

Revenue savings proposals for 2025/26 to 2027/28

Date: 16th October 2024

Report of: Interim Assistant Chief Executive – Finance, Traded and Resources

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The Medium-Term Financial Strategy 2025/26 to 2029/30 brought to September's Executive Board reported an estimated revenue budget gap of £194.5m over the next three years, £106.7m of this relating to 2025/26. Following a subsequent review of the assumed pressures within the Strategy, this three-year gap has reduced slightly to £192.3m between 2025/26 and 2027/28, the revised gap for 2025/26 now standing at £104.0m (this equates to 16.7% of the council's 2024/25 net revenue budget of £622.0m). This report details the actions underway and the initial proposals to start to address the projected revenue gap.

The gap will continue to be closely monitored and reviewed, taking into account updated assumptions on budgetary pressures and income, including future announcements on fiscal policy through the Chancellor's Autumn Budget on 30th October 2024 and on central government funding to local authorities through the Provisional Local Government Settlement expected in December.

The report today presents a first tranche of savings proposals - a collective term used in this context to apply to reductions in expenditure and increases in income - to contribute to closing the projected gap over the next three financial years period and meet our statutory requirement to achieve a balanced budget for 2025/26. The report also notes that further significant savings are still required and therefore additional proposals will be brought to the Board's November and December meetings. The 2025/26 savings proposals presented today total £37.4m, leaving a projected gap in the next financial year of £66.6m.

Savings proposals have been informed by a review of all council budgets within a consistent prioritisation framework which aims to reduce the effect on key services and mitigate negative impacts as far as possible. However, it needs to be recognised that we are not funded to provide all the functions we currently do, and so future service provision must be provided within the limited resources available. Alongside a continued focus on securing value-for-money and investing in transformation, services will continue to be reviewed as part of an overall resetting and reshaping of the authority to ensure it remains fit-for-purpose and sustainable in future years.

The scale of the pressures on the council's financial position this year, in particular in the demand-led areas of Adults' and Children's Social Care, combined with the gap over the next three years is unprecedented. In common with local authorities throughout the country, in order to balance the council's budget and to avoid issuing a Section 114 notice (in effect declaring that the council cannot achieve a balanced budget and preventing all new spending), difficult decisions will have to be taken that will impact across services, affecting service users, residents, businesses, partners and our workforce.

With the biggest area of spend within the council's budget being the wage bill, staffing reductions will be necessary. We will maintain our close working with Trade Unions to develop creative solutions to the problems we face, including voluntary redundancies as an alternative to compulsory measures, and we will work together to ensure staff are regularly updated on progress. Support will continue to be made available to colleagues who may be concerned as part of our [#TeamLeedsBeWell wellbeing offer](#) for all council staff.

To help mitigate the significant pressures on the authority's financial sustainability, it is essential that the proposals contained in this, and future savings reports are considered in order that the council's priorities can continue to be delivered within a robust and sustainable financial framework. Implementation will be in line with the council's values, ensuring consideration of equality, diversity, cohesion and integration implications and appropriate risk identification and management. Appropriate consultation and engagement will be carried out as required.

Recommendations

Executive Board is requested to:

- a) Note the 'Business as Usual' savings presented at this meeting and that decisions to give effect to them shall be taken by the relevant Director or Chief Officer in accordance with the Officer Delegation Scheme (Executive functions).
- b) Agree that consultation commences where required with regard to the 'Service Review' savings proposals put forward and note that decisions to give effect to them shall be taken by the relevant Director or Chief Officer, following any consultation period, in accordance with the Officer Delegation Scheme (Executive functions) and decision-making framework, save where the Leader or the relevant Portfolio Holder has directed or the Director considers that the matter should be referred to Executive Board for consideration.
- c) Note that additional savings proposals will be brought to Executive Board for consideration at its meetings on 20th November and 11th December.
- d) Note that further savings will be required to close the council's estimated budget gaps in the years 2026/27 and 2027/28 and that proposals will be brought to future meetings of this Board.

What is this report about?

- 1 At its meeting on 18th September 2024, Executive Board received the annual Medium-Term Financial Strategy (MTFS) updated for the period 2025/26 to 2029/30. The MTFS reported an estimated revenue gap of £194.5m over the next three years, more than half of this relating to 2025/26. Following a review of assumed pressures within the MTFS, the gap has subsequently been revised as shown in Table 1.

Table 1: Updated revenue gap 2025/26 to 2027/28

	Projected gap / £m			Total
	2025/26	2026/27	2027/28	
MTFS - Sep '24 Exec Board	106.69	45.72	42.11	194.52
Subsequent review of pressures	-2.73	0.25	0.25	-2.23
Revised gap	103.96	45.97	42.36	192.29

- 2 The projected position incorporates a number of assumptions around external pressures that continue to significantly impact on the council's income and expenditure and remain subject to considerable uncertainty. These include:

