

The Summary Budget 2011/12



Every year, the council produces a budget to show how we aim to achieve our goals with the money available. The revenue budget has been set based on the Government's Spending Review, which set out proposals to reduce public spending over the next four years.

The Council has had its funding from the Government reduced by over £50m in 2011/12, and has had to deal with increased costs, particularly in Adults and Children's Social Care. To help with this balancing act, there has been extensive consultation with the public.

The budget for the financial year starting on 1st April 2011 includes no increase in the Leeds City Council element of the Council Tax and was approved on 23rd February 2011. It is supported by the [Annual Financial Plan](#), bringing together the individual service budgets and supporting information. This document provides a high level [summary](#) of the budget for 2011/12 and the impact on Council Tax.

Alan Gay CPFA
Director of Resources

How to use this document

Clicking on the boxes below will take you to the different pages. If your computer is connected to the internet, you can also use the underlined links above or click on Leeds City Council's logo to go to our main website.

Introduction	Services	Year on Year	Spending	Funding	Formula Grant	Leeds Council Tax	Other Council Taxes
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Services

This table gives a high-level summary of the services we provide and the resources we plan to use in providing them.

£m	2010/11	2011/12	
	original estimate	original estimate	staffing
Adult social care	206.3	201.4	2,243
Children's services	195.9	187.6	13,553
City development	126.6	115.2	2,351
Environment and neighbourhoods	115.3	103.6	1,609
Central and corporate functions	15.2	10.2	3,895
Central accounts	(5.9)	32.9	
Departmental spending	653.5	650.9	23,650
Contributions to (from) pensions reserve	(89.2)	(71.6)	
Net contributions to (from) other reserves	5.0	4.9	
Council services	569.3	584.2	
Contributions to (from) general reserve		(2.0)	
Net revenue budget	569.3	582.2	

The staffing figures show the full-time equivalent of how many people we plan to employ in March 2012; some people work part-time or share jobs, so the actual headcount will be higher. They include 10,581 school based staff.

The pensions reserve arises because service expenditure has to include the full cost of pensions rights earned by staff currently employed; but local authorities only charge Council Taxpayers with the amount actually paid to the pension fund. The reserve is the difference between the two figures.

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Analysis of change in budget

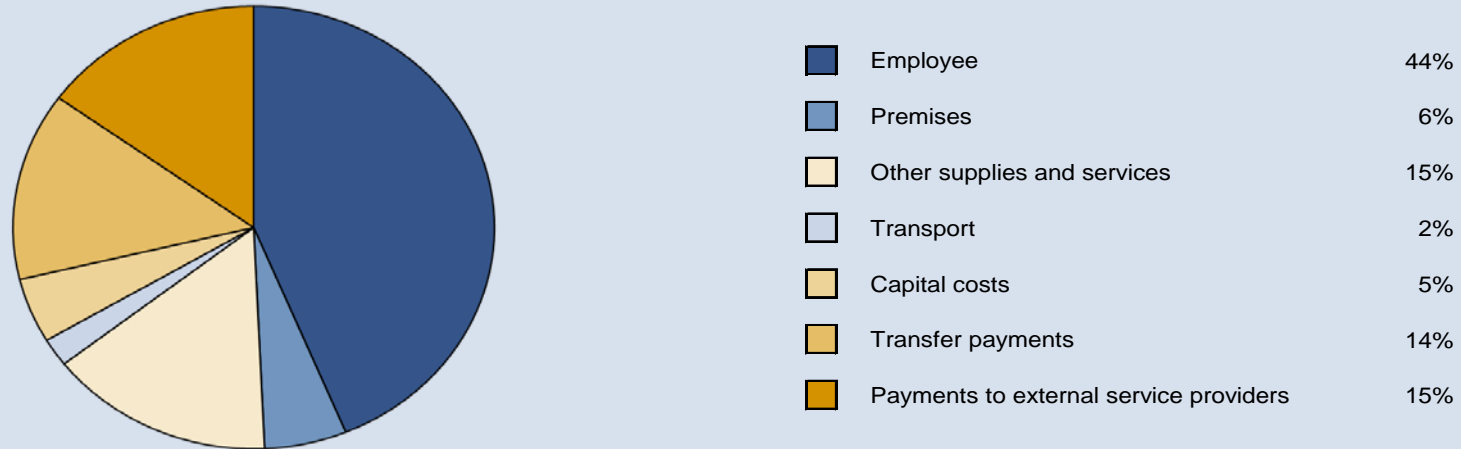
	budget figures		
	£m	£m	%
2010/11		624.9 *	100.0%
Expected effect of inflation and pay awards	2.6		0.3%
Service budget changes	7.8		1.3%
Change in capital financing costs	(4.4)		-0.7%
Budget increases		6.0	1.0%
Savings from working more efficiently and generating more income	(45.7)		-7.2%
Change in the use of reserves and contingencies	(3.0)		-0.5%
Budget decreases		(48.7)	-7.8%
2011/12		582.2	93.2%

