Managed Expenditure</b>		15,907	16,346
<b>Internal Income</b>			
Income from other Directorates		(1,161)	(1,631)
Recharge Income from Capital		(623)	(571)
		(1,784)	(2,202)
<b>Income - Grants</b>			
DCLG Grants		(1,234)	(1,234)
		(1,234)	(1,234)
<b>Income - Sales</b>			
Sale of Goods and Services		(165)	(192)
		(165)	(192)
<b>Income - Charges</b>			
Fees and charges		(2,686)	(2,632)
Other income		(91)	(93)
Income Received From ALMOs/BITMO		(112)	0

# Strategy and Resources

Budget Manager : Chief Officer Corporate Financial Management

Finance			
	£000	Budget 2013/14	Budget 2014/15
Income - Charges		(2,889)	(2,725)
Managed Income		(6,072)	(6,353)
<b>Net Managed Budget</b>		<b>9,835</b>	<b>9,993</b>
Accounting Adjustments			
IAS 19 Pensions Costs		544	778
Capital Charges		0	3
		544	781
Central Recharges			
Central Recharges Income		(479)	0
Corporate & Democratic Core Income		(1,371)	(1,371)
		(1,850)	(1,371)
Other Internal Adjustments			
Internal Reallocations Charges		14,716	77
Internal Reallocations Income		(20,338)	0
		(5,622)	77
Managed Outside the Service		(6,928)	(513)
<b>Net Cost of Service</b>		<b>2,907</b>	<b>9,480</b>

# Strategy and Resources

Budget Manager : Chief Officer HR

Human Resources			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		5,711	5,488
Agency And Temporary Staff		0	13
National Insurance Contributions		459	444
Superannuation Costs		788	795
Other Pension Costs		175	164
Other Employee Related Costs		87	119
Training And Development		171	167
		<b>7,391</b>	<b>7,190</b>
<b>Premises</b>			
Cleaning And Workplace Refuse		0	1
Rents		17	0
Accommodation Charges		4	3
		<b>22</b>	<b>4</b>
<b>Supplies &amp; Services</b>			
Materials and Equipment		31	29
Stationery and Postage		14	6
IT and telecommunications		213	196
Insurance		4	4
Professional Services and Subscriptions		20	15
Catering Service		1	0
Other Hired and Contracted Services		185	201
		<b>469</b>	<b>451</b>
<b>Transport</b>			
Vehicles And Plant Related Expenditure		1	1
Travel Allowances		96	80
Private Hire		0	0
		<b>97</b>	<b>81</b>
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		308	497
		<b>308</b>	<b>497</b>
<b>Managed Expenditure</b>		<b>8,286</b>	<b>8,223</b>
<b>Internal Income</b>			
Income from other Directorates		(1,467)	(1,602)
		<b>(1,467)</b>	<b>(1,602)</b>
<b>Income - Sales</b>			
Sale of Goods and Services		0	(5)
		<b>0</b>	<b>(5)</b>
<b>Income - Charges</b>			
Fees and charges		(104)	(90)
Other income		(6)	(7)
		<b>(110)</b>	<b>(97)</b>
<b>Managed Income</b>		<b>(1,576)</b>	<b>(1,704)</b>
<b>Net Managed Budget</b>		<b>6,710</b>	<b>6,519</b>
<b>Accounting Adjustments</b>			
IAS 19 Pensions Costs		216	365
Capital Charges		0	0

# Strategy and Resources

Budget Manager : Chief Officer HR

Human Resources			
	£000	Budget 2013/14	Budget 2014/15
		216	366
Central Recharges			
Central Recharges Income		(330)	0
		(330)	0
Other Internal Adjustments			
Internal Reallocations Charges		1,427	35
Internal Reallocations Income		(8,023)	0
		(6,596)	35
Managed Outside the Service		(6,710)	401
<b>Net Cost of Service</b>		<b>0</b>	<b>6,920</b>

# Strategy and Resources

Budget Manager : Chief ICT Officer

Technology			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		10,187	8,721
Agency And Temporary Staff		0	1,052
National Insurance Contributions		792	685
Superannuation Costs		1,448	1,157
Other Pension Costs		277	302
Other Employee Related Costs		30	8
Training And Development		121	56
		12,855	11,982
<b>Premises</b>			
Cleaning And Workplace Refuse		1	1
Accommodation Charges		14	0
		15	1
<b>Supplies &amp; Services</b>			
Materials and Equipment		330	447
Stationery and Postage		10	7
IT and telecommunications		7,843	6,719
Insurance		7	14
Professional Services and Subscriptions		388	16
Other Hired and Contracted Services		254	49
Publication and Promotion		5	0
		8,837	7,251
<b>Transport</b>			
Vehicles And Plant Related Expenditure		17	15
Travel Allowances		32	32
Fuel		4	4
Transport Related Insurance		0	0
		53	51
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		3,274	172
		3,274	172
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		0	(33)
		0	(33)
<b>Managed Expenditure</b>		25,034	19,424
<b>Internal Income</b>			
Income from other Directorates		(3,535)	(1,623)
Recharge Income from Capital		(3,779)	(2,655)
		(7,315)	(4,279)
<b>Income - Sales</b>			
Sale of Goods and Services		(33)	(33)
		(33)	(33)
<b>Income - Charges</b>			
Fees and charges		(201)	(5)
Other income		(617)	(78)
Income Received From ALMOs/BITMO		(1,457)	0
		(2,274)	(83)
<b>Managed Income</b>		(9,622)	(4,394)

# Strategy and Resources

Budget Manager : Chief ICT Officer

Technology			
	£000	Budget 2013/14	Budget 2014/15
<b>Net Managed Budget</b>		<b>15,412</b>	<b>15,030</b>
Accounting Adjustments			
IAS 19 Pensions Costs		432	470
Vehicles And Plant (Internal Leasing)		(2)	0
Vehicle leasing recharges		2	0
Capital Charges		7,543	6,695
		7,976	7,165
Central Recharges			
Central Recharges Income		(398)	0
		(398)	0
Other Internal Adjustments			
Internal Reallocations Charges		5,633	706
Internal Reallocations Income		(25,389)	(656)
		(19,756)	50
Managed Outside the Service		(12,179)	7,214
<b>Net Cost of Service</b>		<b>3,233</b>	<b>22,244</b>



# Strategy and Resources

Budget Manager : Chief Officer PPPU & Procurement

Public Private Partnership & Procurement			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		4,077	6,511
National Insurance Contributions		348	560
Superannuation Costs		584	945
Other Pension Costs		40	37
Other Employee Related Costs		6	9
Training And Development		32	44
		5,087	8,106
<b>Premises</b>			
Buildings Maintenance		0	6
Grounds Maintenance		0	1
Cleaning And Workplace Refuse		1	2
		1	9
<b>Supplies &amp; Services</b>			
Materials and Equipment		7	12
Stationery and Postage		4	7
Advertising		5	0
IT and telecommunications		38	16
Insurance		3	3
Professional Services and Subscriptions		5	11
Allowances		5	2
Consultancy Services		1	0
Other Hired and Contracted Services		16	35
		84	86
<b>Transport</b>			
Vehicles And Plant Related Expenditure		1	2
Travel Allowances		29	42
		30	44
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		402	102
		402	102
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		(25)	0
		(25)	0
<b>Managed Expenditure</b>		5,580	8,347
<b>Internal Income</b>			
Income from other Directorates		(3,383)	(4,394)
Recharge Income from Capital		(70)	(2,497)
		(3,452)	(6,890)
<b>Income - Grants</b>			
DCLG Grants		0	(9)
		0	(9)
<b>Income - Charges</b>			
Fees and charges		(1)	(2)
Other income		(1,253)	(1,144)
Income Received From ALMOs/BITMO		(285)	0
		(1,539)	(1,146)
<b>Managed Income</b>		(4,992)	(8,045)

# Strategy and Resources

Budget Manager : Chief Officer PPPU & Procurement

Public Private Partnership & Procurement			
	£000	Budget 2013/14	Budget 2014/15
<b>Net Managed Budget</b>		<b>588</b>	<b>302</b>
Accounting Adjustments			
IAS 19 Pensions Costs		246	593
Capital Charges		0	7
		246	600
Central Recharges			
Central Recharges Income		(172)	0
		(172)	0
Other Internal Adjustments			
Internal Reallocations Charges		730	20
Internal Reallocations Income		(1,983)	0
		(1,252)	20
Managed Outside the Service		(1,178)	620
<b>Net Cost of Service</b>		<b>(590)</b>	<b>922</b>

# Strategy and Resources

Budget Manager : Head Of Regional Policy

Regional Policy			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		801	829
National Insurance Contributions		67	69
Superannuation Costs		116	125
Training And Development		1	1
		985	1,025
Supplies & Services			
Stationery and Postage		1	1
Professional Services and Subscriptions		1	1
		2	2
Managed Expenditure		987	1,027
Income - Charges			
Other income		(911)	(911)
		(911)	(911)
Managed Income		(911)	(911)
<b>Net Managed Budget</b>		<b>77</b>	<b>116</b>
Accounting Adjustments			
IAS 19 Pensions Costs		57	83
		57	83
Other Internal Adjustments			
Internal Reallocations Charges		1	1
Internal Reallocations Income		(16)	0
		(15)	1
Managed Outside the Service		42	84
<b>Net Cost of Service</b>		<b>119</b>	<b>200</b>



Legal and Democratic Services



# LEEDS CITY COUNCIL 2014/15 BUDGET REPORT

## Directorate: Legal and Democratic Services

### 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 2014/15 financial year.

### 2 Service Context

#### 2.1 Legal Services

The core business of the Service is to provide legal advice and related support to the Council in delivering its priorities as set out in the City Priority Plans and the Council's Business Plan. The objective of the Service is to be the best local authority in-house legal service in the UK. In 2013/14 the following savings will be delivered:

- £157k from co-locating of whole service to St George House
- £50k by reducing the admin function and creating a centralised admin hub to allow ELI applications.
- £20k from managed print charges.
- £123k in reduction of legal locums - currently no agency staff employed in Legal Services.
- £1.07m from the Costs Draftsman model used though WYLAW – this saving is manifest in the external legal budgets held by individual directorates.

#### 2.2 Democratic Services

Democratic Services supports elected members in their responsibilities, particularly in respect of:

- The Leader of Council
- The Lord Mayor
- Support to Councillors via Group Offices
- The full Council Meeting
- Committees appointed by the Council
- Scrutiny of the Executive

Democratic Services also supports the governance of the Council in respect of:

- The requirements of Members' code of conduct;
- Provision of information in respect of decision making;
- Compliance with access to information requirements;
- Upkeep of the Constitution;
- Publication of the Annual Governance Statement.

Democratic Services also provides services to schools/parents in respect of School Exclusion and Admission Appeals, seeks to promote democratic engagement, particularly with young people and provides support to the Council's engagement with Town and Parish Councils.

In 2013/14, £197k worth of pay and running cost savings have been delivered.

### 3 Explanation of variations between adjusted 2013/14 and 2014/15 - £49k (1.2%)

3.1 The variation can be summarised as follows:

	£000s
Net Managed Budget 2013/14	4,170
Adjustments	
• Transfers of functions	- 128
• Other adjustments	- 98
Adjusted Net Managed Budget 2013/14	3,944
Changes in prices	
• Pay	135
• Price	-
• Income	- 135
Full Year Effects	-
Demand/Demography	-
Other Budget pressures	61
Total Budget Increases	196
Savings	
Becoming an efficient and enterprising Council:	
Support Services	- 106
Business Improvement	- 41
Income, charging and trading	- 98
Other efficiencies and savings proposals	-
Total savings	- 245
Net Managed Budget 2014/15	3,895



## 3.2 Adjustments

An outcome from the recharge review is the decision to cease certain recharges that add little or no value, for example id badges, mobile phones and PDA's. This requires a transfer of budgets out of services amounting to £83k

From 2014/15 directorates will no longer receive internal leasing charges for the cost of vehicles which have been purchased via prudential borrowing. The revenue costs of financing these purchases will be managed centrally and existing budgets in directorates will be transferred. The impact is to reduce leasing costs by £15k.

Other adjustments not impacting on services amount to £128k.

## 3.3 Changes in prices

Provision has been made for a 1% growth in staffing budgets in 2014/15. No provision will be made for inflation on running cost budgets.

## 3.4 Other budget pressures

Insurance charges have increased by £61k.

## 3.5 Savings

### 3.5.1 Becoming an efficient and enterprising Council

#### Business Support

A saving of £41k is also reflected in the budget in respect of the whole directorate for 'Business Management' and the 4 corporately led projects currently in progress.

Work is now underway on a new case management system for Legal Services and it is intended to implement the system during 2014. It is unlikely that any savings will be realised in 2014/15 however significant savings are forecast from 2015/16 onwards.

Democratic Services have identified deliverable savings of £106k; these savings comprise a reduction in staffing budgets and efficiencies in operational costs.

### 3.5.2 Income, Charging & Trading

A proposal to charge all LEA schools for appeals has now been agreed on the basis that schools will be individually charged for this service. Estimated income is £75k. In addition, income of £23k, reflecting activity in 2013/14, is anticipated from administering school appeals on behalf of 'own admitting' authority schools. This will mean in 2014/15 there will be a common approach in terms of making an appropriate charge to all schools in relation to holding school appeals.

## 4 Net Revenue Charge

4.1 The following table provides a summary of the net revenue charge for the service which brings together the net managed budget and those budgets managed outside the service.

	£000s
Net Managed Budget	3,895
Managed Outside Service	- 6,237
Net Cost of Service	- 2,342
Transfers to/from earmarked reserves	- 624
Net Revenue Charge	- 2,966

## 5 Risk Assessment

5.1 In determining the 2014/15 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 to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.