- **Demand in social care** and the cost of commissioned services is outpacing available resources. Despite being a leading council in reducing the number of looked after children, we are still seeing numbers rise, with costs continuing to escalate, reflecting the growing numbers of children and young people with more complex needs and challenges in the market for providers of that care, which is recognised nationally as broken. The average cost of an external residential placement is now £340k per year but can be as much as £1m per year for a young person with especially high needs. Over the last three years, while the number of social care placements has grown by 10%, the cost increase has disproportionately increased by 75% from £68m to £119m per year. Demand pressures within adult social care have been managed within approved budgets until this financial year, but the council is now in a very challenging position as demand for residential placements for older people continues to grow, alongside increasing demand for support for adults with learning disabilities.
 - **Unfunded pay awards:** provision of 3.5% has been made in each of the years covered by the refreshed MTFs but should future pay awards be higher (or the National Employer's offer in 2024/25 which, at the time of writing, has not been finalised, also be higher than provided for in this current year's Budget), this will add further pressures and the requirement to identify additional savings over and above those set out in today's report and planned for future meetings of this Board.
- 3 These pressures are not unique to Leeds: combined with continued uncertainty on future government funding for local authorities, they are affecting the financial sustainability of councils across the country, both in-year and for future years, resulting in several issuing, or raising the possibility of issuing, Section 114 notices. To avoid this in Leeds, work continues to balance the 2024/25 position as described in the '*Financial Health Monitoring 2024/25 – Month 5 (August)*' report elsewhere on this agenda. With regard to future years, a 'Financial Challenge' three-year savings programme has again been established to help close the gap over that period. This approach enables the authority to take a longer-term view of its savings options, recognising that major change often requires one- to two-years' lead time to implement.
 - 4 Reviews are underway across the authority to identify opportunities to continue to modernise and improve services (for example, through a greater use of robotics and automation), reduce costs and generate additional income. As well as reviewing individual services, a number of cross-council reviews are also underway to support service modernisation and the delivery of savings. This includes improving procurement and commissioning, workforce planning, rationalising and making the most of our assets (buildings, estate and fleet), further progressing the customer strategy and locality working agenda, and reviewing our traded services. These cross-council themes align with the council's main, interdependent change priorities set out in our Organisational Plan: improving efficiency of how we do business in the council; improving our digital offer; improving how we serve our customers; improving how we work with people and families; and improving the coordination of our services locally.
 - 5 Reviews have been informed by a review of all council budgets within a service prioritisation framework, this complementing and linked to a strategic approach to reshaping the organisation to be fit for the future, recognising that the council will be smaller in size in the future but remains one of the city's largest employers, social landlords and landowners, with an important role in place-shaping and in delivering and commissioning services.
 - 6 The cross-council senior officer group first established in 2020 to provide support and ensure a co-ordinated, consistent approach across the Financial Challenge programme, continues to meet. Further support and challenge to identify new proposals and consider options put forward by officers is again being provided by Scrutiny Board working groups.

Savings proposals

- 7 The outcome of this work has provided a number of saving proposals for consideration by the Executive Board today, with further proposals to be brought to future meeting(s). Proposals are categorised as either 'Business as Usual' (BAU) which can be implemented within the council's delegated decision-making framework and without consultation, or 'Service Reviews' which may require meaningful consultation with relevant stakeholders prior to any decisions being taken. The results of any such consultation with staff, trade unions, service users and the public will be used to inform the final decision. Those approved for implementation, or consultation as required, will subsequently be built into the 2025/26 Budget and Provisional Budgets for 2026/27 and 2027/28.

- 8 For the Board's consideration today, the Financial Challenge reviews have so far identified £56.9m savings over the next three years. Table 2 shows the breakdown for each year and their impact on the estimated budget gap.

Table 2: Revenue savings proposals and impact on estimated 3-year gap

	£m			
	2025/26	2026/27	2027/28	Total
Current projected gap	104.0	46.0	42.4	192.3
Oct Exec Board savings proposals	-37.4	-10.3	-9.2	-56.9
Gap after Oct proposals	66.6	35.6	33.1	135.4

- 9 A summary of today's proposals by council directorate is shown at Table 3. Detail on each savings proposal is provided at Appendix 1.

Table 3: Directorate savings

Directorate	Potential savings / £'000s			
	2025/26	2026/27	2027/28	Total
October Exec Board proposals				
Adults & Health	-21,550	-5,530	-5,000	-32,080
Children & Families	-1,231	0	0	-1,231
City Development	-3,173	-53	0	-3,226
Communities, Housing & Environment	-2,200	-220	0	-2,420
Strategy & Resources	-9,198	-4,523	-4,245	-17,966
TOTAL	-37,352	-10,326	-9,245	-56,923

- 10 The majority of the proposals presented today are classed as BAU; four service reviews are included, summarised at Table 4. Further information for each of the service reviews is provided at Appendix 2.

Table 4: Service reviews

Savings proposal	Potential savings / £'000s				Potential budgeted FTE impact			
	25/26	26/27	27/28	Total	25/26	26/27	27/28	Total
City Development - Civil Engineering: review of structures to reflect anticipated service changes incorporating potential VLS (Voluntary Leavers' Scheme) opportunities	-250	0	0	-250	-5.00	0.00	0.00	-5.00
City Development - Highways & Transportation DLO (Direct Labour Organisation): review of structures to reflect anticipated service changes incorporating potential VLS	-250	0	0	-250	-5.00	0.00	0.00	-5.00
Strategy & Resources - IDS: Deletion of non-income generating vacant posts prior to a structural review of Integrated Digital Services (IDS) in line with reshaping and resizing of the council and subsequent IDS support requirement	-3,087	-1,294	-1,036	-5,417	-61.70	-25.00	-20.00	-106.70
Strategy & Resources: Financial Services staffing reductions and efficiencies	-903	-474	-532	-1,909	-18.06	-9.50	-10.60	-38.16
Total service review proposals	-4,490	-1,768	-1,568	-7,826	-89.76	-34.50	-30.60	-154.86

- 11 The impact of today's savings proposals is an anticipated reduction in the number of budgeted FTE posts over the next three financial years of 260.23 posts, further detailed in Table 5. As can be seen in the savings proposals set out at Appendix 1, this reduction includes the deletion of a number of vacant posts.

