

LEEDS CITY COUNCIL

2019/20 BUDGET REPORT

Directorate: Resources and Housing

Whilst full details of the Directorate's budget report for the 2018/19 financial year has been provided below, please note that the Directorate's carbon reduction and housing related functions fall within the remit of the Environment, Housing and Communities Scrutiny Board.

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 2019/20 financial year.

2. Service Context

- 2.1 The Directorate contains the Council's key professional support services; Finance, Procurement, HR, Digital Information Services, Legal Services, Shared Services, Democratic Services and Strategy and Improvement and Intelligence. These services support the strategic direction of the Council and provide essential support to Members and managers to improve outcomes and deliver change.
- 2.2 The Directorate is also responsible for delivering Catering and Cleaning, Corporate Property Management and Leeds Building Services, Fleet Services, Facilities Management, Passenger Transport. Some of these services are provided on a trading basis to Council Directorates and schools as well as external customers and suppliers.
- 2.3 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.
- 2.4 The Directorate is also responsible for the provision of council housing across the city. This is dealt with separately within the HRA budget report.
- 2.5 The Directorate is actively engaged in leading the delivery of the Council's breakthrough projects in respect of cutting carbon in Leeds and preventing homelessness, both of which are key priorities in the Best Council Plan.

3. Budget Proposals

- 3.1 This 2019/20 budget has been set at £82,216k representing a net increase of £3,370k (4.28%) when compared to the adjusted budget for 2018/19. This net increase comprises a number of pressures totalling £8,578k offset by savings / use of balances of £5,201k which are explained below.

3.2 Budget Adjustments and Transfers

- 3.2.1 There have been a number of service transfers and other budget adjustments totalling (£3,186k) which are reflected in the 2019/20 budget.
- 3.2.2 The responsibility for the management of Porters in the Central Library has transferred from

Communities and Environment to ensure a consistent approach across Council Buildings, with a corresponding budget adjustment of £159k.

- 3.2.3 The International relations team has transferred to City Development with a corresponding budget adjustment of (£99k).
- 3.2.4 There have been a number of other adjustments regarding the movement of individual posts between Directorates totalling a net £233k.
- 3.2.5 All other adjustments totalling (£3,479k) reflect a number of other budget adjustments which have been made to negate the requirement for recharges to be made between directorates.

3.3 **Changes in prices – pressure of £4,950k**

- 3.3.1 The budget includes provision of £4,174k reflecting the National Employers' two year pay offer made in December 2017. For 2019/20 this offer increased pay above 2% for spinal column points (SCP) 1 to 22 and 2% increases for SCP 23 and above. As a result of this pay offer, the minimum hourly rate paid to current Leeds City Council employees will rise to £9.18 per hour which is 18p above the Real Living Wage rate. Apprentices and new starters on the A1 spinal point will be paid £9 per hour for the first year only.
- 3.3.2 The provision for price inflation is £1,414k which includes £570k for Leeds Building Services, £440k for Civic Enterprise Leeds (CEL), £138k for Housing and Property and £266k for the remainder of the services in the directorate.
- 3.3.3 In addition and specifically in respect of energy costs, the budget provides a total of £422k for a 24.4% increase in electricity and a 14.8% increase in gas costs.
- 3.3.4 Inflationary increases in the level of fees, charges and income from other organisations, are estimated to generate £1,300k. Most of this increase, £1,053k, relates to price uplifts within Leeds Building Services.

3.4 **Actuarial Review – pressure of £264k**

- 3.5 A review of the West Yorkshire Pension Fund has been undertaken in the Autumn of 2017. The actuary has confirmed that the figures advised to the Council in the last triennial review. As a result of this the rate provided for will increase from the current 15.9% to 16.2% in 2019/20. This increase is estimated to cost £264k

3.6 **Capitalised Pension Costs**

- 3.6.1 The fall out of capitalised pension costs associated with staff who have previously left the Council under the Early Leaver's initiative will save an estimated £128k.
- 3.6.2 There will be additional capitalised pension costs to be incurred in 2019/20 in those services where ELIs may be used as a mechanism to deliver staffing savings that are assumed in the 2019/20 budget. The staffing savings identified in 3.10 of this report are net of an estimated allowance for these new capitalised pensions amounting to £178k

3.7 **Specific Grant Funding Changes**

- 3.7.1 The Flexible Homelessness support grant will reduce by £664k from £1,794k to £1,129k in 2019/20. The Council will continue to use the £1.1m of grant to achieve homeless prevention outcomes, further reductions in temporary accommodation placements and to best assist entrenched rough sleepers with drug and alcohol dependency issues. In addition

the grant will be used to support organisations such as St Anne's advice centre, the Street Outreach service and St George's Crypt. The reduction in the level of grant income will be funded in 2019/20 from reserves held on the balance sheet.