5.2 The key risks in the 2014/15 budget for this directorate are as follows:

### 5.2.1 *Legal Services*

Further significant reductions to the Legal Service would be likely to result in increased successful legal challenges to the Council. In other areas (e.g. enforcement) a lack of resources properly to enforce, would, once publicly known, carry a risk of increased incidences (e.g. of anti-social behaviours, such as fly-tipping and dog fouling). In addition, there is a risk of reputational harm and ultimately financial costs to the council – both in terms of damages having to be paid to successful claimants and the increased costs associated with outsourcing matters to the private sector.

### 5.2.2 *Democratic Services*

The budget for Democratic Services is largely a construct of the support arrangements required by elected members and of the committee and decision making arrangements approved by full council.

Assumed income from schools for admission appeals administered on their behalf is not guaranteed as those schools may opt to make arrangements other than those offered by the authority.

Briefing note prepared by: Catherine Witham and Charles Oxtoby  
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# LEGAL AND DEMOCRATIC SERVICES

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## **Main Responsibilities:**

### **Legal Services**

The core business of the Service is to provide legal advice and related support to the Council in delivering its priorities as set out in the City Priority Plans and the Council's Business Plan. The objective of the Service is to be the best local authority in-house legal service in the UK.

The work undertaken includes employment and education; planning; highways transportation and rights of way; compulsory acquisition; civil litigation including judicial review, property and commercial litigation and debt recovery; criminal litigation including prosecutions and advice on anti-social behaviour; advice on licensing matters; property law including regeneration; commercial law including partnerships; housing management and homelessness; legal support for children and adult social care; data protection and access to information and local land charges.

The nature of the work undertaken by the Service includes putting the council's case at inquiries, tribunals and in court; providing advice on legal and probity issues in committees and other Council meetings; drafting contracts and other legal documents for the council and providing advice to officers and Members.

### **Democratic Services**

Support to elected members in their responsibilities, particularly in respect of:

- The Leader of Council
- The Lord Mayor
- Support to Councillors via Group Offices
- The full Council Meeting
- Committees appointed by the Council
- Scrutiny of the Executive

Support for the governance of the Council in respect of:

- The requirements of Members' code of conduct;
- Provision of information in respect of decision making;
- Compliance with access to information requirements;
- Upkeep of the Constitution;
- Publication of the Annual Governance Statement.

Democratic Services also provides services to schools/parents in respect of School Exclusion and Admission Appeals, seeks to promote democratic engagement, particularly with young people and provides support to the Council's engagement with Town and Parish Councils.



## Legal and Democratic Services

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14	Managed by the Service			Managed Outside the Service	Total 2014/15
			Spending	Income	Net		
City Solicitor	Legal Services	(427)	5,698	(7,106)	(1,408)	360	(1,048)
City Solicitor	Democratic Services	0	5,447	(144)	5,303	(6,598)	(1,294)
Net Cost of Service		(427)	11,145	(7,249)	3,895	(6,237)	(2,342)
	Transfers to and from earmarked reserves	(253)	0	0	0	(624)	(624)
Net Revenue Charge		(679)	11,145	(7,249)	3,895	(6,861)	(2,966)

# Legal and Democratic Services

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>		
Direct Pay Costs	8,347	8,250
National Insurance Contributions	646	639
Superannuation Costs	1,062	1,082
Other Pension Costs	73	97
Other Employee Related Costs	79	77
Training And Development	45	42
	10,252	10,187
<b>Premises</b>		
Buildings Maintenance	2	0
Grounds Maintenance	4	1
Building Security	1	1
Cleaning And Workplace Refuse	3	3
	9	5
<b>Supplies &amp; Services</b>		
Materials and Equipment	118	91
Stationery and Postage	97	54
Advertising	2	1
IT and telecommunications	208	164
Insurance	12	76
Professional Services and Subscriptions	23	22
Allowances	9	9
Other Hired and Contracted Services	42	37
Publication and Promotion	16	14
	527	468
<b>Transport</b>		
Vehicles And Plant Related Expenditure	20	3
Travel Allowances	53	52
Fuel	5	5
Transport Related Insurance	1	1
	79	61
<b>Internal Charges</b>		
Managed Recharges Frm Other Directorates	367	367
	367	367
<b>Transfer Payments</b>		
Civic Allowances	57	57
	57	57
<b>Managed Expenditure</b>	<b>11,291</b>	<b>11,145</b>
<b>Internal Income</b>		
Income from other Directorates	(6,359)	(6,838)
	(6,359)	(6,838)
<b>Income - Sales</b>		
Sale of Goods and Services	(5)	(5)
	(5)	(5)
<b>Income - Charges</b>		
Fees and charges	(94)	(117)
Other income	(289)	(289)
Income Received From ALMOs/BITMO	(374)	0
	(758)	(406)
<b>Managed Income</b>	<b>(7,121)</b>	<b>(7,249)</b>

# Legal and Democratic Services

Budget Manager : City Solicitor

Legal Services			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		4,042	4,042
National Insurance Contributions		324	324
Superannuation Costs		565	584
Other Pension Costs		32	34
Other Employee Related Costs		73	72
Training And Development		32	32
		5,069	5,089
Premises			
Cleaning And Workplace Refuse		2	2
		2	2
Supplies & Services			
Materials and Equipment		76	76
Stationery and Postage		29	13
IT and telecommunications		47	45
Insurance		5	73
Professional Services and Subscriptions		4	4
Allowances		1	1
Other Hired and Contracted Services		16	17
		178	229
Transport			
Travel Allowances		29	29
Transport Related Insurance		0	0
		29	29
Internal Charges			
Managed Recharges Frm Other Directorates		348	348
		348	348
Managed Expenditure		5,626	5,698
Internal Income			
Income from other Directorates		(6,359)	(6,733)
		(6,359)	(6,733)
Income - Charges			
Fees and charges		(89)	(89)
Other income		(283)	(283)
Income Received From ALMOs/BITMO		(374)	0
		(747)	(372)
Managed Income		(7,106)	(7,106)
<b>Net Managed Budget</b>		<b>(1,479)</b>	<b>(1,408)</b>
Accounting Adjustments			
IAS 19 Pensions Costs		245	356
Capital Charges		1	1
		246	357
Other Internal Adjustments			
Internal Reallocations Charges		7,042	3
Internal Reallocations Income		(6,235)	0
		806	3

# Legal and Democratic Services

Budget Manager : City Solicitor

Legal Services			
	£000	Budget 2013/14	Budget 2014/15
Managed Outside the Service		1,053	360
<b>Net Cost of Service</b>		<b>(427)</b>	<b>(1,048)</b>



# Legal and Democratic Services

Budget Manager : City Solicitor

Democratic Services			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		4,305	4,209
National Insurance Contributions		322	314
Superannuation Costs		497	498
Other Pension Costs		41	64
Other Employee Related Costs		6	4
Training And Development		12	10
		5,183	5,099
<b>Premises</b>			
Buildings Maintenance		2	0
Grounds Maintenance		4	1
Building Security		1	1
Cleaning And Workplace Refuse		0	0
		7	2
<b>Supplies &amp; Services</b>			
Materials and Equipment		43	15
Stationery and Postage		68	41
Advertising		2	1
IT and telecommunications		161	118
Insurance		7	3
Professional Services and Subscriptions		19	18
Allowances		7	7
Other Hired and Contracted Services		26	20
Publication and Promotion		16	14
		349	238
<b>Transport</b>			
Vehicles And Plant Related Expenditure		20	3
Travel Allowances		24	23
Fuel		5	5
Transport Related Insurance		1	1
		50	32
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		19	19
		19	19
<b>Transfer Payments</b>			
Civic Allowances		57	57
		57	57
<b>Managed Expenditure</b>		5,665	5,447
<b>Internal Income</b>			
Income from other Directorates		0	(105)
		0	(105)
<b>Income - Sales</b>			
Sale of Goods and Services		(5)	(5)
		(5)	(5)
<b>Income - Charges</b>			
Fees and charges		(5)	(28)
Other income		(6)	(6)
		(11)	(34)

# Legal and Democratic Services

Budget Manager : City Solicitor

Democratic Services			
	£000	Budget 2013/14	Budget 2014/15
Managed Income		(16)	(144)
<b>Net Managed Budget</b>		<b>5,649</b>	<b>5,303</b>
Accounting Adjustments			
IAS 19 Pensions Costs		202	268
Vehicles And Plant (Internal Leasing)		(15)	0
Vehicle leasing recharges		15	0
Capital Charges		0	2
		202	270
Central Recharges			
Corporate & Democratic Core Income		(6,884)	(6,884)
		(6,884)	(6,884)
Other Internal Adjustments			
Internal Reallocations Charges		1,329	16
Internal Reallocations Income		(296)	0
		1,032	16
Managed Outside the Service		(5,649)	(6,598)
<b>Net Cost of Service</b>		<b>0</b>	<b>(1,294)</b>

## Legal and Democratic Services

Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
<b>Net Managed Budget</b>	<b>4,170</b>	<b>3,895</b>
Accounting Adjustments		
IAS 19 Pensions Costs	447	624
Vehicles And Plant (Internal Leasing)	(15)	0
Vehicle leasing recharges	15	0
Transfers to/from Statutory Reserves	(253)	(624)
Capital Charges	2	3
	196	3
Central Recharges		
Corporate & Democratic Core Income	(6,884)	(6,884)
	(6,884)	(6,884)
Other Internal Adjustments		
Internal Reallocations Charges	8,371	20
Internal Reallocations Income	(6,532)	0
	1,839	20
Managed Outside the Service	(4,849)	(6,861)
<b>Net Cost of Service</b>	<b>(679)</b>	<b>(2,966)</b>



Citizens and Communities



# LEEDS CITY COUNCIL

## 2014/15 BUDGET REPORT

### Directorate: Citizens and Communities

#### 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 2014/15 financial year.

#### 2 Service Context

- 2.1 The Citizens and Communities directorate provides a range of front-line services for local people and local communities. The directorate also has lead responsibility on actions to reduce poverty across the city. The Council is taking forward changes aimed at providing more integrated and accessible services for people, particularly those suffering hardship, under the Citizens@Leeds initiative. The directorate consists of the following services/functions:

- Contact centre
- Face-to-face contact (one stop centres, joint services centres, community hubs)
- Interpretation and translation services
- Digital access (including website, web-chat, social media, IVR)
- Electoral services
- Registrars of births, deaths and marriages
- Licensing taxi and private hire licensing
- Entertainment licensing
- Local land charges
- Communities
- Community centres
- Equality
- Migration (including lead for Migration Yorkshire)
- Poverty truth challenge
- Area Committees
- Welfare and benefits
- Welfare rights
- Financial inclusion
- Digital inclusion
- Council tax billing and collection
- Housing benefit management, assessment and administration
- Education benefits – administration of free school meals

### 3 Explanation of variations between adjusted 2013/14 and 2014/15: +£478k (2.6%)

3.1 The variation can be summarised as follows:

	£000s
Net Managed Budget 2013/14	14,415
Adjustments	
• Transfers of functions	535
• Other adjustments	3,554
Adjusted Net Managed Budget 2013/14	18,504
Changes in prices	
• Pay	371
• Price	41
• Income	- 74
	338
Full Year Effects	450
Demand/Demography	210
Other Budget pressures	519
Total Budget Increases	1,517
Savings	
Ensuring High Quality Public Services - Procurement	- 55
Becoming an efficient and enterprising Council	
• Business Improvement	- 140
• Support Services	- 319
Other efficiencies and savings proposals	- 525
Total savings	- 1,039
Net Managed Budget 2014/15	18,982

### 3.2 Adjustments

3.2.1 An outcome from the fundamental review of recharges undertaken in 2013 has been a decision to remove central recharges from budgets for general fund services. This change reemphasises the model the council has adopted in that accountability for these core support services rests with the relevant Chief Officers within the context of the 30% target reduction in cost. In future only recharges to HRA and Public health will be made and dealt with via one corporate account. This requires certain technical adjustments to Directorate budgets and the net overall impact for Citizens and Communities is +£4,817k.

3.2.2 Another outcome from the recharge review is the decision to cease certain recharges that add little or no value, for example id badges, mobile phones and PDA's. This requires a transfer of budgets from the previous client services and this totals +£146k.

3.2.3 At the beginning of 2013/14 a number of budget adjustments were required to reflect organisational change from the 'Enabling Corporate Centre' review. A net adjustment of -£667k is required.

3.2.4 The Out of Hours service at the Contact Centre is transferring to Community Safety reducing the budget by £240k. So too the buildings budget (£530k) for the two joint service



centres is transferring to Facilities Management (Civic Enterprise Leeds) as they are better placed to manage this budget in the future.

3.2.5 As part of the 'Investing in Young People' agenda, £250k has been vired from Children's Services to the Area Committees during 2013/14 as additional provision for youth activities. This will increase to £500k and the budgets have been adjusted accordingly.

### 3.3 Changes in prices

3.3.1 Provision has been made for a 1% growth in staffing budgets in 2014/15 amounting to £371k. No provision will be made for inflation on running cost budgets other than where there are specific contractual commitments and on utilities, which amounts to £41k.

3.3.2 Income inflation, amounting to £74k, has been applied to Local land charges, public entertainment licensing and registrars.

### 3.4 Full year effects

As there were no local elections in 2013/14, there is a corporate pressure of £450k for local and European elections in 2014/15

### 3.5 Demand/Demography

Services within citizens and communities, particularly the contact centre and welfare and benefits are experiencing an increase in demand for services which is creating a budget pressure in 2013/14 which is expected to continue into 2014/15. For example, in recent months calls to the Council Tax and Benefits lines in the contact centre have seen a 30% increase in volume. Overall the pressure for 2014/15 equates to approximately £360k and £210k has been provided for within Citizens and Communities.

