

LEEDS CITY COUNCIL 2021/22 BUDGET REPORT

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

2 Service Context

- 2.1 The current context for Adult Social Care and Public Health is heavily influenced by the Covid pandemic. It has necessarily changed significantly how and which services are commissioned and delivered. The near future is therefore somewhat uncertain; in Public Health sizeable efforts will still need to be input on managing the pandemic and its after effects throughout next year and a possible reprioritisation of services funded by the PH grant. Adult Social Care has to work within an uncertain environment of changes to its service offer mix and whether those changes are permanent or temporary, and a care market significantly affected by the pandemic. With specificity to each service the following aims to add further context.
- 2.2 **Adult Social Care:** 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.
- 2.3 In an attempt to mitigate this financial pressure the Government, in its 2020 Spending Review, announced an increase in the Social Care Grant and that a consultation would be undertaken to permit local authorities to levy a 3% adult social care precept.
- 2.4 There is a concern that given the scale of demand and cost pressures on adult social care this additional funding in itself will not fully address the financial challenges faced, particularly within the context of continuing funding pressures for the Council as a whole. The Government Green Paper on the Future of Adult Social Care Funding was due to be issued in the summer of 2018, but has been deferred with an issue date not yet determined.
- 2.5 The pandemic has had an impact on the mix of care provided, particularly a move from residential into community based care, over the last year and the long-term effects of this may impact on the types and volumes of future provision.
- 2.6 Adult Social Care will continue to develop and implement its approach to design care and support arrangements around the strengths of individual service users and carers (strengths

based social care), and the assets available within their communities empowering them to live the 'Better Life' that they want for themselves. In addition, it will continue to work with health partners to develop plans for meeting the needs of the NHS England-led Transforming Care programme.

- 2.7 **Public Health:** Public Health commissions a wide range of providers to deliver Public Health services. These include 3rd sector providers, GPs, Pharmacists and Leeds Community Healthcare. Though the government increased the Public Health grant in 2020/21, after several years of cuts, this came with new burdens and the service is still operating on smaller grant than in previous years.

3 **Budget Proposals**

- 3.1 This 2021/22 budget has been set at £195,211k representing a net decrease of £6,938k (3.44%) when compared to the adjusted budget for 2020/21. This net decrease comprises a number of changes in grant funding and in the use of reserves totalling £5,627k and pressures totalling £14,687k offset by savings of £15,519k which are explained below.

3.2 **Budget Adjustments and Transfers**

- 3.2.1 There have been a number of organisational changes, service transfers and other budget adjustments which are reflected in the 2021/22 budget which have an overall net impact of £429k.

- 3.2.2 These include a transfer of £301k from Resources and Housing representing the transference of the Intelligence and Policy team to Adults and Health; there has also been a transfer of staffing to the Financial Operations team from Resources and Housing to the value of £224k. A net transfer of £96k has been made to the Resources and Housing directorate, representing the move to an internally managed waste contract, transfer of an income stream, the transfer of a post, a saving target set against the corporate taxi and mail and print contracts; a sum is all included for additional usage of corporately managed mobile devices.

3.3 **Changes in Specific Grant Funding – increase of £4,473k**

- 3.3.1 The budget proposals include an increase in the Social Care Grant of £4,473k announced in the 2020 Spending Review.

3.4 **Changes in Use of Reserves and Balances – increase of £1,154k**

- 3.4.1 Social Care reserves totalling £3,444k will be applied in 2021/22 an increase of £1,154k on those utilised in 2020/21. £792k is to be employed to fund short-term schemes within Organisational Development, Commissioning, Safeguarding, Service Transformation, Operational Finance and social work largely to deliver savings plans; £2,652k of reserves will be utilised to partially mitigate the reductions required in service provision in 2021/22.

3.5 **Changes in prices – pressure of £1,116k**

- 3.5.1 The budget reflects the announcement of a public sector pay freeze by Government at Spending Review 2020. As such the budget provides £1,043k for two elements of pay: the 0.75% in year pay increase in 2020/21 which had not been provided for in the 2020/21 base budget and a minimum pay increase of £250 in 2021/22 for all staff earning less than £24,000 as announced at the Spending Review 2020. The provision reflects the Council's

continuing commitment to be a Real Living Wage employer. Consequently, the minimum hourly rate paid to current Leeds City Council employees will rise to £9.56 per hour which is 6p above the Real Living Wage rate. Apprentices and new starters on the A1 spinal point will be paid £9.50 per hour for the first year only.