Table 5: October 2024 revenue savings proposals and potential budgeted FTE impact

Directorate	Potential budgeted FTE impact			
	2025/26	2026/27	2027/28	Total
October Exec Board proposals				
Adults & Health	0.00	0.00	0.00	0.00
Children & Families	0.00	0.00	0.00	0.00
City Development	-10.00	0.00	0.00	-10.00
Communities, Housing & Env't	-1.20	0.00	0.00	-1.20
Strategy & Resources	-137.35	-57.29	-54.39	-249.03
TOTAL	-148.55	-57.29	-54.39	-260.23

- 12 The projected gap will continue to be closely monitored and reviewed, taking into account updated assumptions on budgetary pressures and income, including future announcements on central government funding to local authorities and national policy on the levels of local council tax and business rates councils are permitted to collect and retain. In particular, these include the Chancellor's Autumn Budget on 30th October due to be accompanied by a full fiscal statement from the Office of Budget Responsibility (OBR), and the subsequent Local Government Provisional Settlement anticipated in December. However, as it stands, the three-year gap remains significant, with a further £66.6m savings or additional income required to close the 2025/26 projected budget gap.
- 13 Whilst we will continue our work to ensure the organisation is as efficient and productive as possible, we also recognise the need to take a longer-term view and reset the role of the council within the financial envelope available. This strategic approach will continue to inform future savings proposals, financial planning and budgets.

What impact will this proposal have?

- 14 The Financial Challenge savings programme aims to protect services that support the most vulnerable whilst ensuring that the organisation continues its journey to become more financially resilient and sustainable for the future. However, as noted above, the scale of the pressures on the council's financial position this year, combined with the gap over the next three years, is unprecedented and closing it is likely to mean difficult decisions will have to be taken that will impact across the council's services, affecting service users, residents, businesses, partners and staff. Though we remain ambitious and will continue to do our best with the resources available, the level of savings and scale of transformation required will mean some services reduce and response times could be longer.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 15 The council's strategic Best City Ambition, underpinned by the three pillars, can only be delivered through a sound understanding of the organisation's longer-term financial sustainability, this enabling decisions to be made that balance the resource implications of the council's policies against its financial constraints.
- 16 The ambition to be the best city for our citizens must fit within the financial envelope available for delivery. The council will continue to stretch that envelope through maximising the impact of collaboration through Team Leeds partnerships, working hard to secure external income for place-based delivery and ensuring the organisation is providing as much value for money as possible. In establishing this strategic response to a dynamic financial environment, the council remains vigilant to potential risks and challenges, focused on statutory duties and ready to implement further short-term measures to minimise the disruption of changing resources and service demands. This is part of the overall resetting

of the council's role with regional and national government, enabling effective service delivery within the financial envelope available.

What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted? Yes No – *Proposals impact on all wards.*

Consultation details are set out in the following paragraphs.

- 17 Senior officers and portfolio members have been engaged in developing the savings proposals set out in this report. Trade unions have been informed in headline terms of the emerging proposals.
- 18 Those savings proposals that are classed as 'Business as Usual' (BAU) do not require consultation to implement: for example, they relate to improving the efficiency of the service, are cost reduction measures with no impact on service users or, where there are budgeted staffing reductions, these are anticipated to be met through deletion of vacant posts or voluntary means, as has been collectively agreed. Where voluntary measures have a modest and/or residual impact on the workforce, local / BAU consultation would be expected. The 'Service Review' proposals are of more significance and therefore may require meaningful consultation with staff, trade unions, service users and the public as appropriate prior to any decisions being taken.
- 19 All five Scrutiny Boards will be initially consulted on the savings proposals (both those brought to the Executive Board today and those put forward at future meetings in November and December), as relevant to their remits, through working group meetings during December. Subject to the approval of Executive Board, this report will also be submitted to Scrutiny Boards for consideration and review as part of their formal cycle of meetings in January 2025 in which the wider Proposed Budget for 2025/26 will also be considered.
- 20 The outcomes of any consultation will inform the council's decision-making and, where completed and analysed in time, be incorporated into the 2025/26 Budget Report for consideration at February's Executive Board and Full Council.

What are the resource implications?

- 21 The financial and potential staffing implications are set out earlier in the report.

What are the key risks and how are they being managed?

- 22 As detailed in the MTFs, the financial projections for the coming years make assumptions around the level of resources the council will receive through council tax, business rates and government funding. Any variation from these assumptions has implications for the level of resources available to the council to fund services.
- 23 The MTFs also articulates a range of risks, including economic, funding, pay, resources, demand and demography, and political.
- 24 With regard to the council's savings proposals, if there is slippage in their implementation or the assumptions contained within them change, this could lead to a variation in the assumed level of savings and the authority's ability to set and deliver a balanced budget for 2025/26. In addition, the level of reserves to meet the budget gap is limited.
- 25 These risks and assumptions will be subject to review as more information becomes available and through the council's budget setting and financial management, monitoring and reporting processes.

What are the legal implications?

- 26 Decisions giving effect to the Business as Usual proposals included in this report can be taken by the relevant Director or Chief Officer in accordance with the Officer Delegation Scheme (Executive functions) and will be subject to the Executive and decision – making procedure rules. Decisions to give effect to the 'Service Review' savings proposals put forward shall be taken by the relevant Director or Chief Officer, following any consultation period, in accordance with the Officer Delegation Scheme

(Executive functions) and decision-making framework, save where the Leader or the relevant Portfolio Holder has directed or the Director considers that the matter should be referred to Executive Board for consideration.