### 3.6 Budget pressures

3.6.1 The Welfare and Benefits service will see a £435k reduction in its administration grant in 2014/15 without a consequential reduction in workload thus causing further budgetary pressure on a service experiencing increasing demand of up to mainly staffing, is projected; the budget submission provides for £50k pressure.

3.6.3 Insurance premium have increased by £34k.

### 3.7 Savings

#### 3.7.1 Ensuring High Quality Public Services - Procurement

A review of running costs is expected to deliver a £55k saving within the Directorate.

#### 3.7.2 Becoming an efficient and enterprising Council

##### *Support Services*

Implementation of the e-services agenda is expected to deliver £150k worth of savings to help offset the additional demand costs being experienced in the contact centre.

Savings on staffing and some running costs within Benefits, Welfare and Poverty mainly as a result of the fallout of the 'new burdens' funding are proposed equating to £169k.

##### *Business Improvement*

A saving of £140k is reflected in the budget in relation to the 4 projects in progress.

#### 3.7.3 Other Efficiencies and Savings Proposals

Use of funding from the Welfare Support Scheme on priority welfare services to support delivery of initiatives responding to poverty and hardship amounts to £325k.

Overall revenue funding delegated to Area Committees in 2013/14 was £2.0m. In 2014/15 there will be an increase of funding in the Youth Services delegation (transfer from Children's Services) from £250k to £500k and work is ongoing to identify other budgets that could be delegated to Area Committees. With more budgets/services being devolved to Area Committees it is proposed to reduce the general well-being budget by £200k, which would still see a net increase overall in delegated funding at £2.1m.

## 4 Net Revenue Charge

4.1 The following table provides a summary of the net revenue charge for the service which brings together the net managed budget and those budgets managed outside the service.

	£000s
Net Managed Budget	18,981
Managed Outside Service	2,774
Net Cost of Service	21,755
Transfers to/from earmarked reserves	- 1,492
Net Revenue Charge	20,263

## 5 Risk Assessment

5.1 In determining the 2014/15 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 to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.

5.2 The key risks in the 2014/15 budget for this directorate are as follows:

- 5.2.1 Demand for services, particularly council tax, benefits and welfare advice is increasing and it is difficult to gauge the full extent of any further demand increases during 2014/15. Whilst saving efficiencies are expected through the e-service agenda, there is a risk that such efficiencies do not deliver cashable savings as customer service officers are diverted to other priority services experiencing high and increasing demand.
- 5.2.2 The proposal to reduce the well-being budget is proposed on the basis of other service budgets being delegated to area committees to deliver a net overall increase in locality based funding. Work still needs to be undertaken to determine the specific budgets and amounts to be delegated.

Briefing note prepared by: Charles Oxtoby  
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# CITIZENS AND COMMUNITIES

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## Main Responsibilities

The Directorate provides the following services:

- **Contact centre** - The council's contact centre deals with 1.5 million calls and 100,000 emails each year. The enquiries are wide ranging and often complex, covering most of the council's key services, including environmental services, adult services, children's services, housing services, council tax, housing benefits and concessionary parking and travel permits. The Centre has also very recently incorporated the NHS's Single Point of Urgent Referral team into its operations. The centre uses state-of-the-art technologies to manage customer contact and provide quality services. Many services are available 24 hours a day, 7 days a week, using appropriate IVR technology.
- **Face-to-face contact** - There are 16 one stop centres across the city, which handle 0.5 million face-to-face customer contacts each year. The enquiries include a range of subjects including housing, council tax, benefits, social services and environment issues such as refuse and pest control. The centres are fundamental to the development of the Community Hub approach as part of the Citizens@Leeds agenda and we are looking to extensively expand the range of services delivered at the first point of contact. This service also includes the interpreting and translation team who provide a translation and interpreting service for the council, customers and external organisations.
- **Digital access** - The Digital access team manages the council's website which receives 6 million external visits (i.e. figure excludes visits from council computers) each year, and is developing new ways for customers to find what they are after on-line. The team also manage customer enquiries that come via the Council's social-media presence on Facebook and Twitter.
- **Electoral services** – the team compiles the register of electors for Leeds comprising an electorate of 556,000 people in 335,000 properties and is responsible for the arrangement and conduct of elections and referendums for 8 parliamentary constituencies, 33 city council wards and 31 town and parish councils.
- **Registrars of births, deaths and marriages** – provision of a front line public service that deal with the registration of 9,800 births and 6,500 deaths, issuing 57,000 certificates, attesting 6900 notices and performing 1800 marriage and civil partnership ceremonies, and issuing 2600 British Citizenship certificates.
- **Licensing** - administrate and enforce licenses for the sale of alcohol (approximately 2700 premises and 6400 personal licences), provision of entertainment, gambling (136 premises licenced for gambling and 736 gambling permits, notices and registrations) and other various miscellaneous licences.

## CITIZENS AND COMMUNITIES

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- Taxi and private hire licensing administer and enforce licences for taxis (hackney carriages) and private hire vehicles. There are 537 taxis, just under 1000 taxi drivers, approximately 3,700 private hire vehicles, around 4,800 private hire drivers and 90 private hire operators.
- Local land charges are responsible for the compilation and maintenance of the up-to-date local land charges register and provide the information for approximately 9,400 local land search requests each year.
- Communities - The communities' team includes delivery of the council's locality working arrangements (area committees and area working), equalities, the third sector partnership and community centres. The team also contributes to the local assets review and supports the new communities' board and the associated work of the migration partnership and the poverty truth challenge.
- Area Committees - Our work on locality working provides targeted solutions to tackle a wide range of local issues (e.g. environmental issues and community safety, health well-being, adult social care, children's services and skills and welfare reform). Area Committees and Area Lead Members provide local leadership and a local voice on these issues from a grass-roots perspective.
- Community committees – we are proposing to replace the existing area committees in 2014 with community committees to further enhance the role of local elected members in decision-making and wider community engagement. Local elected members will allocate £1.8m of well-being funds in 2013/14 and £200k Youth Service funds to support local projects to address locally-determined priorities. Work is being progressed to consider what other budgets could be delegated to local areas. In addition, service level agreements are in place between Environmental Services and Area Committees to tailor services to meet the needs of localities in this area.
- Welfare and Benefits - The provision of welfare and benefits services including welfare rights team, benefits and council tax processing and customer contact for benefits and council tax services. Developing services that tackle the worst effects of financial and digital exclusion and delivering the new local welfare agenda by improving access to benefit and welfare services
- Council Tax - This team is responsible for the billing and the collection of Council Tax, which is the local tax on domestic properties set each year by the council. In 2013-14 this will total more than £275 million from 341,000 properties. Administration of the Council Tax Support scheme is a new, locally agreed scheme, introduced in 2013-14, and it replaces the previous national scheme of Council Tax Benefit. It is estimated that in 2013-14 that £50 million will be paid in respect of 78,000 claims

## **CITIZENS AND COMMUNITIES**

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- Housing benefit - Our housing benefit team is responsible for the accurate assessment and correct payment of housing benefit and ensures that the 'HB gateway' is secure and free from fraud and error. There are currently 70,417 claims and it is estimated that £285 million will be paid in 2013-14. It is intended that Housing Benefit will eventually become part of Universal Credit
- Education benefits - The administration of the free school meals scheme





# Citizens and Communities

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14	Managed by the Service			Managed Outside the Service	Total 2014/15
			Spending	Income	Net		
Chief Officer Localities & Partnerships	Locality Leadership	6,331	7,348	(1,915)	5,433	1,291	6,724
Chief Officer Customer Access	Customer Access	1,356	12,219	(858)	11,361	661	12,022
Chief Officer Elections, Licensing and Registration	Elections, Licensing and Registration	1,398	5,305	(4,665)	640	277	917
Chief Officer Revenues and Benefits	Benefits, Welfare and Poverty	5,055	296,303	(294,756)	1,547	545	2,091
Net Cost of Service		14,139	321,175	(302,194)	18,981	2,773	21,754
	Transfers to and from earmarked reserves	(757)	0	0	0	(1,492)	(1,492)
Net Revenue Charge		13,382	321,175	(302,194)	18,981	1,282	20,263

# Citizens and Communities

## Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		20,530	20,065
National Insurance Contributions		1,423	1,435
Superannuation Costs		2,769	2,706
Other Pension Costs		335	312
Other Employee Related Costs		14	45
Training And Development		66	54
		25,138	24,617
<b>Premises</b>			
Buildings Maintenance		17	17
Grounds Maintenance		1	1
Building Security		2	2
Cleaning And Workplace Refuse		13	11
Gas		14	9
Electricity		18	18
Other Utilities		4	4
Rents		53	43
NNDR		235	226
Accommodation Charges		1,220	1,192
Premises Related Insurance		25	22
		1,603	1,546
<b>Supplies &amp; Services</b>			
Materials and Equipment		176	174
Stationery and Postage		725	656
Advertising		5	4
IT and telecommunications		1,301	1,248
Insurance		12	17
Professional Services and Subscriptions		345	353
Grants and Contributions		5,861	5,886
Catering Service		3	24
Allowances		8	24
Consultancy Services		2	2
External Audit Fees		42	42
Security Services		9	9
Other Hired and Contracted Services		978	1,345
Licences		7	7
Publication and Promotion		39	7
Miscellaneous		81	66
		9,595	9,863
<b>Transport</b>			
Vehicles And Plant Related Expenditure		9	6
Travel Allowances		173	160
Fuel		2	2
		184	167
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		1,058	1,672
		1,058	1,672
<b>Transfer Payments</b>			
Compensation Payments		1	1
Council Tax Benefit Payments		1,060	1,060
Housing Benefit Payments		281,207	282,249

# Citizens and Communities

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
Transfer Payments	282,268	283,311
Appropriations		
Transfers to/from Earmarked Reserves	(51)	0
	(51)	0
Managed Expenditure	319,794	321,175
Internal Income		
Income from other Directorates	(3,303)	(2,036)
Charges to / from HRA	(473)	(473)
Redistribution of grants income	0	(242)
	(3,776)	(2,751)
Income - Grants		
Government Grants	(285,886)	(286,612)
DCLG Grants	(475)	(357)
Other Grants	0	(124)
	(286,360)	(287,093)
Income - Sales		
Sale of Goods and Services	(250)	(281)
	(250)	(281)
Income - Charges		
Fees and charges	(4,454)	(4,557)
Contributions	(579)	(588)
Other income	(7,050)	(6,924)
Rents	(3)	(1)
Income Received From ALMOs/BITMO	(2,907)	0
	(14,993)	(12,069)
Managed Income	(305,379)	(302,194)
<b>Net Managed Budget</b>	<b>14,415</b>	<b>18,981</b>
Accounting Adjustments		
IAS 19 Pensions Costs	1,021	1,492
Vehicles And Plant (Internal Leasing)	(4)	0
Vehicle leasing recharges	4	0
Transfers to/from Statutory Reserves	(757)	(1,492)
Capital Charges	1,293	1,196
	1,557	1,196
Central Recharges		
Central Recharges Expenditure	4,068	0
Central Recharges Income	(3,774)	0
	293	0
Other Internal Adjustments		
Internal Reallocations Charges	14,053	86
Internal Reallocations Income	(16,936)	0
	(2,883)	86
Managed Outside the Service	(1,033)	1,282
<b>Net Cost of Service</b>	<b>13,382</b>	<b>20,263</b>



# Citizens and Communities

Budget Manager : Chief Officer Localities & Partnerships

Locality Leadership	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		2,390	2,458
National Insurance Contributions		198	204
Superannuation Costs		345	377
Other Pension Costs		46	44
Other Employee Related Costs		2	1
Training And Development		2	1
		2,984	3,084
<b>Premises</b>			
Cleaning And Workplace Refuse		3	1
Gas		8	3
Electricity		2	2
Other Utilities		1	1
Rents		28	18
NDR		206	198
Accommodation Charges		1,138	1,110
Premises Related Insurance		19	18
		1,405	1,351
<b>Supplies &amp; Services</b>			
Materials and Equipment		12	10
Stationery and Postage		37	11
Advertising		1	0
IT and telecommunications		24	36
Insurance		2	2
Professional Services and Subscriptions		11	9
Grants and Contributions		1,750	2,070
Catering Service		3	24
Allowances		4	20
Other Hired and Contracted Services		43	221
Licences		4	4
Publication and Promotion		38	6
		1,929	2,414
<b>Transport</b>			
Travel Allowances		41	28
		41	28
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		233	470
		233	470
<b>Managed Expenditure</b>		6,592	7,348
<b>Internal Income</b>			
Income from other Directorates		(395)	(568)
Charges to / from HRA		(473)	(473)
Redistribution of grants income		0	(242)
		(868)	(1,282)
<b>Income - Grants</b>			
Government Grants		(165)	(165)
Other Grants		0	(124)
		(165)	(289)
<b>Income - Charges</b>			

# Citizens and Communities

Budget Manager : Chief Officer Localities & Partnerships

Locality Leadership	£000	Budget 2013/14	Budget 2014/15
Income - Charges			
Fees and charges		(218)	(229)
Other income		(228)	(114)
Rents		(3)	(1)
		(450)	(343)
Managed Income		(1,482)	(1,915)
<b>Net Managed Budget</b>		<b>5,110</b>	<b>5,433</b>
Accounting Adjustments			
IAS 19 Pensions Costs		123	207
Capital Charges		1,172	1,082
		1,295	1,289
Central Recharges			
Central Recharges Expenditure		232	0
Central Recharges Income		146	0
		377	0
Other Internal Adjustments			
Internal Reallocations Charges		834	2
Internal Reallocations Income		(1,286)	0
		(451)	2
Managed Outside the Service		1,220	1,291
<b>Net Cost of Service</b>		<b>6,331</b>	<b>6,724</b>