3.5.2 No provision has been made for inflation on running cost budgets other than demand based budgets and where there are specific contractual commitments. The main provision for price inflation is £750k for care packages and £77k for the impacts of price increases on the in-house client transport service. No provision has been made for inflation on utilities budgets, reflecting the increased use of energy efficiency schemes, a reduction in the usage of many of the Council's buildings and planned rationalisation of the Council's estate.

3.5.3 Inflationary increases in the level of fees, charges and income from other organisations are estimated to generate additional income of £754k. Many adult social care fees and charges are related to Department for Works and Pensions benefits rates and will be uplifted accordingly from April 2021. Those charges not linked to benefits rates have been budgeted to increase by 3%. An increase in the charges for services does not necessarily generate a proportionate increase in income as the amount people pay for most services is determined by individual financial circumstances.

3.6 **Actuarial Review**

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

3.7 **Capitalised Pension Costs – saving of £320k**

3.7.1 The fall out of capitalised pension costs associated with staff who have left the Council under the Early Leaver's Initiative (ELI) to date will save an estimated £159k.

3.7.2 In 2020/21 the Council relaunched its ELI scheme and a range of other voluntary options to reduce the wage bill in July 2020. Provision of £479k has been made to meet the capitalised pension costs associated with those staff leaving on an early retirement basis. The associated salary savings are captured in the savings proposals below.

3.8 **National Living Wage/Ethical Care Charter Commissioned Services – pressure of £3,003k**

3.8.1 The Government announced an increase to the National Living Wage from £8.72 per hour to £8.91 effective from April 2021 for all employees aged over 23. The budget makes allowance for implementing the cost of the National Living Wage for commissioned services within Adult Social Care. The proposed budget also includes provision to enable a continuation of meeting the aims of the Ethical Care Charter. The impact of the National Living Wage and the Ethical Care Charter in 2021/22 is estimated at £3,003k.

3.9 **Demand and Demography – pressure of £8,411k**

3.9.1 Additional provision of £6,919k has been made to reflect the demand and demographic pressures forecast for 2021/22 for care packages. In recognition of the financial challenges facing the council the directorate intends to put measures in place to carefully manage this demand and ensure the costs of care packages represent value for money. Whilst the

additional provision has been allocated across placements, domiciliary care, direct 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 absolute accuracy.

- 3.9.2 An additional provision of £1,492k has been built in to the budget recognising the national Transforming Care agenda which will result in more people with a learning disability and/or autism being discharged from long-stay hospitals to their home location and supported in more independent settings such as supported living and with enhanced community support in place.
- 3.10 **Other budget pressures – £1,837k)**
- 3.10.1 Recognising the pressure the Covid pandemic has had on the care sector a budget of £1,150k has been created to support one-off payments to mitigate short-term pressures. Discussions on how best to do this are taking place with providers. There has been funding fall out of £235k associated with the cessation of government funding. The move from analogue to digital has a revenue of effect of £70k per annum for the Telecare service. Other minor variations amounting to £324k are included in the budget. A number of corporately managed areas have small impacts in Adults and Health; increases for NNDR £45k, insurance £6k and £7k for the Apprentice Levy are also provided for.
- 3.11 **Savings**
- 3.12 **Business As Usual – £11,675k**
- 3.12.1 Improvements in productivity within the Enablement Service is projected to save £300k through a reduced requirement for home care.
- 3.12.2 A remodelling of commissioned day opportunities provision for Working Aged Adults is expected to deliver £430k of savings to the directorate.
- 3.12.3 Within the commissioned services for Working Age Adults a review of eligibility for Continuing Health care is calculated to save £2,600k per annum. A review of the makeup of a block contract is expected to deliver an efficiency of £250k.
- 3.12.4 A review of primarily Working Age Adults care packages to ensure value for money is being achieved and that packages are appropriate when aligned the Strengths-Based approach adopted by the directorate. This exercise will also take in a review of s117 eligibility. The total target of these initiatives is to deliver a saving of £2,750k.
- 3.12.5 A review of the funding by both the Council and the CCG to the Adult Safeguarding Board has determined a reduction in contribution of £75k. It is noted that the Board has access to earmarked reserves to help it manage this reduction.
- 3.12.6 The directorate is putting processes in place to ensure recovery of home care payments from providers where it is proven that the service has not been delivered; modelling of this has suggested a saving of £489k is deliverable.
- 3.12.7 The directorate continues to improve its processes for the billing and collection of assessed client contributions, a further net £1,000k is projected to be recoverable in 2021/22.