* The council's budget for 2011/12 is £42.7m, or 6.8% less than last year's, after adjusting for changes in the funding of specific functions and transfers of specific grants to formula grant of £55.6m.

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Where the money goes

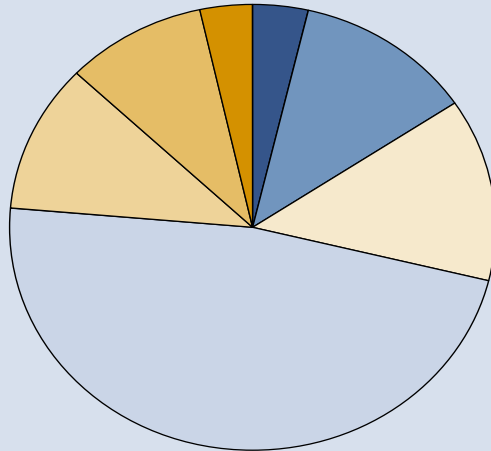
£000s	
Employees	883,007
Premises	111,249
Other supplies and services	305,587
Transport	41,502
Transfer payments	277,614
Capital charges	95,842
Payments to external service providers	302,869
Total spending	2,017,670



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Where the money comes from

£000s		
General funding	Council Tax	267,167
	National Non-Domestic Rates (NNDR)	240,669
	Revenue Support Grant (RSG)	74,392
		582,228
Specific funding	Specific government grants	958,952
	Fees, charges and interest	216,809
	Rents	189,378
	Use of reserves	70,303
		1,435,442
		2,017,670



 Revenue Support Grant (RSG)	4%
 National Non-Domestic Rates (NNDR)	12%
 Council Tax requirement	13%
 Specific government grants	48%
 Fees, charges & interest	11%
 Rents	9%
 Use of reserves	3%

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Formula grant

A significant proportion of the council's funding comes from central government. This 'formula grant' is based on five elements –

- the **grants rolling in using tailored distribution** reallocates funding previously provided by specific grants into formula grant;
- the **central allocation** is the same for all councils;
- the **relative needs amount** recognises that different areas have different social, economic and population characteristics;
- the **relative resource amount** recognises that different areas have different mixes of the various council tax bands; and
- floor damping** gives all areas a minimum percentage increase to bring them up to a 'floor'.

This table compares our formula grant per head for 2011/12 with that for the other large English cities (known as the core cities).

£ per head	tailored distribution	central allocation	relative needs amount	relative resource amount	floor damping	total
Liverpool	65	139	584	(52)	28	764
Manchester	51	139	545	(13)	(8)	714
Birmingham	62	139	525	(42)	(21)	663
Newcastle	40	139	414	(27)	34	600
Nottingham	48	139	419	-	(11)	595
Sheffield	50	139	363	(33)	(10)	509
Bristol	45	139	307	(51)	(29)	411
Leeds	31	139	265	(46)	(1)	388

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Leeds Council Tax

A property's Council Tax is placed in one of eight bands, A to H, based upon its April 1991 valuation. Band D is commonly quoted as this represents the average value across the country, although the majority of Leeds properties fall within bands A and B.

The Council Tax for a property consists of a number of components for the various services provided to the household. The total Council Tax consists of an element for Leeds City Council (the largest amount) and amounts for the Police and the Fire and Civil Defence authorities (known as precepting authorities).