# Citizens and Communities

Budget Manager : Chief Officer Customer Access

Customer Access	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		8,821	8,990
National Insurance Contributions		581	628
Superannuation Costs		1,096	1,058
Other Pension Costs		91	103
Other Employee Related Costs		6	22
Training And Development		23	11
		10,618	10,813
<b>Premises</b>			
Buildings Maintenance		10	10
Grounds Maintenance		1	1
Cleaning And Workplace Refuse		2	2
Gas		1	1
Rents		20	20
Premises Related Insurance		6	4
		40	38
<b>Supplies &amp; Services</b>			
Materials and Equipment		42	42
Stationery and Postage		41	41
Advertising		1	1
IT and telecommunications		378	407
Insurance		7	10
Professional Services and Subscriptions		293	293
Allowances		1	1
Other Hired and Contracted Services		507	493
Licences		2	2
		1,273	1,290
<b>Transport</b>			
Travel Allowances		31	31
		31	31
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		214	48
		214	48
<b>Managed Expenditure</b>		12,175	12,219
<b>Internal Income</b>			
Income from other Directorates		(2,322)	(455)
		(2,322)	(455)
<b>Income - Sales</b>			
Sale of Goods and Services		(238)	(238)
		(238)	(238)
<b>Income - Charges</b>			
Fees and charges		(110)	(110)
Contributions		(13)	(13)
Other income		(55)	(43)
Income Received From ALMOs/BITMO		(2,907)	0
		(3,084)	(165)
<b>Managed Income</b>		(5,644)	(858)
<b>Net Managed Budget</b>		<b>6,531</b>	<b>11,361</b>

## Citizens and Communities

Budget Manager : Chief Officer Customer Access

Customer Access			
	£000	Budget 2013/14	Budget 2014/15
Accounting Adjustments			
IAS 19 Pensions Costs		445	602
Capital Charges		27	49
		473	651
Central Recharges			
Central Recharges Income		(84)	0
		(84)	0
Other Internal Adjustments			
Internal Reallocations Charges		3,459	11
Internal Reallocations Income		(9,023)	0
		(5,564)	11
Managed Outside the Service		(5,175)	661
<b>Net Cost of Service</b>		<b>1,356</b>	<b>12,022</b>



# Citizens and Communities

Budget Manager : Chief Officer Elections, Licensing and Registration

Elections, Licensing and Registration	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		2,598	2,706
National Insurance Contributions		180	191
Superannuation Costs		366	394
Other Pension Costs		49	49
Other Employee Related Costs		5	3
Training And Development		34	34
		3,232	3,376
<b>Premises</b>			
Buildings Maintenance		7	7
Grounds Maintenance		1	1
Building Security		2	2
Cleaning And Workplace Refuse		8	8
Gas		5	5
Electricity		16	16
Other Utilities		3	3
NNDR		26	26
Accommodation Charges		82	82
		150	150
<b>Supplies &amp; Services</b>			
Materials and Equipment		117	114
Stationery and Postage		234	219
Advertising		3	3
IT and telecommunications		300	296
Insurance		0	2
Professional Services and Subscriptions		17	17
Allowances		2	2
Consultancy Services		2	2
Security Services		9	9
Other Hired and Contracted Services		60	489
Licences		2	2
Miscellaneous		1	1
		746	1,155
<b>Transport</b>			
Vehicles And Plant Related Expenditure		9	6
Travel Allowances		42	42
Fuel		2	2
		53	50
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		575	575
		575	575
<b>Appropriations</b>			
Transfers to/from Earmarked Reserves		(51)	0
		(51)	0
<b>Managed Expenditure</b>		4,705	5,305
<b>Internal Income</b>			
Income from other Directorates		(4)	(4)
		(4)	(4)
<b>Income - Sales</b>			

## Citizens and Communities

Budget Manager : Chief Officer Elections, Licensing and Registration

Elections, Licensing and Registration			
	£000	Budget 2013/14	Budget 2014/15
Income - Sales			
Sale of Goods and Services		(10)	(42)
		(10)	(42)
Income - Charges			
Fees and charges		(3,995)	(4,087)
Contributions		(521)	(530)
Other income		(2)	(2)
		(4,519)	(4,619)
Managed Income		(4,533)	(4,665)
<b>Net Managed Budget</b>		<b>172</b>	<b>640</b>
Accounting Adjustments			
IAS 19 Pensions Costs		131	214
Vehicles And Plant (Internal Leasing)		(4)	0
Vehicle leasing recharges		4	0
Capital Charges		57	39
		188	253
Other Internal Adjustments			
Internal Reallocations Charges		1,145	24
Internal Reallocations Income		(108)	0
		1,037	24
Managed Outside the Service		1,225	277
<b>Net Cost of Service</b>		<b>1,398</b>	<b>917</b>

# Citizens and Communities

Budget Manager : Chief Officer Revenues and Benefits

Benefits, Welfare and Poverty	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		6,721	5,911
National Insurance Contributions		464	412
Superannuation Costs		962	877
Other Pension Costs		149	116
Other Employee Related Costs		2	20
Training And Development		7	8
		8,304	7,344
<b>Premises</b>			
Cleaning And Workplace Refuse		0	0
Rents		5	5
NNDR		3	2
		8	7
<b>Supplies &amp; Services</b>			
Materials and Equipment		5	8
Stationery and Postage		413	385
IT and telecommunications		599	509
Insurance		3	4
Professional Services and Subscriptions		24	34
Grants and Contributions		4,112	3,816
Allowances		1	1
External Audit Fees		42	42
Other Hired and Contracted Services		368	141
Publication and Promotion		1	1
Miscellaneous		80	65
		5,647	5,004
<b>Transport</b>			
Travel Allowances		59	58
		59	58
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		36	579
		36	579
<b>Transfer Payments</b>			
Compensation Payments		1	1
Council Tax Benefit Payments		1,060	1,060
Housing Benefit Payments		281,207	282,249
		282,268	283,311
<b>Managed Expenditure</b>		296,323	296,303
<b>Internal Income</b>			
Income from other Directorates		(583)	(1,010)
		(583)	(1,010)
<b>Income - Grants</b>			
Government Grants		(285,721)	(286,447)
DCLG Grants		(475)	(357)
		(286,195)	(286,804)
<b>Income - Sales</b>			
Sale of Goods and Services		(2)	(2)
		(2)	(2)
<b>Income - Charges</b>			

# Citizens and Communities

Budget Manager : Chief Officer Revenues and Benefits

Benefits, Welfare and Poverty			
	£000	Budget 2013/14	Budget 2014/15
Income - Charges			
Fees and charges		(131)	(131)
Contributions		(45)	(45)
Other income		(6,765)	(6,765)
		(6,941)	(6,941)
Managed Income		(293,721)	(294,756)
<b>Net Managed Budget</b>		<b>2,602</b>	<b>1,547</b>
Accounting Adjustments			
IAS 19 Pensions Costs		322	469
Capital Charges		37	26
		359	495
Central Recharges			
Central Recharges Expenditure		3,836	0
Central Recharges Income		(3,836)	0
		0	0
Other Internal Adjustments			
Internal Reallocations Charges		8,614	50
Internal Reallocations Income		(6,520)	0
		2,095	50
Managed Outside the Service		2,454	545
<b>Net Cost of Service</b>		<b>5,055</b>	<b>2,091</b>

Civic Enterprise Leads



# LEEDS CITY COUNCIL

## 2014/15 BUDGET REPORT

### Directorate: Civic Enterprise Leeds

#### 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 2014/15 financial year.

#### 2 Service Context

- 2.1 Civic Enterprise Leeds is responsible for developing an enterprising and trading strategy across the council. It also incorporates the council's trading company, Civic Enterprise Leeds Ltd. There are 5 service areas within CEL group: Business Support Service (BSC), Catering and School Cleaning, Facilities Management, Passenger Transport and Property and Fleet services.
- 2.2 CEL expenditure in 2013/14 is £89m. The budget proposals for 2014/15 take expenditure for CEL group to over £97.5m. Net managed budget for 2013/14 is £1.4m; £9.1m credit from Property, Catering, Cleaning and Fleet trading units, offset by cost of service for BSC of £2.8m and Facilities Management £7.7m.
- 2.3 During 2013-14 financial year Corporate Property Management (36 staff) transferred from Development Directorate to CEL group, a budget transfer of £6,541k, of which £5m relates to repair and maintenance of LCC buildings and £1.1m for staffing costs, relating to 36 FTEs. In addition Directorate Support is transferring across from Strategy & Resources, £643k and Joint Service Centres from Children's Services, £530k. CEL Group comprises over 1,800 fte's.
- 2.4 Commercial trading is projected to make additional profit / savings of £1m from the projected outturn position at period 9 2013-14; £9.7m cr 2014-15 against £8.7m projected return 2013-14; principally £400k Property Maintenance & Fleet, £300k Catering, £50k Cleaning and £250k Corporate Property Management.

### 3 Explanation of variations between adjusted 2013/14 and 2014/15 - £222k (-1.7%)

3.1 The variation can be summarised as follows:

	£000s
Net Managed Budget 2013/14	8,809
Adjustments	
• Transfers of functions	292
• Other adjustments	4,115
Adjusted Net Managed Budget 2013/14	13,216
Changes in prices	
• Pay	518
• Price	109
• Income	- 407
	220
Budget pressures	966
Total Budget Increases	1,186
Savings	
Ensuring High Quality Public Services - Procurement	- 350
Becoming an efficient and enterprising Council	
• Business Improvement	- 170
Income, charging and trading	- 520
Other efficiencies and savings proposals	- 368
Total savings	- 1,408
Net Managed Budget 2014/15	12,994

#### 3.2 Adjustments

- 3.2.1 The opening position has been adjusted for the transfer of most of the functions carried out by Corporate Property Management (CPM) from City Development. The net amount transferred is £6,291k with part of the CPM service remaining within Asset Management.
- 3.2.2 Joint Service Centres have moved from Citizens and Communities directorate into Facilities Management, budget transfer £530k. The transfer relates to two buildings, Reginald Centre and Compton House, which are jointly occupied by LCC and the NHS Service.
- 3.2.2 An outcome from the fundamental review of recharges undertaken in 2013 has been a decision to remove central recharges from budgets for general fund services. This change reemphasises the model the council has adopted in that accountability for these core support services rests with the relevant Chief Officers within the context of the 30% target reduction in cost. In future only recharges to HRA and Public health will be made and dealt with via one corporate account. This requires certain technical adjustments to Directorate budgets and the net overall impact for CEL group is £4,374k.
- 3.2.3 From 2014/15 directorates will no longer receive internal leasing charges for the cost of vehicles which have been purchased via prudential borrowing. The revenue costs of financing these purchases will be managed centrally and existing budgets in directorates will be transferred. The impact for CEL group is to remove vehicle leasing costs of £1,506k.



The net effect to CEL group is only £474k Cr due to Passenger Transport recovering £1,032 leasing charges from Adult Social Care and Children's Services.

3.2.4 The key other adjustments are within Facilities Management including the impact of St George's House being purchased by LCC and former external operating costs now being incurred by LCC. The £69k budget transfer is from Development directorate. Secondly, responsibility for building operations within the Early Years Help Service, are to be transferred from Children's directorate to Facilities Management. The budget transfer is for £156k. A budget transfer of £107k to Legal and Democratic Services for Chief Officer salary costs.

### 3.3 Changes in prices

3.3.1 Provision has been made for a 1% growth in staffing budgets in 2014/15. No provision will be made for inflation on running cost budgets other than where there are specific contractual commitments and on utilities.

3.3.2 Inflationary increases on fees and charges to HRA & Schools from CEL trading of 1.5% have been budgeted for. External charges to other clients are budgeted to increase by 3%. The budget strategy assumes no uplift on any services delivered within LCC General Fund.

### 3.4 Full year Effects

3.4.1 No items

### 3.5 Demand/Demography

3.5.1 No items

### 3.6 Budget Pressures

Offsetting the savings and additional profit actions contained in this budget submission are unavoidable pressures of just under £1m. £0.565m is due to roll-through of 13-14 financial pressures, such as the increased cost of provisions in catering, which have been reported all year. A further £0.296m pressure within BSC is reflected for centralising Training Administration into BSC and the introduction of new equipment for e-recruitment system. There is also an increase in insurance costs of £0.12m.

### 3.7 Savings

#### 3.7.1 Ensuring high quality public services: Procurement

CEL Group is budgeting for procurement savings of £350k. Corporate Property Management procurement target is £250k. This will come from the £5.3m repairs & maintenance budget for the authority. The Catering service is targeting £100k savings on provisions across the dry / frozen and fresh produce contracts.

Becoming an efficient and enterprising Council:

#### 3.7.2 Business Improvement

A saving of £170k is reflected in the budget in relation to the 4 projects in progress. A significant change in respect of the management and deployment of project resource is planned whereby a single corporate team will be established bringing together the existing

staff carrying out this type of work. This will allow better targeting of project resource to key priorities.

### 3.7.3 Income, Charging & Trading

CEL Group is budgeting for additional profit of £520k, principally from Aids & Adaptations work within Property Maintenance; roll out of Universal Free School Meals for Key Stage One pupils from September 2014; contribution from full year trading of the in-house service, Civic Flavour, for catering in the Civic hall; further income within BSC.