- 3.7.2 The Sustainable Energy and Air Quality team has been partly funded by an earmarked reserve in 2018/19. This one off source of funding, £178k will fall out in 2019/20 and the base revenue budget in this priority area is therefore increased by this amount.

3.8 Other budget pressures –£1,538k

- 3.8.1 **Microsoft Cloud** - The Microsoft Enterprise Agreement is renewed every 3 years, it was last signed in September 2016 and this fixed all Microsoft product license prices for 3 years – over this period of time Microsoft have been applying annual price increases ranging from 15% to 22% to their licence price list - which Leeds has been exempt from – however these price increases all impact on the 2019/20 budget as the Council will have to renegotiate renewal pricing effective from September 2019. Microsoft are encouraging organisations to move to cloud based services and this is reflected in the price model as they increase the cost of on premise services. In addition, the Council took a payment holiday on Microsoft Office which removed the costs of Office product software maintenance. Whilst this has delivered revenue savings in excess of £1m, the next renewal will require an upgrade of Office software versions thus re-introducing this cost into the base budget. In total a sum of £850k has been added to the DIS revenue budget to reflect these pressures.
- 3.8.2 The Corporate Property Management function (CPM) is responsible for the management of and maintenance of the council's buildings. Recognising the level of backlog maintenance associated with these assets, the budget provides for an additional investment of £195k which will contribute towards addressing these issues and a further £100k is provided for as part of the inflation figures referred to in para 3.3.2. This total of £295k is in addition to the £500k added to the 2018/19 budget and recognises the commitment to invest in Council assets to ensure they are maintained to an appropriate standard.
- 3.8.3 Clean Air Zone (CAZ) – The Council are under instruction from Government to formulate a plan to achieve compliance with air quality standards within the shortest possible timescales. Following a public consultation process, proposals for implementing a charging CAZ were approved at the Council's Executive Board in October 2018. The commencement date of the CAZ go-live is the 6th January 2020. From this date the Council will be able to introduce a charge for any buses, coaches, HGVs and taxi and private hire vehicles that operate within the CAZ boundary and which do not meet pre-determined emission standards. Any year-end surplus (or deficit) which arises as a result of the CAZ will be transferred to an earmarked reserve. Balances held in this reserve are to be used to improve air quality and support the delivery and ambitions of the zone. As such there is not expected to be any net impact on the 2019/20 budget.
- 3.8.4 The HR service centrally manages the Council's occupational health budget and HELP contract. There are spend pressures of £160k in this area particularly arising from spend in referrals to occupational health practitioners. Recognising the commitment to maintaining a healthy workforce, the budget will be increased to reflect current demand.
- 3.8.5 A sum of £75k is provided in the Finance budget to reflect the additional maintenance costs required for the move to Civica Pay from the existing income management system. This new system will be fully PCI compliant.

3.8.6 A net additional sum of £85k has been included in the legal services budget which reflects an approach to reduce the existing vacancy factor in the service to improve service delivery.

3.8.7 Other minor variations across the Directorate total £168k and include provision for the borrowing costs of replacement mobile devices council wide as some older devices in use will no longer be supported and in time will not meet more up to date security requirements.

3.8.8 **Income Pressures - £1,107k**

3.8.9 There are income pressures within the HR budget of around £837k. Most of this relates to traded income from schools. In this highly competitive market, this pressure has arisen from a combination of loss of schools from academy conversions, reduced demand from schools for HR services and additionally some schools who do buy back HR services have been buying in lower level packages of support and paying for adhoc HR services when required. The reduction in the income budget is correcting a trend seen over the past couple of years as income has declined to around £460k. This issue has been reported in the monthly financial health monitoring reports.