- 3.12.8 Since the beginning of the pandemic the day services provided at Osmondthorpe Resource Centre have been successfully provided through outreach services and from other day centre facilities around the city; a continuation of this type of provision will free up savings of £119k, remove a substantial maintenance liability as well as providing a potential capital receipt.
- 3.12.9 Reflecting a review of commissioned day services, and a number of ceased projects a saving of £162k will be delivered.
- 3.12.10 A review of general expenditure across the directorate and the cessation of a number of small programmes will deliver £479k of savings and efficiencies.
- 3.12.11 Reviewing the impact of the pandemic has merited a rebasing of demand for residential and nursing care. This rebasing will remove £2,400k from the demand based budgets.
- 3.12.12 Non-client based income is expected to increase by £231k. This is largely related to changes in funding from the CCG as the service mix contractually provided by the department has become more complex in nature.
- 3.12.13 A saving of £57k is delivered by the ending of a data contract; a number of minor variations will further contribute £333k savings.

3.13 **Service Review £3,844k**

- 3.13.1 Following an assessment of the in-house occupancy levels and costs within its existing provision the directorate proposes to close two care homes, Richmond House and Homelea House, with a part-year saving of £489k. Work is ongoing to determine possible future uses including the potential for affordable or Council housing delivery, with care support also being considered for the Richmond House site.
- 3.13.2 Additional client contributions of £1,236k are estimated to be achieved following reviews and changes to the Maximum Assessed Contribution and billing being based on total costs for home care; it should be noted that clients will still be assessed for their ability to pay
- 3.13.3 The directorate proposes to reduce contracts and grants with the third sector across all client groups by £883k. The directorate is in discussions with the sector as a whole with a view to deciding the incidence of these reductions on individual organisations and minimising the impact these cuts will have on the sector. It is noted that though the proposed reduction has an ongoing impact that Test and Trace funding in excess of £800k (£500k of which is to the Neighbourhood Networks) is being injected into the third sector which it is hoped will help to mitigate and help to manage any resultant pressure.
- 3.13.4 To assist in addressing the financial pressure facing the Council the Early Leavers Initiative was extended in 2020/21; a number of individuals have left or will shortly leave the authority which will generate a saving calculated to be £1,236k.

4 **Risk Assessment**

- 4.1 In determining the 2021/22 budget, consideration has been given to all the risks which are managed within the directorate's overall risk management framework. Within this framework, a register of those items considered carrying the highest risk and therefore requiring careful and regular monitoring has been prepared. The key risks in the 2021/22 budget for the Adults and Health Directorate are:

- 4.2 For Adult Social Care, a significant ongoing risk relates to the demand led nature of the services provided, together with the 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.
- 4.3 The impact of the pandemic and the change on the current mix of care provided only enhances this risk. 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 Adults & Health 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 a number of the savings included within the 2021/22 budget carries some risk.
- 4.4 For Public Health; outside of the uncertainties that the Covid pandemic continues to provide, there is a continued risk of harm to health and an increase in health inequalities due to the impact of the Public Health cuts on commissioned services and programme budgets over the last few years. Though the grant was increased in 20/21 it is still lower than several years ago.
- 4.5 A risk of newly endorsed NICE (National Institute for Clinical Excellence) treatments becoming a cost pressure due to the Council's Public Health responsibilities. The Office of the Director of Public Health is responsible for a number of contracts which are activity based. There is a financial risk, based on the possibility of fluctuation of demand, some of which is determined by NHS tariff.
- 4.6 There is an overarching risk covering public health and social care relating to changes in national policy, practice and legislation e.g. Agenda for Change and the ongoing legal process concerning payments for 'sleep-in' costs.