### 3.7.4 Other Efficiencies and Savings Proposals

CEL group are reflecting £200k of savings from new ways of working; £50k lower cleaning specifications leading to less staffing hours being required; £100k back office savings from the introduction of the new IT mobile working software within Property Maintenance, Total Mobile. It is anticipated that the new system is operational from April 2014. It is also estimated that there will be £50k savings from the transfer of former ALMO ABCL staff into BSC.

Fleet Services have reflected £100k of sub-contractor savings arising from the £13m vehicle replacement programme in 13-14 and the disposal of the majority of vehicles within the authority that are over 6 years old.

## 4 Net Revenue Charge

4.1 The following table provides a summary of the net revenue charge for the service which brings together the net managed budget and those budgets managed outside the service.

	£000s
Net Managed Budget	12,996
Managed Outside Service	3,898
Net Cost of Service	16,894
Transfers to/from earmarked reserves	- 676
Net Revenue Charge	16,218

## 5 Risk Assessment

5.1 In determining the 2014/15 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 to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.

5.2 The key risks in the 2014/15 budget for this directorate are as follows:

5.2.1 Additional profit of £520k from Income, charging and trading will not materialise. We are still awaiting the Central Government announcement on the price they will pay for a free school meal for KS1. The budget currently assumes a price of £2.30 for KS1 and £2.65 for KS2. The service is budgeted to serve an additional million meals in KS1. Should this be lower there would be an impact on the 14-15 budget.

- 5.2.2 Procurement savings of £350k are not delivered. £100k risk that provision costs for catering increase when tendered. Around the £250k CPM procurement target savings risk that the back-log of outstanding repairs increases.
- 5.2.3 Risk around £354k other efficiencies and savings target. Risk that actions slip or not realised.
- 5.2.4 Business improvement target of £170k is not realised. This piece of work is linked to centralising Admin Hubs.

Briefing note prepared by: Alun Ellis  
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# CIVIC ENTERPRISE LEEDS

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## **Main Responsibilities:**

### **Commercial Services**

#### **Property Maintenance**

- The provision of responsive, specialist and planned building maintenance services deploying an in house workforce covering the majority of allied trades including electrical, asbestos, joinery, plumbing, bricklaying, plastering, demolition, gas, mechanical and engineering, lift engineering, metal fabrication and flooring for the Directorates, former ALMO's and schools portfolio.
- The provision of internal cyclical and non-routine building Cleaning services to all types of properties. The service also provide one off builders cleans, house and fly tipping clearance, litter picking, chute clearance services and a 24/7 building static guarding function .

#### **Passenger Transport**

- Key front line duties providing transport services to older persons' day services and 'fulfilling lives' centres within Adult Social Care. Within Children's Services activities include transport of children in care of the authority and children with statements of special education needs.
- The School Crossing Patrol service provides 117 crossing sites within the Leeds boundary to ensure that pedestrians cross safely. Crossing Patrols are now legally empowered to stop traffic and to assist any pedestrians to cross, not just children.

#### **Fleet Services**

- Vehicle Management and Maintenance services manage the provision of vehicles and plant required by the council's operational departments. This service is also responsible for the regulatory safety inspection of the fleet, together with the routine service and repair of over 1,000 vehicles. In addition, the team operates a fuel management service which provides fuelling facilities for all council departments from various sites across the city.

# CIVIC ENTERPRISE LEEDS

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## Catering

- The Catering Service is responsible for providing school meals in 195 primary and special schools, 7 high schools and 19 children's centres and 5 joint centres. All of the menus are planned to deliver balanced and varied meals. All menus reflect the diverse requirements of the school community, including religious and dietary needs. The food provision in schools is now governed by legislation and the menus all meet the School Food Trust Guidelines. All of the business is subject to open competition.
- City wide Community Meals service – This service provides a 7 day hot meals service to over 2,000 vulnerable people enabling them to stay in their own homes. The service works with the voluntary sector and our own staff to both deliver meals and provide a visual well being check to every customer every delivery.

## Cleaning

- Comprehensive internal building cleaning services are also provided to education establishments across the city cleaning approx 60 Primary Schools, 6 High Schools, 40 Children's Centres and a number of other educational establishments.
- Adhoc and Emergency Cleaning and Caretaking Service available to all schools in the city as well as specialist kitchen cleans.

## Facilities Management

- The management of civic and community buildings, office accommodation, and the provision of facilities management support across the council
- Management of facilities related traded services (Print Management, Reprographics, Mail Services, Records Management Facility, and City Signs)

## Business Support Centre

- The Business Support Centre (BSC) is Leeds City Council's shared service. As well as delivering operational transactional services in relation to employment and financial services (i.e. recruitment, contract variations, payroll, pensions, recruitment, training administration, creditor payments, utility billing, CIS, purchasing card administration) for Leeds City Council, Leeds' Schools and ALMO's it also provides services for over 40 other employers across the city.

## **CIVIC ENTERPRISE LEEDS**

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- On an annual basis, the service processes over 750,000 employee-related transactions via SAP (the corporate HR/Payroll system), pays out salaries in the region of £520million, processes over 400,000 invoices for 13,000 suppliers to the value of £509million, manages 100,000 purchasing card transactions to the value of £30million, and manages the council's utility bills of approximately £25million.
- The service deals with over 200,000 telephone and e-mail queries a year from employees and suppliers, and uses state of the art Avaya telephony equipment to manage queues and undertaking quality monitoring and call analysis.
- The BSC also plays a strong strategic role in further developing shared services for the council and includes expertise on business support and administration and modernising service delivery – including designing and developing on-line ways of working, telephone transacting, self-service solutions, electronic document records management and workflow systems.

### **Corporate Property Management**

- CPM ensures the Council's properties are well maintained and suitable for service use through repair, maintenance and refurbishment programmes.
- The monitoring of energy, water efficiency and carbon emissions of buildings and identifying future ways of delivering energy savings.
- Working with the Council's Joint Venture Partner NPS to deliver the Council's Capital Programme.
- Responsibility for managing LCC voids properties.





## Civic Enterprise Leeds

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14	Managed by the Service			Managed Outside the Service	Total 2014/15
			Spending	Income	Net		
Chief Officer Shared Services	Business Support Centre	0	6,896	(2,995)	3,902	290	4,192
Chief Officer Commercial Services	Commercial Services	(4,951)	75,911	(80,571)	(4,660)	781	(3,879)
Chief Officer Commercial Services	Facilities Management	24	13,007	(5,542)	7,465	2,381	9,845
Chief Officer Commercial Services	Corporate Property Management	6,896	6,439	(150)	6,289	446	6,735
Net Cost of Service		1,970	102,253	(89,258)	12,996	3,897	16,893
	Transfers to and from earmarked reserves	0	0	0	0	(676)	(676)
Net Revenue Charge		1,970	102,253	(89,258)	12,996	3,222	16,218

# Civic Enterprise Leeds

## Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		35,001	36,565
Agency And Temporary Staff		1,413	1,727
National Insurance Contributions		1,845	1,839
Superannuation Costs		3,567	4,123
Other Pension Costs		1,004	996
Other Employee Related Costs		440	960
Training And Development		217	205
		43,487	46,414
<b>Premises</b>			
Buildings Maintenance		4,985	4,742
Grounds Maintenance		115	125
Building Security		755	162
Cleaning And Workplace Refuse		1,842	416
Gas		615	635
Electricity		1,410	1,423
Other Utilities		428	413
Rents		1,291	1,326
NDR		3,849	3,943
Accommodation Charges		1	1
Premises Related Insurance		211	123
		15,502	13,309
<b>Supplies &amp; Services</b>			
Materials and Equipment		9,031	10,764
Stationery and Postage		1,178	1,034
Advertising		1	8
IT and telecommunications		742	713
Insurance		105	60
Professional Services and Subscriptions		264	48
Recycling and Reuse		5	2
Waste Disposal and Landfill Tax		20	20
Allowances		2	2
Consultancy Services		2	3
Other Hired and Contracted Services		7,159	11,003
Licences		3	3
Publication and Promotion		10	18
Miscellaneous		22	27
		18,545	23,704
<b>Transport</b>			
Vehicles And Plant Related Expenditure		6,858	5,384
Travel Allowances		265	262
Fuel		5,506	5,611
Private Hire		6,748	6,744
Transport Related Insurance		178	184
		19,554	18,185
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		499	642
		499	642
<b>Managed Expenditure</b>		97,588	102,253
<b>Internal Income</b>			

# Civic Enterprise Leeds

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
Internal Income		
Income from other Directorates	(79,164)	(83,515)
Recharge Income from Capital	(230)	(205)
	(79,394)	(83,720)
Income - Grants		
Government Grants	(291)	(178)
	(291)	(178)
Income - Sales		
Sale of Goods and Services	(1,306)	(1,346)
	(1,306)	(1,346)
Income - Charges		
Fees and charges	(1,099)	(1,361)
Education Income	(57)	(36)
Other income	(2,225)	(2,426)
Rents	(261)	(192)
Income Received From ALMOs/BITMO	(4,144)	0
	(7,786)	(4,015)
Managed Income	(88,778)	(89,258)
<b>Net Managed Budget</b>	<b>8,810</b>	<b>12,996</b>
Accounting Adjustments		
IAS 19 Pensions Costs	234	676
Vehicles And Plant (Internal Leasing)	(1,503)	0
Vehicle leasing recharges	1,253	0
Transfers to/from Statutory Reserves	0	(676)
Capital Charges	4,036	3,560
	4,019	3,560
Central Recharges		
Central Recharges Income	234	0
Corporate & Democratic Core Income	(47)	(47)
	187	(47)
Other Internal Adjustments		
Internal Reallocations Charges	19,588	3,349
Internal Reallocations Income	(30,634)	(3,641)
	(11,046)	(292)
Managed Outside the Service	(6,840)	3,222
<b>Net Cost of Service</b>	<b>1,970</b>	<b>16,218</b>



# Civic Enterprise Leeds

Budget Manager : Chief Officer Shared Services

Business Support Centre	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		4,532	4,592
National Insurance Contributions		324	319
Superannuation Costs		600	624
Other Pension Costs		337	334
Other Employee Related Costs		146	477
Training And Development		11	12
		5,949	6,358
<b>Premises</b>			
Buildings Maintenance		1	1
Building Security		1	1
Cleaning And Workplace Refuse		2	2
NNDR		1	1
		4	5
<b>Supplies &amp; Services</b>			
Materials and Equipment		61	61
Stationery and Postage		105	61
Advertising		1	1
IT and telecommunications		354	379
Insurance		3	3
Professional Services and Subscriptions		186	6
Recycling and Reuse		0	1
Allowances		1	0
Other Hired and Contracted Services		9	8
Publication and Promotion		0	1
		720	521
<b>Transport</b>			
Travel Allowances		7	6
		7	6
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		29	7
		29	7
<b>Managed Expenditure</b>		6,709	6,896
<b>Internal Income</b>			
Income from other Directorates		(2,033)	(2,103)
Recharge Income from Capital		(230)	(205)
		(2,263)	(2,308)
<b>Income - Sales</b>			
Sale of Goods and Services		(57)	(59)
		(57)	(59)
<b>Income - Charges</b>			
Fees and charges		(77)	(151)
Other income		(407)	(477)
Rents		0	0
Income Received From ALMOs/BITMO		(140)	0
		(624)	(628)
<b>Managed Income</b>		(2,943)	(2,995)
<b>Net Managed Budget</b>		<b>3,766</b>	<b>3,902</b>

# Civic Enterprise Leeds

Budget Manager : Chief Officer Shared Services

Business Support Centre			
	£000	Budget 2013/14	Budget 2014/15
Accounting Adjustments			
IAS 19 Pensions Costs		(43)	80
Capital Charges		765	640
		722	720
Central Recharges			
Central Recharges Income		317	0
Corporate & Democratic Core Income		(47)	(47)
		270	(47)
Other Internal Adjustments			
Internal Reallocations Charges		3,974	1,406
Internal Reallocations Income		(8,732)	(1,789)
		(4,758)	(383)
Managed Outside the Service		(3,766)	290
<b>Net Cost of Service</b>		<b>0</b>	<b>4,192</b>

# Civic Enterprise Leeds

Budget Manager : Chief Officer Commercial Services

Commercial Services	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		27,100	28,580
Agency And Temporary Staff		1,413	1,727
National Insurance Contributions		1,296	1,299
Superannuation Costs		2,497	3,016
Other Pension Costs		574	586
Other Employee Related Costs		272	453
Training And Development		195	182
		<b>33,347</b>	<b>35,843</b>
<b>Premises</b>			
Buildings Maintenance		57	65
Grounds Maintenance		2	2
Building Security		30	30
Cleaning And Workplace Refuse		238	181
Gas		51	52
Electricity		66	71
Other Utilities		43	44
Rents		62	62
NNDR		174	178
Accommodation Charges		1	1
Premises Related Insurance		6	3
		<b>730</b>	<b>689</b>
<b>Supplies &amp; Services</b>			
Materials and Equipment		8,423	10,134
Stationery and Postage		71	40
Advertising		1	7
IT and telecommunications		331	293
Insurance		62	36
Professional Services and Subscriptions		77	41
Recycling and Reuse		5	1
Waste Disposal and Landfill Tax		20	20
Allowances		1	1
Consultancy Services		2	3
Other Hired and Contracted Services		6,572	10,294
Licences		3	3
Publication and Promotion		10	17
Miscellaneous		21	27
		<b>15,600</b>	<b>20,918</b>
<b>Transport</b>			
Vehicles And Plant Related Expenditure		6,803	5,354
Travel Allowances		180	179
Fuel		5,484	5,590
Private Hire		6,748	6,744
Transport Related Insurance		170	173
		<b>19,386</b>	<b>18,041</b>
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		295	420
		<b>295</b>	<b>420</b>
<b>Managed Expenditure</b>		<b>69,358</b>	<b>75,911</b>