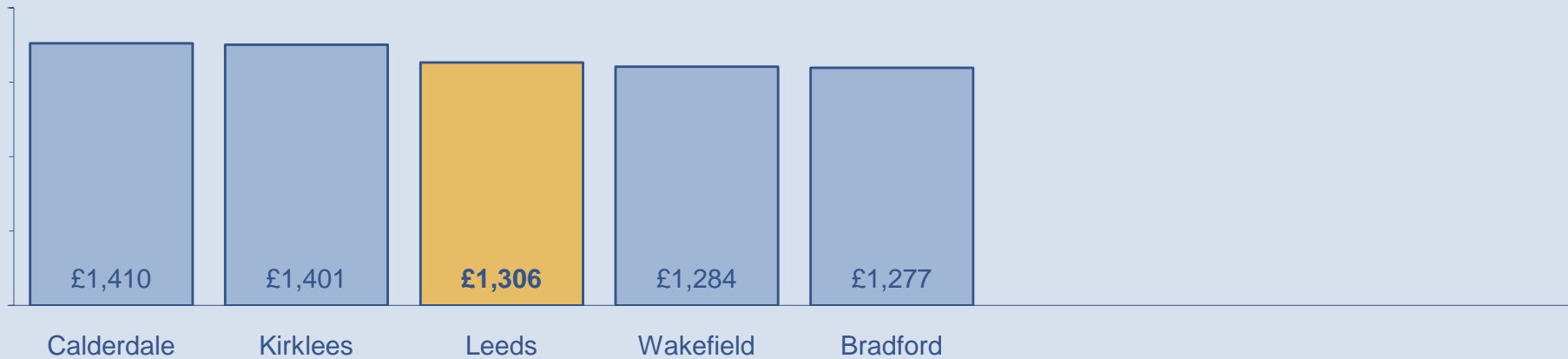
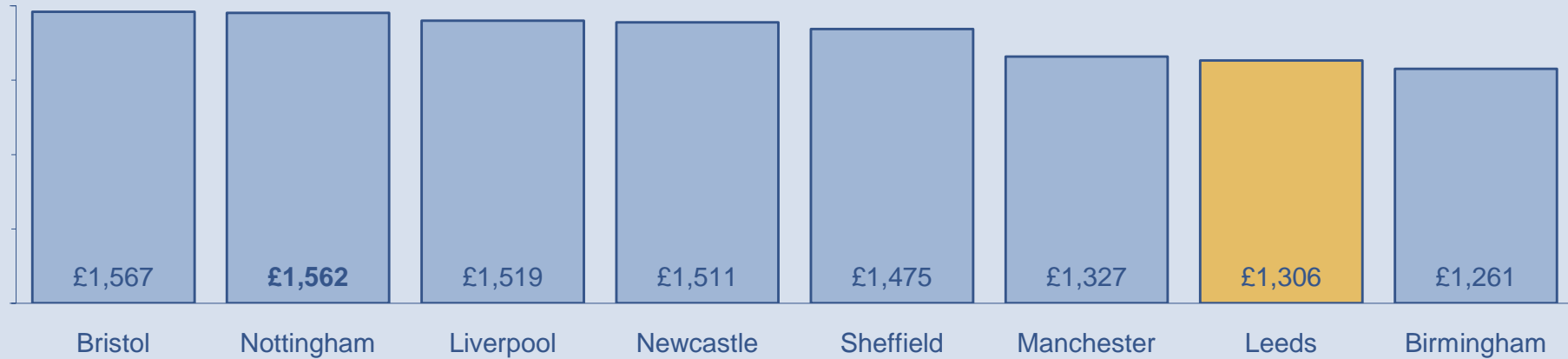
	Total £m	Band D £
Leeds City Council budget requirement	582.2	2,443.80
Amount the council will receive from business rates and formula grant	(314.6)	(1,320.31)
Leeds City Council element of council tax	267.7	1,123.49
West Yorkshire Police Authority	31.1	130.50
West Yorkshire Fire and Civil Defence Authority	12.5	52.41
Total council tax	311.2	1,306.40

Band	A	B	C	D	E	F	G	H
Leeds City Council	748.99	873.82	998.66	1,123.49	1,373.15	1,622.82	1,872.48	2,246.98
Police	87.00	101.50	116.00	130.50	159.50	188.50	217.50	261.01
Fire and Rescue Authority	34.94	40.76	46.59	52.41	64.06	75.70	87.35	105.82
Total	870.93	1,016.08	1,161.25	1,306.40	1,596.71	1,887.02	2,177.33	2,613.81

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Other cities' Council Tax

Despite the challenges of a low formula grant, these graphs for total band D Council Tax show that Leeds compares favourably with the other large English cities ('core cities') and with the other West Yorkshire districts.



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