- 27 Notice of any decision which is “Key” will be published on the list of forthcoming decision not less than 28 clear calendar days in advance of the date of the proposed decision.
- 28 As a decision of Executive Board, the recommendations in this report are eligible for call-in.
- 29 The Equality Act 2010 requires the council to have “due regard” to the need to eliminate unlawful discrimination and promote equality of opportunity. The law requires that the duty to pay “due regard” be demonstrated in the decision-making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the principal ways in which public authorities can show due regard.
- 30 The council is fully committed to ensuring that equality and diversity are given proper consideration when developing policies and making decisions. In order to achieve this, the council has an agreed process in place and has particularly promoted the importance of the process when taking forward key policy or budgetary changes. Equality impact assessments also ensure that we make well informed decisions based on robust evidence.
- 31 Due regard to equalities will be given to any decisions taken via the delegated decision process on the savings proposals presented in this report. Equality impact screenings and equality impact assessments will be carried out where appropriate as part of the decision-making process.

Options, timescales and measuring success

What other options were considered?

- 32 All options are being considered to contribute to the council achieving a balanced budget for 2025/26 and a sustainable medium-term financial position, whilst protecting as far as possible those services that support the most vulnerable and minimising negative impacts.

How will success be measured?

- 33 Success will be measured by setting a balanced budget, via the effective delivery of budget action plans (the regular monitoring of which is reported to this Board throughout the year) and through the authority achieving a sustainable medium-term financial position.

What is the timetable and who will be responsible for implementation?

- 34 The savings proposals presented at this meeting will subsequently be built into the 2025/26 Budget and Provisional Budgets for 2026/27 and 2027/28 for consideration at this Board prior to approval at Full Council in February 2025.
- 35 Under the council’s Constitution, the Interim Assistant Chief Executive – Finance, Traded and Resources, as the authority’s Section 151 Officer, is responsible for setting, supporting and monitoring the council’s policies and procedures for budgets, including managing the council’s revenue budget.
- 36 As noted above, the ‘BAU’ savings presented in this report and decisions to give effect to them shall be taken by the relevant Director or Chief Officer in accordance with the Officer Delegation Scheme (Executive functions). Decisions to give effect to the ‘Service Review’ savings proposals put forward shall be taken by the relevant Director or Chief Officer, following any consultation period, in accordance with the Officer Delegation Scheme (Executive functions) and decision-making framework, save where the Leader or the relevant Portfolio Holder has directed or the Director considers that the matter should be referred to Executive Board for consideration.

Appendices

- 37 Appendix 1 summarises the savings proposals put forward for this Board’s consideration. Appendix 2 provides further information on the four service reviews presented today.

Background papers - None

Appendix 1: Summary of October 2024 Executive Board revenue savings proposals for 2025/26 to 2027/28

BAU = Business as Usual savings proposal SR = Service Review savings proposal

Adults & Health Directorate								
Service area(s)	Savings proposal description	BAU / SR	Potential savings / £'000s			Budgeted FTE impact		
			25/26	26/27	27/28	25/26	26/27	27/28
Cross-directorate	Review of vacancy factor	BAU	-2,000	0	0	0.00	0.00	0.00
	Review of all non-demand, non-staffing based spend	BAU	-500	0	0	0.00	0.00	0.00
Social Work and Social Care Services	Capture of 2024/25 additional client income	BAU	-1,900	0	0	0.00	0.00	0.00
	Additional client income	BAU	-1,000	0	0	0.00	0.00	0.00
	Additional return on initial Invest to Save target for HomeFirst programme	BAU	-1,000	0	0	0.00	0.00	0.00
	Reduction in cost of existing packages	BAU	-4,000	0	0	0.00	0.00	0.00
	Demand management	BAU	-3,000	0	0	0.00	0.00	0.00
	Target additional NHS contributions to joint care packages	BAU	-2,000	-5,000	-5,000	0.00	0.00	0.00
Provider Services	Improved cost recovery from Intermediate Care contract	BAU	-3,300	0	0	0.00	0.00	0.00
Commissioning	Contracts: review of terms and conditions	BAU	-1,500	-1,500	0	0.00	0.00	0.00
Public Health	Investment in preventative services (<i>£970k one-off; £380k recurrent</i>)	BAU	-1,350	970	0	0.00	0.00	0.00
Total A&H Oct Exec Brd savings			-21,550	-5,530	-5,000	0.00	0.00	0.00

Children & Families Directorate								
Service area(s)	Savings proposal description	BAU / SR	Potential savings / £'000s			Budgeted FTE impact		
			25/26	26/27	27/28	25/26	26/27	27/28
Cross-directorate	Income generation: WYCA/ICB/PARTNERS/DSG/Grant income	BAU	-500	0	0	0.00	0.00	0.00
	Pay Award Mitigation – charge to DSG and Grants	BAU	-431	0	0	0.00	0.00	0.00
Social Care	Adel Beck - additional income generation opportunities	BAU	-300	0	0	0.00	0.00	0.00
Total C&F Oct Exec Brd savings			-1,231	0	0	0.00	0.00	0.00