# Civic Enterprise Leeds

Budget Manager : Chief Officer Commercial Services

Commercial Services			
	£000	Budget 2013/14	Budget 2014/15
Internal Income			
Income from other Directorates		(72,111)	(77,879)
		(72,111)	(77,879)
Income - Grants			
Government Grants		(226)	(178)
		(226)	(178)
Income - Sales			
Sale of Goods and Services		(1,172)	(1,207)
		(1,172)	(1,207)
Income - Charges			
Fees and charges		(421)	(636)
Education Income		(21)	0
Other income		(656)	(672)
Income Received From ALMOs/BITMO		(3,902)	0
		(5,000)	(1,308)
Managed Income		(78,509)	(80,571)
<b>Net Managed Budget</b>		<b>(9,151)</b>	<b>(4,660)</b>
Accounting Adjustments			
IAS 19 Pensions Costs		214	350
Vehicles And Plant (Internal Leasing)		(1,483)	0
Vehicle leasing recharges		1,232	0
Capital Charges		721	377
		685	727
Other Internal Adjustments			
Internal Reallocations Charges		5,125	1,617
Internal Reallocations Income		(1,609)	(1,563)
		3,516	54
Managed Outside the Service		4,200	781
<b>Net Cost of Service</b>		<b>(4,951)</b>	<b>(3,879)</b>



# Civic Enterprise Leeds

Budget Manager : Chief Officer Commercial Services

Facilities Management			
	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		2,441	2,456
National Insurance Contributions		145	147
Superannuation Costs		338	350
Other Pension Costs		92	76
Other Employee Related Costs		3	11
Training And Development		7	7
		3,027	3,047
<b>Premises</b>			
Buildings Maintenance		70	71
Grounds Maintenance		109	118
Building Security		699	105
Cleaning And Workplace Refuse		1,602	233
Gas		534	553
Electricity		1,299	1,307
Other Utilities		348	332
Rents		1,229	1,264
NNDR		3,372	3,462
Premises Related Insurance		205	120
		9,467	7,566
<b>Supplies &amp; Services</b>			
Materials and Equipment		541	563
Stationery and Postage		1,002	933
IT and telecommunications		33	16
Insurance		40	21
Professional Services and Subscriptions		0	0
Allowances		0	0
Other Hired and Contracted Services		578	701
Miscellaneous		0	0
		2,194	2,234
<b>Transport</b>			
Vehicles And Plant Related Expenditure		50	27
Travel Allowances		6	6
Fuel		20	19
Transport Related Insurance		8	10
		84	63
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		107	96
		107	96
<b>Managed Expenditure</b>		14,879	13,007
<b>Internal Income</b>			
Income from other Directorates		(5,021)	(3,533)
		(5,021)	(3,533)
<b>Income - Sales</b>			
Sale of Goods and Services		(77)	(80)
		(77)	(80)
<b>Income - Charges</b>			
Fees and charges		(602)	(575)
Other income		(1,162)	(1,162)

# Civic Enterprise Leeds

Budget Manager : Chief Officer Commercial Services

Facilities Management			
	£000	Budget 2013/14	Budget 2014/15
Income - Charges			
Rents		(261)	(192)
Income Received From ALMOs/BITMO		(102)	0
		(2,127)	(1,929)
Managed Income		(7,225)	(5,542)
<b>Net Managed Budget</b>		<b>7,654</b>	<b>7,465</b>
Accounting Adjustments			
IAS 19 Pensions Costs		63	157
Vehicles And Plant (Internal Leasing)		(21)	0
Vehicle leasing recharges		21	0
Capital Charges		2,194	2,186
		2,258	2,343
Central Recharges			
Central Recharges Income		(83)	0
		(83)	0
Other Internal Adjustments			
Internal Reallocations Charges		10,489	325
Internal Reallocations Income		(20,293)	(288)
		(9,804)	37
Managed Outside the Service		(7,630)	2,381
<b>Net Cost of Service</b>		<b>24</b>	<b>9,845</b>

# Civic Enterprise Leeds

Budget Manager : Chief Officer Commercial Services

Corporate Property Management			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		929	937
National Insurance Contributions		81	74
Superannuation Costs		132	132
Other Employee Related Costs		19	19
Training And Development		4	4
		1,164	1,166
Premises			
Buildings Maintenance		4,857	4,605
Grounds Maintenance		5	5
Building Security		25	25
Gas		30	30
Electricity		45	45
Other Utilities		38	38
NNDR		302	302
		5,301	5,050
Supplies & Services			
Materials and Equipment		6	6
IT and telecommunications		25	25
Insurance		0	0
		31	31
Transport			
Vehicles And Plant Related Expenditure		5	2
Travel Allowances		71	71
Fuel		1	1
		77	74
Internal Charges			
Managed Recharges Frm Other Directorates		69	118
		69	118
Managed Expenditure		6,642	6,439
Income - Grants			
Government Grants		(65)	0
		(65)	0
Income - Charges			
Education Income		(36)	(36)
Other income		0	(114)
		(36)	(150)
Managed Income		(101)	(150)
<b>Net Managed Budget</b>		<b>6,541</b>	<b>6,289</b>
Accounting Adjustments			
IAS 19 Pensions Costs		0	88
Capital Charges		355	358
		355	446
Managed Outside the Service		355	446
<b>Net Cost of Service</b>		<b>6,896</b>	<b>6,735</b>







# LEEDS CITY COUNCIL 2014/15 BUDGET REPORT

## Directorate: Public Health

### 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 2014/15 financial year.

### 2 Service Context

- 2.1 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.

- 2.2 The council's Office of the Director of Public Health is responsible for a ring-fenced grant of £40.5M for 2014/15. The public health grant is being provided to give Local Authorities the funding needed to discharge their new public health responsibilities; the Department of Health expects that these funds are used to:

- improve significantly the health and wellbeing of local populations
- carry out health protection functions delegated from the secretary of state
- reduce health inequalities across the life course, including with hard to reach groups
- ensure the provision of population healthcare advice  
(*Department of Health, ring-fenced public health grant, 2013*)

The Department of Health has set out the council's public health commissioning responsibilities, and made a number of services mandatory:

- tobacco control and smoking cessation services
- public health services for children and young people aged 5-19 (including Healthy Child Programme 5-19) (and in the longer term all public health services for children and young people)
- the National Child Measurement Programme
- interventions to tackle obesity such as community lifestyle and weight management services
- locally-led nutrition initiatives
- increasing levels of physical activity in the local population
- NHS Health Check assessments
- public mental health services
- dental public health services
- accidental injury prevention
- population level interventions to reduce and prevent birth defects
- behavioural and lifestyle campaigns to prevent cancer and long-term conditions
- local initiatives on workplace health

- supporting, reviewing and challenging delivery of key public health and NHS delivered services such as immunisation and screening programmes
- comprehensive sexual health services (including testing and treatment for sexually transmitted infections, contraception outside of GP contract and sexual health promotion and disease prevention)
- local initiatives to reduce excess deaths as a result of seasonal mortality
- the local authority role in dealing with health protection incidents, outbreaks and emergencies
- public health aspects of promotion of community safety, violence prevention and response
- public health aspects of local initiatives to tackle social exclusion
- local initiatives that reduce public health impacts of environmental risks

#### Public Health Mandatory Services:

- appropriate access to sexual health
- steps are to be taken to protect the health of the population, in particular, giving the local authority a duty to ensure there are plans in place to protect the health of the population
- ensuring NHS commissioners receive the public health advice they need
- the National Child Measurement Programme
- NHS Health Check assessment

#### **(Department of Health, 2013)**

Public health consultants are responsible for specific areas of public health which include responsibility for budgets and contracts. The budgets have been split across 8 areas:

- Health Protection
- Healthy Living and Public Health Intelligence
- Older People and Long Term conditions, ENE area and North CCF
- Health Improvement and Commissioning
- Child and Maternal Health
- Mental Wellbeing, Public Health workforce, SE area and South & East CCG
- Population Healthcare, WNW area and West CCG
- Office of Director of Public Health

#### **Contracts**

There were around 70 public health contracts, valued at approximately £30m, which were transferred to the council in April 2013. Public Health commissions a wide range of providers to deliver public health services, these include; GPs, Pharmacies, Leeds Teaching Hospital Trust, Leeds Community Healthcare Trust, Leeds and York Partnership Foundation Trust, as well as other NHS organisations, such as St Martin's Healthcare and a range of 3<sup>rd</sup> sector providers.

There are two major programmes of work currently underway to re-commission procure services:

- Drugs and alcohol treatment services. A report has gone to the Executive Board in January 2014 for approval to re-commission. We are looking at a new integrated services to be in place from April 2015.
- Sexual Health services – in September 2013, the Executive Board endorsed a proposal to tender for an integrated sexual health service. The current budget is



£6.6m; sexual health is a mandatory function for the Council. We intend to re-invest savings into enhancing sexual health services

A key decision to waiver contract procurement rules to award other contracts to the same providers for 2014-15 has been supported, this will also allow time and a phased approach to re-commission all public health services within the next 3 years to better improve outcomes and be more cost effective. By using this process we are creating the opportunity to package bundles of services for procurement on the open market and work within the council's 'transforming procurement programme' through the category plan approach. This will lead to reduced costs of procurement and provide opportunities for alternative delivery mechanisms for providers such as consortia which enable back office/overhead savings for the services. The cost of contracts in 2014-15 will remain at approximately £30m.

### 3 Explanation of variations between 2013/14 and 2014/15

3.1 The position can be summarised as follows:

	£000s
<b>Net Managed Budget 2013/14</b>	<b>749</b>
Adjustments	
• Transfers of functions	- 254
• Other adjustments	-
<b>Adjusted Net Managed Budget 2013/14</b>	<b>495</b>
Grant Increase	- 3,685
Changes in prices	
• Pay	50
Full Year Effects	- 210
Fall out of Income	610
Other Budget pressures	
2013/14 pressure carrying forward into 2014/15	1,180
Services commissioned from with the Council	2,000
New responsibilities and pressures	910
Other pressures	35
Fall out of 2013/14 costs	- 170
Responsibilities to be transferred to othe organisations	- 720
<b>Net Managed Budget 2014/15</b>	<b>495</b>

### 3.2 Adjustments

The 2013/14 net managed budget reflects the transfer (net £495k) of both the Drugs Commissioning function and the Supporting People commissioning staff from Environment

and Housing. The bringing together of commissioning functions will contribute towards the more effective delivery of contracts savings and efficiencies.

### 3.2 Grant increase

The Government will provide a public health ring-fenced grant to Leeds City Council of £40.5m for 2014/15: this includes £3.7 million uplift from 2013/14. A priority for 2014-15 is around stability, focusing on working with providers on meeting targets and appropriately aligning responsibilities and finance that are to still be unresolved as a consequence of the NHS re-organisation (e.g. TB, Psycho-sexual counselling, mental health dual diagnosis, Sexual Health contraceptive devices, prescribing and dispensing costs). 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. A significant part of the uplift will be used to fund public health activities in other directorates (see below).

### 3.3 Changes in prices

3.3.1 Provision has been made for a 1% growth in staffing budgets in 2014/15 and this amounts to £50k. No provision will be made for inflation on running cost budgets other than where there are specific contractual commitments.

### 3.4 Full year Effects

The Public Health Leadership Team reviewed the current structure against the Council's new organisational design principles in 2013/14 and has now identified a number of critical posts, it has been agreed that posts will be agreed at PO6 level and below. As a result there will be a 23% reduction of JNC posts from what would have occurred had the originally planned directorate structure gone ahead; this is reflected in the budget, with an overall impact of -£210k. This revision to the staffing structure has meant a net overall increase of posts of 6.6 fte's at lower levels.

### 3.5 Fall out of income

One off funding of £610k from the Leeds PCT was received in 2013/14 which falls out in 2014/15.

### 3.6 2013/14 pressures carrying forward into 2014/15

To consolidate and fund public health cost pressures that have been identified in 2013-14, these include Fuel Poverty, additional costs for prescribing and dispensing as part of drug treatment services, additional costs for sexual health contraception devices, weight management service demands due to national policy changes, PPPU costs for re-commissioning sexual health and drugs and out of area genito-urinary services.

### 3.7 Services commissioned from within the Council

A range of existing public health activities are now being commissioned from the Council by the Public Health service. These amount to £2m as follows:

	£000s
• Active Lifestyles services	369
• Family outreach workers (Children's centres)	777
• Luncheon clubs	185
• Leeds Directory	138
• Care and Repair	194
• Leeds Irish Health and Homes	33
• Black Health Agency – skyline sexual health project	289

### 3.8 New responsibilities and pressures

A total of £910k has been prioritised to fund the Council's agreed 2013/14 priority programmes for public health including Infant mental health, changing lifestyles, food and nutrition, ante/post natal health and 'Legacy for Leeds' – Tour de France - £70k for 'Beat the Street' programme. Other pressures total £40k.

### 3.9 Fall out of 2013/14 costs

There are a number of 2013/14 costs, totalling £170k which fall out for 2014/15 including 'Back to Front', vaccination and immunisation and information and intelligence.

### 3.10 Responsibilities to be transferred to other organisations

There are potential savings around TB nursing, mental health diagnosis and psycho-sexual counselling where responsibilities and costs could be transferred to other organisations. However these have not yet been fully agreed.

## 3 Net Revenue Charge

4.1 The following table provides a summary of the net revenue charge for the service which brings together the net managed budget and those budgets managed outside the service.