3.8.10 The budget submission reflects variations associated with both the shortfall in court fee income, £150k and a projected net loss of income receivable from schools for the provision of catering services due to academisation and downward trends in school meal numbers. £100k. Other minor variations are 20k

3.9 **Savings**

3.10 **Efficiencies – £2,643k.**

3.10.1 A review of the Council's support services functions which took effect in 2017/18 saw most business administration staff transfer into the council's Shared Service. Through both the consolidation of this function under one professional lead and a review of business processes significant savings in excess of £3m have already been realised. In 2019/20, a further £942k of savings are proposed.

3.10.2 Across the remaining professional services in the Resources area, a sum of £640k is proposed to be saved in the following areas.

Financial Services	£295k
HR	£90k
Strategy & Improvement	£255k

These savings are to be delivered through a combination of ELI proposals, service reviews and controlled management of vacancies.

3.10.3 Savings of £100k within Housing Services will be realised through the management of staff vacancies

3.10.4 Within Civic Enterprise Leeds savings of £255k will be realised through management efficiencies (£75k), operational efficiencies within both Facilities Management (£70k) and Fleet Management (£50k). In addition, the service will be looking to insource contracts to deliver target savings of around (£60k).

3.10.5 The Digital Information Service are estimated to deliver cost savings of around £546k across of range of support and maintenance contracts including telephony, printing and

security.

3.10.6 A review of line by line spend across the Directorate has identified savings of £160k across all budget heads.

3.11 **Income – Fees and Charges £170k**

3.11.1 The budget assumes £110k of income within HR to be generated from the apprentice levy for the provision of training.

3.11.2 It is proposed to examine the possibility of establishing a salary sacrifice scheme to provide loans to staff for Ultra Low Emission Vehicles. A sum of £60k has been included in the budget for this.

3.12 **Income – Traded Services and Other £1,728k**

3.12.1 Leeds Building Services will increase their contribution by £1,400k in 2019/20 through a combination of additional turnover, improved productivity following the implementation of additional modules in the Total Mobile system and a review of overhead costs in the service. This additional turnover will result from work that previously would have been rendered to private sector contractors will instead be delivered through the internal service provider.

3.12.2 A further net £328k of income is to be raised from additional charges to capital and internal income of £219k, income from the Leeds City Business Rates Pool (£35k) and a target of £74k of additional income across CEL.

4 **Risk Assessment**

4.1 In determining the 2019/20 budget, consideration has been given to all the risks which are managed within the directorate's overall risk management framework. Within this framework, a register of those items considered carrying the highest risk and therefore requiring careful and regular monitoring has been prepared. The key risks in the 2019/20 budget for Resources and Housing are:

4.2 Further reduction in support services may reduce the capacity to support managers within the council and it is vital to ensure that these planned reductions do not impact upon the delivery of services city wide and the achievement of the 2019/20 budget proposals.

4.3 That assumptions in respect of both staff turnover and staff exiting the Authority through the Early Leaver's Initiative are not realised. Any variation could have implications for the delivery of the budgeted level of savings.

4.4 The assumptions around the additional contribution from Leeds Building Services are not deliverable due to operational capacity within the service, i.e. if the service are unable to recruit to the desired number of staff, then the ability to deliver the budgeted turnover level may be compromised.

4.5 The assumptions around the level of traded income and contributions within CEL are adversely affected by any future loss of schools through academisation or loss of service to other providers.