City Development Directorate

Service area(s)	BAU savings proposal description	BAU / SR	Potential savings / £'000s			Budgeted FTE impact		
			25/26	26/27	27/28	25/26	26/27	27/28
Asset Mgt & Regeneration	Strategic Asset Management: Reinstate savings target and identify running cost savings on vacated buildings	BAU	-433	0	0	0.00	0.00	0.00
	Land & Property: Commercial property rent reviews	BAU	-250	0	0	0.00	0.00	0.00
	Leeds Transformation Regeneration Programme – recharge staff time	BAU	-250	150	0	0.00	0.00	0.00
Highways & Transportation	Civil Engineering: review of structures to reflect anticipated service changes incorporating potential VLS (Voluntary Leavers' Scheme) opportunities	SR	-250	0	0	-5.00	0.00	0.00
	Highways & Transportation DLO (Direct Labour Organisation): review of structures to reflect anticipated service changes incorporating potential VLS (Voluntary Leavers' Scheme) opportunities	SR	-250	0	0	-5.00	0.00	0.00
	Transport Planning: Increase capital recharges via review of chargeable time	BAU	-200	0	0	0.00	0.00	0.00
	Invest to Save Vision Zero enforcement proposal	BAU	-120	0	0	0.00	0.00	0.00
Economy & Skills	Employment & Skills: Recovery of overheads on new contract with WYCA (Employment West Yorkshire). 26/27 proposal relates to proposed restructure.	BAU	-200	-143	0	0.00	0.00	0.00
Active Leeds	Sport Facilities: Chippendale Pool - issue of notice regarding the service level agreement	BAU	-20	-60	0	0.00	0.00	0.00
	Sport Facilities: Review of fees and charges	BAU	-500	0	0	0.00	0.00	0.00
	Sport Facilities - PFI: Base budget saving identified	BAU	-100	0	0	0.00	0.00	0.00
Resources & Strategy	Mitigation of pay award by passporting to capital/grants	BAU	-350	0	0	0.00	0.00	0.00
	Review of non-essential spend	BAU	-200	0	0	0.00	0.00	0.00
	Reduce planned investment into support staffing	BAU	-50	0	0	0.00	0.00	0.00
Total CD Oct Exec Brd savings			-3,173	-53	0	-10.00	0.00	0.00

Communities, Housing & Environment Directorate

Service area(s)	BAU savings proposal description	BAU / SR	Potential savings / £'000s			Budgeted FTE impact		
			25/26	26/27	27/28	25/26	26/27	27/28
Cross-directorate	Pay Award charged to capital / HRA	BAU	-803	0	0	0.00	0.00	0.00
Safer & Stronger	Staffing efficiencies through a realignment of core project support and grant management functions	BAU	-60	0	0	-2.20	0.00	0.00
	15% reduction to VAL Infrastructure Grant	BAU	-44	0	0	0.00	0.00	0.00
	ASB Team – Realignment of staff duties to provide better integration between teams	BAU	-40	0	0	-1.00	0.00	0.00
	Maximise use of grant substitution	BAU	-140	0	0	0.00	0.00	0.00
	Additional savings arising from 2024 LeedsWatch Structural Review	BAU	-83	0	0	0.00	0.00	0.00
	Minor running cost efficiencies in Safeguarding team	BAU	-5	0	0	0.00	0.00	0.00
	Increase in Community Centres fees and charges by 3%	BAU	-8	0	0	0.00	0.00	0.00
Community Hubs, Welfare & Business Support	Impact of migration to Universal Credit on Council Tax Support	BAU	-140	-140	0	0.00	0.00	0.00
	Benefits Service - line-by-line savings	BAU	-50	0	0	0.00	0.00	0.00
	Benefits - Subsidy - Target Supported Accommodation	BAU	0	-200	0	0.00	0.00	0.00
	Benefits - administrative efficiencies (reducing duplication)	BAU	-28	0	0	0.00	0.00	0.00
Elections & Regulatory	5% increase in Registrars fees	BAU	-41	0	0	0.00	0.00	0.00
	Increase in fees set nationally by the GRO (General Registry Office)	BAU	-100	0	0	0.00	0.00	0.00
	5% increase in Environmental Health fees/licences	BAU	-40	0	0	0.00	0.00	0.00
Environmental Services	Increase in Weighbridge fees by an average of 2.5%	BAU	-30	0	0	0.00	0.00	0.00
Climate, Energy & Greenspaces	Outcome of staffing restructures in 2024	BAU	-140	0	0	0.00	0.00	0.00
	New income opportunities (including Golden Acre and Pudsey Kiosk)	BAU	-90	0	0	2.00	0.00	0.00
	Playing pitch charge review	BAU	-30	0	0	0.00	0.00	0.00
	Removal of Spring / Summer baskets	BAU	-58	0	0	0.00	0.00	0.00
	Increase in event income	BAU	-100	0	0	0.00	0.00	0.00

Communities, Housing & Environment Directorate

Service area(s)	BAU savings proposal description	BAU / SR	Potential savings / £'000s			Budgeted FTE impact		
			25/26	26/27	27/28	25/26	26/27	27/28
Housing (General Fund)	Leeds Housing Options – use of reserves (<i>One-off</i>)	BAU	-120	120	0	0.00	0.00	0.00
	Private Rented Sector - minor efficiency savings	BAU	-50	0	0	0.00	0.00	0.00
Total CH&E Oct Exec Brd savings			-2,200	-220	0	-1.20	0.00	0.00