	£000s
Net Managed Budget	494
Managed Outside Service	184
Net Cost of Service	678
Transfers to/from earmarked reserves	- 184
Net Revenue Charge	494

## 5 Risk Assessment

5.1 In determining the 2014/15 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 to carry the highest risk and therefore requiring careful and regular monitoring has been prepared.

5.2 The key risks in the 2014/15 budget for this directorate are as follows:

- lack of clear national guidance regarding the financial responsibility for drugs and sexual health devices costs for services commissioned by the council
- lack of robust data for diagnostic tests requested by community services (sexual health and drugs) and carried out by Leeds Teaching Hospitals NHS Trust
- risk of financial control due to the lack of national clarity about the council's financial responsibility for shared care prescribing and dispensing in relation to drugs
- the Office for the Director of Public Health is responsible for 24 contracts which are activity based, there is a risk based on the possibility of fluctuation in these contracts according to activity levels the funding of which is determined by NHS tariff costs. risk of unanticipated emergency situation, such as a flu pandemic, in terms of costs that would have to be met by the council.

Briefing note prepared by Ian Cameron and Charles Oxtoby  
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# Public Health

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## **Main responsibilities:**

### **Public Health**

- Commissioning public health services to improve health and wellbeing
- Provide advice, challenge and advocacy to protect the health of the local population
- Provide public health advice to the NHS
- Working with partners to lead the development and delivery of public health programmes
- Working with and across Council Directorates to enhance the Council's contribution to improving health and reducing health inequalities
- Support the Joint Strategic Needs Assessment and other health needs assessments
- Lead the development of public health capacity for the wider workforce and communities
- Produce an annual report on the health of the local population



## Public Health

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14	Managed by the Service			Managed Outside the Service	Total 2014/15
			Spending	Income	Net		
Director of Public Health	Public Health	219	40,541	(40,541)	0	109	109
Chief Officer Strategy & Commissioning	Supporting People	949	923	(361)	562	76	637
Chief Officer Strategy & Commissioning	Drugs Commissioning Service	(3)	6,152	(6,220)	(68)	(1)	(69)
Net Cost of Service		1,164	47,616	(47,122)	494	184	678
	Transfers to and from earmarked reserves	(219)	0	0	0	(184)	(184)
Net Revenue Charge		945	47,616	(47,122)	494	0	494

# Public Health

## Summary of budget by type of spending or income

	£000	Budget 2013/14	Budget 2014/15
<b>Employees</b>			
Direct Pay Costs		4,173	4,513
National Insurance Contributions		364	386
Superannuation Costs		575	298
Other Pension Costs		1	344
Other Employee Related Costs		0	1
Training And Development		26	31
		5,138	5,572
<b>Premises</b>			
Accommodation Charges		0	4
		0	4
<b>Supplies &amp; Services</b>			
Materials and Equipment		153	65
Stationery and Postage		11	11
IT and telecommunications		45	67
Insurance		0	5
Professional Services and Subscriptions		1	20
Grants and Contributions		0	19
Waste Disposal and Landfill Tax		12	12
Allowances		1	11
Other Hired and Contracted Services		426	590
Publication and Promotion		0	176
		649	977
<b>Transport</b>			
Vehicles And Plant Related Expenditure		0	0
Travel Allowances		2	35
		2	35
<b>Internal Charges</b>			
Managed Recharges Frm Other Directorates		1,028	971
		1,028	971
<b>Agency Payments</b>			
Services provided by other organisations		3,248	1,508
Services provided by Voluntary Sector		3,741	3,566
Services provided by Health Authorities		639	0
Public Health Commissioned Services		31,798	34,164
Sheltered Accommodation		105	0
Residential Placements		819	819
		40,349	40,057
<b>Managed Expenditure</b>		47,167	47,616
<b>Internal Income</b>			
Income from other Directorates		(8,938)	(6,273)
		(8,938)	(6,273)
<b>Income - Grants</b>			
Government Grants		(37,468)	(40,847)
		(37,468)	(40,847)
<b>Income - Charges</b>			
Fees and charges		0	(2)
Other income		(15)	0
		(15)	(2)
<b>Managed Income</b>		(46,422)	(47,122)



# Public Health

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
<b>Net Managed Budget</b>	<b>745</b>	<b>494</b>
Accounting Adjustments		
IAS 19 Pensions Costs	280	184
Transfers to/from Statutory Reserves	(219)	(184)
	62	0
Central Recharges		
Central Recharges Expenditure	74	0
	74	0
Other Internal Adjustments		
Internal Reallocations Charges	65	0
	65	0
Managed Outside the Service	200	0
<b>Net Cost of Service</b>	<b>945</b>	<b>494</b>



# Public Health

Budget Manager : Director of Public Health

Public Health			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		3,255	3,788
National Insurance Contributions		291	323
Superannuation Costs		447	184
Other Pension Costs		0	343
Other Employee Related Costs		0	1
Training And Development		26	31
		4,019	4,671
Premises			
Accommodation Charges		0	4
		0	4
Supplies & Services			
Materials and Equipment		0	61
Stationery and Postage		10	10
IT and telecommunications		0	27
Insurance		0	2
Professional Services and Subscriptions		0	17
Grants and Contributions		0	19
Allowances		0	10
Other Hired and Contracted Services		360	378
Publication and Promotion		0	176
		370	699
Transport			
Travel Allowances		0	31
		0	31
Internal Charges			
Managed Recharges Frm Other Directorates		668	971
		668	971
Agency Payments			
Public Health Commissioned Services		31,798	34,164
		31,798	34,164
Managed Expenditure		36,855	40,541
Income - Grants			
Government Grants		(36,855)	(40,540)
		(36,855)	(40,540)
Income - Charges			
Fees and charges		0	(1)
		0	(1)
Managed Income		(36,855)	(40,541)
<b>Net Managed Budget</b>		<b>0</b>	<b>0</b>
Accounting Adjustments			
IAS 19 Pensions Costs		219	109
		219	109
Managed Outside the Service		219	109
<b>Net Cost of Service</b>		<b>219</b>	<b>109</b>

# Public Health

Budget Manager : Chief Officer Strategy & Commissioning

Supporting People			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Direct Pay Costs		918	724
National Insurance Contributions		73	63
Superannuation Costs		128	113
		1,119	900
Supplies & Services			
Materials and Equipment		0	1
Stationery and Postage		0	1
IT and telecommunications		3	(4)
Insurance		0	4
Professional Services and Subscriptions		1	3
Other Hired and Contracted Services		3	(1)
		7	4
Transport			
Travel Allowances		2	4
		2	4
Agency Payments			
Services provided by Voluntary Sector		30	15
Sheltered Accommodation		105	0
		135	15
Managed Expenditure		1,262	923
Internal Income			
Income from other Directorates		(435)	(360)
		(435)	(360)
Income - Charges			
Fees and charges		0	(1)
Other income		(15)	0
		(15)	(1)
Managed Income		(450)	(361)
<b>Net Managed Budget</b>		<b>812</b>	<b>562</b>
Accounting Adjustments			
IAS 19 Pensions Costs		63	76
		63	76
Central Recharges			
Central Recharges Expenditure		74	0
		74	0
Managed Outside the Service		136	76
<b>Net Cost of Service</b>		<b>949</b>	<b>637</b>

# Public Health

Budget Manager : Chief Officer Strategy & Commissioning

Drugs Commissioning Service			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Other Pension Costs		1	1
		1	1
Supplies & Services			
Materials and Equipment		153	3
Stationery and Postage		1	0
IT and telecommunications		42	44
Waste Disposal and Landfill Tax		12	12
Allowances		1	1
Other Hired and Contracted Services		63	213
		272	274
Transport			
Vehicles And Plant Related Expenditure		0	0
Travel Allowances		0	0
		0	0
Internal Charges			
Managed Recharges Frm Other Directorates		360	0
		360	0
Agency Payments			
Services provided by other organisations		3,248	1,508
Services provided by Voluntary Sector		3,711	3,551
Services provided by Health Authorities		639	0
Residential Placements		819	819
		8,416	5,877
Managed Expenditure		9,050	6,152
Internal Income			
Income from other Directorates		(8,504)	(5,913)
		(8,504)	(5,913)
Income - Grants			
Government Grants		(613)	(307)
		(613)	(307)
Managed Income		(9,117)	(6,220)
<b>Net Managed Budget</b>		<b>(67)</b>	<b>(68)</b>
Accounting Adjustments			
IAS 19 Pensions Costs		(1)	(1)
		(1)	(1)
Other Internal Adjustments			
Internal Reallocations Charges		65	0
		65	0
Managed Outside the Service		64	(1)
<b>Net Cost of Service</b>		<b>(3)</b>	<b>(69)</b>



# Central Accounts





# LEEDS CITY COUNCIL 2014/15 BUDGET REPORT

## Directorate: Central Accounts

### 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 2014/15 financial year.

### 2 Service Context

2.1 Central accounts holds a variety of corporate budgets which do not relate directly to individual directorates, as well as council-wide budgets which largely for timing reasons have not been allocated to individual services. Generally these council-wide budgets will be allocated to services in year, once their impact is known. Corporate budgets include the Council's capital financing costs and associated entries relating to the complexities of the capital accounting requirements. In addition, in accordance with accounting requirements, Central accounts includes those costs which are defined as the Corporate and Democratic Core. Other budgets within Central accounts include contributions to joint committees and levies.

### 3 Explanation of variations between adjusted 2013/14 and 2014/15 - Cr £13,117k (27.1%)

3.1 The variation can be summarised as follows:

#### 3.2 Adjustments

	£000s
Net Managed Budget 2013/14	46,869
Adjustments	
• Transfers of functions	2,996
• Other adjustments	- 1,488
Adjusted Net Managed Budget 2013/14	48,377
Changes in prices	-
Full Year Effects	-
Other Budget pressures	663
Total Budget Increases	663
Savings	
Government grant income	- 10,181
Levies and other contributions	399
Other efficiencies and savings proposals	- 3,998
Total savings	- 13,780
Net Managed Budget 2014/15	35,260

- 3.2.1 Adjustments include a reduction of £2.7m in income as the Council Tax freeze grant has been rolled up into the formula grant.
- 3.2.2 Following the decision to remove central recharges within general fund, income budgets showing £9.1m of contributions to central costs which are attributable to the HRA and to Public Health have been moved from other directorate budgets to the Central Accounts. However, the decision to no longer recharge directorates for the capital financing costs of purchased vehicles and IT equipment has meant a reduction of £7.6m in the recharge income from general fund directorates shown within Central Accounts.
- 3.3 Budget pressures
- 3.3.1 The removal of a one-off £1.2m budget for the use of PFI scheme reserves in 2013/14 has resulted in a corresponding budget pressure.
- 3.3.2 Capital financing costs have increased by £2.4m, partially offset within the Central Accounts budget by increases of £0.7m in recharges to directorates for the revenue cost of their prudential borrowing schemes, and by an additional £1.0m saving as a result of the use of capital receipts to fund the capital element of PFI scheme payments. The increase in capital financing costs has arisen because, although external interest costs have been restricted to 2013/14 levels, there is an increase in the Minimum Revenue Provision which the council is required by statute to set aside to redeem debt. The 2013/14 budget also included a contribution to the capital reserve to set aside monies to fund future prudential borrowing costs. This budget has been removed, reflecting the fact that the 2014/15 budget for capital financing costs includes the impact of the programme to replace the council's vehicle fleet via prudential borrowing.
- 3.4 Savings
- 3.4.1 Government grant income
- The Central Accounts budget includes a net increase of £3.2m in the New Homes Bonus grant, arising from a £3.8m increase due to new properties less a £0.6m reduction in the amount due to be returned by the government in respect of the New Homes Bonus holdback. In addition there are new grants of £3.8m for the costs of small business rates relief, £1.5m for retail business rates relief, £1.5m of NNDR compensation grant and £0.2m for empty property business rates relief.
- 3.4.2 Other Efficiencies and Savings Proposals
- The Central Accounts includes the budget for the use of the General Fund reserve, which shows an increase of £1m for 2014/15. For 2014/15 the Central Accounts also includes a one-off budget for a £0.9m use of earmarked reserves to fund Tour de France costs.
- In addition to the existing charges to the HRA which have been transferred from directorates as described above, the Central Accounts includes a further £1m income for new services charged to the HRA in 2014/15. This is to reflect more accurately environmental work undertaken on estates, the cost of maintenance and landscaping work, activity levels in respect of the noise nuisance service, specific support provided by the Housing Options teams and expanding CCTV coverage to more Council tenancies.

The corporate procurement target has been reduced by £1m, reflecting the fact that identified savings have been incorporated into specific directorate budgets. The corporate Contingency budget has also been removed, resulting in a saving of £2.0m.

### 3.5 Changes in Levies

3.5.1 Contributions to joint committees and other bodies have increased by £393k in total. The major factor within this is an increase of £602k in the council's contribution to the new West Yorkshire Combined Authority (which will take over from the West Yorkshire Integrated Transport Authority). This includes an increase of £524k in the council's contribution to the West Yorkshire Transport Fund, and an increase of £79k reflecting the fact that population changes mean that Leeds is required to contribute a slightly higher proportion of the authority's budget, which has been held at 2013/14 levels. There is also a decrease of £176k in the council's contribution to West Yorkshire Joint Services, reflecting savings identified in the joint committee's budget.

3.5.2 The following table gives details of the contributions and levies. In approving these contributions, Members will note that they are not approving the individual budgets of the Joint Committees, but the estimated effect on the Council's budget.