Directorate - Resources & Housing

	2019/20 £m	FTEs
Net managed budget 2018/19	82.03	
Adjustments		
Transfers of function	0.29	
Other adjustments	(3.48)	
Adjusted net managed budget	78.85	
Budget Pressures:		
Inflation		
Pay	4.17	
Price	2.08	
Income	(1.30)	
Employers Pension	0.26	
Capitalised Pensions	(0.13)	
Grant Fall Out		
Flexible Homelessness Support Grant	0.66	
Pressures		
Corporate Property Management -additional maintenance	0.20	
Microsoft Cloud	0.85	
Fall out Air Quality Earmarked reserve	0.18	
Finance Civica Pay PCI compliance	0.08	
HR Occupational Health spend and HELP contract - trend	0.17	
Legal Staffing	0.09	
Other Pressures	0.17	
Income Pressures		
HR Income	0.84	
Catering income	0.10	
Finance income - mainly Court Fees	0.17	
Total Pressures	8.58	0.00
Savings Proposals:		
Efficiencies		
Staffing efficiencies		
Finance	(0.30)	(8.53)
Strategy and Improvement	(0.26)	(3.86)
HR	(0.09)	1.99
DIS	0.01	(0.33)
Shared Services	(0.94)	(32.17)
Housing Services	(0.10)	(3.00)
CEL	(0.08)	(1.00)
Democratic	(0.01)	
Procurement Efficiencies		
DIS Contract Savings	(0.55)	
CEL - Contract Savings	(0.06)	
CEL - energy savings	(0.03)	
Other Efficiencies		
CEL - Fleet Operations	(0.05)	
CEL - Facilities Management - entry systems	(0.04)	(2.00)
Line by Line spend	(0.16)	
Income - Fees & Charges		
Ultra Low Emissions Vehicle Scheme	(0.06)	
Apprentice Levy Income	(0.11)	
Income - Traded Services, Partner Income		
LBS increased net return from additional work	(1.40)	
CEL increased income	(0.07)	8.05
DIS - external income from LCR business rates pool	(0.04)	
DIS - additional income chargeable to capital schemes (net)	(0.16)	
Procurement Income	(0.06)	
Grants and Other Income		
Housing - use of balances to fund fall out of grant	(0.66)	
Total Savings	(5.21)	(40.85)
Net Managed Budget 2019/20	82.22	(40.85)

LEEDS CITY COUNCIL

2019/20 BUDGET REPORT

Directorate: Strategic Central Accounts

1. Introduction

- 1.1 This report has been produced in order to inform members of the main variations and factors influencing the Central Accounts budget for the 2019/20 financial year.

2 Service Context

- 2.1 Central accounts holds a variety of corporate budgets which do not relate directly to individual services, 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 Budget Proposals

- 3.1 This 2019/20 budget has been set at £8,274k Cr representing a net decrease of £5,287k when compared to the adjusted budget for 2018/19. This net decrease comprises a number of pressures totalling £8,986k offset by savings of £15,115k and an increase of £843k in contributions to reserves, which are explained below.

3.2 Budget Adjustments and Transfers - £6,049k Dr

- 3.2.1 There has been one transfer of £6,049k which is reflected in the 2019/20 budget. This relates to the allocation to directorates of budgets for recharges and for the transfer of income relating to the former PPPU unit. This amount was budgeted for centrally in the 2018/19 budget pending a review, and has been allocated to directorates during 2018/19.

3.3 Specific Grant Funding Reductions - £1,331k

- 3.3.1 There has been a reduction of £1,322k in the expected level of New Homes Bonus grant to be received in 2019/20. This is due to the ongoing effect of structural changes to the grant which were introduced by the government from 2016/17, which reduced the number of years over which the grant was paid and introduced a growth baseline to be met before any grant is paid.
- 3.3.2 A reduction of £9k has been recognised in the level of grant due to reimburse the council for debt costs from the former West Yorkshire Magistrates Court joint committee, for which the council was the lead authority. The value of this grant naturally reduces over time, as the level of outstanding debt is reduced.

3.4 Increase in Debt costs - £3,090k and funding of PFI Lifecycle costs – £9,078kCr

- 3.4.1 The budget for debt costs included a net £5,127 increase in external debt costs, reflecting new borrowing to fund the capital programme and expected rises in interest rates. This has been partly offset by an increase of £2,037k in prudential borrowing charges made to directorates, reflecting the level of invest-to-save schemes included in the capital programme.
- 3.4.2 In addition, there has been a budgeted increase of £9,078k in the savings to revenue as a result of the way in which capital costs relating to PFI schemes are funded. This largely relates to PFI lifecycle costs, which are capital expenditure and had previously been funded by PFI grant. From 2018/19 these costs will be funded by borrowing and will therefore give rise to an MRP liability. For 2018/19 and 2019/20, it is intended that this PFI liability will be funded by capital receipts. The Council's MRP policy will be amended to reflect this change in approach.
- 3.5 **Other budget pressures – £3,959k**
- 3.5.1 Other budget pressures include a budget of £1,500k towards preparations for the planned City of Culture event, and the establishing of a £760k corporate contingency budget, which includes £105k of grant funded expenditure to combat the impact of Brexit.
- 3.5.2 There has also been a reduction of £400k in the forecast level of S278 income which the council will be able to recognise in revenue as a result of developer funding of highways schemes, and a reduction of £400k in the target for the capitalisation of expenditure which would otherwise be charged to revenue budgets. There is a further reduction of £539k in the extent to which the cost of staff time can be charged to capital, relating to the break-up of the former PPPU unit.
- 3.6 **Changes to levies and other contributions – decrease of £1,013k**
- 3.6.1 Contributions to joint committees and other bodies have decreased by a net £1,013k. Within this figure, the contribution to the West Yorkshire Combined Authority has decreased by £1,016k, reflecting continued efficiencies. This decrease is partially offset by an increase of £7k in the council's contribution to the West Yorkshire Coroners Service, largely reflecting staffing changes. There has been no change in the contribution to the West Yorkshire Joint Services Committee.
- 3.6.2 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			
	2018/19 £m	2019/20 £m	Variation £m %	
Joint Committees				
Joint Services	1.395	1.395	0	0%
Other Bodies				
Flood Defence Levy	0.39	0.39	0	0%
Combined Authority and Transport Fund	33.756	32.74	-1.016	-3%
Coroners	1.366	1.373	0.007	1%
Probation Service (Debt only)	0.006	0.002	-0.004	-67%