Strategy & Resources Directorate

Service area(s)	BAU description	BAU / SR	Potential savings / £'000s			Budgeted FTE impact		
			25/26	26/27	27/28	25/26	26/27	27/28
SUPPORT SERVICES								
IDS	Move to new mobile phone contract	BAU	-250	0	0	0.00	0.00	0.00
	Deletion of non-income generating vacant posts prior to a structural review of Integrated Digital Services (IDS) in line with reshaping and resizing of the council and subsequent IDS support requirement	SR	-3,087	-1,294	-1,036	-61.70	-25.00	-20.00
Legal & Democratic Services	Legal Services: Reduction in operational costs	BAU	-30	0	0	0.00	0.00	0.00
	Legal Services: Staffing savings through reconfiguration, deletion of vacant posts and reduction in hours	BAU	-156	0	0	-3.00	0.00	0.00
	Information Governance: Staffing savings through deletion of vacant posts	BAU	-123	0	-48	-3.00	0.00	-1.00
Strategy & Improvement	Intelligence & Improvement: Review of non-essential spend	BAU	0	-16	-16	0.00	0.00	0.00
	Intelligence & Improvement: Staffing savings through deletion of vacant posts	BAU	-45	0	0	-1.00	0.00	0.00
	Resilience & Emergencies Team: Deletion of vacant posts	BAU	-23	-8	-8	-0.46	0.00	0.00
	Communications: Deletion of vacant posts and review of grant income	BAU	-192	-104	-104	-3.80	-2.56	-2.56
HR	Implementation of new HR delivery model, holding vacancies and voluntary measures along with increasing income charging options	BAU	-644	-350	-349	-13.00	-7.00	-7.00

Strategy & Resources Directorate

Service area(s)	BAU description	BAU / SR	Potential savings / £'000s			Budgeted FTE impact		
			25/26	26/27	27/28	25/26	26/27	27/28
Shared Services	Business Administration Service: Staffing savings through vacancy management, voluntary measures and reprioritisation of administrative support across directorates in line with Core Business Transformation programme implementation	BAU	-930	-332	-332	-26.60	-9.50	-9.50
	Business Support Centre: Staffing savings through vacancy management and voluntary measures in line with Core Business Transformation programme implementation, and increase in external income	BAU	-189	-83	-83	-5.40	-2.40	-2.40
Financial Services	Financial Services staffing reductions and efficiencies (<i>total savings £903k 25/26; £474k 26/27; £532k 27/28</i>):	SR						
	Financial Management		-553	-300	-300	-11.06	-6.00	-6.00
	Exchequer Services		-107	-45	-48	-2.14	-0.90	-0.90
	Revenues		-123	-44	-44	-2.46	-0.90	-0.90
	Internal Audit, Corporate Governance & Insurance		-55	-20	-20	-1.10	-0.40	-0.40
	Procurement & Commercial Services		-65	-65	-120	-1.30	-1.30	-2.40
Total Support Services								
			-6,572	-2,661	-2,508	-136.02	-55.96	-53.06
CIVIC ENTERPRISE LEEDS								
CEL	Leeds Building Services: Price increases to mitigate pay award / productivity / performance, increased work programme	BAU	-920	-920	-920	0.00	0.00	0.00
	Corporate Property Management: Savings linked to capitalisation & accelerated estate rationalisation programme	BAU	-187	-187	-62	0.00	0.00	0.00
	Property Cleaning: Price increases for pay award (HRA), less cleaning linked to estate rationalisation.	BAU	-450	-140	-140	0.00	0.00	0.00
	Cleaning Schools: Price increases	BAU	-144	-144	-144	0.00	0.00	0.00
	Security: Reduce security, review use of technology inc. CCTV/alarms. Staffing savings through voluntary measures.	BAU	-49	-49	-49	-1.33	-1.33	-1.33
	School Crossing Patrol: Application of policy	BAU	-145	-91	-91	0.00	0.00	0.00
CEL	Fleet Review, accelerate fleet replacement programme to reduce hire costs & downtime	BAU	-231	-231	-231	0.00	0.00	0.00

Strategy & Resources Directorate

Service area(s)	BAU description	BAU / SR	Potential savings / £'000s			Budgeted FTE impact		
			25/26	26/27	27/28	25/26	26/27	27/28
	Passenger Transport: Extending minibus life with earmarked extension to deliver savings through reduction in hire & insourcing the most expensive private hire minibus contracts	BAU	-500	-100	-100	0.00	0.00	0.00
Total Civic Enterprise Leeds			-2,626	-1,862	-1,737	-1.33	-1.33	-1.33
Total S&R Oct Exec Brd savings			-9,198	-4,523	-4,245	-137.35	-57.29	-54.39

Service review savings proposal

Report to: Executive Board

Date of meeting: 16th October 2024

Report author(s): Chief Officer Highways and Transportation

Report of: Director of City Development

Executive Portfolio(s): Cllr Pryor, Economy, Transport & Sustainable Development

Scrutiny Board(s): Infrastructure, Investment & Inclusive Growth

Proposal title:	Highways & Transportation Civil Engineering: review of structures to reflect anticipated service changes incorporating potential VLS (voluntary leavers' scheme) opportunities
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Potential savings / additional income (net of investment)

Year	2025/26	2026/27	2027/28
Saving / £'000s	-250	0	0

Are there equalities implications?	Yes
Will you be carrying out an equality impact assessment screening prior to the final decision?	Yes

Overview of proposal

The Highways & Transportation service is exploring a number of options in relation to the ongoing Financial Challenge and how it can deliver budget reductions whilst minimising service impact.

Progress will be dependent on four key factors:

- 1) The level of internal and external capital funding of major schemes, especially mass transit, and key areas of work such as Highways Maintenance;
- 2) The state of the economy, which will present income generating opportunities;
- 3) Ensuring the service is fit for purpose, considering statutory obligations, best practice and new ways of working; and
- 4) Internal council HR/ BSC (Business Support Centre) processes to progress VLS in a timely manner.