	Leeds' contribution			
	13/14 £m	14/15 £m	Variation £m	%
<b>Joint Committees</b>				
Pension Fund	0.416	0.405	- 0.011	-0.3%
Joint Services (excluding WY Grants)	1.854	1.678	- 0.176	-9.5%
<b>Other Bodies</b>				
Flood Defence Levy	0.303	0.308	+0.005	1.7%
WYITA / Combined Authority and WY Transport Fund	33.434	34.036	0.602	1.8%
Coroners	1.260	1.238	-0.022	-1.7%
West Yorkshire Probation Service (Debt only)	0.006	0.006	0	0%

## 4 Net Revenue Charge

4.1 The following table provides a summary of the net revenue charge for the service which brings together the net managed budget and those budgets managed outside the service.

	£000s
Net Managed Budget	35,260
Managed Outside Service	- 45,108
Net Cost of Service	- 9,848
Transfers to/from earmarked reserves	- 47,236
Net Revenue Charge	- 57,084

## **5 Risk Assessment**

- 5.1 In determining the 2014/15 budget, consideration has been given to all of the risks which are managed within the directorate's overall risk management framework. Within this framework, a register of those items which are considered to carry the highest risk and therefore require careful and regular monitoring has been prepared.
- 5.2 The key risks in the 2014/15 budget for this directorate are as follows;
  - 5.2.1 The budgeted capital financing costs are based on assumptions about market interest rates during 2014/15. If rates are greater than forecast then the actual borrowing costs incurred could be greater.
  - 5.2.2 The budget assumes savings of £13.5m from using capital receipts to fund credit arrangements. There is a risk that due to the economic climate this level of capital receipts may not be achieved, which would reduce the savings that could be made.
  - 5.2.3 There is a budget of £5.2m for the use of section 278 contributions. This is dependent on the authority receiving these contributions from developers.

Briefing note prepared by: M Hasnip  
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# Central Accounts

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## Main responsibilities:

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



# Strategic and Central Accounts

Summary of budget by service (£000)

Budget Manager	Service	Total 2013/14	Managed by the Service			Managed Outside the Service	Total 2014/15
			Spending	Income	Net		
Chief Officer Corporate Financial Management	Strategic Accounts	(25,803)	(9,756)	(31,132)	(40,888)	48,304	7,416
Chief Officer Corporate Financial Management	Debt Financing Costs	58,577	60,900	(899)	60,001	0	60,001
Chief Officer Corporate Financial Management	Corporate & Democratic Core	15,085	0	33	33	15,049	15,082
Chief Officer Corporate Financial Management	Non-Distributable Costs	6,985	0	0	0	1,855	1,855
Chief Officer Corporate Financial Management	Government Grants And Parish Precepts	(15,354)	0	(22,708)	(22,708)	0	(22,708)
Chief Officer Corporate Financial Management	Joint Committees And Other Bodies	36,856	37,671	0	37,671	(405)	37,266
Chief Officer Corporate Financial Management	Miscellaneous	35	2,323	(1,172)	1,150	(1,177)	(27)
Chief Officer Corporate Financial Management	Capital Accounting Appropriations	(101,736)	0	0	0	(108,733)	(108,733)
Chief Officer Corporate Financial Management	Corporate Insurance	0	11,345	(11,345)	0	0	0
Net Cost of Service		(25,355)	102,483	(67,223)	35,259	(45,108)	(9,848)
	Transfers to and from earmarked reserves	(7,940)	0	0	0	(47,236)	(47,236)
Net Revenue Charge		(33,295)	102,483	(67,223)	35,259	(92,344)	(57,085)

# Strategic and Central Accounts

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
Employees		
Other Pension Costs	1,886	1,868
Other Employee Related Costs	10	20
	1,896	1,888
Supplies & Services		
IT and telecommunications	8	8
Insurance	3,617	4,406
Professional Services and Subscriptions	100	100
Grants and Contributions	439	426
General Capitalisation	(4,982)	(4,982)
Contingency	2,000	0
Corporate Initiatives & Savings Targets	(1,800)	(800)
Allowances	20	20
Other Hired and Contracted Services	857	795
	258	(27)
Transport		
Travel Allowances	4	4
	4	4
Internal Charges		
Managed Recharges Frm Other Directorates	5,451	4,932
	5,451	4,932
Agency Payments		
Former joint committee residual costs	476	404
WY Joint Committees	1,854	1,678
WY Probation Service	6	6
WY Combined Authority (formerly WY PTE)	33,434	34,036
Flood Defence Levy	303	308
Coroners Service	1,260	1,238
	37,333	37,670
Transfer Payments		
Land Drainage Levies	7	7
	7	7
Capital		
External Interest Charge	58,313	57,989
Statutory capital charge to HRA	(25,911)	(26,089)
Use of capital receipts to fund PFI	(12,526)	(13,479)
Minimum Revenue Provision	39,631	42,479
	59,507	60,900
Appropriations		
Transfer to/from General Fund Reserves	(2,500)	(3,500)
Transfers to/from Earmarked Reserves	375	1,371
Transfers to/from Capital Reserve	1,818	(762)
	(308)	(2,891)
Managed Expenditure	104,148	102,483
Internal Income		
Income from other Directorates	(28,946)	(22,200)
Charges to / from HRA	(3,444)	(13,359)
Corporate & Democratic Core Chge to HRA	(1,679)	(1,516)
	(34,069)	(37,075)
Income - Grants		



# Strategic and Central Accounts

## Summary of budget by type of spending or income

£000	Budget 2013/14	Budget 2014/15
Income - Grants		
Government Grants	(125)	(384)
DCLG Grants	(15,354)	(22,441)
	(15,479)	(22,825)
Income - Charges		
Fees and charges	0	(74)
Contributions	(1,048)	(1,049)
Other income	(5,475)	(5,351)
Income Received From ALMOs/BITMO	(328)	0
	(6,851)	(6,474)
Income - Other		
Interest and Dividends	(880)	(849)
	(880)	(849)
Managed Income	(57,279)	(67,223)
<b>Net Managed Budget</b>	<b>46,869</b>	<b>35,259</b>
Accounting Adjustments		
IAS 19 Pensions Costs	7,940	47,236
Vehicle leasing recharges	251	0
Transfers to/from Statutory Reserves	(7,940)	(47,236)
Capital Charges	(101,280)	(108,286)
	(101,030)	(108,286)
Central Recharges		
Central Recharges Expenditure	5,789	0
Central Recharges Income	135	0
Corporate & Democratic Core Income	14,942	14,942
	20,866	14,942
Other Internal Adjustments		
Internal Reallocations Charges	0	1,000
	0	1,000
Managed Outside the Service	(80,163)	(92,344)
<b>Net Cost of Service</b>	<b>(33,295)</b>	<b>(57,085)</b>



# Strategic and Central Accounts

Budget Manager : Chief Officer Corporate Financial Management

Strategic Accounts			
	£000	Budget 2013/14	Budget 2014/15
Supplies & Services			
Grants and Contributions		142	128
General Capitalisation		(4,982)	(4,982)
Contingency		2,000	0
Corporate Initiatives & Savings Targets		(1,800)	(800)
Other Hired and Contracted Services		0	4
		(4,640)	(5,650)
Internal Charges			
Managed Recharges Frm Other Directorates		100	157
		100	157
Appropriations			
Transfer to/from General Fund Reserves		(2,500)	(3,500)
Transfers to/from Earmarked Reserves		(1,200)	0
Transfers to/from Capital Reserve		1,818	(762)
		(1,883)	(4,262)
Managed Expenditure		(6,423)	(9,756)
Internal Income			
Income from other Directorates		(17,521)	(10,926)
Charges to / from HRA		(3,444)	(13,359)
Corporate & Democratic Core Chge to HRA		(1,715)	(1,548)
		(22,680)	(25,833)
Income - Charges			
Fees and charges		0	(74)
Other income		(5,350)	(5,225)
Income Received From ALMOs/BITMO		(150)	0
		(5,500)	(5,299)
Managed Income		(28,180)	(31,132)
<b>Net Managed Budget</b>		<b>(34,603)</b>	<b>(40,888)</b>
Accounting Adjustments			
IAS 19 Pensions Costs		2,896	47,304
Vehicle leasing recharges		251	0
		3,147	47,304
Central Recharges			
Central Recharges Expenditure		5,518	0
Central Recharges Income		135	0
		5,653	0
Other Internal Adjustments			
Internal Reallocations Charges		0	1,000
		0	1,000
Managed Outside the Service		8,800	48,304
<b>Net Cost of Service</b>		<b>(25,803)</b>	<b>7,416</b>

# Strategic and Central Accounts

Budget Manager : Chief Officer Corporate Financial Management

Debt Financing Costs			
	£000	Budget 2013/14	Budget 2014/15
Capital			
External Interest Charge		58,313	57,989
Statutory capital charge to HRA		(25,911)	(26,089)
Use of capital receipts to fund PFI		(12,526)	(13,479)
Minimum Revenue Provision		39,631	42,479
		59,507	60,900
Managed Expenditure		59,507	60,900
Income - Charges			
Other income		(50)	(50)
		(50)	(50)
Income - Other			
Interest and Dividends		(880)	(849)
		(880)	(849)
Managed Income		(930)	(899)
<b>Net Managed Budget</b>		<b>58,577</b>	<b>60,001</b>
<b>Net Cost of Service</b>		<b>58,577</b>	<b>60,001</b>

# Strategic and Central Accounts

Budget Manager : Chief Officer Corporate Financial Management

Corporate & Democratic Core			
	£000	Budget 2013/14	Budget 2014/15
Internal Income			
Corporate & Democratic Core Chge to HRA		36	33
		36	33
Managed Income		36	33
<b>Net Managed Budget</b>		<b>36</b>	<b>33</b>
Central Recharges			
Corporate & Democratic Core Income		15,049	15,049
		15,049	15,049
Managed Outside the Service		15,049	15,049
<b>Net Cost of Service</b>		<b>15,085</b>	<b>15,082</b>

# Strategic and Central Accounts

Budget Manager : Chief Officer Corporate Financial Management

Government Grants And Parish Precepts			
	£000	Budget 2013/14	Budget 2014/15
Income - Grants			
Government Grants		0	(267)
DCLG Grants		(15,354)	(22,441)
		(15,354)	(22,708)
Managed Income		(15,354)	(22,708)
<b>Net Managed Budget</b>		<b>(15,354)</b>	<b>(22,708)</b>
<b>Net Cost of Service</b>		<b>(15,354)</b>	<b>(22,708)</b>

# Strategic and Central Accounts

Budget Manager : Chief Officer Corporate Financial Management

Joint Committees And Other Bodies			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Other Pension Costs		416	405
		416	405
Agency Payments			
WY Joint Committees		1,854	1,678
WY Probation Service		6	6
WY Combined Authority (formerly WY PTE)		33,434	34,036
Flood Defence Levy		303	308
Coroners Service		1,260	1,238
		36,856	37,266
Managed Expenditure		37,272	37,671
<b>Net Managed Budget</b>		<b>37,272</b>	<b>37,671</b>
Accounting Adjustments			
IAS 19 Pensions Costs		(416)	(405)
		(416)	(405)
Managed Outside the Service		(416)	(405)
<b>Net Cost of Service</b>		<b>36,856</b>	<b>37,266</b>

# Strategic and Central Accounts

Budget Manager : Chief Officer Corporate Financial Management

Miscellaneous			
	£000	Budget 2013/14	Budget 2014/15
Employees			
Other Pension Costs		1,470	1,462
Other Employee Related Costs		10	20
		1,480	1,483
Supplies & Services			
Insurance		5	7
Professional Services and Subscriptions		100	100
Grants and Contributions		298	298
Allowances		20	20
		423	425
Transport			
Travel Allowances		4	4
		4	4
Agency Payments			
Former joint committee residual costs		476	404
		476	404
Transfer Payments			
Land Drainage Levies		7	7
		7	7
Managed Expenditure		2,390	2,323
Income - Grants			
Government Grants		(125)	(117)
		(125)	(117)
Income - Charges			
Contributions		(1,048)	(1,049)
Other income		(5)	(6)
		(1,053)	(1,055)
Managed Income		(1,178)	(1,172)
<b>Net Managed Budget</b>		<b>1,212</b>	<b>1,150</b>
Accounting Adjustments			
IAS 19 Pensions Costs		(1,470)	(1,462)
Capital Charges		401	392
		(1,069)	(1,070)
Central Recharges			
Corporate & Democratic Core Income		(107)	(107)
		(107)	(107)
Managed Outside the Service		(1,176)	(1,177)
<b>Net Cost of Service</b>		<b>35</b>	<b>(27)</b>



# Strategic and Central Accounts

Budget Manager : Chief Officer Corporate Financial Management

Corporate Insurance			
	£000	Budget 2013/14	Budget 2014/15
Supplies & Services			
IT and telecommunications		8	8
Insurance		3,612	4,399
Other Hired and Contracted Services		857	791
		4,476	5,198
Internal Charges			
Managed Recharges Frm Other Directorates		5,351	4,775
		5,351	4,775
Appropriations			
Transfers to/from Earmarked Reserves		1,575	1,371
		1,575	1,371
Managed Expenditure		11,401	11,345
Internal Income			
Income from other Directorates		(11,425)	(11,275)
		(11,425)	(11,275)
Income - Charges			
Other income		(70)	(70)
Income Received From ALMOs/BITMO		(178)	0
		(248)	(70)
Managed Income		(11,673)	(11,345)
<b>Net Managed Budget</b>		<b>(271)</b>	<b>0</b>
Central Recharges			
Central Recharges Expenditure		271	0
		271	0
Managed Outside the Service		271	0
<b>Net Cost of Service</b>		<b>0</b>	<b>0</b>