3.7 Income – Impact of Business Rates pooling arrangements £4,270k Cr

3.7.1 Following the success of North and West Yorkshire in being chosen to pilot 75% business rates retention, there are a number of changes to budgets to reflect the new business rates pool arrangements for 2019/20.

3.7.2 The council has budgeted for a reduction of £5,331k in its contributions to the new pool. This has been partially offset by an increase of £1,593k in contributions to other authorities within the pool.

3.7.3 There has also been an increase of £511k in the grant income which the council has budgeted to receive for reimbursement of the costs of various business rate reliefs, and an increase of £20k of retained income relating to business rates from renewable energy schemes.

3.8 Income – Grant Funding Increases £105k Cr

3.8.1 The budget for 2019/20 includes £105k of grant income which has been announced to support councils in dealing with the impact of Brexit.

3.9 Other efficiencies - £650k Cr

3.9.1 The budget for 2019/20 includes a budget of £500k for the use of capital receipts flexibility

3.9.2 There is projected to be a reduction of £58k in the level of historic unfunded pension costs for 2019/20 and other minor savings totalling £91k.

3.10 Contributions to Reserves - £843k Dr increase

3.10.1 The budget for 2019/20 includes an increase in the planned contribution to the General Fund reserve of £3,479k. This includes a figure of £1,700k representing a repayment from the Children and Families directorate of their temporary use of reserves in 2018/19 to cover a delay in receiving expected grant funding.

3.10.2 The planned use of earmarked reserves for 2019/20 has increased by a net £2,636k in comparison to 2018/19. This includes a new budget to use £2,000k of the ELI reserve in 2019/20, and the removal of a one-off budget for a contribution of £750k of the Invest to Save reserve in 2018/19. The budgeted contribution to the capital reserve has been increased by £112k.

4 Risk Assessment

- 4.1 In determining the 2019/20 budget, consideration has been given to all the risks which are managed within the directorate's overall risk management framework. Within this framework, a register of those items considered carrying the highest risk and therefore requiring careful and regular monitoring has been prepared. The key risks in the 2019/20 budget for the Central Accounts are:
- 4.2 The budgeted position on MRP relies on the availability of £19.5m of capital receipts as an alternative source of funding to repay debt. If the forecast level of capital receipts is not achieved, either as a result of worsening conditions in the property market or because of specific issues, then these savings in the revenue budget may not be achieved.
- 4.3 The budgeted capital financing costs are based on assumptions about market interest rates during 2019/20. If rates are greater than forecast then the actual borrowing costs incurred could be greater.
- 4.4 There is a budget of £3.5m for the use of section 278 contributions. This is dependent on the authority receiving these contributions from developers, and the related capital works being progressed on schedule.