It is anticipated that the above will culminate in structural changes in some areas of Highways & Transportation and hence VLS opportunities for impacted staff. This specific proposal relates to delivering savings of £250k in 2025/26 within Civil Engineering, equating to a reduction of approximately 5.0 budgeted FTE posts through voluntary measures and the potential deletion of vacant posts.

Planned consultation and engagement

Meaningful consultation will be carried out with relevant staff impacted by any such changes and trade unions. The aim will be to effect change and hence deliver the financial savings in the next financial year, which could mean staff leaving by the end of March 2025.





MEETING OUR FINANCIAL CHALLENGE

Recommendations

Executive Board is requested to:

- Consider the proposal to deliver staffing savings of £250k in Civil Engineering in 2025/26 and approve it going out to consultation as part of the council's Medium-Term Financial Strategy and preparation for setting the 2025/26 Budget: and
- Note that the Director of City Development will be responsible.





Service review savings proposal

Report to: Executive Board

Date of meeting: 16th October 2024

Report author(s): Chief Officer Highways and Transportation

Report of: Director of City Development

Executive Portfolio(s): Cllr Pryor, Economy, Transport & Sustainable Development

Scrutiny Board(s): Infrastructure, Investment & Inclusive Growth

Proposal title:	Highways & Transportation DLO (Direct Labour Organisation): review of structures to reflect anticipated service changes incorporating potential VLS (Voluntary Leavers' Scheme) opportunities
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Potential savings / additional income (net of investment)

Year	2025/26	2026/27	2027/28
Saving / £'000s	-250	0	0

Are there equalities implications?

Are there equalities implications?	Yes
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Will you be carrying out an equality impact assessment screening prior to the final decision?	Yes
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Overview of proposal

The Highways & Transportation service is exploring a number of options in relation to the ongoing Financial Challenge and how it can deliver budget reductions whilst minimising service impact.

Progress will be dependent on four key factors:

- 1) The level of internal and external capital funding of major schemes, especially mass transit, and key areas of work such as Highways Maintenance;
- 2) The state of the economy, which will present income generating opportunities;
- 3) Ensuring the service is fit for purpose considering statutory obligations, best practice and new ways of working; and
- 4) Internal council HR/ BSC (Business Support Centre) processes to progress VLS in a timely manner.

With the above in mind, a number of reviews are being undertaken in relation to the operational side of Highways. These range from a review of winter maintenance grit run routes, a review of paper processes for ordering works, customer service, depot operations, introducing new technology, including AI and the age profile of staff.

It is anticipated that several proposals will emerge from these reviews leading to structural changes in some areas of Highways & Transportation and hence VLS opportunities. This specific proposal relates to delivering savings of £250k in 2025/26 within the Direct Labour Organisation (DLO), equating to a reduction of approximately 5.0 budgeted FTE posts through voluntary measures and the potential deletion of vacant posts.

Planned consultation and engagement

Meaningful consultation will be carried out with relevant staff impacted by any such changes and trade unions. The aim will be to effect change and hence deliver the financial savings in the next financial year, which could mean staff leaving by the end of March 2025.





MEETING OUR FINANCIAL CHALLENGE

Recommendations

Executive Board is requested to:

- Consider the proposal to deliver staffing savings of £250k within the Highways & Transportation Direct Labour Organisation (DLO) and approve it going out to consultation as part of the council's Medium-Term Financial Strategy and in preparation for setting the 2025/26 Budget; and
- Note that the Director of City Development will be responsible.



Service review savings proposal

Report to: Executive Board

Date of meeting: 16th October 2024

Report author(s): Andrew Byrom, Chief Digital & Information Officer (Interim)

Report of: Interim Assistant Chief Executive - People, Digital & Change and Interim Assistant Chief Executive – Finance, Traded and Resources

Executive Portfolio: Councillor Coupar, Resources

Scrutiny Board: Strategy & Resources

Proposal title:	Deletion of non-income generating vacant posts prior to a wider structural review of IDS (Integrated Digital Services)
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Potential savings / additional income (net of investment)

Year	2025/26	2026/27	2027/28
Saving / £'000s	-3,087	-1,294	-1,036

Are there equalities implications?

Yes

Will you be carrying out an equality impact assessment screening prior to the final decision?

Yes

Overview of proposal

As the overall council reduces in size in line with the reset and prioritisation agenda to meet our financial envelope and the broader reshape and organisational design work is progressed as part of the Financial Challenge programme, this creates opportunities to reshape and redesign the Support Services functions across the Strategy & Resources Directorate, including IDS.

Over the coming months and years, many of the council's services, including where and how they are delivered, will change, significantly impacting upon the requirements of IDS. New technology, ongoing building rationalisation and implementation of the authority's Digital Strategy will continue to bring greater opportunities for efficiencies and streamlining of systems and processes.

Against this context, IDS will carry out a full structural review to ensure staffing resources and capabilities remain aligned to the council's current and future digital priorities. Prior to the review, IDS will delete approximately 47 FTE non-income generating vacant posts (both JNC and NJC) that have remained unfilled for a significant period in order to deliver a part-year saving in 2024/25, with a full-year saving from 2025/26. Following the full structural review, and through a mix of workforce measures including the Voluntary Leaver's Scheme and Flexible Retirement scheme, further savings will be delivered.

Details of indicative IDS staffing savings to be achieved over the next three years are as follows.