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Directorate - Adults and Health

	2021/22 £m	FTEs
Net managed budget 2020/21	201.24	
Adjustments		
Transfers of function	0.49	
Other adjustments	(0.06)	
Adjusted net managed budget	201.67	
Grant Fallout		
Grant Increases		
Social Care Grant	(4.47)	
Changes in the use of Reserves & Balances		
Adult Social Care	(1.15)	
Public Health		
Total Funding Changes	(5.63)	0.00
Budget Pressures:		
Inflation		
Pay	1.04	
Price	0.83	
Income	(0.75)	
Employers Pension		
Capitalised Pensions	0.32	
National Living Wage - commissioned services		
National Living Wage/Ethical Care Charter	3.00	
Demographic and demand pressures		
Demand and demography	8.41	
Other		
Apprentice Levy	0.01	
NNDR	0.05	
Insurance	0.01	
Care Market support	1.15	
Cessation of Spring Budget spending	0.24	
Telecare - digitalisation	0.07	
Other minor variations	0.32	
Total Pressures	14.69	0.00
Savings Proposals:		
Business As Usual		
Enablement Service - improved productivity	(0.30)	
Public Health - change in funding priorities	0.00	(3.00)
Working age adults: remodelling of day opportunities provision	(0.43)	
Review of Continuing Health Care eligibility	(2.60)	
Working age adults: value for money reviews, reassessments and demand mngt	(1.25)	
Review of Care Packages	(1.50)	
Leeds Safeguarding Adults Board	(0.08)	
Recovery of Payments for Care not delivered	(0.49)	2.00
Client Income recovery	(1.00)	
Transforming Day Care Opportunities	(0.12)	(3.00)
Reduction in Grants - Working Age Adults	(0.16)	
Review of General Expenditure	(0.48)	
Rebasing of Demand Budgets	(2.40)	
Contractual income/capitalisation	(0.23)	
Cessation of Caretrak contract	(0.06)	
Reviewing Block Contracts	(0.25)	
other minor variations	(0.33)	1.00
Service Review		
Decommission two Care Homes	(0.49)	
Review of Client Contributions for whilst maintaining means-testing	(1.24)	
Reduction in Services - Working Age Adults	(0.38)	
Reduction in Services - Older People	(0.50)	
Staffing reductions	(1.24)	(38.00)
Total Savings	(15.52)	(41.00)
Net Managed Budget 2021/22	195.21	(41.00)

Adults and Health

Proposal	Options considered and justification for proposal	Risks	Consultation undertaken	Summary of Equality Impact Assessment	Expected decision date	2020/21 Budget Amount £	Decision Maker
Decommission two Care Homes – Richmond House and Homelea	Decommission the service due to the need for residential homes decreasing within Leeds and where this resource is required to meet people's needs, there is a well-developed independent sector market	There is a risk whenever a home is closed to a client's immediate well-being	Consultation in progress	To be undertaken at the same time as the decision	June 2021	£1,531k	Director of Adults and Health
Review of Client Contributions whilst maintaining means-testing	A review of the Maximum Assessed Charge, charging for the cost of care	Though charging is still to be means-tested there is a risk that clients do not take up services	Consultation in progress	To be undertaken at the same time as the decision	June 2021	£33,523k	Director of Adults and Health
Reduction in Services - Working Age Adults	Reducing grants, contracts	There is a risk that services provided will be reduced	Consultation in progress	To be undertaken at the same time as the decision	March 2021	£14,235k	Director of Adults and Health
Reduction in Services - Older People	Reducing grants, contracts	There is a risk that services provided will be reduced	Consultation in progress	To be undertaken at the same time as the decision	March 2021	£5,114k	Director of Adults and Health

LEEDS CITY COUNCIL

2021/22 BUDGET REPORT

Directorate: City Development

1. Introduction

- 1.1 This report has been produced in order to inform Members of the main variations and factors influencing the Directorate's budget for the 2021/22 financial year.
- 1.2 The 2021/22 Revenue Budget provides £24,600k within the Council's Strategic Budget for the ongoing impact of COVID-19 pandemic. As such no directorate COVID impacts are detailed below.

2 Service Context

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

3 Budget Proposals

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

3.2 Budget Adjustments and Transfers

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

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

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

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

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

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

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

3.6 Actuarial Review

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

3.7 Capitalised Pension Costs – pressure of £814k

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

3.8 Other budget pressures – £1,379k

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

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

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

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

4 Risk Assessment

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

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

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

City Development

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

City Development

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

City Development

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

City Development

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