Briefing note prepared by: Mary Hasnip (Principal Finance Manager)
Telephone: 3789384

Directorate - Strategic Central Accounts

	2019/20 £m	FTEs
Net managed budget 2018/19	(9.04)	
Adjustments		
Transfers of function	6.05	
Other adjustments	0.00	
Adjusted net managed budget	(2.99)	
Budget Pressures:		
Inflation		
Grant Fallout		
New Homes Bonus	1.32	
Other	0.01	
Debt costs		
Increases in external Debt costs	5.13	
Increases in prudential borrowing recharges to directorates	(2.04)	
Other		
Projected reduction in Section 278 income to revenue	0.40	
Funding for City of Culture	1.50	
Reduction in capitalisation target	0.40	
Reduction in staff activity chargeable to capital	0.54	
Contingency budget	0.76	
Other pressures	0.96	
Total Pressures	8.98	0.00
Savings Proposals:		
Efficiencies		
Use of capital receipts to fund PFI lifecycle costs	(9.08)	
Use of capital receipts flexibility	(0.50)	
Reduction in unfunded pension costs	(0.06)	
Other savings	(0.09)	
Levies and other contributions	(1.01)	
Grant Income		
Brexit grant	(0.10)	
Income - Impact of Business Rates changes		
Contributions relating to new pooling arrangements	(3.74)	
Increases in grants to fund reliefs	(0.51)	
Retained income from renewable energy	(0.02)	
Changes in use of reserves		
General reserve	3.48	
Change in use of earmarked reserves	(2.63)	
Total Savings	(14.26)	0.00
Net Managed Budget 2019/20	(8.27)	0.00

LEEDS CITY COUNCIL 2019/20 BUDGET REPORT

Directorate: City Development

The following relevant information has been extracted from the Directorate's budget report for the 2019/20 financial year in accordance with the remit of the Strategy and Resources Scrutiny Board.

- Income derived from the Arena has exceeded the current base budget in each of the last 3 years and a proposed increase of £150k reflects the average annual return from the investment over the last 3 years.

	2019/20 £m	FTEs
Net managed budget 2018/19	33.72	
Adjustments - Transfers of Function	(1.35)	
Other Adjustments		
Adjusted net managed budget	32.37	0.00
Budget Pressures:		
Inflation		
Pay	1.49	
Price	2.62	
Income	0.00	
Employers Pension	0.12	
Capitalised Pensions	(0.08)	
National Living Wage - commissioned services	0.00	
Demographic and demand pressures		
Programme Management HS2	0.00	5.00
Hostile Vehicle Mitigation Scheme	0.15	5.00
Grant Fallout		
Other		
Shortfall in Fee income	0.60	
Merrion Centre Service Charge	0.17	
Corporate offer to Foster carers	0.10	
NNDR	0.26	
Flood Alleviation Scheme	0.19	
Total Pressures	5.60	10.00
Savings Proposals:		
Efficiencies		
LED Street Lighting conversion	(0.70)	
Asset rationalisation	(0.25)	
Sport Efficiencies	(0.15)	(5.00)
Service Changes		
Apprenticeship levy	(0.05)	
Income - Fees & Charges		
Sport income	(0.22)	
Planning Development	(0.08)	
Commercial property (Easements/covenants)fees	(0.06)	
Income - Traded Services, Partner Income		
Arena Income	(0.15)	

Other		
Mobile refresh	(0.02)	
Highways Capitalisation	(0.40)	8.00
Total Savings	(2.08)	3.00
Net Managed Budget 201819	35.89	13.00

LEEDS CITY COUNCIL

2019/20 BUDGET REPORT

Directorate: Communities & Environment

The following relevant information has been extracted from the Directorate's budget report for the 2019/20 financial year in accordance with the remit of the Strategy and Resources Scrutiny Board.

- Income trends experienced in 2018/19 within the Registrars service are expected to continue in 2019/20 with an estimated reduction in income of £100k being provided. This is largely as a result of the decision at a national level to roll out online forms for the Nationality Checking Service which has impacted on income received by the Council from providing the previous face to face service.
- There is also an anticipated shortfall in Property Search income of £100k, which reflects recent trends in the number of searches undertaken.
- Other variations totalling £83k mainly reflect a £50k net increase in printing and postage costs, with an increase within Registration of Electors partly offset by a reduction within Welfare & Benefits.
- A fee review in respect of charges made within the Registrars service is expected to generate an additional £100k income in 2019/20.
- The cost of holding local elections in 2019/20 is expected to reduce by around £100k as the Parish elections will be held at the same time which will allow some of the costs of holding the elections to be shared.
- Planning obligations, also known as Section 106 agreements (based on that section of the 1990 Town & Country Planning Act) are private agreements made between Local Authorities and developers and can be attached to a planning permission. Subject to satisfying any legal requirements contained in the Section 106 agreement, it is proposed that a further £0.5m of balances held in respect of Greenspace are utilised to support the 2019/20 revenue budget. This creates an obligation in future years as the Council will be required to meet the expenditure commitments that would previously have been funded through the Section 106 balances.