Description	Potential savings / £'000s				Potential budgeted FTE impact			
	25/26	26/27	27/28	Total	25/26	26/27	27/28	Total
Deletion of vacant posts	-2,335	0	0	-2,335	-46.70	0.00	0.00	-46.70
IDS structural review	-752	-1,294	-1,036	-3,082	-15.00	-25.00	-20.00	-60.00
Total	-3,087	-1,294	-1,036	-5,417	-61.70	-25.00	-20.00	-106.70





MEETING OUR FINANCIAL CHALLENGE

Planned consultation and engagement

As part of the structural review, meaningful consultation with staff and trade unions will be carried out, looking at options to help shape the detailed proposals across IDS and prior to any decisions being taken in accordance with the council's Managing Staff Reductions Policy, which seeks to avoid, reduce or mitigate the need for compulsory measures through voluntary measures. However, compulsory measures cannot be ruled out.

Recommendations

Executive Board is requested to:

- Note the deletion of non-income generating vacant posts in IDS to deliver full-year savings of £2,335k in 2025/26;
- Consider the proposal to carry out a structural review across IDS to ensure staffing resources and capabilities remain aligned to the council's current and future digital priorities that will deliver further savings of £752k in 2025/26 and £3,082k over the next three financial years, and approve this going out to consultation as part of the council's Medium-Term Financial Strategy and preparation for setting the 2025/26 Budget; and
- Note that the Interim Assistant Chief Executive People, Digital & Change will be responsible for the development and implementation of this proposal.





Service review savings proposal

Report to: Executive Board

Date of meeting: 16th October 2024

Report author: Victoria Bradshaw, Interim Assistant Chief Executive – Finance, Traded and Resources

Report of: Interim Assistant Chief Executive – Finance, Traded and Resources, and Interim Assistant Chief Executive – People, Digital and Change

Executive Portfolio: Cllr Coupar, Resources

Scrutiny Board: Strategy and Resources

Proposal title:

Financial Services staffing reductions and efficiencies

Potential savings / additional income (net of investment)

Year	2025/26	2026/27	2027/28
Saving / £'000s	-903	-474	-532

Are there equalities implications?

Yes

Will you be carrying out an equality impact assessment screening prior to the final decision?

Yes

Overview of proposal

Financial Services has a 2025/26 savings target of £903k (approximately 10% of its 2024/25 net managed budget) as part of the council’s approach to delivering a balanced budget in 2025/26 and onwards. The service has a three year savings target of £1.909m for 2025/26 to 2027/28 which will be achieved.

Financial Services comprises five main service areas: Financial Management; Exchequer Services; Revenues; Internal Audit, Corporate Governance & Insurance; and Procurement & Commercial Services. This paper does not include detailed proposals for each of these functions at this point, but does explain the approach to achieving staffing reductions and efficiencies totalling £1.909m across Financial Services as a whole. Detailed proposals for each service area will be drawn up following appropriate consultation and engagement.

As the overall council reduces in size in line with the reset and prioritisation agenda to meet our financial envelope and the broader reshape and organisational design work is progressed as part of the Financial Challenge programme, this context provides opportunities to reshape and redesign the Support Services functions across the Strategy & Resources Directorate, including Financial Services.

In addition, new technology brings greater opportunities for efficiencies and rationalisation of processes meaning some roles, over time, will no longer be required. For example, the Core Business Transformation programme which in its initial phase will be replacing the council’s finance and core procurement systems and modernising the underlying processes.

To ensure the delivery of the identified £1.909m savings over the three years 2025/26, 2026/27 and 2027/28, a programme reviewing non-pay budget streams (for example growing income opportunities where benefits will be realised in 2025/26, efficiencies and transformation) will be undertaken across the Financial Services’ functions. Alongside this, through a mix of workforce measures including the Voluntary Leavers’ Scheme and Flexible Retirement scheme, the number of





MEETING OUR FINANCIAL CHALLENGE

FTEs within Financial Services functions will be reduced, reflective of the wider organisational reductions.

Details of indicative savings to be achieved split by Financial Services' functions are as follows, although given the ambition of a more integrated approach across these service areas and with wider Support Services, the overall savings might be achieved through a slightly different balance.

Service area	Potential savings / £'000s				Potential budgeted FTE impact			
	25/26	26/27	27/28	Total	25/26	26/27	27/28	Total
Financial Management	-553	-300	-300	-1,153	-11.06	-6.00	-6.00	-22.66
Exchequer Services	-107	-45	-48	-200	-2.14	-0.90	-0.90	-3.90
Revenues	-123	-44	-44	-211	-2.46	-0.90	-0.90	-4.26
Internal Audit, Corporate Governance & Insurance	-55	-20	-20	-95	-1.10	-0.40	-0.40	-1.90
Procurement & Commercial Services	-65	-65	-120	-250	-1.30	-1.30	-2.40	-5.00
Total	-903	-474	-532	-1,909	-18.06	-9.50	-10.60	-37.72

Planned consultation and engagement

Meaningful consultation with staff and trade unions will be carried out, looking at options to help shape the detailed savings proposals for each of the Financial Services' functions and prior to any decisions being taken in accordance with the council's Managing Staff Reductions Policy, which seeks to avoid, reduce or mitigate the need for compulsory measures through voluntary measures. However, compulsory measures cannot be ruled out.

Recommendations

Executive Board is requested to:

- Consider the proposal to deliver savings across Financial Services of £903k in 2025/26 and £1,909k over the next three financial years, and approve it going out to consultation as part of the council's Medium-Term Financial Strategy and preparation for setting the 2025/26 Budget; and
- Note that the Interim Assistant Chief Executive – Finance, Traded and Resources will be responsible for the development and implementation of this proposal.