Directorate - Communities & Environment

	2019/20 £m	FTEs
Net managed budget 2018/19	74.88	
Adjustments		
Transfers of function	0.04	
Other adjustments	(0.66)	
Adjusted net managed budget	74.26	
Budget Pressures:		
Inflation		
Pay	2.46	
Price	0.97	
Income	(0.37)	
Employers Pension	0.19	
Demographic and demand pressures		
Additional refuse collection route	0.23	5.40
Increased black bin waste disposal volumes	0.16	
Grant Funding Changes		
Reduction in Housing Benefits/Local Council Tax Support Admin grants	0.21	
Other		
Housing Benefits Overpayment income	0.40	
Managed Approach area	0.21	4.00
CCTV Single Point of Contact	0.09	3.00
Security at Central Library & Community Hubs	0.10	
Support to West Indian Carnival	0.25	2.00
Immigration advice	0.06	
Capital financing costs - net impact of previous capital expenditure	0.04	
Medi Waste - non achievement of saving	0.17	
Registrars income trends	0.10	
Property Search income trends	0.10	
Business Rates	0.24	
Financial Inclusion Team	0.20	
Non re-occurrence of contribution from Wellbeing & Youth Activity Fund reserve	0.35	
Other variations	0.08	
Total Pressures	6.23	14.40
Savings Proposals:		
Efficiencies		
Communities - 10% reduction in Third Sector Infrastructure Fund	(0.03)	
Community Centres - Asset transfer savings and general efficiencies	(0.10)	
Community Safety - efficiency savings	(0.06)	
Community Safety - PCSOs vacancy factor	(0.01)	
Community Safety - CCTV Infrastructure efficiencies	(0.05)	
Staffing efficiencies - Communities, Welfare & Benefits and Libraries	(0.43)	(14.50)
Service Changes		
Review and reduce provision of publications in Libraries	(0.04)	
Income - Fees & Charges		
Increase commuter fee at Woodhouse Lane car park by 50p for a full day	(0.11)	
Increase Sunday/Evening parking charges by 10%	(0.06)	
Parks & Countryside - further commercial income generating opportunities	(0.05)	
Review and standardise Leeds card discounts at Attractions	(0.03)	
Registrars - review of fee structure	(0.10)	
Income - Traded Services, Partner Income		
Passport cost of carpets/flooring awarded via LWSS scheme to Housing Leeds	(0.10)	
Shared cost of local elections in 19/20	(0.10)	
Other Income		
Utilisation of Greenspace S106 balances	(0.50)	
Weighbridge/Recycling income trends	(0.05)	
Charges to capital schemes	(0.11)	
Total Savings	(1.92)	(14.50)
Net Managed Budget 2019/20	78.57	(0.10)

Details of the decisions that will required to be taken to deliver the budgeted assumptions.

Resources and Housing

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality Impact assessment	Expected decision date	2019/20 Budget Amount £	Decision Maker
CEL management restructure.	To enable the service and the directorate to remain within a reduced funding envelope.	Slight increase in the risk around management capacity.	To be undertaken as the same time as the decision.	To be undertaken at the same time as the decision.	TBC	£75k	Chief Officer Civic Enterprise Leeds
Human Resources – Proposal for a car loan scheme for ULEV.	To enable the Directorate to promote cleaner transport alternatives in the City.	Proposals are at an early stage and need to be worked up.	To be undertaken as the same time as the decision.	To be undertaken at the same time as the decision.	TBC	£60k	Chief Officer Human Resources

Communities and Environment

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of equality Impact assessment	Expected decision date	2019/20 Budget Amount £	Decision Maker
Registrars – review fee structure	To ensure service continues to cover its costs	The increase in fees may impact on demand and the assumed increase in income may not be achieved	No requirement	No implications	November 2018	£0.1m additional income	Chief Officer – Elections & Regulatory
Review and standardise Leeds card discount at Attractions	To remove inconsistencies identified in level of discount	The reduction in discounts may impact on demand and the	To be undertaken as a part of the decision process	To be undertaken as a part of the	March 2019	£0.03m additional income	Chief Officer – Parks and Countryside